



Annual report **2022**

STEEN  STROM

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BOARD OF DIRECTORS' REPORT 2022

Steen & Strøm's shopping center portfolio showed positive recovery during 2022, mainly following administrative closure of shopping centers in Denmark and Norway and several restrictions in Sweden during the first semester of 2021. Despite facing continuous macro challenges including Russia's war against Ukraine, high inflation and overall uncertainty, Steen & Strøm has managed to mitigate the financial impacts of the ongoing crisis, and thus maintaining a solid financial position.

Steen & Strøm holds ten shopping centers, located in major regional cities' catchment areas. The portfolio comprises resilient, large and modern assets, adapted to consumer needs and expectations. This has been confirmed during 2022, despite the ongoing, economic challenges, with retailer sales approaching pre Covid levels (-1,8% vs. 2019), a relatively moderate impact on vacancy levels (5.5% at December 31st, 2022) and overall satisfying collection rates (98.3% as of 31 January 2023 for 2022 rents). Seven assets were divested during 2021 (Nordbyen, Amanda, Nerstranda, Vinterbro, Farmandstredet, Torgterrassen/Building D at Arkaden and Lackeraren/big box in Borlänge). Three assets were divested during 2022 (Gulskogen, Maxi and Arkaden in Norway), as well as a development plot/building in Galleria Boulevard (Sweden).

Net rental income on a like-for-like basis increased by +2.4% in 2022 (Norway +7.9%, Denmark +2.3% and Sweden +0.2%), mainly following last year lockdowns in Norway and Denmark, increased variable revenues, indexation and less discounts, to some extent off-set by general increases in service charges and some bankruptcies (impacting provision for credit losses). For the Group as a whole, the indexed linked effect on net rental income was +2.2% and the reversion rate was +0.9% in 2022.

Net interest-bearing debt (not including lease liabilities) decreased by NOK 1 763.1 million to NOK 7 468.7 million 31 December 2022 and is reflected in the Group's Loan-to-Value of 26.2% (29.1%). The average cost of debt was 1.6% in 2022, compared to 1.7% in 2021.

Total change in fair value of investment properties amounted to NOK -1 027.5 million in 2022 (NOK -298.8 million in Norway, NOK -474.9 million in Sweden and NOK -253.7 million in Denmark). The valuations are corresponding to an average net initial yield of 4.7% (4.4% in Norway, 5.4% in Sweden and 4.2% in Denmark), 20 basis points above 2021, influenced by increasing cap rates and interest rates. All assets in Sweden and Denmark decreased in value due to increasing cap rates and interest rates.

KEY FIGURES

RETAILER SALES

Steen & Strøm's business model is to lease premises at its shopping centers to retailers. Retailer sales in Steen & Strøm's shopping center portfolio was still impacted by Covid-19 in 2022, however with very different trends by country, due to differences in outbreaks, national health strategies, restrictive measures and support schemes. Total retailer sales for Steen & Strøm's shopping centers increased by 10.2% in 2022 compared to 2021 on a like-for-like basis (thus excluding those shops that were closed during lockdowns). Per country, like-for-like center sales increased by 23.7 % in Denmark, 21.7% in Norway and 8.9% in Sweden, reaching close to pre-Covid levels in 2019.

In the following, please notice that numbers in brackets are 2021 comparisons.

ECONOMIC ENVIRONMENT

The Scandinavian economy entered a slowdown already before Covid-19, which was accelerated by the pandemic in 2020 and 2021. Following a swift, post-pandemic recovery (better occupancy and sales, less losses and discounts) in 2022, Scandinavia has now entered a new period of uncertainty with high inflation (highest levels in the 21st century), fueled by substantial price increases on 'basic necessities' (i.e. electricity, gas, food,

interest rates on mortgages), low/no unemployment in Norway and Denmark, thus high wage demands, and an overall economic uncertainty following Russia's war against Ukraine.

Annual GDP growth Q3 2022, has increased in Norway (+2.5%), Sweden (+2.5%) and Denmark (3.2%) compared to Q3 2021. Inflation rates are high, with 12.3% in Sweden, 8.7% in Denmark and 5.9% in Norway. The unemployment rate has decreased in Sweden (to 6.4%), whilst Denmark and Norway remained at same levels as in 2021 (2.3% and 3.1% respectively), whilst the consumer confidence worsened significantly in all three countries.

NET RENTAL INCOME

Net rental income from shopping center operations was NOK 1 239.6 million (NOK 1 417.5 million), of which gross rental income was NOK 1 424.4 million (NOK 1 613.2 million). Direct operating expenses at the shopping centers, included in net rental income, amounted to NOK 184.9 million (NOK 195.7 million). Figures exclude rental income from joint venture operated shopping centers, consolidated by application of the equity method (Metro and Økern). Total net rental income, including equity investments, was NOK 1 289.4 million in 2022 (NOK 1 470.3 million).

The average duration of lease contracts is 5.7 years in Norway and 4.9 years in Sweden. Duration of contracts in Denmark is indefinite.

OPERATING EXPENSES

In addition to direct operating expenses as defined above, other operating expenses include salaries, other general expenses and depreciation, amounting to NOK 175.7 million in 2022 (NOK 210.3 million).

CHANGE IN THE FAIR VALUE OF INVESTMENT PROPERTIES

Total fair value change of investment properties was NOK -1 027.5 million (NOK -969.1 million). The valuation of the shopping centers is based on an average yield of 4.69%, which is slightly higher than for 2021. The shopping centers and projects have a book value of NOK 28.5 billion (NOK 31.7 billion) as of 31.12.2022, including equity method investments. The weakening of NOK against DKK and SEK during 2022 has increased the value of investment properties with NOK 0.3 billion. The majority of the Group's assets consist of investment properties. The Group has established routines whereby investment properties are valued twice a year by an external appraiser. The valuation of investment properties is calculated using assumptions and estimates that require significant judgment and may vary significantly dependent on the assumptions applied.

OPERATING INCOME

Steen & Strøm's operating income was NOK 277.6 million (NOK 615.0 million) after fair value adjustments. Gain on disposal of subsidiaries and investment properties was NOK 157.1 million in 2022 (NOK 294.1 million), while other operating revenue amounted to NOK 22.7 million (NOK 11.9 million).

COST OF NET DEBT

Net cost of debt amounts to NOK 17.4 million (NOK 211.5 million), including a NOK 167.5 million currency translation gain (gain of NOK 5.2 million). Net interest income from swaps was NOK 15.8 million in 2022 (net interest expense of NOK 52.0 million). In addition, share of net income of NOK 310.5 million (NOK 88.6 million) has been recognized other investments (equity method shares).

PROFIT BEFORE TAX

Profit before tax amounted to NOK 598.6 million (NOK 507.6 million). Adjusted for fair value changes related to the investment property portfolio and income from disposals, the pre-tax profit equals NOK 1 468.9 million, which is an increase of NOK 286.3 million from 2021.

CASH FLOW

Net cash flow from operating activities was NOK 1 243.1 million (NOK 1 077.4 million), while net cash flow from investing activities was NOK 2 405.4 million (NOK 4 252.0 million). Net cash flow from financing activities was NOK -3 604.3 million (NOK -5 102.5 million). Cash and cash equivalents increased by NOK 44.1 million in 2022 and amounted to NOK 313.8 million at 31 December 2022. The Group has liquidity reserves through unused credit facilities of NOK 1 900 million and un-mortgaged investment properties of NOK 17.8 billion. Un-mortgaged investment properties are the carrying amount of investment properties and investment properties under construction deducted with the total mortgage amount.

FINANCIAL POSITION

Total assets for the Group as at 31 December 2022 have been reduced from 2021 due to divestments and amounted to NOK 30.5 billion (NOK 33.4 billion), of which investment properties amounted to NOK 26.6 billion (NOK 30.1 billion). Change in fair value of Investment properties amounted to NOK -1 027.5 million in 2022 (NOK -969.1 million in 2021), driven by the current impacts of increased inflation and interest levels in general. The valuation of the portfolio corresponds to an average net initial yield of 4.7% (4.5%) of which 4.4% in Norway, 5.4% in Sweden and 4.2% in Denmark.

Booked equity amounted to NOK 17.8 billion at year-end 2022, corresponding to a book equity ratio of 58.1% (55.4%). Net interest-bearing debt amounted to NOK 7.5 billion (NOK 9.2 billion) at 31.12.2022.

SHOPPING CENTER OPERATIONS

Steen & Strøm operates 10 shopping centers in Scandinavia, two centers in Norway, five centers in Sweden and three centers in Denmark.

SHOPPING CENTERS IN NORWAY

Steen & Strøm holds one fully owned shopping center and one partly owned shopping center in Norway. Økern Center is classified as a part of the Økern Sentrum development project and is not included in the figures. The shopping centers saw an increase in retailer sales of 21.7% on a constant portfolio basis in 2022. The shopping centers had a total gross rental income of NOK 310.9 million (NOK 521.7 million) in 2022. Operating income, adjusted for fair value changes and income from disposals, amounted to NOK 271.5 million (NOK 414.5 million). Net rental income and operating income is included contribution from the three divested shopping centers for the first half of 2022. Increase in net rental income like-for-like was +7.9% in 2022.

SHOPPING CENTERS IN DENMARK

Steen & Strøm owns and operates three shopping centers in Denmark. The three fully owned shopping centers increased retailer sales by +23.7% in 2022. Gross rental income for the Danish centers amounted to NOK 563.9 million (NOK 542.1 million). Operating income, adjusted for fair value changes and income from disposals, amounted to NOK 453.6 million (NOK 442.3 million). Like-for-like increase in net rental income was 2.3% in 2022.

SHOPPING CENTERS IN SWEDEN

Steen & Strøm owns and operates five shopping centers in Sweden. The shopping centers saw an increase in retailer sales of 8.9% on a constant portfolio basis in 2022. Gross rental income for the Swedish centers amounted to NOK 549.6 million (NOK 549.4 million). Operating income, adjusted for fair value changes and income from disposals, amounted to NOK 422.9 million (NOK 433.2 million). Like-for-like increase in net rental income was +0.2% in 2022.

SHAREHOLDERS

OWNERSHIP STRUCTURE

Storm Holding Norway AS owns all shares in Steen & Strøm AS. Klépierre, the pan-European leader in shopping malls (56.1%), and Stichting Depositary APG Strategic Real Estate Pool (43.9%) indirectly control all shares of Storm Holding Norway AS through Nordica Holdco AB. Klépierre has its headquarter in Paris and has operations in 12 countries, including Scandinavia. APG is one of the world's largest pension fund managers, based in the Netherlands.

GENERAL MEETINGS

A General Meeting is held when required under the relevant legislation. General Meetings are called by the company's sole shareholder, Storm Holding Norway AS, who also appoints the delegates to represent Storm Holding Norway AS in the General Meeting. Steen & Strøm AS has currently not adopted any resolutions allowing the company to acquire treasury shares.

BOARD OF DIRECTORS

Steen & Strøm AS' Board of Directors currently has five members, elected by the General Meeting. Pursuant to the company's articles of association, the Board of Directors shall consist of between five and seven members. The Board of Directors also acts as the Audit Committee.

The company's majority shareholder, Klepierre SA, has taken out directors and officers liability insurance, covering the directors of the company and any of its subsidiaries for an amount of up to EUR 100 million. The insurance covers any pecuniary consequences as well as defence costs for any claim against the insured individuals introduced during the insurance period or the subsequent period and involving his individual or joint civil liability, attributable to an actual or alleged professional misconduct.

SHAREHOLDER POLICY

Steen & Strøm's long-term goal is to ensure a competitive return on invested capital and equity. Assets are managed to give optimal long-term return. In 2022, the Group provided NOK 40.5 million in group contribution and NOK 1 538.0 million in dividends to Storm Holding Norway AS.

ORGANISATION AND ENVIRONMENTAL ASPECTS

EMPLOYEES

Steen & Strøm is a Scandinavian organization with employees in Norway, Denmark and in Sweden. The Group had 102 (including fix term) employees by end of 2022. These employees are based at our offices in Oslo, Copenhagen and Stockholm and at our 10 shopping centers across Scandinavia. Steen & Strøm has a gender spilt of approximately 63% women and 37% men. Women constitute the majority in positions and departments like accounting, rental, marketing, HR and shopping centers (including four female shopping center managers), while men constitute the larger part in corporate management, development and technical operations. Normal working hours are the same for all employees.

Steen & Strøm is an equal opportunity employer. The average yearly salary of women is lower than that of men as more men are working at managerial levels in the Group. The Board of Directors has five male members and the Scandinavian Management Team has three female members out of nine members in total. The Management Team and the Board of Directors want to recruit women to new or available positions. The Group constantly strive to avoid any kind of discrimination.

Steen & Strøm's majority shareholder, Klepierre SA, has adopted a gender equality policy which aims to increase the proportion of women in the senior management teams to 50% by the end of 2025. The policy applies similarly to Steen & Strøm as a Klepierre group company. Steen & Strøm currently has a female CEO, as well as a senior

management group where 1/3 of the members are women. The company aims to increase the number of women in senior positions in 2023.

The Group has working environment committees, working closely together with employee representatives to maintain a good and positive work environment. Absence due to illness was 4,49% in 2022. No injuries or accidents of any significance occurred in Steen & Strøm the last year.

Steen & Strøm supports and respects the protection of international human rights, and the efforts to secure decent working conditions for all employees, and strives to secure that we do not contribute to any breaches of such rights. A statement regarding our due diligence assessment and efforts made to secure compliance pursuant to the "Transparency Act" ("Åpenhetsloven") will be made available on the company's website, www.steenstrom.com

CORPORATE RESPONSIBILITY AND SUSTAINABILITY STATEMENT

Steen & Strøm has for years, managed a sustainability program with the vision of being one of the leaders within corporate responsibility in our industry. Shopping centers are important social players in the local communities', and this constitute the best possible basis for influencing both the environment and the society around, in a positive direction.

Environmental and social responsibility is also a strategic, key element for Klépierre, our French majority owner. This includes all subsidiaries of the Klépierre Group.

ACT FOR GOOD

To meet our vision of sustainability, Steen & Strøm together with majority owner Klépierre, launched the new CSR approach Act for Good in 2018. **Act for Good** further combines the requirements of operational excellence with environmental, societal and social performance, resting on three pillars:

- **Act for the Planet**, which sums up the Group's ambition to make a positive contribution to the environment. This pillar consists of four initiatives; act for a low-carbon future, contribute to circular economy, innovate for a sustainable mobility and develop a 100% certified portfolio.
- **Act for Territories**, which illustrates the importance of the Group's local involvement in the regions in which it operates. Four initiatives underpin this pillar; promote local employment around our centers, participate in the local community, pursue our responsible citizenship and involve local actors in development projects.
- **Act for People**, which is about the women and men involved with our shopping centers. It is devoted to the well-being of our visitors, our employees and our rental tenants' employees through five initiatives; increase the satisfaction of visitors, promote health and well-being in our centers, offer Group employees a positive experience, champion ethics in the local communities and be social conscious.

ACT FOR THE PLANET - ENVIRONMENTAL FOCUS

Steen & Strøm aims to reduce the environmental impact in both the near and distant surroundings, by systematically analyzing and mapping each shopping center's environmental impact, definition of targets for the sustainable development and continuous improvements by individual actions, measurement and reporting.

Steen & Strøm implemented ISO-14001 in 2014, with yearly internal and external audits by third party auditors.

The pollution from the Group's activities is limited. However, Steen & Strøm has put a lot of effort into environmental issues and developed individual action plans to improve the Group's environmental performance level. Renewable Energy Guarantees of Origin (GO) exists for all power purchased by Steen & Strøm in Norway and Sweden and Denmark. Moreover, for our center Emporia in Malmö, Sweden, all energy supplied is of

renewable origin. For our center Field's in Copenhagen we have purchased Gold Standard certified climate compensation credits to compensate for the emissions of the district heating we are consuming.

Steen & Strøm is also investing in new and existing centers to create the best retail destinations for the future; hence, responsible decision making in relation to development projects is required. In major development projects we comply with the international classification system "BREEAM", aiming for level "excellent". In 2022, we also started to recertify our portfolio of existing centers BREEAM In-Use V.6

GRESB

In the annual Global Real Estate Sustainability Benchmark ("GRESB") of 2022, Steen & Strøm increased its very high score of 96 points to 97 points (one point behind Klépierre that also increased with one point).

A comprehensive non-financial report on environmental and social responsibility describes the Klépierre Group's commitment to meet its goal of being among the leaders in environmental and social responsibility in the shopping center industry. The report highlights key policies, target areas and action plans, as well as case studies that highlight focus areas within both Klépierre and Steen & Strøm.

CLIMATE RISK

The climate change is demanding for all of us. To be in the front Steen & Strøm has used a third-party auditor to perform "Flood Risk Assessment" and "Natural Risk Assessment" on all our shopping centers during 2022. The result of the Flood Risk Assessment and Natural Hazard Risk Assessment was overall very positive. No significant risks were found at any center. On a few of our centers some minor risks were identified. All of those minor risks have been entered into our Risk and Deviation file and are handled due to our normal procedure for how we handle risks following the Klepierre risk matrix.

ORGANIZATION

Steen & Strøm has a steering committee for CSR (Act for Good Committee) consisting of the following management representatives: Chief Executive Officer, Head of Maintenance and Sustainability, Chief Operation Officers, Head of Marketing, Head of Human Resources, Head of Leasing and CSR Officer.

KEY TARGET AREAS

Within energy management, Steen & Strøm is working proactively to reduce energy consumption and increase its share of renewable energy. The saving in 2022 versus 2021 was 10% percent. Within waste management, the goal is to achieve the highest possible degree of sorting. The goals are set individually for each country and shopping center, with a recovered material waste proportion of 50% for the shopping centers by end of 2022, versus 50% for 2021 (like-for-like portfolio of shopping centers).

Within water management, the consumption was increased by 4% in 2022 compared with 2021. Within transport, one of the main goals is to increase the number of charging stations/points for electric cars and a project has been started in 2022 to fulfill the goals.

CORPORATE GOVERNANCE

Steen & Strøm aims to comply with requirements outlined in laws, regulations and general good business ethics. The Group strives towards openness on its' economic performance and business operations. Corporate governance is founded on a systematic application of principles laid down in Norwegian recommendations within the field, and we aim at harmonizing with current international guidelines of corporate governance.

RISK MANAGEMENT AND CONTROL

Steen & Strøm is following a framework of risk management and internal control developed with its majority owner, Klepierre. The purpose of this framework is to ensure a strong link between the overall strategy and goals of the Group, incl. daily operations in the various companies owned by the Group. During 2022, Steen & Strøm

has continued to ensure harmonization of procedures for risk and control in accordance with Klépierre's framework. This includes coordination of methodology for first and second level of controls, as well as internal audits on selected areas. Steen & Strøm has established a five-year strategy, which is the basis for yearly plans and budgets.

The Group activities involve different kinds of risk; operational risk, market risk, credit risk, liquidity risk and risks related to floating/fixed interest rates. The Board of Directors set the goals and frameworks for operational and financial risks. The main driver in the operational business of the Group is the development in retail spending. Based on available public forecasts we have reason to believe that the growth will stabilize upon Covid-19 in the Scandinavian markets and the shopping center business will have its reasonable share of the retail spending. The Group's credit risk is primarily related to the ability of the tenants to pay rent. Steen & Strøm has some 1 000 leasing contracts. Prominent, stable retail chains form the major Group of our tenants. Clear routines have been established on credit check of tenants before contract signing and follow-up of due invoices. The Group loss on receivables is limited. The liquidity risk is managed by always having reserves in the form of liquid, current assets, unused credit facilities and un-mortgaged properties. We aim to limit liquidity risk that arises from the refinancing of Group debts by scheduling maturity dates for loans at different times of the year and by having sufficient reserves to cover short-term refinancing needs. To reduce the exposure to interest-rate changes in the short-term interest market, the Group has signed fixed interest swaps for approximately 80% of its loan portfolio.

EMPLOYEES AND WORKING ENVIRONMENT

Steen & Strøm's most important resource is its employees. The Group aims to promote a healthy working environment for all employees. This by involving employees and follow-up in terms of employee satisfaction surveys. The physical work environment is monitored through meetings concerning the Group's working environment both at Scandinavian and national level. Risk assessment has been prepared for each center, as well as feedback from employees. Steen & Strøm strives to offer regular courses in safety, first aid and fire fighting for all relevant staff. The number of work-related accidents is very low.

ACTIONS AGAINST CORRUPTION

Steen & Strøm has an employee manual and ethical guidelines where regulations are incorporated to highlight the Group's attitude to prevent corruption, and in line with the Working Environment Act, established procedures for whistleblowing and notification. Steen & Strøm has also established actions to reveal eventual corruption; this implies actions of control that are organized through internal control processes, ordinary audit and internal/external audits. It's mandatory for all new employees in Scandinavia to attend a virtual anti-corruption training developed by Klepierre.

CUSTOMER-CENTRIC MALL MANAGEMENT

Steen & Strøm is a retail focused company concentrating its efforts on better serving its direct clients: the retailers. This is achieved through an active marketing policy and specific mall design guidelines, both aimed at enhancing the customer experience in its malls:

- **Retail First** means that Steen & Strøm regularly interacts with national and international retailers in order to facilitate their growth efficiently, whether this means optimizing their presence and their store format or offering new points of sale.
- **Let's Play** launched together with the majority owner Klépierre, sums up the positioning of the Steen & Strøm centers. It conveys the idea of promoting shopping as a game and infusing a "retailtainment" spirit combining retail and entertainment into all Steen & Strøm shopping centers.
- **Clubstore** launched together with majority owner Klépierre, is Steen & Strøm's comprehensive approach to the customer experience. The approach contains a holistic set of detailed standards with respect to 15 touch points with customers, from digital access to welcome desks, from parking to storefronts, from lightening to sound & smell, from break zones to kids' entertainment, etc.

FINANCIAL REPORTING PROCESS

Steen & Strøm AS has bonds listed on Oslo Stock Exchange. Hence, the external financial reporting is compliant with the regulations of Oslo Stock Exchange and Norwegian laws and regulations in general. Internal financial reporting is produced on a quarterly basis and results are assessed and analyzed against budgets and last year figures. Number of board meetings was four in 2022, of which three ordinary and one extraordinary. The financial performance was on the agenda in all the ordinary meetings.

The Group financial statements are prepared by the financial department and are audited by an independent auditor on a yearly basis. In addition, external companies perform audits and controls on specific issues. Routines for reporting and benchmarking contribute to make irregular costs visible. Investment properties are stated in the balance sheet at fair value, according to IAS 40. Value of investment properties makes up 95% of all Group assets and is Steen & Strøm's only Key Account Matter (KAM). An independent external appraiser, Cushman & Wakefield, makes the valuation of the investment properties. The valuations are carried out according to the Red Book issued by the Royal Institution of Chartered Surveyors (RICS). The valuation methods used are the discounted cash flow method (DCF) and capitalization of net market rental value.

ACTIONS OF CONTROL

Steen & Strøm organizes internal and external actions of control. Internal control actions comprise mainly ordinary internal control within the financial and operational processes. External controls actions comprise ordinary audit, extended audit, risk analyses and insurance analyses.

GOING CONCERN

The financial statements have been presented under the assumption of going concern. It is the opinion of the Board of Directors that the financial statements and notes presented for the year give satisfactory information about the Group's operations and financial position at the end of the year. The Board of Directors confirms that the annual accounts give a true picture of the Company's and the Group's assets, liabilities, financial position and result for the year. It is the Board of Directors' opinion that nothing of significance has occurred after the end of the year that would harm the Group's reputation or change the Group's financial position. In accordance with Section 3-3a of the Norwegian Accounting Act, we hereby confirm that conditions for going concern is fulfilled. The Group has a shopping center portfolio of high quality, a strong financial position and employees with high competence within the shopping center business.

STEEN & STRØM AS

Steen & Strøm AS is a limited liability company incorporated in Norway. The company is providing administrative services and property management services for the other entities within the Steen & Strøm Group and jointly controlled companies. Most of its operating income is from selling administrative and property management services. All employees in Norway are employed by Steen & Strøm AS. Also, the Steen & Strøm Group bond (certificates) financing is carried out through this company.

In 2022 Steen & Strøm AS sold its fully owned subsidiaries Hamar Storsenter AS, Gulslogen Senter AS and Stavanger Storsenter AS. The transfers were formally made and cash proceeds received 1 July 2022. Proceeds from the three disposals amounted to in total NOK 1 671 million (including a sellers' credit of NOK 200 million). In relation to these disposals Steen & Strøm AS also received in total NOK 1 109 million in repayment of loans from the divested companies.

Steen & Strøm AS had a profit for the year of NOK 301.7 million (NOK 1 586.9 million). The company has a very solid financial position with an book equity ratio of approximately 73% at 31 December 2022.

FUTURE PROSPECTS

THE MARKET IN GENERAL

Consumer spending has historically been stable in Scandinavia compared to other regions. The outlook for 2023 is still influenced by shifting retailer sales trends, due to the continuous war in Ukraine and current high inflation. Inflation seems to reach a stagnating point, and sales trends are still very volatile, but the conflict in Ukraine persist. In general, we continue to observe a “polarization” of shopping malls, where larger and well-located shopping centers continue to perform well.

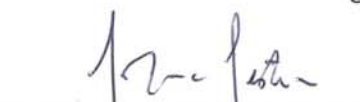
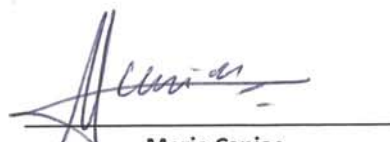
STEEN & STRØM’S MARKET POSITION

Steen & Strøm’s shopping centers are located in major regional cities’ catchment areas. For most of the shopping centers, between 100 000 and 1 800 000 people live less than 30 minutes away by car. Our portfolio comprises large and modern assets, which is viewed as attractive by the tenants. This is confirmed by the Group’s ability to deliver positive NRI growth on a stable and a relatively high occupancy rate of 94.5% by the end of 2022.

The level of full recovery of pre-covid sales among physical retailers depends on the duration of the macroeconomic situation, including the war in Ukraine. Consequently, we are anticipating a continued but stagnating recovery throughout 2023, in accordance with the trends during second half of 2022. Steen & Strøm is still expecting a long-term positive development for the real estate property business.

The board of directors would like to thank all employees and customers for great efforts and positive contributions in 2022.

Oslo, 29 March 2023


Jean-Marc Jestin
Chairman of the Board
Rutger van der Lubbe
Member of the Board
Rafael Torres Villalba
Member of the Board
Stephane Tortajada
Member of the Board
Thomas Lourenco
Member of the Board
Marie Caniac
Chief Executive Officer

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of NOK	Note	2022	2021
Gross rental income		1 424 412	1 613 215
Non-recovered rental expenses		- 139 936	- 140 264
Building expenses (owner)		- 44 918	- 55 432
Net rental income	3.1, 9	1 239 558	1 417 519
Management, administrative and related income		61 447	70 863
Other operating revenue		22 652	11 939
Change in the fair value of investment properties	5,3	-1 027 456	- 969 144
Payroll expenses	10	- 115 019	- 126 551
Other general expenses	11.3,11.5	- 50 552	- 50 680
Depreciation and impairment on investment properties	5,3	- 268	- 268
Depreciation and impairment on intangible assets and furniture and equipment	5.1,5.2	- 9 851	- 32 839
<i>Proceeds from disposal of investment properties and equity investments</i>		<i>1 678 727</i>	<i>3 220 402</i>
<i>Net book value of investment properties and equity investments sold</i>		<i>-1 521 631</i>	<i>-2 926 272</i>
Gain on disposal of investment properties and equity investments	6.1	157 096	294 130
Operating income		277 606	614 968
Net dividends and provisions on non-consolidated investments		301	0
<i>Financial income</i>		<i>590 175</i>	<i>442 225</i>
<i>Financial expenses</i>		<i>- 607 623</i>	<i>- 653 693</i>
Net cost of debt	6,2	- 17 448	- 211 468
Change in the fair value of financial instruments		27 602	15 481
Share of earnings in equity investment entities	5.4	310 510	88 604
Profit before tax		598 570	507 585
Corporate income tax	7	- 18 817	20 472
Net income of consolidated entity		579 754	528 057
Average number of shares (in thousands)		29 303	29 303
Earnings per share		20	18
In thousands of NOK		2022	2021
Net income of consolidated entity		579 754	528 057
Other comprehensive income items recognized directly as equity			
Items that may be reclassified subsequently to profit or loss			
Gain/loss on cash flow hedges		353 702	149 875
Income tax related to cash flow hedges		- 30 864	- 32 399
Exchange differences on translation of foreign operations		- 57 014	- 820 286
Items that will not be reclassified subsequently to profit or loss			
Other comprehensive income		265 824	- 702 811
Total comprehensive income		845 578	- 174 754
Comprehensive earnings per share		29	- 6

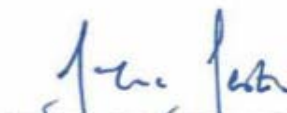
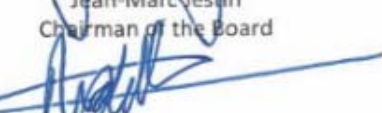
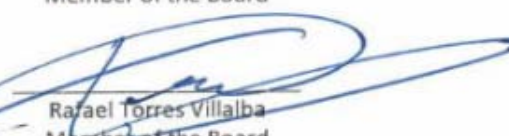
The accompanying notes are an integral part of the consolidated financial statements.

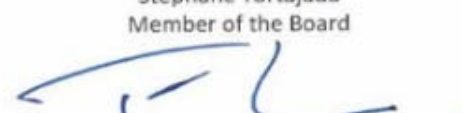
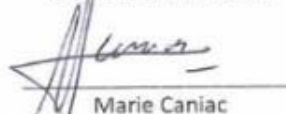
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of NOK	Note	31/12/2022	31/12/2021
Goodwill	4.2	348 425	348 425
Intangible assets	5.1	20 237	17 341
Furniture and equipment and work in progress	5.2	28 585	16 598
Investment properties and properties under construction	3.2, 5.3, 5.10, 9, 11.1	26 640 670	30 140 407
Equity method securities	5.4	1 850 510	1 560 000
Other non-current assets	5.5, 11.1	206 115	5 406
Non-current derivatives	8, 11.1	447 339	63 149
Deferred tax assets	7	152 580	145 379
NON-CURRENT ASSETS		29 694 460	32 296 705
Investment properties held for sale	5.3a, 11.1	57 145	58 908
Trade accounts receivables	5.6, 11.1	143 248	133 972
Other receivables	5.7, 11.1	312 398	382 513
Current derivatives	8, 11.1	16 843	18 104
Cash and cash equivalents	5.8	313 824	460 902
CURRENT ASSETS		843 457	1 054 400
TOTAL ASSETS		30 537 918	33 351 105
Share capital	5.9	73 259	73 259
Additional paid-in capital		4 028 584	4 028 584
Consolidated reserves		13 071 845	13 856 498
<i>Hedging reserves</i>		370 807	47 969
<i>Other consolidated reserves</i>		12 701 038	13 808 529
Consolidated earnings		579 754	528 057
SHAREHOLDERS' EQUITY		17 753 441	18 486 398
Non-current financial liabilities	5.10, 11.1	6 001 422	8 363 972
Non-current derivatives	8, 11.1	4 723	2 082
Security deposits and guarantees	11.1	126 646	119 212
Deferred tax liabilities	7	3 987 924	4 135 282
NON-CURRENT LIABILITIES		10 120 714	12 620 548
Current financial liabilities	5.10, 11.1	2 159 857	1 507 786
Bank facilities	5.8, 11.1	0	173 004
Trade payables	11.1	126 823	166 275
Other liabilities	5.11, 11.1	274 580	311 700
Current derivatives	8, 11.1	0	8 540
Social and tax liabilities	5.11, 11.1	102 501	76 852
CURRENT LIABILITIES		2 663 762	2 244 158
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		30 537 918	33 351 104

The accompanying notes are an integral part of the consolidated financial statements.

Oslo, 29 March 2023


 Jean-Marc Jestin
 Chairman of the Board

 Rutger van der Lubbe
 Member of the Board

 Rafael Torres Villalba
 Member of the Board


 Stephane Tortajada
 Member of the Board

 Thomas Lourenco
 Member of the Board

 Marie Caniac
 Chief Executive Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of NOK	Note	2022	2021
Net income of consolidated entity		579 754	528 057
Depreciation and impairment investment properties, intangible assets, furniture and equipment		10 119	33 107
Change in the fair value of investment properties		1 027 456	969 144
Capital gains and losses on asset disposals net of taxes and deferred taxes		-156 770	-294 130
Income taxes		18 817	-20 472
Share of earnings in equity method investees		-310 510	-88 604
Reclassification of financial interests and other items		275 963	261 243
Paid taxes		-32 520	-28 592
Change in operating working capital		-128 694	-282 392
Net cash flow from operating activities		1 283 614	1 077 361
Proceeds from sale of investment properties	6,1	778	9 481
Proceeds from sale of other fixed assets		150	0
Proceeds from disposal of subsidiaries (net of cash disposed)	6,1	1 666 993	3 165 034
Acquisitions of investment properties	5,3	-7 712	-13 705
Payments in respect of construction work in progress	5,3	-109 930	-148 418
Acquisitions of other fixed assets	5.1,5.2	-26 154	-12 813
Proceeds of loans and advance payments granted and other investments	6,1	881 231	1 252 373
Net cash flow from investing activities		2 405 356	4 251 952
Dividends and group contributions paid to the parent company's shareholders		-1 578 535	-1 921 512
New loans, borrowings and hedging instruments	5,10	1 449 844	0
Repayment of loans, borrowings and hedging instruments	5,10	-3 311 147	-2 950 054
Interest paid		-202 809	-228 326
Other cash flows related to financing activities		-2 191	-2 571
Net cash flow from financing activities		-3 644 838	-5 102 463
Net changes in cash		44 133	226 851
Cash at the start of the period		287 898	111 126
Effect of foreign exchange differences		-18 207	-50 079
Cash at the end of the period	5.8	313 824	287 898

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

31/12/2021							
In thousands of NOK	Share capital	Additional paid-in capital	Hedging reserves	FX conversion reserves	Consolidated reserves	Consolidated earnings	Total Equity
Opening statement	73 259	4 028 584	- 69 507	2 390 530	14 824 078	- 664 141	20 582 803
Reclassification of last year's net income					- 664 141	664 141	
Net income for the period						528 057	528 057
Net income of consolidated entity					- 664 141	1 192 198	528 057
Income from cash-flow hedging net after tax			117 476				117 476
Exchange differences on translation of foreign operations				- 820 286	0		- 820 286
Other comprehensive income			117 476	- 820 286	0		- 702 811
Group contribution					- 224 012		- 224 012
Dividends paid					-1 697 500		-1 697 500
Other Movements				- 7	- 133		- 139
Closing statement	73 259	4 028 584	47 969	1 570 236	12 238 293	528 057	18 486 398
31/12/2022							
In thousands of NOK	Share capital	Additional paid-in capital	Hedging reserves	FX conversion reserves	Consolidated reserves	Consolidated earnings	Total Equity
Opening statement	73 259	4 028 584	47 969	1 570 236	12 238 293	528 057	18 486 398
Reclassification of last year's net income					528 058	- 528 058	
Net income for the period						579 754	579 754
Net income of consolidated entity					528 058	51 696	579 754
Income from cash-flow hedging net after tax			322 838				322 838
Exchange differences on translation of foreign operations				- 57 014	0		- 57 014
Other comprehensive income			322 838	- 57 014			265 824
Group contribution					- 40 535		- 40 535
Dividends paid					-1 538 000		-1 538 000
Other Movements							
Closing statement	73 259	4 028 584	370 807	1 513 223	11 187 815	579 754	17 753 441

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Steen & Strøm AS (the Company) is a limited liability company incorporated in Norway. The Company's principal offices are located at Dronning Eufemias gate 8, N-0191 Oslo, Norway. The Group also has offices in Copenhagen and Stockholm, in addition to offices at the shopping centers.

The consolidated financial statements for the accounting period of 1 January 2022 to 31 December 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 29 March 2023. The principal activities of the Company and its subsidiaries (the Group) are described in Note 3.1 Segment information.

2 ACCOUNTING PRINCIPLES

2.1 BASIS OF PREPARATION

The consolidated financial statements for the year 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The Group's consolidated statement of comprehensive income (EPRA model), consolidated statement of financial position (EPRA model), consolidated statement of cash flows and consolidated statement of changes in equity are presented with comparable numbers for the prior year. The functional currency of Steen & Strøm AS is the Norwegian krone (NOK), thus group accounts are presented in NOK. Presentation and classification of items in the financial statements is consistent for the periods presented. The consolidated financial statements have been prepared on a historical cost basis, except for certain assets and liabilities which are presented at fair value (primarily derivatives contracts and investment properties).

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

Steen & Strøm Group uses the EPRA model for reporting of consolidated statements of comprehensive income and consolidated statements of financial position. EPRA is an abbreviation for the European Public Real Estate Association. EPRA's mission is to promote, develop and represent the European public real estate sector.

The EPRA reporting model makes the financial statements of public real estate companies clearer and more comparable across Europe which in turn enhances the transparency and coherence of the sector. The EPRA reporting model is used by more than 80% of Europe's real estate companies, including Klépierre. For more information, visit the Association's website at www.EPRA.com.

2.2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS AND AMENDMENTS

New standards and amendments adopted as of 1 January 2022

No standards adopted by the Group for the first time for the current period have a material impact on the amounts reported, presentation or disclosures in these financial statements.

New IFRS standards, amendments and interpretations issued but not effective for the financial year ending 31.12.2022 and not early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. No new and revised IFRS standards issued are deemed to have any material impact on the consolidated financial statements for the Group.

2.3 CONSOLIDATION

The consolidated financial statements include the financial statements of Steen & Strøm AS (the Company) and entities controlled by Steen & Strøm AS (the Group). Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Control normally exists when the Group has more than 50% of the voting power through ownership or agreements. Non-controlling interests in subsidiaries are presented within the Group's equity.

The Group applies the acquisition method under IFRS 3 to account for business combinations. Subsidiaries are fully consolidated from the date on which control is obtained and ceases from the date control is lost.

Investments in associated companies, where the Group has significant influence but not control, are accounted for using the equity method of accounting. Significant influence is the power to participate in the financial and operating policy decisions of the associate but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The Group reports its interests in joint ventures using the equity method of accounting. Using the equity method, an investment in a joint venture is initially recognised in the financial statements at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture.

When the Group's share of losses of an associate or joint venture exceeds the Group's interest in the associate or the joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sales transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Intercompany transactions and related balance sheet items, including internal profit and unrealised gains and losses are eliminated. Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.4 CLASSIFICATION OF INCOME AND EXPENSES IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EPRA MODEL)

The Group applies these classifications in Net rental income:

Gross rental income

Gross rental income includes rents from investment property and rent-related income such as car park rentals and early termination indemnities, income from entry fees and other related income.

Stepped rents, rent-free periods and entry fees are recognised over the fixed term of the lease contract.

Land expenses (real estate)

From 2019 onwards, the Group has treated lease payments for properties built on land subject to building lease in accordance with IFRS 16 Leases.

Non-recovered rental expenses

Non-recovered building rental expenses are stated net of charges re-invoiced to tenants and mainly comprise expenses related to vacant premises.

Building expenses (owner)

Building expenses (owner) consist of owner's expenses related to construction work, legal costs, bad debt expense and costs related to real estate management.

In addition, Revenue classified as part of Operating income is:

Other operating revenues

Other operating revenues include building works re-invoiced to tenants and other income.

2.5 CASH AND CASH EQUIVALENTS

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. See note 5.8 for information related to bank credit facilities.

2.6 TRADE ACCOUNTS RECEIVABLE

Trade receivables are primarily lease receivables from tenants and meet the requirements of SPPI and the business model of hold to collect. These receivables are initially recognised at fair value and subsequently measured at amortised cost less any loss allowance for expected credit losses (ECL). The loss allowance for the trade receivables is measured each period at an amount equal to lifetime expected credit losses, as an accounting policy choice allowed in IFRS 9 for lease receivables. See notes 2.11 and 5.6 for additional information.

2.7 HEDGE ACCOUNTING

At the inception of each hedge relationship a specific derivative is designated as a hedge of future cash flows related to a highly probable forecasted transaction, normally for the Group this is a floating-rate interest payment. Documentation is created at the inception of the hedge for the relationship between the hedging instrument (derivative) and the hedged item (future cash flows), as well as to document possible sources of hedge ineffectiveness and the evaluation of hedge effectiveness. All hedges, both at hedge inception and on an ongoing basis, are assessed prospectively for hedge effectiveness.

The effective portion of changes in the fair value of derivatives that are designated and qualify as hedge instruments for a cash flow hedge is recognised in other comprehensive income (OCI). The ineffective portion is recognised in the profit or loss statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in OCI at that time remains in OCI and is recognised when the forecasted transaction is ultimately recognised in profit or loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to profit or loss.

2.8 LEASING

The details of accounting policies under IFRS 16 are presented below.

(I) The Group as lessee

The Group assess whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any incentives receivable,
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date,
- The amount expected to be payable by the lessee under residual value guarantees,
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options, and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented within Non-current financial liabilities and Current financial liabilities in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group re-measure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest-rate, in which case a revised discount rate is used).

A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case:

- The lease liability is re-measured based on the lease term of the modified lease by discounting the revised lease
- Payments using a revised discount rate at the effective date of the modification

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within Furniture's and equipment and Investment properties and properties under construction in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the Furniture and equipment policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the Other general expenses in profit of loss.

(II) The Group as lessor

The Group enters into lease agreements as a lessor with respect to its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

2.9 INVESTMENT PROPERTIES

Investment properties comprise land and buildings for rent. Investment properties are initially recognised at cost and subsequently measured at fair value and changes in fair value are recognised in profit or loss in the period in which they occur. Fair value is the estimated value of the asset in a transaction between independent parties, without any deduction for transaction costs.

Fair value represents an estimated gross sales value of the asset at the balance sheet date. Investment properties are valued twice a year by external appraisers who use a cash-flow based model in the calculation of fair value. For further details, see Note 5.3 and Note 11.1.

Sale of subsidiaries where the main asset is an Investment Property is presented as gain (loss) on disposal of investment properties and equity investments sold. The gain (loss) is calculated as the fair value of the received payments reduced for the net book value of the assets and liabilities connected to the asset.

2.10 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

The Group classifies its financial assets in the following categories: at fair value through profit and loss and amortised cost.

(I) Financial assets at fair value through profit and loss

A financial asset is classified in this category if it does not meet the conditions of SPPI (solely payments of principal and interest). Derivatives are by definition always at fair value over profit or loss (FVOP) unless designated as a hedging instrument. Financial assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(II) Amortised cost

All non-derivative financial assets held by the Group with fixed or determinable payments meet the SPPI criteria and have a business model of hold to collect. These financial assets are measured at amortised cost in the statement of financial position, and any interest income earned and impairment on the assets is recognised in the profit or loss statement. These financial assets are included in current assets, except for assets with maturities greater than 12 months after the end of the reporting period. These financial assets are classified as non-current assets.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method, less any loss allowance. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

The Group classifies its financial liabilities in the following categories: fair value through profit and loss and amortised cost. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the liability. The difference between the carrying amount of the financial liability and the consideration paid and payable is recognised in profit or loss at the date of de-recognition.

(I) Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is irrevocably designated at fair value to eliminate or reduce an accounting mismatch or when the financial liability (or group of liabilities) is managed and performance is evaluated on a fair value. Derivative instruments are subsequently measured at fair value, with any gains or losses arising on re-measurement recognised in other comprehensive income or through profit or loss if the requirements for hedge accounting is not met.

(II) Amortised cost

Unless designated at fair value, financial liabilities are initially recognised at amortised cost. Financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

2.11 IMPAIRMENT OF FINANCIAL ASSETS

The Group has adopted the accounting policy to use the simplified approach for measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for trade accounts receivable (lease receivables). To measure the expected credit losses, trade account receivables have been grouped based on shared credit risk characteristics and the days past due. Expected loss rates are based on payment profiles over a period of 36 months. Historical loss rates are adjusted to reflect current and forward-looking information on factors affecting the tenant's ability to settle their liabilities. Such factors include the probability of bankruptcy and general market conditions for specific shopping centers.

2.12 EQUITY

(I) Debt and equity

Financial instruments are classified as debt or equity in accordance with the underlying economic reality and IFRS requirements. Interest, dividends, gains and losses related to a financial instrument which is classified as debt are recognised as an expense or income. Payments to holders of the financial instruments which are classified as equity will be recognised directly through equity.

(II) Treasury shares

Own equity instruments which are reacquired (treasury shares) are deducted from equity. No gains or losses are recognised in the income statement on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(III) Costs of equity transactions

Costs of equity transactions are recognised directly through equity (net of tax). Only transaction costs related to equity transactions are recognised in equity.

(IV) Other equity

(a) Reserve for exchange differences on translation of foreign operations (FX conversion reserves)

Foreign currency exchange differences on translation of foreign operations occurs in connection with currency differences in the consolidation of foreign companies. At the disposal or sale of a foreign entity, the foreign currency translation differences related to the subsidiary are reversed and recognised in the consolidated statement of comprehensive income as in the same period as the recognition of the gain or loss related to the transaction.

(b) Hedging reserves

Hedging reserves is the total net change in fair value of the derivatives designated as instruments for a cash flow hedge, until the hedged cash flow occurs or is no longer expected to occur.

2.13 REVENUE RECOGNITION

Revenues are recognised when it is probable that economic benefits from the transactions will flow to the Group, and the revenues can be reliably measured. Revenues are measured at the fair value of consideration received, net of discounts and sales related taxes.

Rental income from investment properties is recognised using the straight-line method over the lease contracts' firm periods. At termination of a lease, the tenant's lease payment is recognised over the remaining lease term, or until the new tenant moves in. Income from rental agreement guarantees is treated the same way as terminations. In the event of the Company releasing a tenant from the lease contract, the costs are expensed immediately.

Discounts cover abandoned rents and cash discounts granted during the lifetime of the lease contract. Discounts are either granted as an "introduction" discount upon the start of the contract, like an initial "rent free period" or stepped cash discounts, or it can be

granted as a one shot, cash discount at any time during the contract duration. Discounts are presented according to IFRS 16 Leases, thus when discounts are exchanged for another "Lease modification", i.e. prolongation of the contract period, discounts are straight-lined over the remaining duration of respective contracts. Other, exceptional discounts, without lease modification are expensed immediately.

Interest income is recognised using the effective-interest method as it is earned. Dividends are recognised when the shareholder's right to receive dividends is established by the General Assembly.

2.14 FOREIGN CURRENCY

(I) Foreign currency transactions

Transactions in foreign currency are initially recognised in the functional currency of the entity at the exchange rate at the date of the transaction. Monetary assets in foreign currencies are translated to the functional currency at the Group's exchange rate at the reporting date. Non-monetary items that are measured at historical cost in foreign currency are translated using exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in foreign currency are translated using exchange rates determined on the fair value valuation date. All exchange gains or losses are recognised in profit or loss.

(II) Foreign entities

Assets and liabilities of foreign operations, including goodwill and fair value adjustments, arising on consolidation, are converted to the presentation currency (NOK) using the Group's closing rate. Revenues and expenses of foreign operations are converted to the presentation currency using a weighted average exchange rate for the accounting period.

Translation differences arising from translation of net investments in foreign operations are classified as exchange differences on translation of foreign operations and recognised as part of OCI. A foreign operations' accumulated translation differences in OCI is recognised in profit or loss upon disposal of the foreign operation.

2.15 EMPLOYEE BENEFITS

(I) Pension obligations

All employees of the Group are on defined contribution plans.

For the defined contribution plans, the Group pays contributions to privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligation once the contributions have been paid. The contributions are recognised as employee benefit expense when due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(II) Incentive agreements with employees of the management team

For the Group's incentive agreements for employees of the management team, see note 10.

2.16 BORROWING COSTS

Borrowing costs occur when interest costs accrue during the construction period of the asset. Borrowing costs are capitalised to the extent they are directly related to the purchase, construction or production of a fixed asset. Borrowing costs are capitalized up until the point in time when the asset is ready for use.

2.17 PROVISIONS

Provisions for environmental restoration, restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.18 INCOME TAXES

Tax expense consists of tax payable and deferred tax. Tax is charged to the income statement, except where it relates to items that are recognised in comprehensive income or directly in equity. In such cases, the tax is either recognised in comprehensive income or directly in equity.

Deferred tax is calculated using the liability method for all temporary differences between the tax values and consolidated accounting values of assets and liabilities. Deferred tax liabilities are not calculated and recognised upon initial recognition of assets or liabilities obtained through an acquisition of a subsidiary not classified as a business combination. Deferred tax is defined using tax rates and laws which are enacted or likely to be enacted on the balance sheet date, and which are expected to be used when the deferred tax asset is realised or when the deferred tax is utilised.

Deferred tax is calculated and provided or reduced in the event of adjustments to the value of investment properties at the applicable nominal tax rate. A deferred tax asset is recognised to the extent that it is likely that future taxable profit will be available against, which the temporary differences can be offset.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the group is able to control the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

2.19 STATEMENT OF CASH FLOWS

The Group presents the statement of cash flows using the indirect method. Cash inflows and outflows are shown separately for investing and financing activities, while operating activities include both cash and non-cash line items. Dividends distributed to controlling parties outside of the Group are reported as a financing activity.

2.20 SEGMENT INFORMATION

For internal management reporting purposes, the Group is organised into business segments and geographic regions. The management team monitors the operating results of each business segment independently as a basis for segment decision-making and performance evaluation. Financial information for the operating segments is presented in Note 3.

2.21 CONTINGENT LIABILITIES AND ASSETS

Contingent liabilities are not recognised in the consolidated financial statements. Significant contingent liabilities, with the exception of contingent liabilities where the likelihood of a settlement is remote, are disclosed.

A contingent asset is not recognised in the consolidated financial statements but disclosed if it is likely that a benefit will accrue to the Group. Contingent liabilities acquired in a business combination are initially measured at fair value at the date of acquisition.

2.22 SUBSEQUENT EVENTS

New information on the balance sheet date that affects the Group's financial position at the balance sheet date is recognised in the financial statements. Subsequent events that do not affect the Company's financial position at the balance sheet date, but which will affect the Group's financial position in a subsequent period, are disclosed as subsequent events.

2.23 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The application of accounting policies requires that management makes estimates and judgments in determining certain revenues, expenses, assets, and liabilities. The principal assumptions made in respect of future events and other sources of uncertainty relating to the use of estimates for which there is a significant risk of material change to the net book values of assets and liabilities are presented below:

Fair value of investment properties

Investment properties are measured at their fair value based on independent external valuations.

Each half-year an independent external appraiser values the properties. The valuations at 31 December 2022 were performed by Cushman & Wakefield. The valuations are based on the discounted cash flow method, which involves discounting future cash flows over a specified period using an estimated discount rate and then adding a residual value at the end of the period (exit). Future cash flows are calculated on the basis of cash flows from signed leases, as well as future cash flows based on expected market rent at the end of the lease terms. The fair value of investment properties is therefore mainly affected by expected market rents, discount rates and inflation. The market rent for each property takes into account the property's situation, standard and leases signed for comparable properties in the area. The discount rate is based on interest on investments without risk and a mark-up based on an assessment of the risks related to the cash flows. Inflation is estimated using the consensus of a selection of banks and official statistics.

When carrying out their valuations, the appraiser receives comprehensive details of the leases for the properties, floor space and details of any vacant premises, and up-to-date information about all ongoing projects. Any uncertainties relating to the properties/projects and leases are also clarified verbally and in writing when required. The Group management performs internal controls to ensure that all relevant information is included in the valuations.

The appraiser performs the valuations on the basis of the information they have received, regularly scheduled on-site visits, and estimates of future market rents, yields, inflation and other relevant parameters. Each individual property is assessed in terms of its market position, rental income (contractual rents versus market rents) and ownership costs, with estimates being made for anticipated vacancy levels and the need for alterations and upgrades. The remaining term of the leases is also assessed for risk, along with any special clauses in the contracts. Each property is also compared with recently sold properties in the segment (location, type of property, mix of tenants etc.). For further information and details about valuation of investment properties, including main value drivers, impact from Covid-19 in the valuations, sensitivities and estimation uncertainty, see Note 5.3c.

Measurement of goodwill

Goodwill in the Group consolidated financial statements arises from the acquisition of investment properties recognised as a business combination and is mainly related to the discount on deferred tax liabilities attached to the acquisition. Goodwill is assessed for impairment on an annual basis.

3.1 - Segment information

Steen & Strøm is a Scandinavian shopping center company, with 10 leading centers located in the most attractive marketplaces in Denmark, Norway, and Sweden.

For management purposes, the Group is structured into operating segments which are geographic regions. There are in total three operating segments. These three operating segments are structured as follows:

- Denmark
- Norway
- Sweden

The management team monitors the operating results of each business segment independently as a basis for segment decision-making and performance evaluation. Group financial policy (including the impact of financial income and expenses), corporate activities and tax result calculation are handled at Group level, and are not allocated to the operating segments.

2022				
Segment income statement				
In thousands of NOK	Denmark	Norway	Sweden	Total
Gross rental income	563.917	310.936	549.560	1.424.412
Land expenses (real estate)	-163	-	-	-163
Non-recovered rental expenses	-59.526	-13.618	-66.792	-139.936
Building expenses (owner)	-39.734	50.200	-55.222	-44.755
Net rental income	464.494	347.518	427.546	1.239.558
Management, administrative and related income	14.900	27.052	19.495	61.447
Other operating revenue	4.529	11.904	6.220	22.652
Change in the fair value of investment properties	-253.695	-298.834	-474.927	-1.027.456
Payroll expenses	-17.639	-78.170	-19.211	-115.019
Other general expenses	-12.041	-27.436	-11.075	-50.552
Depreciation and impairment allowance on investment properties	-	-268	-	-268
Depreciation and impairment allowance on intangible assets and furniture and equipment	-684	-9.129	-38	-9.851
<i>Proceeds from disposal of investment properties and equity investments</i>	-	1.678.727	-	1.678.727
<i>Net book value of investment properties and equity investments sold</i>	-	-1.521.631	-	-1.521.631
Income from disposal of investment properties and equity investments	-	157.096	-	157.096
Operating income	199.863	129.733	-51.990	277.606
Net dividends and provisions on non-consolidated investments				301
<i>Financial income</i>				590.175
<i>Financial expenses</i>				-607.623
Net cost of debt				-17.448
Change in the fair value of financial instruments				27.602
Share of earnings in equity investment entities				310.510
Profit before tax				598.570
Corporate income tax				-18.817
Net income of consolidated group				579.754

2021				
In thousands of NOK	Denmark	Norway	Sweden	Total
Gross rental income	542.068	521.746	549.401	1.613.215
Non-recovered rental expenses	-49.856	-28.990	-61.418	-140.264
Building expenses (owner)	-40.063	21.646	-37.015	-55.432
Net rental income	452.150	514.402	450.967	1.417.519
Management, administrative and related income	13.524	31.158	26.181	70.863
Other operating revenue	2.493	5.196	4.250	11.939
Change in the fair value of investment properties	-12.683	-691.114	-265.346	-969.144
Payroll expenses	-12.575	-77.187	-36.789	-126.551
Other general expenses	-12.228	-31.308	-7.144	-50.680
Depreciation and impairment allowance on investment properties	-	-268	-	-268
Depreciation and impairment allowance on intangible assets and furniture and equipment	-1.040	-27.536	-4.263	-32.839
<i>Proceeds from disposal of investment properties and equity investments</i>	-	3.177.106	43.296	3.220.402
<i>Net book value of investment properties and equity investments sold</i>	-	-2.875.537	-50.735	-2.926.272
Income from disposal of investment properties and equity investments	-	301.569	-7.439	294.130
Operating income	429.639	24.912	160.417	614.968
Net dividends and provisions on non-consolidated investments				-
<i>Financial income</i>				442.225
<i>Financial expenses</i>				-653.693
Net cost of debt				-211.468
Change in the fair value of financial instruments				15.481
Share of earnings in equity investment entities				88.604
Profit before tax				507.585
Corporate income tax				20.472
Net income of consolidated group				528.057

3.2 Net book value of investment properties and properties under construction by operating segment

In thousands of NOK	31/12/2022	31/12/2021
Denmark	11.300.067	11.079.008
Norway	4.689.473	7.798.125
Sweden	9.278.642	10.032.373
Investment properties	25.268.183	28.909.506

In thousands of NOK	31/12/2022	31/12/2021
Denmark	837.120	678.650
Norway	17.691	27.909
Sweden	517.676	524.342
Investment properties under construction	1.372.488	1.230.901

3.3 Aquisitions by operating segment

2022 In thousands of NOK	Intangible assets	Furniture and equipment and work in progress	Investment properties	Investment properties under construction	Total aquisitions
Denmark	-	687	-	24.823	25.511
Norway	8.248	17.219	7.712	57.116	90.295
Sweden	-	-	-	27.991	27.991
Total	8.248	17.906	7.712	109.930	143.797

2021 In thousands of NOK	Intangible assets	Furniture and equipment and work in progress	Investment properties	Investment properties under construction	Total aquisitions
Denmark	-	633	831	33.967	35.430
Norway	7.127	3.935	12.803	69.339	93.204
Sweden	-	1.118	71	45.113	46.302
Total	7.127	5.686	13.705	148.418	174.936

4.1 - Subsidiaries

Full consolidated companies	Country	Headquarter	% of interest	
			31/12/2022	31/12/2021
Steen & Strøm AS	Norway	Oslo	100,0%	100,0%
Bruun's Galleri A/S	Denmark	Copenhagen	100,0%	100,0%
Bryggen, Vejle A/S	Denmark	Copenhagen	100,0%	100,0%
Field's A/S	Denmark	Copenhagen	100,0%	100,0%
Steen & Strøm CenterService A/S	Denmark	Copenhagen	100,0%	100,0%
Steen & Strøm CenterUdvikling VI A/S	Denmark	Copenhagen	100,0%	100,0%
Steen & Strøm Danmark A/S	Denmark	Copenhagen	100,0%	100,0%
Viva, Odense A/S	Denmark	Copenhagen	100,0%	100,0%
Gulskogen Senter AS	Norway	Oslo	0,0%	100,0%
Hamar Storsenter AS	Norway	Oslo	0,0%	100,0%
Stavanger Storsenter AS	Norway	Oslo	0,0%	100,0%
Oslo City Kjøpesenter AS	Norway	Oslo	100,0%	100,0%
Oslo City Parkering AS	Norway	Oslo	100,0%	100,0%
Steen & Strøm Mediapartner Norge AS	Norway	Oslo	100,0%	100,0%
Steen & Strøm Senterservice AS	Norway	Oslo	100,0%	100,0%
FAB Allum	Sweden	Stockholm	100,0%	100,0%
FAB Borlänge Köpcentrum	Sweden	Stockholm	100,0%	100,0%
FAB Centrum Västerort	Sweden	Stockholm	100,0%	100,0%
FAB CentrumInvest	Sweden	Stockholm	100,0%	100,0%
FAB Emporia	Sweden	Stockholm	100,0%	100,0%
FAB Marieberg Galleria	Sweden	Stockholm	100,0%	100,0%
FAB P Åkanten	Sweden	Stockholm	100,0%	100,0%
FAB P Brodalen	Sweden	Stockholm	100,0%	100,0%
FAB P Porthälla	Sweden	Stockholm	100,0%	100,0%
Partille Lexby AB	Sweden	Stockholm	100,0%	100,0%
Steen & Ström Holding AB	Sweden	Stockholm	100,0%	100,0%
Steen & Ström Sverige AB	Sweden	Stockholm	100,0%	100,0%

Changes in the scope of consolidation and other movements is related to divested entities. See information about divestments in Note 6.1.

4.2 Goodwill

After the recognition of Oslo City Kjøpesenter AS and Oslo City Parkering AS in 2016 as fully consolidated subsidiaries of Steen & Strøm AS there has been no further business combinations. The goodwill of NOK 348,4 million consists mainly of the discounted value of deferred tax liabilities in the purchase price. Goodwill is allocated to the following cash-generating units (CGU):

	Oslo City Kjøpesenter AS	Oslo City Parkering AS	Total
Goodwill	332.518	15.907	348.425
Total estimated sales value CGU	4.507.106	201.011	4.708.117
Total Group book value equity CGU	4.330.850	194.479	4.525.329

As the total estimated sales value exceeds the book value of subsidiaries, goodwill is not impaired.

Sales value approach

The best estimate of the investment properties sales value is the bi-annual valuation, which in turn equals carrying value. Cash and working capital (such as account receivables, payables etc.) are in general valued at nominal value in a sale transaction. As cash and working capital are recorded at nominal value, carrying value is assumed to approximate the sales value.

The deferred tax balance is currently estimated to be discounted at a value of 10% of the temporary difference between the property sales value and tax value. The deferred tax balance is currently recognized at 22% of the temporary difference between carrying value (equal to the fair value) and tax value.

As carrying value equals sales value for all assets and liabilities except the deferred tax balance, it is only required to estimate the gain to be received from the discount applied to the deferred tax balance. If the estimated discount is greater than the carrying value of the goodwill, it is assumed that the goodwill balance is not impaired.

5.1 Intangible assets

In thousands of NOK	31/12/2021	Acquisitions	Disposals and retirement of assets	Amortization and impairment allowances	31/12/2022
Total gross value	197.501	8.248	-	-	205.749
Amortization and impairment allowances	-180.160	-	-	-5.352	-185.512
Total amortization and impairment allowances	-180.160	-	-	-5.352	-185.512
Intangible assets - Net value	17.341	8.248	-	-5.352	20.237

In thousands of NOK	31/12/2020	Acquisitions	Disposals and retirement of assets	Amortization and impairment allowances	31/12/2021
Total gross value	190.374	7.127	-	-	197.501
Amortization and impairment allowances	-159.845	-	-	-20.315	-180.160
Total amortization and impairment allowances	-159.845	-	-	-20.315	-180.160
Intangible assets - Net value	30.529	7.127	-	-20.315	17.341

Intangible assets consist of software. Depreciation on software is calculated using the straight-line method to allocate the cost to their residual values over their estimated useful life. Useful life is defined to be eight years for software.

5.2 - Furniture and equipment

In thousands of NOK	31/12/2021	Acquisitions	Disposals and retirement of assets	Depreciation and impairment allowances	Currency fluctuations	Other movements	31/12/2022
Furniture and equipment	81 754	1 677	-1 469	-	-639	-	81 323
Right-of-use assets	31 063	16 229	-15 935	-	-256	-	31 100
Total gross value	112 816	17 906	-17 404	-	-895	-	112 423
Depreciation and impairment allowances furniture and equipment	-69 710	-	992	-1 499	349	-	-69 868
Depreciation and impairment allowances right-of-use assets	-26 509	-	15 294	-3 000	244	-	-13 971
Total depreciation and impairment	-96 218	-	16 286	-4 499	593	-	-83 839
Furniture and equipment - Net value	16 598	17 906	-1 117	-4 499	-302	-	28 585

In thousands of NOK	31/12/2020	Acquisitions	Disposals and retirement of assets	Depreciation and impairment allowances	Currency fluctuations	Other movements	31/12/2021
Furniture and equipment	100 198	454	-14 475	-	-4 424	-	81 754
Right-of-use assets	28 300	5 232	-2 069	-	-956	556	31 063
Total gross value	128 499	5 686	-16 543	-	-5 380	556	112 816
Depreciation and impairment allowances furniture and equipment	-84 945	-	14 475	-2 921	3 682	-	-69 710
Depreciation and impairment allowances right-of-use assets	-19 381	-	1 454	-9 603	686	334	-26 509
Total depreciation and impairment	-104 325	-	15 929	-12 524	4 367	334	-96 218
Furniture and equipment - Net value	24 173	5 686	-615	-12 524	-1 013	890	16 598

Furniture and equipment consist of vehicles/machines and furniture/fittings/equipment. Depreciation on furniture and equipment is calculated using the straight-line method to allocate the cost to their residual values over their estimated useful life. Useful life is defined to be 3-5 years for vehicles/machines and 5 years for furniture/fittings/equipment.

5.3a - Investment properties

In thousands of NOK	31/12/2021	Acquisitions	Disposals and retirement of assets	Depreciation and impairment allowances	Currency fluctuations	Fair value adjustments	Other movements	31/12/2022
Shopping centers								
Land	2 443 169	155	-165 227	-	28 053	-	6 082	2 312 232
Structures	13 337 267	-	-673 590	-268	97 125	-	-	12 767 840
Facades, cladding and roofing	876 606	5 314	-621 490	-	-6 730	-	1 374	255 075
General and technical installations	2 058 993	636	-474 311	-	41 495	-	28 412	1 655 225
Fixtures	1 601 195	88	-476 787	-	16 937	-	-	1 141 433
Right-of-use assets	347 558	1 519	-5 580	-	17 908	-1 784	2 011	361 632
Cost value	20 664 789	7 712	-2 416 985	-268	194 788	-1 784	37 879	18 493 436
Fair value adjustments	8 244 718	-	-406 505	-	75 378	-1 131 538	-	6 774 747
Fair value shopping centers	28 909 506	7 712	-2 823 490	-268	270 166	-1 133 322	37 879	25 268 183

Other movements consist of investment properties transferred from investment properties under construction, see Note 5.3b Investment properties under construction.

Investment properties held for sale:

The subsidiary FAB Centrum Västerort has agreed to sell a part of its total portfolio of investment properties. The sale of the investment property is expected to be finally closed during the first half of 2023. The carrying amount 31 December 2022 of NOK 57.1 million is equal to the agreed sales price and is classified as a separate line item within current assets in the consolidated statement of financial position.

In thousands of NOK	31/12/2020	Acquisitions	Disposals and retirement of assets	Depreciation and impairment allowances	Currency fluctuations	Fair value adjustments	Other movements	31/12/2021
Shopping centers								
Land	2 592 266	-	-122 598	-	-64 969	-	38 470	2 443 169
Structures	15 142 506	3 362	-1 171 833	-268	-636 854	-	354	13 337 267
Facades, cladding and roofing	1 275 441	37	-416 167	-	-16 120	-	33 416	876 606
General and technical installations	2 731 888	1 756	-643 451	-	-82 329	-	51 129	2 058 993
Fixtures	1 750 944	7 719	-132 872	-	-64 661	-	40 065	1 601 195
Right-of-use assets	383 649	831	-14 321	-	-16 297	-6 304	-	347 558
Cost value	23 876 692	13 705	-2 501 242	-268	-881 229	-6 304	163 434	20 664 789
Fair value adjustments	11 460 600	-	-1 920 575	-	-376 191	-919 116	-	8 244 718
Fair value shopping centers	35 337 293	13 705	-4 421 817	-268	-1 257 420	-925 420	163 434	28 909 506

5.3b - Investment properties under construction

In thousands of NOK	31/12/2021	Acquisitions	Disposals and retirement of assets	Depreciation and impairment allowances	Currency fluctuations	Fair value adjustments	Other movements	31/12/2022
Investment properties under construction	1 230 901	109 930	-63 117	-	24 775	105 866	-35 868	1 372 488

In thousands of NOK	31/12/2020	Acquisitions	Disposals and retirement of assets	Depreciation and impairment allowances	Currency fluctuations	Fair value adjustments	Other movements	31/12/2021
Investment properties under construction	1 429 091	148 418	-4 128	-	-71 249	-43 723	-227 508	1 230 901

Other movements consist of investment properties under construction transferred to investment properties and investment properties held for sale, see Note 5.3a Investment properties.

5.3c -Sensitivity and estimation uncertainty

The value of investment properties corresponds to the following average net initial yields:

Average yields (%)	31/12/2022	31/12/2021
Norwegian investment properties	4,36 %	4,37 %
Swedish investment properties	5,42 %	4,88 %
Danish investment properties	4,19 %	4,13 %
Weighted average	4,69 %	4,47 %

The average net initial yields (%) for the Danish investment properties for 2021, in the table above, have been impacted by the treatment of discounts when calculating discounted cash-flows in year one in the valuations. Further, the divestment of five centers in Norway in July 2021, and a further three centers in July 2022, impacts the average net initial yield (%) for the Norwegian investment properties.

Sensitivities yield

The following table shows the sensitivity in fair value of investment property as a result of change in yield:

In thousands of NOK	Yield	Value	Change
Reduced yield by -0,5%	-0,5%	29 817 104	3 176 434
Fair value 31/12/2022	0,0%	26 640 670	-
Increased yield by 0,5%	0,5%	24 075 855	-2 564 815

Sensitivities cash flows

The following table show sensitivity in fair value of investment property as a result of change in cash-flow:

In thousands of NOK	Cash flow	Value	Change
Increased cash-flow by 1%	1,0%	26 907 077	266 407
Fair value 31/12/2022	0,0%	26 640 670	-
Reduced cash-flow by 1%	-1,0%	26 374 264	-266 407

There are no significant contractual commitments to purchase, construct or develop investment properties.

Estimation uncertainty

The two key components in valuation estimates are evolution of market rents and yields. Our external appraisers have applied different approaches, namely on the anticipated need for temporary discounts and pace of leasing activities, depending on the retail climate in each country. The common approach in all three countries, to account for the above-mentioned uncertainties, is to increase discount rates vs. pre Covid levels.

The Covid pandemic has been “replaced” by new macroeconomic uncertainties, due to the war in Ukraine, high inflation and increasing interest rates, thus influencing cap rates. It is currently uncertain, how long this slow down will last and thus what impact it will have on our activities and thus to which extent it will impact our investment properties.

Increased attention towards climate impact and social responsibility can potentially impact our image and sustainability, and thus the yields. These areas are important focus areas for Steen & Strøm, and forementioned certifications and ratings, i.e., GRESB is confirming our claimed pursuit of excellence on both areas. The current increase in energy prices also has a potential impact on our cash flow, should current levels persist. On the short term, Steen & Strøm and our tenants are “shielded” by electricity hedging (see note 8 - Exposure to risk).

Ongoing construction contracts

At 31 December 2022 the Group has no material ongoing construction/refurbishment projects.

5.4a - Investments in jointly controlled companies

In thousands of NOK	31/12/2021	Share of net income	Dividends received	Capital increases and reductions	Changes in the scope of consolidation and other movements	31/12/2022
Investments in jointly controlled companies	1 560 000	310 510	-35 000	15 000	-	1 850 510
Equity method securities	1 560 000	310 510	-35 000	15 000	-	1 850 510

In thousands of NOK	31/12/2020	Share of net income	Dividends received	Capital increases and reductions	Changes in the scope of consolidation and other movements	31/12/2021
Investments in jointly controlled companies	1 799 521	88 604	-43 000	21 000	-306 125	1 560 000
Equity method securities	1 799 521	88 604	-43 000	21 000	-306 125	1 560 000

Equity Method Companies: jointly controlled	Country	Headquarter	% of interest	
			31/12/2022	31/12/2021
Nordal ANS	Norway	Oslo	50,0%	50,0%
Økern Sentrum AS	Norway	Oslo	50,0%	50,0%
Økern Eiendom ANS	Norway	Oslo	50,0%	50,0%
Økern Sentrum ANS	Norway	Oslo	50,0%	50,0%
Metro Shopping AS	Norway	Oslo	50,0%	50,0%
Metro Senter ANS	Norway	Oslo	50,0%	50,0%

5.4b Equity method - Statement of comprehensive income

In thousands of NOK	2022		2021	
	100 %	Group share	100 %	Group share
Gross rental income	127 262	63 631	130 062	65 031
Non-recovered rental expenses	-16 635	-8 318	-16 179	-8 090
Building expenses (owner)	-10 956	-5 478	-8 294	-4 147
Net rental income	99 671	49 836	105 589	52 795
Other operating revenue	137	69	517	259
Change in the fair value of investment properties	674 049	337 025	58 272	29 136
Other general expenses	-266	-133	695	348
Depreciation and impairment allowance on intangible assets and property, plant and	-	-	-	-
Operating income	773 591	386 796	165 073	82 537
Financial income	182	91	35	18
Financial expenses	-69	-35	-63	-32
Net cost of debt	113	57	-28	-14
Profit before tax	773 704	386 852	165 045	82 523
Corporate income tax	-152 685	-76 343	12 163	6 082
Net income of joint venture entities	621 019	310 510	177 208	88 604

5.4c Equity method - Statement of financial position

In thousands of NOK	31/12/2022		31/12/2021	
	100 %	Group share	100 %	Group share
Furniture and equipment and work in progress	-	-	-	-
Investment properties and properties under construction	3 936 901	1 968 451	3 219 515	1 609 758
Deferred tax assets	-	-	-	-
NON-CURRENT ASSETS	3 936 901	1 968 451	3 219 515	1 609 758
Trade accounts and notes receivable	6 423	3 212	6 035	3 018
Other receivables	9 870	4 935	9 685	4 843
Cash and cash equivalents	70 279	35 140	46 380	23 190
CURRENT ASSETS	86 572	43 286	62 100	31 050
TOTAL ASSETS	4 023 473	2 011 737	3 281 615	1 640 808
Share capital	1 595 502	797 751	1 635 502	817 751
Additional paid-in capital	1 857	929	1 857	929
Consolidated reserves	1 482 641	741 321	1 258 983	629 492
Other consolidated reserves	1 482 641	741 321	1 258 983	629 492
Consolidated earnings	621 019	310 510	223 658	111 829
Shareholders' equity, group share	3 701 019	1 850 510	3 120 000	1 560 000
SHAREHOLDERS' EQUITY	3 701 019	1 850 510	3 120 000	1 560 000
Deferred tax liabilities	287 437	143 719	134 752	67 376
NON-CURRENT LIABILITIES	287 437	143 719	134 752	67 376
Trade payables	26 301	13 151	1 048	524
Other liabilities	7 777	3 889	24 275	12 138
Social and tax liabilities	939	470	1 540	770
CURRENT LIABILITIES	35 017	17 509	26 863	13 432
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	4 023 473	2 011 737	3 281 615	1 640 808

5.5 - Other non-current assets

In thousands of NOK	31/12/2022	31/12/2021
Other long term investments	3 283	3 230
Deposits	2 832	2 177
Loans *	200 000	-
Total	206 115	5 406

* In 2022 Steen & Strøm AS sold its fully owned subsidiaries Hamar Storsenter AS, Gulskogen Senter AS and Stavanger Storsenter AS. In connection with the sales Steen & Strøm AS (lender) agreed to grant a seller's credit in the aggregate principal amount of NOK 200 million to the buyer (borrower). The borrower shall pay interest on the outstanding principal amount of the credit from time to time at the rate of five (5) per cent per annum. Interests are payable quarterly in arrears. The maturity date for the loan is 1 July 2025. The borrower may at any time prepay any amount outstanding (in full or in part) without any premium fee or penalty at any time by giving three (3) business days' prior written notice to the lender.

5.6 - Trade receivables

In thousands of NOK	31/12/2022	31/12/2021
Trade receivables	125 686	104 891
Stepped rents and rent-free periods of leases	70 112	74 932
Gross Value	195 797	179 823
Loss allowance	-52 550	-45 851
Net value	143 248	133 972

The trade receivables are spread across several shopping centers throughout Scandinavia (Norway, Sweden and Denmark). There is no one single customer who represents a significant share of the trade receivables. The majority of the Group's rental contracts have deposit and bank guarantees which secure up to 3 to 6 month's rent, including the outstanding trade receivables.

Trade receivables aging and loss allowance

In thousands of NOK	Total	Not due	< 3 Months	3-6 Months	> 6 Months
Trade receivables, gross as of 31/12/2022	195 797	42 319	66 952	41 966	44 561
Loss allowance	-52 550	-	-	-7 988	-44 561
Trade receivables, net as of 31/12/2022	143 248	42 319	66 952	33 978	-
Trade receivables, gross as of 31/12/2021	179 823	106 364	14 904	25 859	32 696
Loss allowance	-45 851	-	-1 940	-11 215	-32 696
Trade receivables, net as of 31/12/2021	133 972	106 364	12 964	14 644	-

In thousands of NOK	2022	2021
Opening balance loss allowance	-45 851	-48 962
Increase in loss allowance recognised in the profit and loss during the period	-36 586	-10 982
Impairment losses on trade receivables	11 558	9 825
Reversal of previously impairment losses	18 633	1 117
Foreign exchange effects	-303	2 416
Closing balance	-52 550	-45 851

Credit risk

Credit risk is assessed for in accordance with IFRS 9.

The credit risk assessment was conducted differently for forced closure periods and for open periods. The main rules applied are detailed below:

1) Specific tenants at risk:

- a) Receivables related to insolvent or bankrupt tenants have been 100% provisioned, after deducting any security deposits.
- b) For businesses heavily impacted by forced closure periods, the related receivables have been 100% provisioned without deducting security deposits.

2) Forced closure periods:

- a) The outstanding receivables (after deduction of abatements granted or to be granted) have been provisioned based on a tenant-by-tenant assessment of solvency profiles. Where there is an agreement for abatement, the outstanding amount net of abatements is maintained in receivables (no allowance or use of security deposits), as we consider that the outstanding receivable would be collected further to the rent abatement to be granted.
- b) These rules do not apply to receivables with the most heavily impacted businesses, which have been 100% provisioned without deducting security deposits, as described above.

3) Open period:

- a) Where an abatement agreement has been signed, agreed or expected, uncollected rents are maintained in receivables, with or without deduction of security deposits (depending on the quarter).
- b) Where no abatement agreement has been signed, agreed or expected, the outstanding amounts to be collected were assessed on a tenant-by-tenant basis taking into account the tenant's solvency profile. Tenants were analyzed using different parameters such as the occupancy cost ratio. Therefore different levels of allowance were defined, ranging from 0% to 100%.

5.7 - Other receivables

In thousands of NOK	31/12/2022	31/12/2021
Tax receivables	100.830	153.570
- Corporate income tax	22.253	22.502
- VAT	78.577	131.068
Other receivables	211.567	228.944
- Service charges due	19.064	19.909
- Supplier advances and down payments made	3.095	3.190
- Prepaid expenses	8.314	4.851
- Other	181.094	200.994
Total	312.398	382.513

The item Other consists primarily of funds managed by the Group on behalf of tenants and third parties and receivables related to tax consolidation in Sweden (Nordica HoldCo AB is part of the Swedish tax group, but not part of the Steen & Strøm Group).

5.8 - Cash and cash equivalents

In thousands of NOK	31/12/2022	31/12/2021
Bank	313.824	460.902
Treasury instruments	-	-
Gross cash and cash equivalents	313.824	460.902
- Bank overdrafts	-	-173.004
Net cash and cash equivalents	313.824	287.898

The group maintain a group account scheme for bank accounts in Norway, which is linked to the group's overdraft accounts. At 31 December 2022 and 2021, the group held a total bank credit facility available of NOK 1 900 million and NOK 1 850 million, respectively.

Restricted bank deposits

At 31 December 2022 and 2021, restricted funds amounted to NOK 2.4 million and NOK 3.0 million, respectively.

Note 5.9 - Shareholders' equity

Share capital

At 31 December 2022, the share capital of the Company was NOK 73 258 653, divided into 29 303 461 shares at par value NOK 2,50.

Shareholders

At 31 December 2022 and 2021, 100% of the shares in the Company were held by Storm Holding Norway AS. Storm Holding Norway AS is 100% owned by Nordica HoldCo AB, which in turn is owned 56.1% by Klèpierre Nordica BV, corporate identity number 34261791 with headquarters in Amsterdam, Holland and 43.9% by Storm ABP Holding BV, corporate identity number 34313617, with headquarters in Schipol, Holland.

5.10 - Non-current and current financial liabilities

In thousands of NOK	Opening Balance 01/01/2022	Cash flow	Reclassification Non Current to Current	Foreign exchange movement	Fair Value changes	Other movements	Closing Balance 31/12/2022
Non-current financial liabilities							
Bonds net costs/premium*	2.087.465	-4.460	-1.600.000	12.756	-	-	495.761
Loans and borrowings from credit institutions - more than one year**	5.521.976	-	-483.108	88.377	-	-	5.127.245
Other loans***	406.939	-399.999	-	-	-	-	6.940
Non-current lease liabilities (Note 9)	347.592	10.499	-4.427	17.811	-	-	371.476
Non-current derivatives (Note 8)	2.082	5.212	-	-	-2.082	-489	4.723
Total non-current financial liabilities	8.366.054	-388.748	-2.087.535	118.944	-2.082	-489	6.006.145
Current financial liabilities							
Bonds net costs/premium*	948.000	-948.000	1.600.000	-	-	-	1.600.000
Loans and borrowings from credit institutions - less than one year**	253.125	-245.660	483.108	10.852	-	40.759	542.184
Accrued interest	9.791	568	-	-	-	-	10.359
Commercial papers****	292.347	-292.680	-	333	-	-	-
Current lease liabilities (Note 9)	4.523	-1.721	4.427	85	-	-	7.314
Current derivatives (Note 8)	8.540	-2.007	-	-	-	-6.533	-
Total current financial liabilities	1.516.326	-1.489.499	2.087.535	11.270	-	34.226	2.159.857
Total non-current and current financial liabilities	9.882.380	-1.878.247	-	130.214	-2.082	33.737	8.166.002

* Bonds are listed on the Oslo Stock Exchange.

** Loans and borrowings from credit institutions consist of mortgaged loans, related to the Group's investment property in Denmark/Sweden, granted by Nordic financial institution: The mortgaged loans in Sweden has an average duration of 15.4 years, while in Denmark 13.7 years

*** Other loans includes loan granted by parent company of NOK 400 million. This loan was repaid in February 2022. See note 11.3 for further information about this loan.

**** Commercial papers are short-term certificates issued by Nordic banks. The duration of the certificates is below 12 months.

Information about interest-rate and hedge agreements is provided in Note 8

Recognised value of the Group's non-current and current financial liabilities are denominated in currencies as follows:

In thousands of NOK	Opening Balance 01/01/2022	Cash flow	Reclassification Non Current to Current	Foreign exchange movement	Fair Value changes	Other movements	Closing Balance 31/12/2022
NOK	3.762.835	-1.631.020	-	13.089	-2.082	-7.022	2.135.800
SEK	2.385.675	-17.149	-	-71.287	-	-	2.297.240
DKK	3.733.870	-230.079	-	188.412	-	40.759	3.732.962
Total non-current and current financial liabilities	9.882.380	-1.878.247	-	130.214	-2.082	33.737	8.166.002

Contractual payment* of liabilities

In thousands of NOK	31/12/2022	31/12/2021
0 - 1 years	2.283.094	1.637.833
2 - 5 years**	2.484.830	4.028.313
More than 5 years	5.249.156	5.611.127
Total non-current and current financial liabilities	10.017.080	11.277.273

* Expected future interest payments is included in contractual payment of liabilities.

Expected future interest payments is calculated based on the forward interests and spreads (fixed rate if applicable) for the liabilities in each country
Foreign exchange rates at 31/12/2022 are used in the calculations.

** The total loan granted by parent company, including incurred interests, was repaid in advance in February 2022.

Certain loans are secured by pledge in certain assets. Pledged assets are specified in the table below:

In thousands of NOK	31/12/2022	31/12/2021
Investment properties and properties under construction	24.351.860	22.440.922
Total carrying value of pledged assets	24.351.860	22.440.922

The total mortgage amount of the pledged assets amounts to NOK 8 863 million.

5.11 - Social and tax liabilities and other liabilities

In thousands of NOK	31/12/2022	31/12/2021
Social and tax liabilities		
Staff and related accounts	18.042	20.497
Social security and other bodies	8.894	5.822
- Corporate income tax	-15.877	-93.500
- VAT	29.698	38.489
Other taxes and duties	61.745	105.545
Total social and tax liabilities	102.501	76.852
Other liabilities		
Creditor customers	131.295	160.991
Prepaid gift cards	33.751	46.030
Other liabilities	109.534	104.679
Total other liabilities	274.580	311.700

Note 5.12 Guarantees, bail declarations and pledges

The Group has given the following guarantees, bail declarations and pledges:

In thousands of NOK	Banking partner	31/12/2022
Bail declaration - surety for indemnity declaration previous tenants	Nordea Bank AB, Norwegian branch	2.147
Pledges secured in investment property of subsidiaries	Different partners	8.862.985
Total off-balance sheet commitments of guarantees, bail declarations and pledges		8.865.132

Loan covenants

Certain loan agreements contain financial covenants. With regard to such covenants, Steen & Strøm AS has to maintain a minimum book equity ratio of 20%. Some subsidiaries have loan agreements with LTV (loan to value) covenants. Loan to value expresses the ratio of net interest-bearing debt to the value of the investment property. The covenants on these loans require the LTV to be below 65%. Furthermore, certain loan agreements contain a change of control event provision being triggered should the Klèpierre Group cease to own (directly or indirectly) 50% of the shares in Steen & Strøm AS. The Steen & Strøm Group was in compliance with its loan covenants 31 December 2022.

6.1 - Income from disposal of investment properties and equity instruments

	2022
Proceeds from disposal of investment properties and equity investments	1.678.727
Net book value of investment properties and equity investments sold	-1.521.631
Income from disposal of investment properties and equity investments	157.096

In 2022 Steen & Strøm AS sold its fully owned subsidiaries Hamar Storsenter AS, Gulskogen Senter AS and Stavanger Storsenter AS. All these sales took place with effect from 1 July 2022. Profit and loss from the sold companies have been included in the group accounts for Steen & Strøm AS for the first half of 2022. The transfers were formally made and cash proceeds received 1 July 2022. In relation to the above mentioned sales Steen & Strøm AS also received in total NOK 1 109 million in repayment of loans from the divested companies.

	2021
Proceeds from disposal of investment properties and equity investments	3.220.402
Net book value of investment properties and equity investments sold	-2.926.272
Income from disposal of investment properties and equity investments	294.130

In 2021 Steen & Strøm AS sold its fully owned subsidiaries Amanda Storsenter AS, Nerstranda AS, Vinterbro Senter DA and Farmandstredet Eiendom AS (including Slagenveien 2 AS). In addition, Steen & Strøm AS, also sold its 50% stake in Hovlandparken DA, (including Hovlandparken AS). All these sales took place with effect from 1 July 2021. Profit and loss from the sold companies have been included in the group accounts for Steen & Strøm AS for the first half of 2021. The transfers were formally made and cash proceeds received in July 2021. In relation to the above mentioned sales Steen & Strøm AS also received in total NOK 1 080 million in repayment of loans from the divested companies.

In addition, Steen & Strøm AS, sold its fully owned subsidiary Torgterrassen AS in October 2021. Consideration for the sale was received in October 2021. Torgterrassen AS was founded in 2021 by a vertical de-merger of Stavanger Storsenter AS, where the property Torgterrassen was transferred to the newly established company Torgterrassen AS. Finally, the fully owned subsidiary Steen & Strøm Holding AB, sold its fully owned subsidiary FAB Lackeraren Borlänge. Sale conducted and cash received in June 2021.

6.2 - Net cost of debt

In thousands of NOK	2022	2021
Financial income		
Interest income on swaps	56.666	15.149
Interest on associates' advances	-	1
Other interest received	14.390	120
Other revenue and financial income	1.133	5.332
Foreign exchange gains	517.986	421.623
Financial income	590.175	442.225
Financial expenses		
Interest on bonds	-71.661	-69.431
Interest on loans from credit institutions (incl. certificates)	-84.443	-64.948
Interest expense on swaps	-40.858	-67.123
Interest on associates' advances	-3.408	-15.516
Other financial expenses	-49.787	-12.963
Foreign exchange losses	-350.465	-416.465
Interest on lease liabilities	-7.001	-7.248
Financial expenses	-607.623	-653.693
Net cost of debt	-17.448	-211.468

Net cost of debt include net foreign exchange gain of NOK 167.5 million and NOK 5.2 million in 2022 and 2021, respectively.

Financial expenses includes interest on external bonds, certificates and bank loans.

7 - Tax

In thousands of NOK	2022	2021
Tax expenses:		
Current Tax	22 814	-32 796
Change in deferred tax	-41 631	53 268
Tax expenses	-18 817	20 472

Profit before tax	598 570	507 585
Tax calculated on profit before tax	-130 017	-109 722
Tax on group contribution given to parent company	8 918	49 283
Taxes without bases in taxable income current period	57 002	-4 744
Non taxable elements	45 205	85 415
Other	76	240
Tax expenses	-18 817	20 472

Non taxable elements in mainly related to sale of shares.

Effective tax rate	3,1%	-4,0%
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Deferred taxes are composed of:

Deferred tax assets

In thousands of NOK	31/12/2022	31/12/2021
Tangible fixed assets and investment property	152 580	152 500
Losses carried forward	-	-7 068
Capital losses carried forward/capital gain pending taxation	-	510
Other	-	-562
Total for entities in a net asset position	152 580	145 379

Deferred tax liabilities

Tangible fixed assets and investment property	3 811 034	4 091 185
Derivatives	42 653	6 237
Long-term liabilities and receivables	-	1 992
Capital losses carried forward/capital gain pending taxation	1 112	2 933
Other	133 125	32 935
Total for entities in a net liability position	3 987 924	4 135 282

NET POSTITIONS	3 835 345	3 989 903
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Summary of losses carried forward

No due date	377 858	513 263
Total losses carried forward	377 858	513 263

Losses carried forward is related to the Group's operations in Sweden.

Change in deferred tax recognized in other comprehensive income

Cash flow hedges ex translation profits and losses	30 864	23 351
Translation profits and losses cash flow hedges	-410	252
Total deferred tax recognized in other comprehensive income	30 454	23 603

8 - Exposure to risk

The procedures for managing risk are approved by the Board of Directors.

Interest-rate risk

Interest rate risk arises in the short and medium term, following the part of the Company's debt which has a floating interest rate. The loan portfolio currently has a combination of floating and fixed rates, where long-term rent agreements have been made for approximately 80% of the Group's loan portfolio.

The Group uses various types of interest rate derivatives to hedge against fluctuations due to changes in interest rate levels. As of 31 December 2022 and 2021, the Group had interest-rate hedges at nominal value NOK 6 690 million and NOK 8 453 million, respectively.

The interest rate swaps are used to hedge against fluctuations due to changes in the level of interest rates. The secured loans and the swap agreements have the same terms and conditions. For the swaps that satisfy the requirements for hedge accounting under IFRS 9, changes in fair value are recognized directly through other comprehensive income (OCI).

Overview of the Group's hedge agreements:

Start Date	End Date	Amount	Currency	Int. rate	Excess value (thousand NOK)
14.06.2019	14.03.2024	400 000 000	NOK	1,7525 %	7 791
14.06.2019	16.03.2026	300 000 000	NOK	1,8275 %	12 335
18.10.2019	24.10.2024	200 000 000	NOK	Cross-currency swap	783
18.10.2019	24.10.2024	150 000 000	NOK		-4 723
13.07.2020	07.07.2025	300 000 000	NOK		21 080
26.10.2020	08.08.2025	250 000 000	NOK		17 609
02.09.2021	16.06.2025	100 000 000	NOK		6 475
02.09.2021	27.12.2023	300 000 000	NOK	1,4860 %	5 512
23.06.2022	23.06.2027	500 000 000	NOK	1,5210 %	33 004
01.10.2018	21.08.2023	400 000 000	SEK	1,5000 %	3 867
09.07.2020	29.09.2023	200 000 000	SEK	1,1500 %	4 263
30.10.2020	29.10.2027	100 000 000	SEK	0,1880 %	12 814
15.04.2021	30.09.2027	300 000 000	SEK	0,1820 %	37 850
30.12.2021	30.12.2026	200 000 000	SEK	0,3190 %	20 885
30.06.2022	30.06.2027	300 000 000	SEK	0,3910 %	33 771
09.12.2022	14.04.2023	230 000 000	SEK	FX swap	4 818
02.01.2019	03.07.2023	300 000 000	DKK		3 112
30.12.2020	30.12.2025	300 000 000	DKK		42 418
30.06.2022	30.06.2027	800 000 000	DKK		155 474
03.07.2023	30.06.2026	300 000 000	DKK		40 319
Total net excess value					459 459

Average rate on interest-bearing loans in 2022 and 2021 was 1.6% and 1.7%, respectively. Based on the financial instruments and interest rate swaps as of 31 December 2022, a general increase of 1% in interest rate levels will reduce profits by approximately NOK 10.5 million.

The Group recognized in 2022 an income of NOK 15.8 million on interest-rate hedging (expense of NOK 52.0 million in 2021). Other movements in interest rate hedging that are not recognized through the income statement are itemized in other comprehensive income.

Liquidity risk

The Group's strategy is to, at all times, have sufficient cash and cash equivalents or credit facilities to be able to finance operations and investments for the next three years, in accordance with the Company's strategic plan for the same period. See Note 5.8 Cash and cash equivalents. At 31 December 2022, the Group held a total bank credit facility available of NOK 1 900 million. See note 5.10 for further details regarding financial liabilities.

Currency risk

Changes in exchange rates involve both direct and indirect financial risk for the Group. The currency exposure is mainly limited to the equity portion of shopping center investments in Sweden and Denmark. Hedging is achieved by using the same currency for assets and liabilities in each country.

Non-Current and Current Interest bearing Financial Liabilities in foreign currency (in thousands of NOK)	31/12/2022	31/12/2021
SEK	2 297 240	2 385 675
DKK	3 732 962	3 733 870
Exchange rate on the balance sheet date	31/12/2022	31/12/2021
SEK	94,53	97,45
DKK	141,38	134,32

Counterparty risk

Counterparty risk is limited by the fact that Steen & Strøm is structurally a borrower. The Group is therefore limited essentially to investments made by the Group and the Group's derivative transactions counterparties. The Group only conducts marketable securities and hedging instruments with leading Scandinavian financial institutions recognized as financially sound.

Debt ratio

The Group's objective is to secure continued operations by ensuring sustainable returns for shareholders and other stakeholder, and to maintain an optimal capital structure to reduce capital costs.

To improve the capital structure, the group may adjust the level of dividends to shareholders repay capital to shareholders, issue new shares or sell assets in order to repay loans.

Debt ratio as of 31 December 2022 and 2021 were as follows:

In thousands of NOK	31/12/2022	31/12/2021
Total financial liabilities (including bank facilities and excluding lease liabilities)	7 782 489	9 692 647
Cash and interest-bearing receivables	313 824	460 902
Net interest-bearing debt	7 468 665	9 231 745
Total non-current assets	29 694 460	32 296 705
Debt ratio	25,2%	28,6%

Electricity hedging

Steen & Strøm is purchasing «common» electricity on behalf of the center and thus our tenants, and for some centers in Sweden we also purchase electricity for our tenants' «private consumption».

To secure a stable and foreseeable budget, we are hedging the electricity price based on projected consumption for the portfolio, following a fixed, rolling strategy agreed with our provider. The defined strategy entails forward hedges corresponding to 80%, 60%, 40% and 20% of expected consumption for the subsequent 4 years. Forecasted consumption for all 3 countries is approx. 56.500 MWh/year.

9 - Leases

IFRS 16 Leases was implemented with effect from 1 January 2019.

The Group as lessee

The Group has entered into several leases for vehicles, offices and properties/land. Several of these leases have an extension option. The agreements do not contain restrictions on the Company's dividends policy or financing opportunities. All lease agreements, where the Group is the lessee, have been reviewed in accordance with IFRS 16. Right-of-use assets and lease liabilities have been recognized in the statement of financial position measured at the present value of unavoidable lease payment. Further details about right-of-use assets and lease liabilities are provided in note 5.2 Furniture and equipment, 5.3a Investment properties and 5.10 Non-current and current financial liabilities.

Comprehensive income statement impacts from applying IFRS 16 Leases:

In thousands of NOK	2022	2021
Value change right-of-use assets related to investment properties	-1 784	-6 304
Depreciation of right-of-use assets related to office and vehicle leases	3 000	9 603
Interest expense on lease liabilities	7 001	7 248
Total (net expense)	11 786	23 156

Future minimum lease payments related to non-cancellable leases fall due as follows (discounted values):

In thousands of NOK	31/12/2022	31/12/2021
Within 1 year	7 314	4 523
1 to 5 years	10 020	10 020
After 5 years*	361 456	337 572
Total	378 790	352 115

* Leasing commitment related to 84 year lease of land in Denmark.

Consolidated statement of cash flows impacts from applying IFRS 16 Leases:

In thousands of NOK	2022	2021
Change in the fair value of investment properties	-1 784	-6 304
Depreciation, amortization and provisions	3 000	9 603
Reclassification of financial interests and other items	-7 001	-7 248
Repayment of loans, borrowings and hedging instruments	-1 721	-10 716

Total cash payments made during 2022 and 2021 related to leases for vehicles, offices and properties/land accounted for in accordance with IFRS 16 Leases, where the Group is the lessee, amounted to NOK 15.6 million and NOK 14.0 million respectively.

Group as lessor

The Group's main activity is that of being a lessor of the Group's investment properties. Leases as described in the tables below are based on agreements as of 31 December 2022, and in nominal amounts. The Group's lease agreements are adjusted with changes in consumer price index on an annual basis.

The carrying value of assets, leased under lease agreements where the Group is the lessor, is as follows:

In thousands of NOK	31/12/2022	31/12/2021
Investment properties	26 640 670	30 140 407
Total	26 640 670	30 140 407

Future minimum lease payments related to non-cancellable leases fall due as follows:

In thousands of NOK	31/12/2022	31/12/2021
Within 1 year	1 035 489	1 101 205
1 to 5 years	1 173 553	1 451 283
After 5 years	177 606	289 685
Total	2 386 648	2 842 173

The Group's rental contracts can be divided into

- 1) Fixed rent,
- 2) Minimum rent + percentage of tenants turnover, and
- 3) Percentage of tenants turnover.

Percentage of rental rates that are fixed are as follows:

	31/12/2022	31/12/2021
Norway	98,2 %	95,5 %
Sweden	96,2 %	96,4 %
Denmark	99,0 %	99,2 %
Average	97,7 %	97,1 %

10 - Payroll Expenses

In thousands of NOK	2022	2021
Wages, bonuses and indemnities	80 994	89 410
Social security tax	14 946	17 524
Pension costs	12 946	13 469
Other costs	6 134	6 149
Payroll expenses	115 019	126 551

Employees

The average number of employees in the Group in 2022 and 2021 were 114 and 133, respectively. At 31 December 2022 (31 December 2021) the Group had 102 (124) employees.

Pension cost

All employees in the Group are on defined contribution plans. The contribution plans are in compliance with the legal requirements of each country.

Bonus scheme

Bonus scheme Bonus is decided based on the Company's achieved results and an individual assessment of each employee. As of 31 December 2022 and 2021 NOK 17.1 million and NOK 15.2 million, respectively, have been accrued to cover the Group's bonus scheme. The bonus provision includes public and social taxes.

Remuneration of senior executives

2022 (in thousands of NOK)	Salary	Bonus	Payment in kind	Pension	Total
Group Management					
Marie Caniac - <i>Chief Executive Officer</i>	2 013	512	838	196	3 559
Bjørn Tjaum - <i>Chief Investment Officer</i>	2 162	1 053	330	275	3 819
Nils Eivind Risvand - <i>Chief Legal Officer</i>	1 783	1 053	310	247	3 393
Brian Jensen - <i>Chief Financial Officer</i>	1 970	747	118	193	3 028
Total compensation	7 927	3 364	1 596	911	13 798

2021 (in thousands of NOK)	Salary	Bonus	Payment in kind	Pension	Total
Group Management					
Marie Caniac - <i>Chief Executive Officer (from 1 July 2021)</i>	982	-	414	86	1 482
Louis Bonelli - <i>Chief Executive Officer (until 30 June 2021)</i>	1 190	675	445	171	2 482
Bjørn Tjaum - <i>Chief Investment Officer</i>	2 097	466	292	260	3 115
Nils Eivind Risvand - <i>Chief Legal Officer</i>	1 731	964	275	256	3 226
Brian Jensen - <i>Chief Financial Officer</i>	1 911	717	127	188	2 943
Total compensation	7 911	2 822	1 552	962	13 247

The Chief Executive Officer is hired on an expat agreement with the Klépierre Group. The expat contract for the Chief Executive Officer last until 30 June 2024. The notice period for the Chief Investment Officer and the Chief Financial Officer is six months, while it is four months for the Chief Legal Officer. No agreements have been entered with regards to severance payment or other post-employment benefits for the senior executives if the employment contracts are to be terminated.

None of the Company's employees or members of the board have shares or stock options in the Company.

11.1 - Fair value measurements

This note provides information about how the Group determines the fair values of various assets and liabilities

Investment properties

The Group has appointed Cushman & Wakefield as external appraiser for determining the fair value of the Group's investment properties. The fair value was determined based on the income approach. The model is based on the actual tenant situation, long-term predictions based on expected inflation and market developments. The shopping centers are appraised twice a year by the external appraiser.

Hedging items

Interest rate swaps are included in the balance sheet at fair value. The fair value of interest rate swaps is obtained from financial institutions.

Other financial assets and liabilities

Other financial assets consist of other non-current assets, trade accounts receivables and other receivables. Other financial liabilities consist of non-current and current financial liabilities, security deposits and guarantees, bank facilities, trade payables, other liabilities and social and tax liabilities.

All accounting items measured at fair value have been categorized to assess valuation uncertainty.

- Level 1 includes investments where fair value has been determined based on quoted prices in active markets.
- Level 2 includes investments where fair value has been determined based on valuation modelling and market information. These investments are more uncertain than Level 1.
- Level 3 includes investments where fair value has not been determined based on observable market data (i.e. unobservable inputs). Investments in Level 3 is determined using valuation models that, in material aspect, uses input that is non observable market data which implies that there exist a considerable uncertainty in determining fair value.

Description of adapted methods for determining fair value on liabilities and assets measured at other than fair value in the balance sheet

The carrying value of cash, cash equivalents and bank overdrafts approximates their fair value as these instruments have short maturities. Similarly, the book value of accounts receivable and accounts payable approximates to fair value.

For other financial assets and liabilities, except the accounting items described above, fair value is calculated as the present value of estimated cash flows discounted at the rate applicable to similar liabilities and assets on the balance sheet date. This value is approximately equal to fair value.

31/12/2022				
in thousands of NOK	Level 1	Level 2	Level 3	Total
Total investment properties			26 697 816	26 697 816
Total financial derivatives		459 459		459 459
Other financial assets		455 646	206 115	661 761
Other financial liabilities		-8 791 829	-	-8 791 829
Total other financial assets and liabilities	-	-8 336 184	206 115	-8 130 069
Total	-	-7 876 725	26 903 931	19 027 206

31/12/2021				
in thousands of NOK	Level 1	Level 2	Level 3	Total
Total investment property	-	-	30 199 315	30 199 315
Total financial derivatives	-	70 631	-	70 631
Other financial assets	-	516 485	5 406	521 892
Other financial liabilities	-	-10 718 802	-	-10 718 802
Total other financial assets and liabilities	-	-10 202 317	5 406	-10 196 910
Total	-	-10 131 685	30 204 721	20 073 036

11.2 – Litigations and claims

Steen & Strøm is a Scandinavian company that, through its ongoing business operations, will be exposed to litigations and claims from public authorities and contracting parties. Changes in individual countries' tax laws, could increase the Group's tax exposure. The Group's assessment is that best estimate provisions have been made for the aforementioned conditions.

Field's – "Naturklagenævnet"

In the High Court of Eastern Denmark validated a decision from the Nature Protection Board of Appeal, which stated that the building permit for a part of the shopping centre "Field's" did not comply with the local development plan. The decision was upheld in 2014 after a complaint. The party to this decision was the Municipality of Copenhagen, however Steen & Strøm had the right to appeal.

Steen & Strøm issued a law suit in 2014, claiming that the decision of the Nature Protection Board of Appeal is void, on several grounds. The court process has taken several year.

In 2016, a specific issue was separated from the case and heard for Copenhagen City Court. Steen & Strøm stated that the case should be dismissed, as the organization making the initial protest, did not have sufficient legal interest. However, Steen & Strøm was not successful with this argument.

The case now continues on its merits. The main proceedings for the court has been scheduled for January, 2024. In the main hearing, the court will also consider Steen & Strøm's claim that the case must be referred to the ECJ (European Courts of Justice). The decision of the court can be appealed, and a final decision might take several further years.

No provisions related to this case have been made in the Steen & Strøm Group consolidated financial statements at 31 December 2022.

Tax case – Lillestrøm Torv

The Norwegian tax authorities have decided that taxable income in a former subsidiary of Steen & Strøm AS shall be increased by NOK 85.3 million for the income year 2015. The amount entails a tax of NOK 23 million. The reason for the decision is that a property transferred to another group company in 1997, by mistake, remained in the transferring company's books. This was corrected when it was discovered in 2015, but the tax authorities' opinion was that the realization first took place in 2015. Steen & Strøm strongly disagrees with the decision and have filed a complaint. The complaint is likely to be heard in 2023 or 2024. If this is unsuccessful, the matter is likely to be taken to the courts. No provisions related to this case have been made in the Steen & Strøm Group consolidated financial statements at 31 December 2022.

11.3 - Related parties

The parent company of the Steen & Strøm Group, Steen & Strøm AS is a 100% owned subsidiary of Storm Holding Norway AS. Storm Holding Norway AS is fully owned by Nordica HoldCo AB, which in turn is owned by subsidiaries of Klépierre SA and Stichting Pensionenfonds ABP.

Transactions between related parties are mainly related to provision of group shared services, and financing. All transactions with related parties are carried out at arm's length principle.

Other general expenses

In thousands of NOK	2022	2021
Standard IT fee	-10 218	-15 329
Total	-10 218	-15 329

Net cost of debt

Steen & Strøm AS was during 2020 granted a loan, with face value of NOK 400 million, from its parent company Storm Holding Norway AS. The loan was interest-bearing at a fixed interest-rate of 3.75%. According to the loan agreement the loan should be repaid in full within 2 July 2025. The total loan was repaid in advance in February 2022.

11.4 - Post-balance sheet date events

High inflation is still influencing our economies. The conflict in Ukraine is expected to continuously influence the global economy, and consumer confidence is declining, however the impact on consumer behavior is still somewhat unclear. It is consequently still too early to fully assess the impacts on Steen & Strøm's operations, which will depend on the duration of the conflict in Ukraine. Management is monitoring the situation ongoing and will take necessary precautions to mitigate the negative impacts.

11.5 - Audit fees

In thousands of NOK	2022	2021
Statutory audit	5 146	5 063
Other services	541	197
Total	5 686	5 260

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STEEN & STRØM AS - FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

In thousands of NOK	Note	2022	2021
Other operating income		104 793	114 487
Gain from sales of assets	1	150	-
Total operating income		104 943	114 487
Payroll expenses	2	60 596	74 938
Depreciation	1	9 173	27 482
Other operating expenses	1, 2, 3	54 933	49 738
Total operating expenses		124 702	152 158
OPERATING INCOME		- 19 759	- 37 671
Financial income and expenses			
Income from investments in subsidiaries and joint ventures	4	110 833	134 140
Gain from sale of investments in subsidiaries and joint ventures	4	159 102	1 424 496
Interest received from group companies	5	81 072	140 396
Net interest on Cash pool		6 961	- 1 062
Other financial income	6	156 100	247 322
Write down on shares in subsidiaries	4	-	- 11 888
Interest paid to group companies	5	- 5 273	- 17 099
Interest on borrowings	1, 7	- 49 606	- 92 387
Other financial expenses	6	- 146 577	- 208 578
NET FINANCIAL INCOME AND EXPENSES		312 613	1 615 341
PROFIT BEFORE TAX		292 854	1 577 670
Corporate income tax	8	8 863	9 270
CORPORATE INCOME TAX		8 863	9 270
Net income		301 717	1 586 940
Other comprehensive income items recognized directly as equity			
Items that may be reclassified subsequently to profit or loss			
Effective portion of profits and losses on cash-flow hedging instruments (IFRS 9)		58 535	67 940
Tax on cash-flow hedging instruments		- 12 877	- 14 947
Items that will not be reclassified subsequently to profit and loss		-	-
Total comprehensive income		347 375	1 639 932

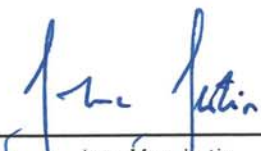
STATEMENT OF FINANCIAL POSITION

In thousands of NOK	Note	31/12/2022	31/12/2021
Intangible assets			
Deferred tax assets	8	28 457	29 927
Software	1	20 238	17 341
Total intangible assets		48 695	47 268
Property, plant & equipment			
Company cabin	1	1 949	2 217
Cars, machinery and equipment	1	1 735	1 170
Right-of-use assets	1	14 736	2 213
Total property, plant & equipment		18 419	5 599
Financial assets			
Investment in subsidiaries	4	7 904 860	9 423 706
Loans to subsidiaries	5, 6	1 518 762	3 332 597
Investments in joint ventures	9	1 006 500	991 500
Investments in shares	4	230	230
Other non-current receivables	6	299 078	-
Total financial assets		10 729 430	13 748 033
NON-CURRENT ASSETS		10 796 544	13 800 900
Receivables			
Trade receivables		14 329	-
Loans to group companies	5	5 586	75 741
Other current receivables	6, 10	32 787	58 351
Total current receivables		52 702	134 092
Cash and cash equivalents			
Cash and cash equivalents	2	64 024	36 078
CURRENT ASSETS		116 726	170 170
TOTAL ASSETS		10 913 270	13 971 070

STATEMENT OF FINANCIAL POSITION

In thousands of NOK	Note	31/12/2022	31/12/2021
Contributed equity:			
Share capital		73 259	73 259
Additional paid-in capital		4 028 584	4 028 584
Total contributed equity	11	4 101 843	4 101 843
Retained earnings:			
Other equity		3 871 973	5 213 227
Total earned equity		3 871 973	5 213 226
SHAREHOLDERS' EQUITY		7 973 817	9 315 070
Bonds	6, 7	495 761	2 100 166
Liabilities to group companies	5	215 569	605 085
Other non-current liabilities	1	15 840	1 053
NON-CURRENT LIABILITIES		727 171	2 706 304
Trade payables		-	22
Social and tax liabilities		4 859	6 113
Tax payable	8	-	15 361
Liabilities to group companies	5	567 748	468 635
Certificates, bonds and other current debt	7	1 610 306	1 410 390
Other current liabilities	1, 10	29 369	49 176
CURRENT LIABILITIES		2 212 282	1 949 696
TOTAL LIABILITIES		2 939 453	4 656 000
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		10 913 270	13 971 070

Oslo, 29 March 2023

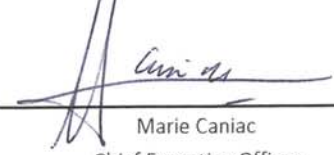

 Jean-Marc Jestin
 Chairman of the Board


 Rutger van der Lubbe
 Member of the Board


 Rafael Torres Villalba
 Member of the Board


 Stephane Tortajada
 Member of the Board


 Thomas Lourenco
 Member of the Board


 Marie Caniac
 Chief Executive Officer

STATEMENT OF CASH FLOWS

In thousands of NOK	Note	2022	2021
Net income		301 717	1 586 940
Corporate income tax	8	- 8 863	- 9 270
Paid tax for the period		- 17 906	- 2 731
Gain/Loss on sale of non-current assets		- 150	-
Income on shares in subsidiaries	4	- 75 833	- 91 140
Gain/Loss on sale of shares	4	- 159 102	-1 424 496
Depreciation on fixed assets	1	9 173	27 482
Write-down/reversal of write-down on financial assets	4	-	11 888
Changes in trade receivables		- 14 329	67
Changes in trade payable		- 22	- 13 929
Changes in social and tax liabilities		- 1 253	- 1 252
Changes in other current assets & other current liabilities		- 34 813	2 566
Net cash flow from operating activities		- 1 382	86 125
Payments on acquisitions of non-current assets	9	- 15 000	- 21 000
Proceeds from sale of non-current assets	4, 6	1 477 949	3 166 645
Payments on acquisitions of other assets		- 9 925	- 7 127
Proceeds from loans to subsidiaries		1 813 834	1 980 974
Net cash flow from investing activities		3 266 858	5 119 492
Payments on borrowings	7	-1 699 530	-3 522 678
Payments of dividends		-1 538 000	-1 697 500
Net cash flow from financing activities		-3 237 530	-5 220 178
NET CHANGES IN CASH		27 946	- 14 561
Cash at the start of the period		36 078	50 639
Net changes in cash		27 946	- 14 561
Cash at the end of the period		64 024	36 078

STATEMENT OF CHANGES IN EQUITY

31/12/2021		Share capital	Additional paid-in capital	Other equity	Total equity
In thousands of NOK					
Opening statement		73 259	4 028 584	5 270 795	9 372 638
Dividends paid				-1 697 500	-1 697 500
Net income for the period				1 586 940	1 586 940
Income from cash-flow hedging				52 992	52 992
Closing statement		73 259	4 028 584	5 213 227	9 315 070

31/12/2022		Share capital	Additional paid-in capital	Other equity	Total equity
In thousands of NOK					
Opening statement		73 259	4 028 584	5 213 227	9 315 070
Group contribution				- 150 628	- 150 628
Dividends paid				-1 538 000	-1 538 000
Net income for the period				301 717	301 717
Income from cash-flow hedging				45 658	45 658
Closing statement		73 259	4 028 584	3 871 973	7 973 817

NOTES TO THE FINANCIAL STATEMENTS

All amounts in thousands of NOK, unless otherwise specified.

ACCOUNTING PRINCIPLES

The accounts have been prepared in accordance with simplified application of international accounting standards according to §3-9 of the Norwegian Accounting Act. See also note 2 in the group's consolidated financial statements. The explanation of the accounting policies also apply to the parent company, and the notes to the consolidated financial statements will in some cases cover the parent company.

Simplified Application - change of accounting principle

As from 2022 the Company has applied the following simplification to the recognition and valuation rules of IFRS:

- IAS 10, paragraph 12 and 13 are omitted so that dividends and group contribution accounted for in accordance with Norwegian Accounting Act. The tax is recognized in accordance with IAS 12.57A as under full IFRS, where the tax effects of the distribution are presented as a tax expense in the statement of comprehensive income in the same period as the distribution is accrued as a liability.

Shares in subsidiaries and joint ventures

Shares in subsidiaries and joint ventures are stated using the cost method.

1 - SOFTWARE, PROPERTY, PLANT & EQUIPMENT

Intangible assets - software	31/12/2022	31/12/2021
Acquisition cost as of 01/01	197 501	190 374
Acquisition	8 248	7 127
Acquisition cost as of 31/12	205 750	197 501
Acc. depreciation as of 31/12	185 512	180 160
Net book value as of 31/12	20 238	17 341
Depreciation for the year	5 351	20 315
Vehicles, furniture and office equipment and machinery	31/12/2022	31/12/2021
Acquisition cost as of 01/01	16 161	16 161
Acquisition	1 196	-
Acquisition cost as of 31/12	17 357	16 161
Acc. depreciation as of 31/12	15 623	14 991
Net book value as of 31/12	1 735	1 170
Depreciation for the year	1 112	1 867
Company cabin	31/12/2022	31/12/2021
Acquisition cost as of 01/01	6 698	6 698
Acquisition cost as of 31/12	6 698	6 698
Acc. depreciation as of 01/01	4 482	4 214
Acc. depreciation as of 31/12	4 750	4 482
Net book value as of 31/12	1 949	2 217
Depreciation for the year	268	268

Right-of-use assets	31/12/2022	31/12/2021
Net book value as of 01.01	2 213	3 475
Acquisition	15 464	3 835
Disposal	- 499	- 65
Depreciation and impairment allowances	- 2 442	- 5 032
Net book value as of 31/12	14 736	2 213

Rent period as of 31/12/2021 is 3 months.

Liabilities right-of-use assets:

	31/12/2022	31/12/2021
Other Non-Current liabilities	11 117	1 053
Current liabilities (1. year payment)	3 636	1 157
Total liabilities right-of-use assets as of 31/12	14 754	2 211

Interest expenses right-of-use liabilities of NOK 51 thousand.

2 - PAYROLL EXPENSES

	2022	2021
Wages, bonuses and indemnities	45 552	57 510
Social security tax	7 176	9 083
Pension costs	4 212	4 577
Other costs	3 656	3 767
Total payroll expenses	60 596	74 938

Employees

The average number of employees in Steen & Strøm AS in 2022 and 2021 were 45 and 63, respectively.

Remuneration of senior executives

See note 10 of the consolidated financial statements.

Audit fees

The audit fee for Steen & Strøm AS in 2022 was NOK 2 492,5 thousand (NOK 1 912 thousand in 2021).

Other certification service for Steen & Strøm AS in 2022 was NOK 282,5 thousand.

Restricted funds

As of 31 December 2022 and 2021, restricted funds amounted to NOK 2 345 thousand and NOK 2 993 thousand.

3 - BREAKDOWN OF OTHER OPERATING EXPENSES

	2022	2021
Rental space	1 570	530
Management and other fees	4 954	5 069
Other operating expenses	4 192	3 810
Other administrative costs	44 217	40 328
Total other operating expenses	54 933	49 738

4 - INVESTMENTS IN SUBSIDIARIES AND OTHER COMPANIES

Company	Ownership 31/12	Value at 31/12
AS Kristiania Byggeselskap for smaaleiligheter	1,5 %	230
Total		230

	31/12/2022	31/12/2021
Book value of investments in subsidiaries	7 904 860	9 423 706

All subsidiaries are valued at cost.

For a list of all subsidiaries of Steen & Strøm AS, see note 4.1 of the consolidated financial statements.

Net gain of sales of three fully owned subsidiaries in 2022 is NOK 159 102 thousand.

This amount includes reversal of previous write down of investments in subsidiaries of NOK 397 413 thousand.

Income from investments in subsidiaries and joint ventures	2022	2021
Distributions from joint ventures	35 000	43 000
Received group contribution	75 833	91 140
Total	110 833	134 141

5 - INTERCOMPANY RECEIVABLES AND PAYABLES

Current assets and current liabilities	31/12/2022	31/12/2021
Current receivables from group companies	5 586	75 741
Total current receivables	5 586	75 741

Non-current receivables from group companies *)	1 518 762	3 332 597
Total receivables	1 524 348	3 408 337

*) Non-current receivables/liabilities to group companies have a maturity of 3 years.

Current liabilities to group companies	567 748	468 635
Non-current liabilities to group companies	215 569	605 085
Total liabilities	783 317	1 073 719

Interest received from group companies	81 072	140 396
Interest paid to group companies	- 5 273	- 17 099
Net interest	75 800	123 297

The Steen & Strøm group maintain a group account scheme for bank accounts in Norway which are linked to the groups overdraft accounts. The subsidiaries' bank accounts included in this scheme is formally receivables or liabilities against the parent company, and are classified in Steen & Strøm's balance sheet accordingly.

6 - FINANCIAL INSTRUMENTS - EXPOSURE TO RISK

For a comprehensive description of the Group's strategy, see note 8 of the consolidated financial statements.

The company has as of 31/12/2022 recorded a net receivable of NOK 104 684 thousand related to financial instruments.

The corresponding amount for 31/12/2021 was a net receivable of NOK 27 759 thousand.

Summary of receivables and debts in foreign currency	2022	2021
Non-current receivables		
In thousands of SEK	28 328	703 814
Non-current debt		
In thousands of DKK	154 214	152 680
Exchange rate on the balance sheet date		
SEK	0,95	0,97
DKK	1,40	1,34
In thousands of NOK		
Non-current receivables	26 783	685 859
Non-current debt	215 569	205 085

Assets and liabilities are recorded at exchange rates per 31/12/2022. Changes in exchange rates compared with last year's exchange rates at 31/12/2021 is posted in the accounts as a loss / gain.

Steen & Strøm AS has in 2022 had a net gain on foreign currency of NOK 16 908 thousand. Of this amount a gain of NOK 150 497 thousand is realized. The corresponding amounts in 2021 was a net gain of NOK 37 648 thousand of which NOK 28 821 thousand in realized gain.

In connection to the divestment of three fully owned subsidiaries in 2022, Steen & Strøm AS has granted a seller's credit to the buyer of the companies of NOK 200 000 thousand. See note 5.5 of the consolidated financial statements for more information.

Remaining lines of credit are NOK 1 900 000 thousand.

7 - LIABILITIES

Non-current interest bearing borrowings	31/12/2022	31/12/2021
Bonds	495 761	2 100 166
Total non-current interest bearing borrowings	495 761	2 100 166
Current borrowings		
Certificates	-	292 347
Bonds	1 610 306	945 039
Borrowing to financial institutions *)	-	173 004
Total current borrowings	1 610 306	1 410 390

*) Bank overdrafts. Line of credit (DNB) are NOK 1.000.000 thousand.

Repayment plans and renegotiation of non-current debt:

Between 1 and 5 years	395 761	2 000 166
More than 5 years	100 000	100 000
Total	495 761	2 100 166

The table excludes intercompany loans. Secured debt includes also collateral of other Group companies' assets.

8 - TAX

Temporary differences	31/12/2022	31/12/2021
Fixed assets	- 1 731	- 1 347
Non-current receivables	- 16 269	102 868
Shares in partnerships	- 223 192	- 192 939
Taxable profit and loss account	5 055	6 319
Accrual of interest rate swap	1 921	- 1 480
Other differences	104 864	26 379
Net temporary differences	- 129 351	- 60 200
Group Contribution	-	- 75 833
Basis for deferred tax / tax assets	- 129 351	- 136 033
22 % deferred tax / deferred tax assets	- 28 457	- 29 927
Total deferred tax assets (-) / liabilities (+)	- 28 457	- 29 927
Explanation of the tax expense	2022	2021
22 % tax on profit before tax	64 428	347 087
Tax on non deductible interest	-	- 2 731
Change of shares in partnerships from previous years	- 6 656	- 41 161
Tax on given/received group contribution adopted this year	- 16 455	20 051
Permanent differences	- 52 725	- 331 209
Other differences	2 544	- 1 306
Corporate income tax expense	- 8 863	- 9 270
Analysis of tax expense	2022	2021
Taxes payable	-	15 361
Change in deferred tax	1 470	- 8 378
Tax on non deductible interest	-	- 1 306
Correction of tax expense from previous year	2 544	-
The tax effects recognized in equity	- 12 877	- 14 947
Corporate income tax expense	- 8 863	- 9 270
Basis for tax payable	2022	2021
Profit before tax	292 854	1 577 670
Write-downs on shares	-	11 888
Income from partnerships	30 253	40 861
Revenue from companies within the exemption method	- 270 237	-1 558 636
Other permanent differences	324	391
Basis for this year's tax	53 195	72 174
Change in temporary differences	97 433	2 376
Given/Received group contribution adopted this year	- 150 628	75 833
Taxable income	-	150 383
Use of tax losses carried forward	-	- 68 144
Basis for tax payable	-	82 239
Taxable income	-	82 239
Non decutable interest	-	- 12 414
Basis for tax payable	-	69 825
Tax payable (22%)	-	15 361

9 - INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

Associated companies and joint ventures in the statutory accounts are recorded at cost method.

Company	Ownership 31/12	Value at 01/01	Capital increase / Sale	Value at 31/12
Metro Senter ANS	50,0 %	490 750	-	490 750
Økern Sentrum ANS	50,0 %	500 750	15 000	515 750
Total		991 500	15 000	1 006 500

10 - LITIGATIONS AND CLAIMS

See note 11.2 of the consolidated financial statements.

11 - SHAREHOLDER'S EQUITY AND TREASURY SHARES

See note 5.9 of the consolidated financial statements.

12 - SHARES OWNED BY THE CEO OR MEMBERS OF THE BOARD

None of the Company's employees or Members of the Board have shares or stock options in the Company.

See note 10 of the consolidated financial statements.

13 - GUARANTEES, BAIL DECLARATIONS AND PLEDGES

Steen & Strøm AS is by ownership solely responsible for the debts of the following companies:

	Total debt	SST Share	Ownership
Økern Sentrum ANS	20 973	10 487	50,0 %
Metro Senter ANS	13 292	6 646	50,0 %
Total	34 265		

Steen & Strøm AS has given the following guarantees, bail declarations and pledges:

Type	Banking partner	31/12/2022
Bail declatration - surety for indemnity declaration previous tenants	Nordea Bank AB, Norwegian branch	2 147
Pledges secured in investment property of subsidiaries	Different partners	8 862 985
Total off balance sheet commitments of garantees, bail declarations and pledges		8 865 132

14 - RELATED PARTIES

See note 11.3 of the consolidated financial statements.

15 - POST BALANCE SHEET DATE EVENTS

See note 11.4 of the consolidated financial statements.

To the General Meeting of Steen & Strøm AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Steen & Strøm AS, which comprise:

- The financial statements of the parent company Steen & Strøm AS (the Company), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Steen & Strøm AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided. We have been the auditor of the Company for 14 years from the election by the general meeting of the shareholders on 8 November 2009 for the accounting year 2009.

Key Audit Matters

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

Valuation of investment property

Key audit matter	How the matter was addressed in the audit
The majority of the group's assets consist of investment properties. The carrying amount of investment properties as at 31 December 2022 is NOK 26 698 million. In addition, the group has interest in investment properties through jointly controlled companies, accounted for using the equity method. The carrying value of the jointly controlled companies is NOK 1 851 million as at 31 December 2022. Investment properties are measured at fair value. Fair value adjustments of investment properties may have a significant effect on the group's operating income and consequently the equity. The fair value is based on estimates as well as property specific information. The basis for management's estimates is valuations performed by external, independent appraisers. These estimates require significant judgement and therefore valuation of investment property is a key audit matter. Refer to note 2.23 "Critical accounting judgements and key sources of estimation uncertainty" in addition to note 5.3 and 5.4 in the financial statements of the group for details of investment properties and valuation methodology.	We evaluated the design and implementation of the control activities that management has established to ensure that relevant property information is included in the external valuations. For a sample of investment properties, we reconciled the information regarding annual rent in the external valuers' reports to the group's own records. We assessed the external valuers' competence and qualifications and that the valuation methods used were in accordance with generally accepted valuation standards and were appropriate to determine fair value of the group's investment properties. We met with the external appraisers, and discussed and challenged assumptions used and reason behind significant movements in valuations from previous periods. Where relevant, we compared the assumptions used with observable market data and our knowledge about the market. We reconciled the values used in the financial statements to the valuation reports. We used Deloitte valuation specialists in our audit of the valuation of investment property. We also assessed the adequacy of the related disclosures in the financial statements.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements***Report on Compliance with Requirement on European Single Electronic Format (ESEF)*****Opinion**

As part of the audit of the financial statements of Steen & Strøm AS, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name "5967007LIEEXZXJNDK21-2022-12-31-en(4).zip" have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 5 April 2023
Deloitte AS

Sylvi Bjørnslett

State Authorised Public Accountant

(This document is signed electronically)

Alternative performance measures (APM)

Net rental income including equity investments

In thousands of NOK	2022	2021
Net rental income of Consolidated Statement of Comprehensive Income	1 239 558	1 417 519
Group share of Net rental income from Equity investments according to note 5.4B	49 836	52 795
Net rental income including equity investments	1 289 394	1 470 314

Net rental income evolution on like-for-like basis

2022	Denmark	Norway	Sweden	Total
Net rental income of current operations	464 494	347 518	427 546	1 239 558
Net rental income of constant operations	459 270	204 266	418 566	1 082 102
Variable	5 224	143 252	8 890	157 456
2021	Denmark	Norway	Sweden	Total
Net rental income of current operations	452 150	514 402	450 967	1 417 519
Net rental income of constant operations	448 753	189 379	417 877	1 056 009
Variable	3 397	325 023	33 090	361 510
Net rental income evolution on like-for-like basis	2,3%	7,9%	0,2%	2,4%

Net rental income on like-for-like includes only comparable data (i.e. the portion of the portfolio that has remained the same year over year). The computation does not include equity investments (the one partly owned shopping center in Norway). The Scandinavian holding fee has been neutralized.

Direct operating expenses

In thousands of NOK	2022	2021
Non recoverable rental expenses	139 936	140 264
Building expenses (owner)	44 918	55 432
Direct operating expenses	184 854	195 696

Direct operating expenses occur at the shopping centers and are equal to gross rental income minus net rental income.

Other operating expenses

In thousands of NOK	2022	2021
Payroll expenses	115 019	126 551
Other general expenses	50 552	50 680
Depreciation and impairment allowance on investment properties	268	268
Depreciation and impairment allowance on intangible assets and property, plant and equipment	9 851	32 839
Other operating expenses	175 691	210 338

Other operating expenses occur in the management companies and relate to commercial management and development of the portfolio.

Net interest-bearing debt

In thousands of NOK	2022	2021
Non-current financial liabilities	5 629 946	8 016 380
Current financial liabilities	2 152 543	1 503 263
Bank facilities	-	173 004
Cash and cash equivalents	-313 824	-460 902
Net interest-bearing debt	7 468 665	9 231 745

Net interest-bearing debt is defined as interest-bearing debt, excluding lease liabilities, deducted cash on account.

Loan to Value

In thousands of NOK	2022	2021
Investment properties	26 640 670	30 140 407
Equity method securities	1 850 510	1 560 000
Value of portfolio	28 491 180	31 700 407

In thousands of NOK	2022	2021
Net interest-bearing debt	7 468 665	9 231 745
Value of portfolio	28 491 180	31 700 407
Loan to Value	26,2 %	29,1 %

Loan to Value expresses the ratio of net interest-bearing debt to the value of portfolio.

Book equity ratio

In thousands of NOK	2022	2021
Shareholders' Equity	17 753 441	18 486 399
Total Assets	30 537 918	33 351 105
Book equity ratio	58,1 %	55,4 %

Book equity ratio indicates the relative proportion of equity used to finance the assets.

Reversion rate

In thousands of NOK	Denmark	Norway	Sweden	Total
Previous MGR	19 474	25 784	75 023	120 281
New yearly MGR	18 313	28 205	74 845	121 363
Reversion rate	-6,0 %	9,4 %	-0,2 %	0,9 %

Reversion rate expresses the average increase of yearly Minimum Guaranteed Rent (MGR) for re-let and renewed contracts signed during the year.



STEEN & STRØM

WELCOME TO A UNIQUE SHOPPING EXPERIENCE!

Supporting the most attractive brands with the best assets in prime locations, strengthening our societal and environmental responsibility and sharing the benefits with our customers, innovating together to give a new dimension to retail... Welcome to Steen & Strøm!

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