Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	962 073 182
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	STEEN & STRØM AS
Forretningsadresse:	Dronning Eufemias gate 8 0191 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	IFRS
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Kari Vesterby
Dato for fastsettelse av årsregnskapet:	01.04.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 01.08.2023

Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Andre driftsinntekter	4	114 487 000	127 198 000
Sum inntekter		**114 487 000**	**127 198 000**
Kostnader			
Lønnskostnad	1	74 938 000	86 083 000
Avskrivning på varige driftsmidler	4	27 482 000	26 743 000
Annen driftskostnad	1, 4, 10	49 738 000	46 597 000
Sum kostnader		**152 158 000**	**159 423 000**
Driftsresultat		**-37 671 000**	**-32 225 000**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap	6	134 140 000	4 782 662 000
Renteinntekt fra foretak i samme konsern	7	140 396 000	94 616 000
Annen renteinntekt		-1 062 000	-3 367 000
Gevinst ved salg av datterselskap og tilknyttet selskap	5, 6	1 424 496 000	
Annen finansinntekt	12	247 322 000	97 139 000
Sum finansinntekter		**1 945 293 000**	**4 971 050 000**
Nedskr. av finansielle anleggsmidler	6	11 888 000	329 583 000
Rentekostnad til foretak i samme konsern	7	17 099 000	9 749 000
Annen rentekostnad	4, 8	92 387 000	113 298 000
Annen finanskostnad	12	208 578 000	152 737 000
Sum finanskostnader		**329 952 000**	**605 367 000**
Netto finans		**1 615 340 000**	**4 365 683 000**
Ordinært resultat før skattekostnad		**1 577 670 000**	**4 333 458 000**
Skattekostnad på ordinært resultat	11	-9 270 000	147 781 000
Ordinært resultat etter skattekostnad		**1 586 940 000**	**4 185 678 000**
Årsresultat		**1 586 940 000**	**4 185 678 000**

Resultatregnskap

Beløp i: NOK	Note	2021	2020
Årsresultat etter minoritetsinteresser		**1 586 940 000**	**4 185 678 000**
Kontantstrømsikring		67 940 000	-70 757 000
Skatteeffekt kontantstrømsikring		-14 947 000	15 567 000
Sum resultatkomponenter for IFRS-foretak		52 993 000	-55 190 000
Totalresultat		**1 639 933 000**	**4 130 488 000**
Overføringer og disponeringer			
Overføringer annen egenkapital		1 586 940 000	4 185 678 000
Andre resultatkomponenter		52 993 000	-55 190 000
Sum overføringer og disponeringer		**1 639 933 000**	**4 130 488 000**

Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Software	4	17 341 000	30 529 000
Utsatt skattefordel	11	29 927 000	21 549 000
Sum immaterielle eiendeler		**47 268 000**	**52 078 000**
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	4	2 217 000	2 485 000
Driftsløsøre, inventar, verktøy, kontorm.	4	1 170 000	3 037 000
Finansiell leasing	4	2 213 000	3 475 000
Sum varige driftsmidler		**5 599 000**	**8 997 000**
Finansielle anleggsmidler			
Investering i datterselskap	6	9 423 706 000	10 888 893 000
Lån til foretak i samme konsern	7, 12	3 332 597 000	5 313 571 000
Investeringer i tilknyttet selskap	5	991 500 000	1 259 350 000
Investeringer i aksjer	6	230 000	230 000
Sum finansielle anleggsmidler		**13 748 033 000**	**17 462 044 000**
Sum anleggsmidler		**13 800 901 000**	**17 523 119 000**
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer			67 000
Andre fordringer	12, 13	58 351 000	22 859 000
Konsernfordringer	7	75 741 000	94 987 000
Sum fordringer		**134 092 000**	**117 913 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd og fordringer konsernkonto	1	36 078 000	50 639 000
Sum bankinnskudd, kontanter og lignende		**36 078 000**	**50 639 000**
Sum omløpsmidler		**170 170 000**	**168 552 000**

Balanse

Beløp i: NOK	Note	2021	2020
SUM EIENDELER		**13 971 071 000**	**17 691 671 000**

BALANSE - EGENKAPITAL OG GJELD

Egenkapital			
Innskutt egenkapital			
Aksjekapital		73 259 000	73 259 000
Overkurs		4 028 584 000	4 028 584 000
Sum innskutt egenkapital	2	**4 101 843 000**	**4 101 843 000**
Opptjent egenkapital			
Annen egenkapital		5 213 227 000	5 270 795 000
Sum opptjent egenkapital		**5 213 227 000**	**5 270 795 000**
Sum egenkapital		**9 315 070 000**	**9 372 638 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Obligasjonslån	8, 12	2 100 166 000	3 926 100 000
Langsiktig konserngjeld	7	605 085 000	612 749 000
Øvrig langsiktig gjeld	4	1 053 000	743 000
Sum annen langsiktig gjeld		**2 706 304 000**	**4 539 593 000**
Sum langsiktig gjeld		**2 706 304 000**	**4 539 593 000**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	8	1 410 390 000	2 385 537 000
Leverandørgjeld		22 000	13 950 000
Betalbar skatt	11	15 361 000	4 037 000
Skyldig offentlige avgifter		6 113 000	7 364 000
Kortsiktig konserngjeld	7	468 635 000	1 292 953 000
Annen kortsiktig gjeld	4, 13	49 176 000	75 598 000
Sum kortsiktig gjeld		**1 949 697 000**	**3 779 440 000**
Sum gjeld		**4 656 000 000**	**8 319 032 000**

Balanse

Beløp i: NOK	Note	2021	2020
SUM EGENKAPITAL OG GJELD		**13 971 070 000**	**17 691 670 000**

Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Leieinntekter	3.1	1 613 215 000	1 794 110 000
Virkelig verdi-justering bygninger			
Gevinst ved salg bygninger og investeringer	6.1	294 130 000	27 268 000
Annen driftsinntekt		82 802 000	98 175 000
Sum inntekter		**1 990 147 000**	**1 919 553 000**
Kostnader			
Lønnskostnader	10	126 551 000	138 822 000
Avskrivninger og nedskrivninger	5.1, 5.2, 5.3	33 107 000	41 485 000
Annen driftskostnad	3.1, 11.3, 11.5	246 376 000	251 650 000
Virkelig verdi-justeringer bygninger	5.3	969 144 000	2 084 076 000
Sum kostnader		**1 375 178 000**	**2 516 033 000**
Driftsresultat		**614 969 000**	**-596 480 000**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	5.4	88 604 000	-13 597 000
Utbytte på andre investeringer			
Annen finansinntekt	6.2	442 225 000	190 539 000
Verdiøkning finansielle instrumenter		15 481 000	
Sum finansinntekter		**546 310 000**	**176 942 000**
Verdireduksjon finansielle instrumenter			1 220 000
Annen finanskostnad	6.2	653 693 000	521 113 000
Sum finanskostnader		**653 693 000**	**522 333 000**
Netto finans		**-107 383 000**	**-345 391 000**
Ordinært resultat før skattekostnad		**507 586 000**	**-941 871 000**
Skattekostnad	7	-20 472 000	-277 728 000

Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
Ordinært resultat etter skattekostnad		**528 058 000**	**-664 143 000**
Årsresultat		**528 058 000**	**-664 143 000**
Årsresultat etter minoritetsinteresser		**528 058 000**	**-664 143 000**
Kontanstrømsikringer		149 875 000	-21 537 000
Skatt på kontantstrømsikringer		-32 399 000	5 206 000
Omvurderingsdifferanser valuta		-820 286 000	1 235 951 000
Sum resultatkomponenter for IFRS-foretak		-702 810 000	1 219 620 000
Totalresultat		**-174 752 000**	**555 477 000**
Overføringer og disponeringer			
Andre resultatkomponenter		-702 810 000	1 219 620 000
Overføring annen egenkapital		528 058 000	-664 143 000
Sum overføringer og disponeringer		**-174 752 000**	**555 477 000**

Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Software	5.1	17 341 000	30 529 000
Utsatt skattefordel	7	145 379 000	150 704 000
Goodwill	4.2	348 425 000	348 425 000
Sum immaterielle eiendeler		**511 145 000**	**529 658 000**
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	3.2, 5.3, 5.10, 9, 11.1	30 140 407 000	36 766 384 000
Driftsløsøre, inventar mm	5.2	16 598 000	24 173 000
Sum varige driftsmidler		**30 157 005 000**	**36 790 557 000**
Finansielle anleggsmidler			
Investering i annet foretak i samme konsern	5.4	1 560 000 000	1 799 521 000
Langsiktige derivater	8, 11.1	63 149 000	13 942 000
Andre langsiktige fordringer	5.5, 11.1	5 406 000	5 514 000
Sum finansielle anleggsmidler		**1 628 555 000**	**1 818 977 000**
Sum anleggsmidler		**32 296 705 000**	**39 139 192 000**
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	5.6, 11.1	133 972 000	145 317 000
Andre fordringer	5.7, 11.1	382 513 000	248 182 000
Eiendommer holdt for salg	5.3a, 11.1	58 908 000	
Sum fordringer		**575 393 000**	**393 499 000**

Konsernets balanse

Beløp i: NOK	Note	2021	2020
Investeringer			
Kortsiktige derivater	8, 11.1	18 104 000	283 000
Sum investeringer		**18 104 000**	**283 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd og lignende	5.8	460 902 000	268 200 000
Sum bankinnskudd, kontanter og lignende		**460 902 000**	**268 200 000**
Sum omløpsmidler		**1 054 399 000**	**661 982 000**
SUM EIENDELER		**33 351 104 000**	**39 801 174 000**

BALANSE - EGENKAPITAL OG GJELD

Egenkapital			
Innskutt egenkapital			
Selskapskapital	5.9	73 259 000	73 259 000
Annen innskutt egenkapital		4 028 584 000	4 028 584 000
Sum innskutt egenkapital		**4 101 843 000**	**4 101 843 000**
Opptjent egenkapital			
Kontantstrømsikringer		47 969 000	-69 507 000
Annen egenkapital		14 336 586 000	16 550 467 000
Sum opptjent egenkapital		**14 384 555 000**	**16 480 960 000**
Sum egenkapital		**18 486 398 000**	**20 582 803 000**
Gjeld			
Langsiktig gjeld			
Utsatt skatt	7	4 135 282 000	4 968 323 000
Sum avsetninger for forpliktelser		**4 135 282 000**	**4 968 323 000**
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	5.10, 11.1	8 363 972 000	10 785 905 000
Derivater	8, 11.1	2 082 000	106 527 000
Garantier mm	11.1	119 212 000	132 112 000
Sum annen langsiktig gjeld		**8 485 266 000**	**11 024 544 000**

Konsernets balanse

Beløp i: NOK	Note	2021	2020
Sum langsiktig gjeld		**12 620 548 000**	**15 992 867 000**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	5.10, 11.1	1 507 786 000	2 511 952 000
Bank trekkfasilitet	5.8, 11.1	173 004 000	157 074 000
Leverandørgjeld	11.1	166 275 000	278 451 000
Skyldige offentlige avgifter	5.11, 11.1	76 852 000	101 613 000
Annen kortsiktig gjeld	5.11, 11.1	311 700 000	176 413 000
Kortsiktige derivater	8, 11.1	8 540 000	
Sum kortsiktig gjeld		**2 244 157 000**	**3 225 503 000**
Sum gjeld		**14 864 705 000**	**19 218 370 000**
SUM EGENKAPITAL OG GJELD		**33 351 103 000**	**39 801 173 000**

Skattedirektoratet

17 NOV 2011

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	08.07.2011	15.11.2011
Telefon	Deres referanse	Vår referanse
22078139	Jan Frode Engkrog	2011/708330

STEEN & STRØM AS
Postboks 1593 Vika
0118 OSLO

Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk for Steen & Strøm AS, org. nr. 962 073 182

Det vises til deres brev av 8. juli 2011 og e-post av 14. november 2011 samt telefonsamtale i sakens anledning. Det søkes om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk språk Steen & Strøm AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Steen & Strøm AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Bakgrunn
Steen & Strøm AS er eiet av det franske selskapet Klepierre SA som er børsnotert på Paris-børsen med 53,1 % og ABP som er et Nederlandsk pensjonsfond med 43,9 %. Klepierre SA som er majoritetseier konsoliderer inn Steen & Strøm AS i sitt konsernregnskap, og publiserer sitt konsernregnskap på engelsk og fransk via børsen i Paris. Styremedlemmer i Steen & Strøm AS er representanter fra de franske og nederlandske eiere og er ikke norske. Dvs. de er engelskspråklige. Den norske versjonen av årsregnskapet utarbeides kun for å tilfredsstille regnskapsloven.

Skattedirektoratets vurdering
Etter regnskapsloven § 3-4 tredje ledd skal "*årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.*"

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:
"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det

vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapets er eiet fra utlandet og konsolideres i morselskapet. Videre er det vektlagt at ingen selskapets styremedlemmer er norskspråklige.

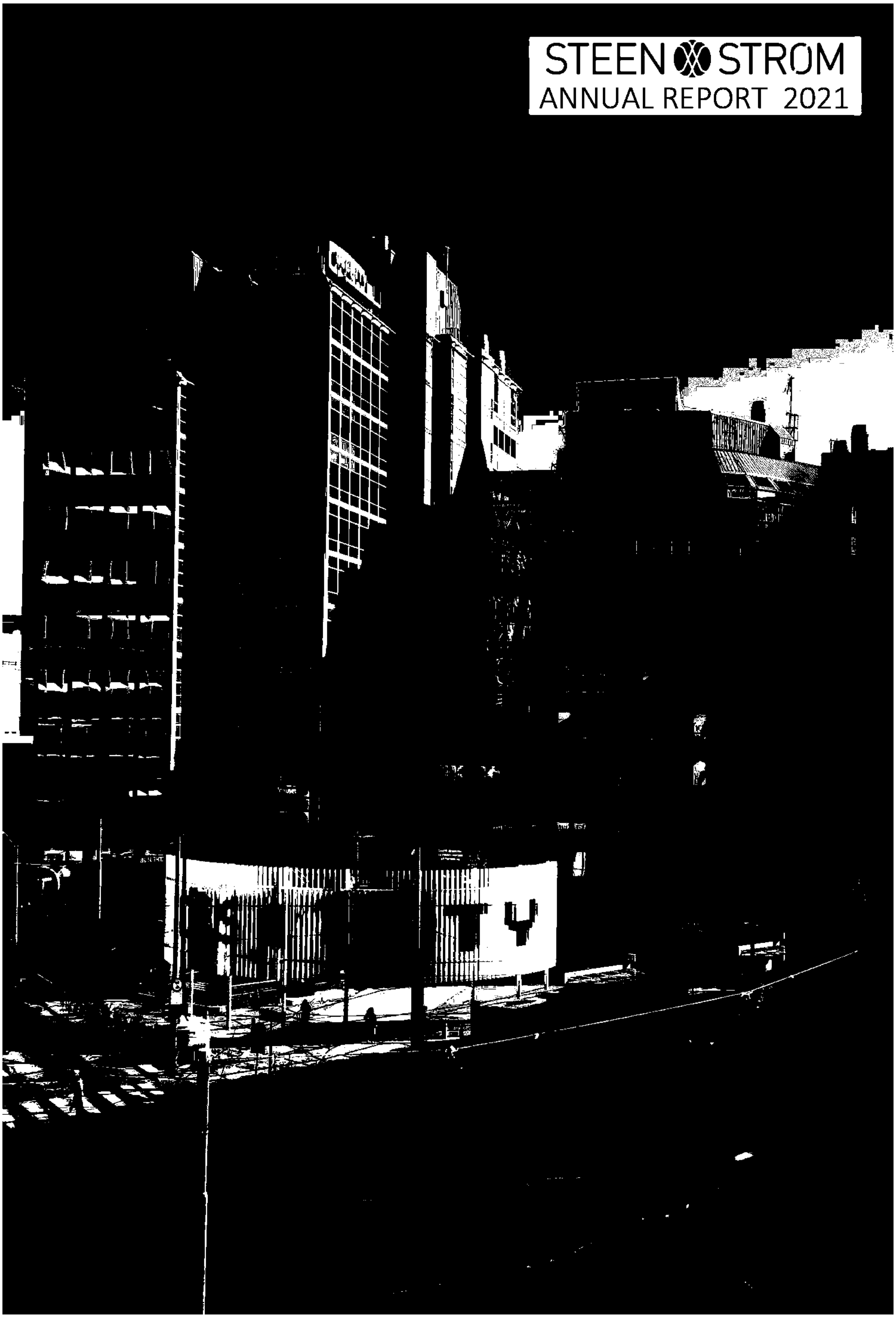
Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Rune Tystad

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland


STEEN STROM
ANNUAL REPORT 2021

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BOARD OF DIRECTORS' REPORT 2021

Steen & Strøm's shopping center portfolio showed positive recovery during the second half of 2021, after a period during the beginning of the year with several restrictions and administrative closure of shopping centers in Denmark and Norway. Steen & Strøm has managed to mitigate the financial impacts of the ongoing pandemic to a flat evolution compared to 2020, thus maintaining a solid financial position.

Steen & Strøm holds 13 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 to some extent been confirmed during 2021, despite the ongoing pandemic, with a relatively moderate impact on vacancy levels, an overall satisfying collection rate, and strong sales recovery since the summer (June to December posted 98% sales vs. 2019), following re-openings during Spring.

Seven assets were divested during 2021 (Nordbyen, Amanda, Nerstranda, Vinterbro, Farmandstredet, Torgterrassen/Building D at Arkaden and Lackeraren/bix box in Borlänge).

Net rental income on a like-for-like basis increased by +0.4% in 2021 (Norway -1.5%, Sweden -0.6% and Denmark +2.8%), where continued disruption of our leasing activity and discounts, due to the pandemic, were compensated by improved net rent collection after discounts (98.2% as of 31 December 2021). For the Group as a whole, the index linked effect on net rental income was +0.9% (indexation impact on net rental income) and the reversion rate was -3.3% in 2021.

Net interest-bearing debt (not including lease liabilities) decreased by NOK 3 562.4 million to NOK 9 231.7 million 31 December 2021 and is reflected in the Group's Loan-to-Value of 29.1% (33.2%). The average cost of debt was 1.7% in 2021, compared to 1.8% in 2020.

Total change in fair value of investment properties amounted to NOK -969.1 million in 2021 (NOK -691.1 million in Norway, NOK -265.3 million in Sweden and NOK -12.7 million in Denmark). The valuations are corresponding to an average net initial yield of 4.5% (4.4% in Norway, 4.9% in Sweden and 4.1% in Denmark), 10 basis points above 2020, influenced by increasing cap rates, partly offset by improved cash flow effect. In Norway, the value adjustments are negatively impacted by weaker operational performance at Oslo City, due to restrictions. All assets in Sweden decreased in value due to increasing cap rates, whereas in Denmark the values have increased due to improved cash flow.

KEY FIGURES

COVID-19 IMPACTS

The Covid-19 Pandemic reached Scandinavia in February/March 2020, with lockdowns (Denmark) and restrictions (Sweden and Norway), followed by re-opening and lifted measures in summer/early autumn 2020. However, second and third waves starting late 2020 respectively spring 2021 led to repeating closure of Danish and Norwegian malls and reinforced restrictions in Sweden. All Danish malls were closed from 17 December 2020 until 21 April 2021 (126 days), whereas closure of centers in Norway varied, with Oslo City being closed the longest period, from 24 January 2021 until 6 May 2021 (102 days). Swedish centers remained open, but with strict recommendations to avoid public places incl. shopping centers up until July 2021. However, strong retailer sales recovery re-started in May/June and lasted until December, ending close to pre-pandemic sales levels, up until the Omicron outbreak in late December 2021.

Regardless of the country specific strategy, the pandemic has continued to influence social behavior and the activity in our malls during the outbreaks/waves, affecting retailer sales, and thus the base of our business.

Consequently, our financial performance in 2021 has, as in 2020, been influenced by lower than normal collection rates, low "activity-based income", and high level of rent discounts. As part of the mentioned change in consumer behavior, we are also observing an increase in e-commerce due to both closure and general restrictions and recommendations towards physical retail.

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 2021, 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 0.7% in 2021 compared to 2020 on a like-for-like basis. Per country, sales increased by 1.7% in Norway and 4.3% in Sweden, whilst decreased in 1.2 % in Denmark, following longer period of lock-down in 2021 than in 2020. Recovery is ongoing in all countries and we expect to reach 2019 levels during 2022.

In the following, please notice that numbers in brackets are 2020 comparisons.

ECONOMIC ENVIRONMENT

The Scandinavian economy entered a slowdown already before Covid-19, which was accelerated by the pandemic in 2020. During 2021 however, GDP has increased in Norway (+3.8%), Denmark (1.1%) and Sweden (+2.0%) during the first three quarters of 2021. The unemployment rates have decreased in Sweden and Denmark, whilst Norway show a small increase, although from a low level, and the consumer confidence has improved from historically low levels in 2020 (especially in Norway).

NET RENTAL INCOME

Net rental income from shopping center operations was NOK 1 417.5 million (NOK 1 590.4 million), of which gross rental income was NOK 1 613.2 million (NOK 1 794.1 million). Direct operating expenses at the shopping centers, included in net rental income, amounted to NOK 195.7 million (NOK 203.7 million). Figures exclude rental income from joint venture operated shopping centers, consolidated by application of the equity method (Metro, Hovlandparken (divested 30 June 2021) and Økern). Total net rental income, including equity investments, was NOK 1 470.3 million in 2021 (NOK 1 651.6 million).

The average duration of lease contracts is 3.3 years in Norway and 3.1 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 210.3 million in 2021 (NOK 228.2 million).

CHANGE IN THE FAIR VALUE OF INVESTMENT PROPERTIES

Total fair value change of investment properties was NOK -969.1 million (NOK -2 084.1 million). The valuation of the shopping centers is based on an average yield of 4.47%, which is slightly lower than for 2020. The shopping centers and projects have a book value of NOK 31.7 billion (NOK 38.6 billion) as of 31.12.2021, including equity method investments. Carrying amount of divested assets amounted to NOK 4.9 million at the time of disposal. The strengthening of NOK against DKK and SEK during 2021 has reduced the value of investment properties with NOK 1.3 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 615.0 million (NOK -596.5 million) after fair value adjustments. Gain on disposal of subsidiaries and investment properties was NOK 294.1 million in 2021 (NOK 27.2 million), while other operating revenue amounted to NOK 11.9 million (NOK 5.8 million).

COST OF NET DEBT

Net cost of debt amounts to NOK 211.5 million (NOK 330.6 million), including a NOK 5.2 million currency translation gain (loss of NOK 74.7 million). Net interest expense from swaps was NOK 52.0 million in 2021 (NOK 60.9 million). In addition, share of net income of NOK 88.6 million (NOK -13.6 million) has been recognized other investments (equity method shares).

PROFIT BEFORE TAX

Profit before tax amounted to NOK 507.6 million (NOK -941.9 million). Adjusted for fair value changes related to the investment property portfolio and income from disposals, the pre-tax profit equals NOK 1 282.4 million, which is an increase of NOK 167.5 million from 2020.

CASH FLOW

Net cash flow from operating activities was NOK 1 077.4 million (NOK 1 491.2 million), while net cash flow from investing activities was NOK 4 252.0 million (NOK -386.5 million). Net cash flow from financing activities was NOK -5 102.5 million (NOK -1 401.0 million). Cash and cash equivalents increased by NOK 226.9 million in 2021 and amounted to NOK 287.9 million at 31 December 2021. The Group has liquidity reserves through unused credit facilities of NOK 1 850 million and un-mortgaged investment properties of NOK 21.3 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 2021 have been reduced from 2020 due to divestments and amounted to NOK 33.4 billion (NOK 39.8 billion), of which investment properties amounted to NOK 30.1 billion (NOK 36.8 billion). Change in fair value of Investment properties amounted to NOK -969.1 million in 2021 (NOK -2 084.1 million in 2020), driven by the current impacts of the pandemic on operations in general. The valuation of the portfolio corresponds to an average net initial yield of 4.5% (4.5%) of which 4.4% in Norway, 4.9% in Sweden and 4.1% in Denmark.

Booked equity amounted to NOK 18.5 billion at year-end 2021, corresponding to a book equity ratio of 55.4% (51.7%). Net interest-bearing debt amounted to NOK 9.3 billion (NOK 12.8 billion) at 31.12.2021.

SHOPPING CENTER OPERATIONS

Steen & Strøm operates 13 shopping centers in Scandinavia, five centers in Norway, five centers in Sweden and three centers in Denmark.

SHOPPING CENTERS IN NORWAY

Steen & Strøm holds four fully owned shopping centers and one partly owned shopping center in Norway. Økern Senter 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 1.7% on a constant portfolio basis in 2021. The shopping centers had a total gross rental income of NOK 521.7 million (NOK 665.9 million) in 2021. Operating income, adjusted for fair value changes and income from disposals, amounted to NOK 414.5 million (NOK 560.0 million). Decrease in net rental income like-for-like was -1.5% in 2021. All centers were at some point closed in early/mid 2021, with Oslo City being in lock-down the longest with 102 days (from 24 January until 6 May). City centers were hit hardest due to restrictions.

SHOPPING CENTERS IN DENMARK

Steen & Strøm owns and operates three shopping centers in Denmark. The three fully owned shopping centers decreased retailer sales by -1.2% in 2021. Gross rental income for the Danish centers amounted to NOK 542.1 million (NOK 553.9 million). Operating income, adjusted for fair value changes and income from disposals, amounted to NOK 442.3 million (NOK 458.7 million). Like-for-like increase in net rental income was 2.8% in 2021. Danish shopping centers were closed between 17 December 2020 until 21 April 2021. Compared to 2020, 2021 had 51 more days of lockdown.

SHOPPING CENTERS IN SWEDEN

Steen & Strøm owns and operates five shopping centers in Sweden. The shopping centers saw an increase in retailer sales of 4.3% on a constant portfolio basis in 2021. Gross rental income for the Swedish centers amounted to NOK 549.4 million (NOK 574.3 million). Operating income, adjusted for fair value changes and income from disposals, amounted to NOK 433.2 million (NOK 441.6 million). Like-for-like decrease in net rental income was -0.6% in 2021. The shopping centers in Sweden have been open all year, but people have generally avoided crowded spaces, thus reducing our activity.

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 it's headquarter in Paris and has operations in 16 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 2021, the Group provided NOK 224.0 million in group contribution and NOK 1 697.5 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 124 (including fix term) employees by end of 2021. These employees are based at our offices in Oslo, Copenhagen and Stockholm and at our 13 shopping centers across Scandinavia. Steen & Strøm has a gender spilt of approximately 60% women and 40% men. Women constitute the majority in positions and departments like accounting, rental, marketing, HR and shopping centers (including six 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 30% and 50% by the end of 2022 and 2025 respectively. 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 2022.

Steen & Strøm has prepared a separate report in accordance with The Gender Equality and Discrimination Act (*"Likestillings- og diskrimineringsloven"*) §26 a. The report will be made available on the company's website, www.steenstrom.com

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 3.71% in 2021. No injuries or accidents of any significance occurred in Steen & Strøm the last year.

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 UNFCC Clean Development Mechanism (CDM) and 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 the course of 2019, we also certified our whole portfolio of existing centers BREEAM in-use with levels of Very Good and Excellent.

GRESB

In the annual Global Real Estate Sustainability Benchmark ("GRESB") of 2021, Steen & Strøm maintained its very high score of 96 points (one point behind Klépierre).

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.

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. We have reduced the year-on-year energy intensity in kWh per square meter by 33 percent from 2018 to 2021, which is quite an achievement. The saving in 2021 vs. 2020 was "only" two percent, which can be explained by the large savings the previous years. 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 58% for the shopping centers by end of 2021, vs. 43% for 2020 (like-for-like portfolio of shopping centers).

Within water management, the consumption was reduced by 2% in 2021 compared with 2020. Within transport, one of the main goals is to increase the number of charging stations/points for electric cars and during 2021 we installed additional fast chargers at our centers Marieberg, Kupolen and Maxi.

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 2021, Steen & Strøm has continued to ensure harmonization of procedures for risk and control in accordance to 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 more than 1 600 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 retailed 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 seven in 2021, of which four ordinary and three 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 had a profit for the year of NOK 1 586.9 million (NOK 4 185.7 million).

FUTURE PROSPECTS

THE MARKET IN GENERAL

Consumer spending has historically been stable in Scandinavia compared to other regions. However, the outlook for 2022 is still influenced by shifting retailer sales trends, due to the pandemic and continuing uncertainty towards duration of global restrictions, and subsequent recovery. Sales recovery has however been positive during the second half of 2021, only slightly influenced by the arrival of the "Omicron variant" in December. 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 92.8% by the end of 2021.

The level of full recovery of pre-covid sales among physical retailers depends on the duration of the current situation and possible new variations of the virus, such as the governments' response. Current assessments from authorities, indicate that we are entering a period without continued use of restrictions. Consequently, we are anticipating a continued recovery throughout 2022, in accordance with the trends during second half of 2021. Based on the above, Steen & Strøm does not have any information indicating further deteriorating consequences from the pandemic with impact on our consolidated financial performance for 2021. The Company is still expecting a long-term positive development for the real estate property business.

Relatively high inflation rates and the current conflict in Ukraine is expected to influence the global economy, and consumer confidence is thus declining. It is too early to assess the impacts on Steen & Strøm's operations, which will depend on the duration of the conflict as well as mentioned bottlenecks. Management is monitoring the situation ongoing and will take necessary precautions to mitigate the negative impacts to the extent possible.

The board of directors would like to thank all employees and customers for great efforts and positive contributions in 2021.

Oslo, 1 April 2022

Jean-Marc Jestin Chairman of the Board	**Jean-Michel Gault** Member of the Board
Rutger van der Lubbe Member of the Board	**Julien Goubault** Member of the Board
Rafael Torres Villalba Member of the Board	**Marie Caniac** Chief Executive Officer

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of NOK	Note	2021	2020
Gross rental income		1 613 215	1 794 110
Non-recovered rental expenses		-140 264	-138 365
Building expenses (owner)		-55 432	-65 343
Net rental income	3.1	**1 417 519**	**1 590 403**
Management, administrative and related income		70 863	92 393
Other operating revenue		11 939	5 782
Change in the fair value of investment properties	5.3	-969 144	-2 084 076
Payroll expenses	10	-126 551	-138 822
Other general expenses	11.3,11.5	-50 680	-47 942
Depreciation and impairment on investment properties	5.3	-268	-9 085
Depreciation and impairment on intangible assets and furniture and equipment	5.1,5.2	-32 839	-32 400
Proceeds from disposal of investment properties and equity investments		*3 220 402*	*30 681*
Net book value of investment properties and equity investments sold		*-2 926 272*	*-3 413*
Gain on disposal of investment properties and equity investments	6.1	294 130	27 268
Operating income		**614 968**	**-596 478**
Net dividends and provisions on non-consolidated investments		-	-
Financial income		*442 225*	*190 539*
Financial expenses		*-653 693*	*-521 113*
Net cost of debt	6.2	-211 468	-330 574
Change in the fair value of financial instruments		15 481	-1 220
Share of earnings in equity investment entities	5.4	88 604	-13 597
Profit before tax		**507 585**	**-941 869**
Corporate income tax	7	20 472	277 728
Net income of consolidated entity		**528 057**	**-664 141**
Average number of shares (in thousands)		**29 303**	**29 303**
Earnings per share		**18**	**-23**

In thousands of NOK	2021	2020
Net income of consolidated entity	**528 057**	**-664 141**
Other comprehensive income items recognized directly as equity		
Items that may be reclassified subsequently to profit or loss		
Gain/loss on cash flow hedges	149 875	-21 537
Income tax related to cash flow hedges	-32 399	5 206
Exchange differences on translation of foreign operations	-820 286	1 235 951
Items that will not be reclassified subsequently to profit or loss		
Other comprehensive income	**-702 811**	**1 219 620**
Total comprehensive income	**-174 754**	**555 479**
Comprehensive earnings per share	**-6**	**19**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of NOK	Note	31/12/2021	31/12/2020
Goodwill	4.2	348 425	348 425
Intangible assets	5.1	17 341	30 529
Furniture and equipment and work in progress	5.2	16 598	24 173
Investment properties and properties under construction	3.2, 5.3, 5.10, 9, 11.1	30 140 407	36 766 384
Equity method securities	5.4	1 560 000	1 799 521
Other non-current assets	5.5, 11.1	5 406	5 514
Non-current derivatives	8, 11.1	63 149	13 942
Deferred tax assets	7	145 379	150 704
NON-CURRENT ASSETS		**32 296 705**	**39 139 191**
Investment properties held for sale	5.3a, 11.1	58 908	-
Trade accounts receivables	5.6, 11.1	133 972	145 317
Other receivables	5.7, 11.1	382 513	248 182
Current derivatives	8, 11.1	18 104	283
Cash and cash equivalents	5.8	460 902	268 200
CURRENT ASSETS		**1 054 400**	**661 982**
TOTAL ASSETS		**33 351 105**	**39 801 173**
Share capital	5.9	73 259	73 259
Additional paid-in capital		4 028 584	4 028 584
Consolidated reserves		13 856 498	17 145 101
Hedging reserves		*47 969*	*-69 507*
Other consolidated reserves		*13 808 529*	*17 214 608*
Consolidated earnings		528 057	-664 141
SHAREHOLDERS' EQUITY		**18 486 398**	**20 582 803**
Non-current financial liabilities	5.10, 11.1	8 363 972	10 785 905
Non-current derivatives	8, 11.1	2 082	106 527
Security deposits and guarantees	11.1	119 212	132 112
Deferred tax liabilities	7	4 135 282	4 968 323
NON-CURRENT LIABILITIES		**12 620 548**	**15 992 868**
Current financial liabilities	5.10, 11.1	1 507 786	2 511 952
Bank facilities	5.8, 11.1	173 004	157 074
Trade payables	11.1	166 275	278 451
Other liabilities	5.11, 11.1	311 700	176 413
Current derivatives	8, 11.1	8 540	-
Social and tax liabilities	5.11, 11.1	76 852	101 613
CURRENT LIABILITIES		**2 244 158**	**3 225 503**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**33 351 105**	**39 801 173**

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

Oslo, 1 April 2022

Jean-Marc Jestin
Chairman of the Board

Jean-Michel Gault
Member of the Board

Rutger van der Lubbe
Member of the Board

Julien Goubault
Member of the Board

Rafael Torres Villalba
Member of the Board

Marie Caniac
Chief Executive Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of NOK	Note	**2021**	**2020**
Net income of consolidated entity		528 057	-664 141
Depreciation and impairment investment properties, intangible assets, furniture and equipment		33 107	*41 475*
Change in the fair value of investment properties		969 144	*2 084 076*
Capital gains and losses on asset disposals net of taxes and deferred taxes		-294 130	*-27 206*
Income taxes		-20 472	*-277 728*
Share of earnings in equity method investees		-88 604	*13 597*
Reclassification of financial interests and other items		261 243	*319 929*
Paid taxes		-28 592	-10 267
Change in operating working capital		-282 392	11 430
Net cash flow from operating activities		**1 077 361**	**1 491 164**
Proceeds from sale of investment properties	6.1	9 481	30 681
Proceeds from sale of other fixed assets		-	66
Proceeds from disposal of subsidiaries (net of cash disposed)	6.1	3 165 034	-
Acquisitions of investment properties	5.3	-13 705	-12 284
Payments in respect of construction work in progress	5.3	-148 418	-374 622
Acquisitions of other fixed assets	5.1,5.2	-12 813	-8 324
Proceeds of loans and advance payments granted and other investments	6.1	1 252 373	-22 066
Net cash flow from investing activities		**4 251 952**	**-386 548**
Dividends and group contributions paid to the parent company's shareholders		-1 921 512	-859 125
New loans, borrowings and hedging instruments	5.10	0	1 750 000
Repayment of loans, borrowings and hedging instruments	5.10	-2 950 054	-2 080 220
Interest paid		-228 326	-209 835
Other cash flows related to financing activities		-2 571	-1 856
Net cash flow from financing activities		**-5 102 463**	**-1 401 036**
Net changes in cash		**226 851**	**-296 420**
Cash at the start of the period		**111 126**	**363 257**
Effect of foreign exchange differences		-50 079	44 289
Cash at the end of the period	**5.8**	**287 898**	**111 126**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

31/12/2020

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**	**-53 176**	**1 154 579**	**15 351 258**	**732 048**	**21 286 552**
Reclassification of last year's net income	-	-	-	-	732 048	-732 048	-
Net income for the period	-	-	-	-	-	-664 141	-664 141
Net income of consolidated entity	-	-	-	-	732 048	-1 396 189	-664 141
Income from cash-flow hedging net after tax	-	-	-16 331	-	-	-	-16 331
Exchange differences on translation of foreign operations	-	-	-	1 235 951	-	-	1 235 951
Other comprehensive income	-	-	-16 331	1 235 951	-	-	1 219 619
Group contribution	-	-	-		-383 625	-	-383 625
Dividends paid	-	-	-	-	-875 500	-	-875 500
Other Movements	-	-	-	-	-105	-	-105
Closing statement	**73 259**	**4 028 584**	**-69 507**	**2 390 530**	**14 824 078**	**-664 141**	**20 582 803**

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	-	-	-820 286
Other comprehensive income	-	-	117 476	-820 286	-	-	-702 811
Group contribution	-	-	-		-224 012	-	-224 012
Dividends paid	-	-	-	-	-1 697 500	-	-1 697 500
Other Movements	-	-	-	-7	-132	-	-139
Closing statement	**73 259**	**4 028 584**	**47 969**	**1 570 236**	**12 238 293**	**528 057**	**18 486 398**

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 2021 to 31 December 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 1 April 2022. The principal activities of the Company and its subsidiaries (the Group) are described in Note 3.1 Segment information.

1.1 COVID-19 IMPACTS

The Covid-19 Pandemic reached Scandinavia in February/March 2020, with lockdowns (Denmark) and restrictions (Sweden and Norway), followed by re-opening and lifted measurements in summer/early autumn 2020. However, second and third waves starting late 2020 respectively spring 2021 led to repeating closure of Danish and Norwegian malls and re-inforced restrictions in Sweden. All Danish malls were closed from 17 December 2020 until 21 April 2021 (126 days), whereas closure of centers in Norway varied, with Oslo City being closed the longest period, from 24 January 2021 until 6 May 2021 (102 days). Swedish centers remained open but with strict recommendations to avoid public places including shopping centers up until July 2021. However, strong retailer sales recovery re-started again in May/June and lasted until December, ending close to pre-pandemic sales levels, up until the Omicron outbreak in late December 2021, where some restrictions were implemented once again in all the three countries.

Regardless of the country specific strategy, the pandemic has continued to influence social behavior and the activity in the Steen & Strøm shopping malls during the outbreaks/waves, affecting retailer sales, and thus the base of the business. Consequently, the financial performance in 2021 has, as in 2020, been influenced by lower than normal collection rates, low activity-based income, and high level of rent discounts. As part of the mentioned change in consumer behavior, we are also observing an increase in e-commerce due to both closure and general restrictions and recommendations towards physical retail.

The level of full recovery of pre-covid sales among physical retailers depends on the duration of the current situation and possible new variants of the virus, such as the government's' response, but it is still very uncertain at this stage. Current assessments from authorities, indicate that the pandemic is entering a period without continued restrictions, and so far, we are anticipating a continued recovery throughout 2022, which started already in 2021. Based on the above, Steen & Strøm does not have any information indicating further deteriorating consequences from the pandemic with impact on the consolidated financial performance for 2021. The Company is still expecting a long-term positive development for the real estate property business.

2 ACCOUNTING PRINCIPLES

2.1 BASIS OF PREPARATION

The consolidated financial statements for the year 2021 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 2021

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 31.12.2021 and not early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 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 report 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 date 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 or 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 (FVOPL) 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 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 2021 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 13 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.

2021

In thousands of NOK	Denmark	Norway	Sweden	Total
		Segment income statement		
Gross rental income	542 068	521 746	549 401	1 613 215
Land expenses (real estate)	-	-	-	-
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
Proceeds from disposal of investment properties and equity investments	-	*3 177 106*	*43 296*	*3 220 402*
Net book value of investment properties and equity investments sold	-	*-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				-
Financial income				*442 225*
Financial expenses				*-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				20 471
Net income of consolidated group				**528 057**

2020

In thousands of NOK	Denmark	Norway	Sweden	Total
Gross rental income	553 929	665 868	574 313	1 794 110
Non-recovered rental expenses	-48 750	-33 340	-56 274	-138 365
Building expenses (owner)	-40 183	19 812	-44 972	-65 343
Net rental income	**464 996**	**652 340**	**473 066**	**1 590 403**
Management, administrative and related income	24 589	42 622	25 182	92 393
Other operating revenue	1 797	3 927	58	5 782
Change in the fair value of investment properties	-700 331	-420 589	-963 156	-2 084 076
Payroll expenses	-24 450	-79 200	-35 172	-138 822
Other general expenses	-7 001	-32 598	-8 343	-47 942
Depreciation and impairment allowance on investment properties	-	-268	-8 817	-9 085
Depreciation and impairment allowance on intangible assets and furniture and equipment	-1 230	-26 840	-4 330	-32 400
Proceeds from disposal of investment properties and equity investments	-	-	*30 681*	*30 681*
Net book value of investment properties and equity investments sold	-	-	*-3 413*	*-3 413*
Income from disposal of investment properties and equity investments	-	-	27 268	27 268
Operating income	**-241 630**	**139 394**	**-494 243**	**-596 478**
Net dividends and provisions on non-consolidated investments				-
Financial income				*190 539*
Financial expenses				*-521 113*
Net cost of debt				-330 574
Change in the fair value of financial instruments				-1 220
Share of earnings in equity investment entities				-13 597
Profit before tax				**-941 869**
Corporate income tax				277 728
Net income of consolidated group				**-664 141**

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

In thousands of NOK	31/12/2021	31/12/2020
Denmark	11 079 008	11 456 776
Norway	7 798 125	12 630 504
Sweden	10 032 373	11 250 012
Investment properties	**28 909 506**	**35 337 292**

In thousands of NOK	31/12/2021	31/12/2020
Denmark	678 650	838 137
Norway	27 909	75 354
Sweden	524 342	515 601
Investment properties under construction	**1 230 901**	**1 429 091**

3.3 Aquisitions by operating segment

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	33 966	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**

2020 **In thousands of NOK**	**Intangible assets**	**Furniture and equipment and work in progress**	**Investment properties**	**Investment properties under construction**	**Total aquisitions**
Denmark	-	663	1 568	56 627	58 859
Norway	5 388	1 116	10 725	239 177	256 406
Sweden	-	1 157	-9	78 818	79 965
Total	**5 388**	**2 936**	**12 284**	**374 622**	**395 230**

4.1 - Subsidiaries

Full consolidated companies	Country	Headquarter	% of interest 31/12/2021	31/12/2020
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%
Amanda Storsenter AS	Norway	Oslo	0,0%	100,0%
Farmandstredet Eiendom AS	Norway	Oslo	0,0%	100,0%
Gulskogen Senter AS	Norway	Oslo	100,0%	100,0%
Hamar Storsenter AS	Norway	Oslo	100,0%	100,0%
Nerstranda AS	Norway	Oslo	0,0%	100,0%
Slagenveien 2 AS	Norway	Oslo	0,0%	100,0%
Stavanger Storsenter AS	Norway	Oslo	100,0%	100,0%
Torgterrassen AS	Norway	Oslo	0,0%	0,0%
Vinterbro Senter DA	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 Borlange 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 Lackeraren Borlänge	Sweden	Stockholm	0,0%	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	31/12/2020	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**

In thousands of NOK	31/12/2019	Acquisitions	Disposals and retirement of assets	Amortization and impairment allowances	31/12/2020
Total gross value	**184 986**	**5 388**	**-**	**-**	**190 374**
Amortization and impairment allowances	-140 435	-	-	-19 410	-159 845
Total amortization and impairment allowances	**-140 435**	**-**	**-**	**-19 410**	**-159 845**
Intangible assets - Net value	**44 551**	**5 388**	**-**	**-19 410**	**30 529**

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	31/12/2020	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	555	31 063
Total gross value	**128 499**	**5 686**	**-16 543**	**-**	**-5 380**	**555**	**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	-19 380	-	1 454	-9 603	686	335	-26 509
Total depreciation and impairment	**-104 325**	**-**	**15 929**	**-12 524**	**4 367**	**335**	**-96 218**
Furniture and equipment - Net value	**24 173**	**5 686**	**-615**	**-12 524**	**-1 013**	**890**	**16 598**

In thousands of NOK	31/12/2019	Acquisitions	Disposals and retirement of assets	Depreciation and impairment allowances	Currency fluctuations	Other movements	31/12/2020
Furniture and equipment	94 028	286	-695	-	6 579	-	100 198
Right-of-use assets	24 028	2 650	-75	-	1 181	516	28 300
Total gross value	**118 057**	**2 936**	**-770**	**-**	**7 760**	**516**	**128 499**
Depreciation and impairment allowances furniture and equipment	-77 026	-	555	-3 003	-5 471	-	-84 945
Depreciation and impairment allowances right-of-use assets	-9 229	-	86	-9 987	-479	228	-19 380
Total depreciation and impairment	**-86 255**	**-**	**641**	**-12 990**	**-5 950**	**228**	**-104 325**
Furniture and equipment - Net value	**31 801**	**2 936**	**-128**	**-12 990**	**1 810**	**744**	**24 173**

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	31/12/2020	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**

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 second or third quarter of 2022. The carrying amount 31 December 2021 of NOK 58.9 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	31/12/2019	Acquisitions	Disposals and retirement of assets	Depreciation and impairment allowances	Currency fluctuations	Fair value adjustments	Other movements	31/12/2020
Shopping centers								
Land	2 504 263	-	-2 867	-	90 870	-	-	2 592 266
Structures	14 253 059	-	-546	-9 085	898 580	-	498	15 142 506
Facades, cladding and roofing	937 753	-	-	-	23 201	-	314 487	1 275 441
General and technical installations	2 580 307	1 598	-	-	113 922	-	36 061	2 731 888
Fixtures	1 646 055	1 391	-	-	90 270	-	13 228	1 750 944
Right-of-use assets	362 412	9 295	-	-	22 200	-10 258	-	383 649
Cost value	**22 283 848**	**12 284**	**-3 413**	**-9 085**	**1 239 042**	**-10 258**	**364 273**	**23 876 692**
Fair value adjustments	**12 878 741**	-	-	-	**673 132**	**-2 091 273**	-	**11 460 600**
Fair value shopping centers	**35 162 590**	**12 284**	**-3 413**	**-9 085**	**1 912 174**	**-2 101 531**	**364 273**	**35 337 293**

Note 5.3b - Investment properties under construction

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**

In thousands of NOK	31/12/2019	Acquisitions	Disposals and retirement of assets	Depreciation and impairment allowances	Currency fluctuations	Fair value adjustments	Other movements	31/12/2020
Investment properties under construction	**1 314 077**	**374 622**	-	-	**88 380**	**17 454**	**-365 443**	**1 429 091**

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

Note 5.3c -Sensitivity and estimation uncertainty

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

Average yields (%)	31/12/2021	31/12/2020
Norwegian investment properties	4,37 %	4,69 %
Swedish investment properties	4,88 %	4,84 %
Danish investment properties	4,13 %	3,98 %
Weighted average	4,47 %	4,51 %

The average net initial yields (%) for the Danish investment properties for 2020 and 2021, in the table above, have been impacted by the treatment of discounts when calculating discounted cash-flows in year 1 in the valuations. Further, the divestment of five centers in Norway in July 2021, 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%	33 940 226	3 799 819
Fair value 31/12/2021	0,0%	30 140 407	-
Increased yield by 0,5%	0,5%	27 105 750	-3 034 657

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%	30 441 811	301 404
Fair value 31/12/2021	0,0%	30 140 407	-
Reduced cash-flow by 1%	-1,0%	29 839 003	-301 404

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, despite drop-in interest rates (risk premium).
Some uncertainty remains, to which extent our investment property portfolio will be affected in the long-term by Covid-19. With lock-down measures affecting a large portion of the portfolio, several retailers have seen a decrease in turnover since the first outbreaks early 2020, and consumer behaviour has been influenced to some extent. Current activities have since the re-openings of our communities during the Spring/Summer of 2021 recovered very well, and in some periods even exceeded pre-covid levels. However, with various stimuli and restrictions influencing demand, consumer behaviour and limiting our mobility throughout the pandemic, it is still too early to conclude, but early signs are positive.
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. It is however, too early to conclude at this stage.

Ongoing construction contracts

At 31 December 2021 the Group has no material ongoing construction/refurbishment projects.

5.4a - Investments in jointly controlled companies

In thousands of NOK	31/12/2020	Share of net income	Dividends received	Capital increases and reductions	Currency fluctuations	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**

In thousands of NOK	31/12/2019	Share of net income	Dividends received	Capital increases and reductions	Currency fluctuations	Changes in the scope of consolidation and other movements	31/12/2020
Investments in jointly controlled companies	1 793 618	-13 597	-50 500	70 000	-	-	1 799 521
Equity method securities	**1 793 618**	**-13 597**	**-50 500**	**70 000**	**-**	**-**	**1 799 521**

	Country	Headquarter	% of interest	
Equity Method Companies: jointly controlled			**31/12/2021**	**31/12/2020**
Hovlandparken DA	Norway	Oslo	0,0%	50,0%
Hovlandparken AS	Norway	Oslo	0,0%	50,0%
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%

Changes in ownership is related to divested entities. See information about divestments in Note 6.1.

5.4b Equity method - Statement of comprehensive income

In thousands of NOK	2021 100 %	2021 Group share	2020 100 %	2020 Group share
Gross rental income	130 062	65 031	149 262	74 631
Non-recovered rental expenses	-16 179	-8 090	-17 336	-8 668
Building expenses (owner)	-8 294	-4 147	-9 622	-4 811
Net rental income	**105 589**	**52 795**	**122 304**	**61 152**
Other operating revenue	517	259	6	3
Change in the fair value of investment properties	58 272	29 136	-172 388	-86 194
Other general expenses	695	348	-1 347	-674
Depreciation and impairment allowance on intangible assets and property, plant and	-	-	-	-
Operating income	**165 073**	**82 537**	**-51 425**	**-25 713**
Financial income	*35*	*18*	*392*	*196*
Financial expenses	*-63*	*-32*	*-91*	*-46*
Net cost of debt	-28	-14	301	151
Profit before tax	**165 045**	**82 523**	**-51 124**	**-25 562**
Corporate income tax	12 163	6 082	23 930	11 965
Net income of joint venture entities	**177 208**	**88 604**	**-27 194**	**-13 597**

5.4c Equity method - Statement of financial position

In thousands of NOK	31/12/2021 100 %	31/12/2021 Group share	31/12/2020 100 %	31/12/2020 Group share
Furniture and equipment and work in progress	-	-	-	-
Investment properties and properties under construction	3 219 515	1 609 758	3 731 822	1 865 911
Deferred tax assets	-	-	-	-
NON-CURRENT ASSETS	**3 219 515**	**1 609 758**	**3 731 822**	**1 865 911**
Trade accounts and notes receivable	6 035	3 018	5 406	2 703
Other receivables	9 685	4 843	14 927	7 464
Cash and cash equivalents	46 380	23 190	38 932	19 466
CURRENT ASSETS	**62 100**	**31 050**	**59 265**	**29 633**
TOTAL ASSETS	**3 281 615**	**1 640 808**	**3 791 087**	**1 895 544**
Share capital	1 635 502	817 751	2 115 102	1 057 551
Additional paid-in capital	1 857	929	1 857	929
Consolidated reserves	1 258 983	629 492	1 509 276	754 638
Other consolidated reserves	*1 258 983*	*629 492*	*1 509 276*	*754 638*
Consolidated earnings	223 658	111 829	-27 194	-13 597
Shareholders' equity, group share	**3 120 000**	**1 560 000**	**3 599 041**	**1 799 521**
SHAREHOLDERS' EQUITY	**3 120 000**	**1 560 000**	**3 599 041**	**1 799 521**
Deferred tax liabilities	134 752	67 376	163 656	81 828
NON-CURRENT LIABILITIES	**134 752**	**67 376**	**163 656**	**81 828**
Trade payables	1 048	524	9 695	4 848
Other liabilities	24 275	12 138	17 600	8 800
Social and tax liabilities	1 540	770	1 095	548
CURRENT LIABILITIES	**26 863**	**13 432**	**28 390**	**14 195**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**3 281 615**	**1 640 808**	**3 791 087**	**1 895 544**

5.5 - Other non-current assets

In thousands of NOK	31/12/2021	31/12/2020
Other long term investments	3 230	3 232
Deposits	2 177	2 281
Total	**5 406**	**5 514**

5.6 - Trade receivables

In thousands of NOK	31/12/2021	31/12/2020
Trade receivables	104 891	95 535
Stepped rents and rent-free periods of leases	74 932	98 744
Gross Value	**179 823**	**194 279**
Loss allowance	-45 851	-48 962
Net value	**133 972**	**145 317**

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 31/12/2021	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**	**-**
Trade receivables, gross as of 31/12/2020	194 279	95 128	25 613	27 732	45 806
Loss allowance	-48 962	-	-8 513	-14 127	-26 322
Trade receivables, net as of 31/12/2020	**145 317**	**95 128**	**17 100**	**13 605**	**19 484**

In thousands of NOK	2021	2020
Opening balance loss allowance	-48 962	-18 961
Increase in loss allowance recognised in the profit and loss during the period	-10 982	-38 357
Impairment losses on trade receibavles	9 825	8 561
Reversal of previously impairment losses	1 117	1 266
Foreign exchange effects	2 416	-1 472
Closing balance	**-45 851**	**-48 962**

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	31/12/2021	31/12/2020
Tax receivables	**153 570**	**85 980**
- Corporate income tax	22 502	1 686
- VAT	131 068	84 294
Other receivables	**228 944**	**162 203**
- Service charges due	19 909	34 938
- Supplier advances and down payments made	3 190	21 208
- Prepaid expenses	4 851	6 490
- Other	200 994	99 566
Total	**382 513**	**248 182**

The item Other consists primarly of funds managed by the Group on behalf of tenants and third parties 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	31/12/2021	31/12/2020
Bank	460 902	268 200
Treasury instruments	-	-
Gross cash and cash equivalents	**460 902**	**268 200**
- Bank overdrafts	**-173 004**	**-157 074**
Net cash and cash equivalents	**287 898**	**111 125**

The group maintain a group account scheme for bank accounts in Norway, which is linked to the group's overdraft accounts. At 31 December 2021 and 2020, the group held a total bank credit facility available of NOK 1 850 million and NOK 2 475 million, respectively.

Restricted bank deposits

At 31 December 2021 and 2020, restricted funds amounted to NOK 3.0 million and NOK 3.6

Note 5.9 - Shareholders' equity

Share capital

At 31 December 2021, the share capital of the Company was NOK 73 258 653, divided into 29 303 461 shares at par value NOK 2,50.

In July 2020 the extraordinary general meeting decided to reduce the share capital from NOK 76 005 290 with NOK 2 746 637 to NOK 73 258 653, by redemption of 1 098 655 shares. The reduction is used for the redemption of the company's treasury shares pursuant to Section 9 of the Norwegian Companies Act. The reduction was formally effective from 25 November 2020. The decision to reduce the share capital was originally made by the extraordinary general meeting in December 2018 and reflected in the consolidated financial statements for 2018. The reduction was nevertheless not formally registrated. Due to this the formal legal process of reducing the share capital by redemption of shares had to be carried out again in 2020.

An extraordinary general meeting approved an additional dividend of NOK 738 million in February 2022.

Shareholders

At 31 December 2021 and 2020, 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 01/01/2021	Cash flow	Reclassification Non Current to Current	Foreign exchange movement	Fair Value changes	Other movements	Closing Balance 31/12/2021
Non-current financial liabilities							
Bonds net costs/premium*	3 927 367	-5 286	-1 800 000	-34 616	-	-	2 087 465
Loans and borrowings from credit institutions - more than one year**	6 073 149	-	-229 426	-324 077	-	2 330	5 521 976
Loan granted by parent company***	406 939	-	-	-	-	-	406 939
Non-current lease liabilities (Note 9)	378 450	1 121	-2 950	-16 302	-	-12 727	347 592
Non-current derivatives (Note 8)	106 527	-2 004	-29 579	-1 443	-71 420	-	2 082
Total non-current financial liabilities	**10 892 432**	**-6 169**	**-2 061 955**	**-376 437**	**-71 420**	**-10 397**	**8 366 054**
Current financial liabilities							
Bonds net costs/premium*	887 870	-1 691 258	1 800 000	-48 612	-	-	948 000
Loans and borrowings from credit institutions - less than one year**	230 305	-194 941	229 426	-11 666	-	-	253 125
Accrued interest	29 023	-	-	-	-	-19 232	9 791
Commercial papers****	1 350 604	-1 049 350	-	-8 907	-	-	292 347
Current lease liabilities (Note 9)	14 150	-10 716	2 950	-267	-	-1 593	4 523
Current derivatives (Note 8)	-	2 007	29 579	-	-15 480	-7 566	8 540
Total current financial liabilities	**2 511 952**	**-2 944 258**	**2 061 955**	**-69 452**	**-15 480**	**-28 391**	**1 516 326**
Total non-current and current financial liabilities	**13 404 384**	**-2 950 427**	**-**	**-445 889**	**-86 900**	**-38 788**	**9 882 380**

* 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 institutions. The mortgaged loans in Sweden has an average duration of 16.4 years, while in Denmark 14.4 years.
*** Loan granted by parent company was issued in July 2020 by converting the parent company's dividends receivable. See note 11.3 for futher 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 01/01/2021	Cash flow	Reclassification Non Current to Current	Foreign exchange movement	Fair Value changes	Other movements	Closing Balance 31/12/2021
NOK	6 695 246	-2 751 857	-	-92 135	-54 867	-33 552	3 762 835
SEK	2 580 804	-3 034	-	-169 883	-32 033	9 821	2 385 675
DKK	4 128 334	-195 536	-	-183 871	-	-15 057	3 733 870
Total non-current and current financial liabilities	**13 404 384**	**-2 950 427**	**-**	**-445 889**	**-86 900**	**-38 788**	**9 882 380**

Contractual payment* of liabilities

In thousands of NOK	31/12/2021	31/12/2020
0 - 1 years	1 637 833	2 717 605
2 - 5 years**	4 028 313	4 942 292
More than 5 years	5 611 127	7 105 521
Total non-current and current financial liabilities	**11 277 273**	**14 765 417**

* 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 31/12/2021 are used in the calculations.
** The total loan granted by parent company 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	31/12/2021	31/12/2020
Investment properties and properties under construction	22 440 922	23 869 294
Investment property under construction	-	-
Total carrying value of pledged assets	**22 440 922**	**23 869 294**

The total mortgage amount of the pledged assets amounts to NOK 8 858 million.

5.11 - Social and tax liabilities and other liabilities

In thousands of NOK	31/12/2021	31/12/2020
Social and tax liabilities		
Staff and related accounts	20 497	29 993
Social security and other bodies	5 822	5 437
- Corporate income tax	-93 500	-66 403
- VAT	38 489	64 528
Other taxes and duties	105 545	68 058
Total social and tax liabilities	**76 852**	**101 613**
Other liabilities		
Deferred income	-	1 215
Creditor customers	160 991	138 391
Prepaid gift cards	46 030	34 976
Other liabilities	104 679	1 831
Total other liabilities	**311 700**	**176 413**

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	31/12/2021
Bail declaration - surety for indemnity declaration previous tenants	Nordea Bank AB, Norwegian branch	2 147
Pledges secured in investment property of subsidiaries	Different partners	8 858 477
Total off-balance sheet commitments of guarantees, bail declarations and pledges		**8 860 624**

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 2021.

6.1 - Income from disposal of investment properties and equity instruments

	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.

	2020
Proceeds from disposal of investment properties and equity investments	30 681
Net book value of investment properties and equity investments sold	-3 413
Income from disposal of investment properties and equity investments	27 268

The disposal is related to the sale of a land plot allotment with a building permit in Örebro made by FAB Marieberg Galleria. The transfer was formally made and cash proceeds received during fourth quarter 2020.

6.2 - Net cost of debt

In thousands of NOK	2021	2020
Financial income		
Interest income on swaps	15 149	22 494
Interest on associates' advances	1	2
Other interest received	120	6 087
Other revenue and financial income	5 332	2 633
Foreign exchange gains	421 623	159 322
Financial income	**442 225**	**190 539**
Financial expenses		
Interest on bonds	-69 431	-89 629
Interest on loans from credit institutions (incl. certificates)	-64 948	-77 580
Interest expense on swaps	-67 123	-83 423
Deferral of payments on swaps	-	-783
Interest on associates' advances	-15 516	-9 351
Other financial expenses	-12 963	-18 502
Foreign exchange losses	-416 465	-233 977
Interest on lease liabilities	-7 248	-7 867
Financial expenses	**-653 693**	**-521 113**
Net cost of debt	**-211 468**	**-330 574**

Net cost of debt include net foreign exchange gain of NOK 5.2 million and loss of NOK 74.7 million in 2021 and 2020, respectively.

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

7 - Tax

In thousands of NOK	2021	2020
Tax expenses:		
Current Tax	-32 797	119 376
Change in deferred tax	53 268	158 352
Tax expenses	**20 472**	**277 728**
Profit before tax	507 585	-941 869
Tax calculated on profit before tax	-109 722	199 711
Tax on group contribution given to parent company	49 283	84 398
Taxes without bases in taxable income current period	-4 744	4 128
Effect of changes in tax rates	-	-
Non taxable elements	85 415	-8 512
Other	240	-1 997
Tax expenses	**20 472**	**277 728**

Non taxable elements in mainly related to sale of shares.

Effective tax rate	**-4,0%**	**29,5%**

Deferred taxes are composed of:

Deferred tax assets

In thousands of NOK	31/12/2021	31/12/2020
Tangible fixed assets and investment property	152 500	138 894
Losses carried forward	-7 068	11 774
Capital losses carried forward/capital gain pending taxation	510	638
Other	-562	-602
Total for entities in a net asset position	**145 379**	**150 704**
Deferred tax liabilities		
Tangible fixed assets and investment property	4 091 185	4 919 361
Losses carried forward	-	-
Derivatives	6 237	-20 755
Long-term liabilities and receivables	1 992	-8 951
Capital losses carried forward/capital gain pending taxation	2 933	4 510
Other	32 935	74 158
Total for entities in a net liability position	**4 135 282**	**4 968 323**
NET POSITIONS	**3 989 903**	**4 817 619**

Summary of losses carried forward

No due date	513 263	517 981
Total losses carried forward	**513 263**	**517 981**

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	23 351	-5 206
Translation profits and losses cash flow hedges	252	-1 191
Total deferred tax recognized in other comprehensive income	**23 603**	**-6 397**

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 fluctations due to changes in interest rate levels. As of 31 December 2021 and 2020, the Group had interest rate hedges at nominal value NOK 8 453 million and NOK 7 526 million, respectively.

The interest rate swaps are used to hedge against fluctations 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 thats 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)
23.06.2017	23.06.2022	500 000 000	NOK	1,3415 %	-938
14.06.2019	14.03.2024	400 000 000	NOK	1,7525 %	-2 007
14.06.2019	16.03.2026	300 000 000	NOK	1,8275 %	-1 143
24.10.2019	24.10.2024	200 000 000	NOK	Cross-currency swap	-6 533
24.10.2019	24.10.2024	150 000 000	NOK	2,5500 %	489
13.07.2020	07.07.2025	300 000 000	NOK	0,5720 %	11 854
26.10.2020	08.08.2025	250 000 000	NOK	0,5800 %	10 147
02.09.2021	16.06.2025	100 000 000	NOK	0,5500 %	3 929
02.09.2021	27.12.2023	300 000 000	NOK	1,4860 %	129
23.06.2022	23.06.2027	500 000 000	NOK	1,5210 %	8 360
03.11.2021	03.02.2022	350 000 000	SEK	Cross-currency swap	3 474
29.06.2012	30.06.2022	300 000 000	SEK	2,1450 %	-3 194
21.11.2018	21.08.2023	400 000 000	SEK	1,5000 %	82
30.09.2020	29.09.2023	200 000 000	SEK	1,1500 %	473
30.03.2021	30.09.2027	300 000 000	SEK	0,1930 %	9 255
30.10.2020	29.10.2027	100 000 000	SEK	0,1880 %	3 186
30.12.2021	30.12.2026	200 000 000	SEK	0,3190 %	3 645
30.06.2022	30.06.2027	300 000 000	SEK	0,3910 %	6 004
30.06.2017	30.06.2022	800 000 000	DKK	1,0000 %	0
02.01.2019	07.03.2023	300 000 000	DKK	1,3900 %	0
30.12.2020	30.12.2025	300 000 000	DKK	-0,1010 %	4 716
30.06.2022	30.06.2027	800 000 000	DKK	0,0460 %	14 917
03.07.2023	30.06.2026	300 000 000	DKK	0,0540 %	3 787
Total net excess value					**70 631**

Average rate on interest-bearing loans in 2021 and 2020 was 1.7% and 1.8%, respectively. Based on the financial instruments and interest rate swaps as of 31 December 2021, a general increase of 1% in interest rate levels will reduce profits by approximately NOK 18.3 million.

The Group expensed in 2021 and 2020 NOK 52.0 million and NOK 60.9 million, respectively, for interest rate hedging. 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 equvalents 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 2021, the Group held a total bank credit facility available of NOK 1 850 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 liabilitites in each country.

Non-Current and Current Interest bearing Financial Liabilities in foreign currency (in thousands of NOK)	**31/12/2021**	**31/12/2020**
SEK	2 385 675	2 580 804
DKK	3 733 870	4 128 334

Exchange rate on the balance sheet date	**31/12/2021**	**31/12/2020**
SEK	97,45	104,35
DKK	134,32	140,71

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 2021 and 2020 were as follows:

In thousands of NOK	**31/12/2021**	**31/12/2020**
Total financial liabilities (including bank facilities and excluding lease liabilities)	9 692 647	13 062 331
Cash and interest-bearing receivables	460 902	268 200
Net interest-bearing debt	**9 231 745**	**12 794 132**
Total non-current assets	**32 296 705**	**39 139 191**
Debt ratio	**28,6%**	**32,7%**

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 didivdend 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 1 January 2019 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	**2021**	**2020**
Value change right-of-use assets related to investment properties	-6 304	-10 258
Depreciation of right-of-use assets realted to office and vehicle leases	9 603	9 987
Interest expense on lease libilities	7 248	7 867
Total (net expense)	**23 156**	**28 112**

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

In thousands of NOK	**31/12/2021**	**31/12/2020**
Within 1 year	4 523	14 150
1 to 5 years	10 020	22 530
After 5 years*	337 572	355 920
Total	**352 115**	**392 600**

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

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

In thousands of NOK	**2021**	**2020**
Change in the fair value of investment properties	-6 304	-10 258
Depreciation, amortization and provisions	9 603	9 987
Reclassification of financial interests and other items	-7 248	-7 867
Repayment of loans, borrowings and hedging instruments	-10 716	-18 837

Total cash payments made during 2021 and 2020 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 14.0 million and NOK 26.0 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 2021, 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 were the Group is the lessor, is as follows:

In thousands of NOK	**31/12/2021**	**31/12/2020**
Investment properties	30 150 796	36 766 384
Total	**30 150 796**	**36 766 384**

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

In thousands of NOK	31/12/2021	31/12/2020
Within 1 year	1 101 205	1 322 053
1 to 5 years	1 451 283	2 093 924
After 5 years	289 685	1 153 649
Total	**2 842 173**	**4 569 626**

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:

	31/12/2021	31/12/2020
Norway	95,5 %	94,9 %
Sweden	96,4 %	94,9 %
Denmark	99,2 %	98,2 %
Average	97,1 %	95,8 %

10 - Payroll Expenses

In thousands of NOK	2021	2020
Wages, bonuses and indemnities	89 410	105 796
Social security tax	17 524	16 780
Pension costs	13 469	11 406
Other costs	6 149	4 840
Payroll expenses	**126 551**	**138 822**

Employees

The average number of employees in the Group in 2021 and 2020 were 133 and 141, respectively. At 31 December 2021 (31 December 2020) the Group had 124 (138) 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 is decided based on the Company's achieved results and an individual assessment of each employee. As of 31 December 2021 and 2020 NOK 15.2 million and NOK 17.7 million, respectively, have been accrued to cover the Group's bonus scheme. The bonus provision includes public and social taxes.

Remuneration of senior executives

2021 (in thousands of NOK)	Salary	Bonus	Payment in kind	Pension	Total
Group Management					
Marie Caniac - *Chief Executive Officer (from 1 July 2021)*	982	-	414	86	**1 481**
Louis Bonelli - *Chief Executive Officer (until 30 June 2021)*	1 190	675	445	171	**2 482**
Bjørn Tjaum - *Chief Investment Officer*	2 097	466	292	260	**3 115**
Nils Eivind Risvand - *Chief Legal Officer*	1 731	964	275	256	**3 226**
Brian Jensen - *Chief Financial Officer*	1 911	717	127	188	**2 943**
Total compensation	**7 911**	**2 822**	**1 552**	**962**	**13 247**

2020 (in thousands of NOK)	Salary	Bonus	Payment in kind	Pension	Total
Group Management					
Louis Bonelli - Chief Executive Officer	2 417	900	1 048	310	**4 676**
Bjørn Tjaum - Chief Investment Officer	2 077	120	300	314	**2 810**
Nils Eivind Risvand - Chief Legal Officer	1 683	680	270	263	**2 896**
Brian Jensen - Chief Financial Officer	1 978	575	160	186	**2 898**
Total compensation	**8 155**	**2 275**	**1 778**	**1 073**	**13 281**

The Chief Executive Officer is hired on an expat agreement with the Klèpierre 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 quarantees, 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.

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

		31/12/2020		
in thousands of NOK	**Level 1**	**Level 2**	**Level 3**	**Total**
Total investment property	-	-	**36 766 384**	**36 766 384**
Total financial derivatives	-	**-92 303**	-	**-92 303**
Other financial assets	-	393 500	5 514	399 013
Other financial liabilites	-	-14 143 520	-	-14 143 520
Total other financial assets and liabilites	-	**-13 750 021**	**5 514**	**-13 744 507**
Total	-	**-13 842 323**	**36 771 898**	**22 929 574**

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 construction permission for 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 has taken the matter to court, and has claimed that the decision of the Nature Protection Board of Appeal is void, on several grounds. The court process is likely to take several years.

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 date for the court hearing has not yet been set. 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 is not expected for several years.

No provisions related to this case have been made in the Steen & Strøm Group accounts at 31 December 2021.

Tax case – Lillestrøm Torv

The tax authorities at the Central Tax Office 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 2022. 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 at 31 December 2021.

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	2021	2020
Standard IT fee	-15 329	-14 981
Total	**-15 329**	**-14 981**

Net cost of debt

Steen & Strøm AS has during 2020 been granted a loan, with face value of NOK 400 million, from its parent company Storm Holding Norway AS. The loan is interest-bearing at a fixed interest-rate of 3.75% and shall be repaid in full within 2 July 2025. The total loan, including incurred interests, was repaid in advance in February 2022.

11.4 - Post-balance sheet date events

2022 has started with relatively high inflation rates globally, due to several effects such as high employment rates, increasing energy prices and supply chain bottlenecks. Furthermore, the current conflict in Ukraine is expected to influence the global economy, and consumer confidence is declining. It is too early to assess the impacts on Steen & Strøm's operations, which will depend on the duration of the conflict in Ukraine as well as mentioned bottlenecks. Management is monitoring the situation ongoing and will take necessary precautions to mitigate the negative impacts. We also refer to Note 1.1 Covid-19 impacts for information related to the pandemic.

11.5 - Audit fees

In thousands of NOK	2021	2020
Statutory audit	5 063	4 128
Other services	197	211
Total	**5 260**	**4 339**

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STEEN & STRØM AS - FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

In thousands of NOK	Note	2021	2020
Other operating income		114 487	127 132
Gain from sales of assets	4	-	66
Total operating income		**114 487**	**127 198**
Payroll expenses	1	74 938	86 083
Depreciation	4	27 482	26 743
Other operating expenses	1, 4, 10	49 738	46 597
Total operating expenses		**152 158**	**159 423**
OPERATING INCOME		**-37 671**	**-32 225**
Financial income and expenses			
Income from investments in subsidiaries and joint ventures	6	134 140	4 782 662
Gain from sale of investments in subsidiaries and joint ventures	5, 6	1 424 496	-
Interest received from group companies	7	140 396	94 616
Net interest on Cash pool		-1 062	-3 367
Other financial income	12	247 322	97 139
Write down on shares in subsidiaries	6	-11 888	-329 583
Interest paid to group companies	7	-17 099	-9 749
Interest on borrowings	4,8	-92 387	-113 298
Other financial expenses	12	-208 578	-152 737
NET FINANCIAL INCOME AND EXPENSES		**1 615 341**	**4 365 683**
PROFIT BEFORE TAX		**1 577 670**	**4 333 458**
Corporate income tax	11	9 270	-147 781
CORPORATE INCOME TAX		**9 270**	**-147 781**
Net income		**1 586 940**	**4 185 678**
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)		67 940	-70 757
Tax on cash-flow hedging instruments		-14 947	15 567
Items that will not be reclassified subsequently to profit and loss			
Total comprehensive income		**1 639 932**	**4 130 487**

STATEMENT OF FINANCIAL POSITION

In thousands of NOK	Note	31/12/2021	31/12/2020
Intangible assets			
Deferred tax assets	11	29 927	21 549
Software	4	17 341	30 529
Total intangible assets		**47 268**	**52 078**
Property, plant & equipment			
Company cabin	4	2 217	2 485
Cars, machinery and equipment	4	1 170	3 037
Right-of-use assets	4	2 213	3 475
Total property, plant & equipment		**5 599**	**8 996**
Financial assets			
Investment in subsidiaries	6	9 423 706	10 888 893
Loans to subsidiaries	7, 12	3 332 597	5 313 571
Investments in joint ventures	5	991 500	1 259 350
Investments in shares	6	230	230
Total financial assets		13 748 033	17 462 043
NON-CURRENT ASSETS		**13 800 900**	**17 523 118**
Receivables			
Trade receivables		-	67
Loans to group companies	7	75 741	94 987
Other receivables	12, 13	58 351	22 859
Total receivables		**134 092**	**117 913**
Cash and cash equivalents			
Cash and cash equivalents	1	36 078	50 639
CURRENT ASSETS		**170 170**	**168 552**
TOTAL ASSETS		**13 971 070**	**17 691 670**

STATEMENT OF FINANCIAL POSITION

In thousands of NOK	Note	31/12/2021	31/12/2020
Contributed equity:			
Share capital		73 259	73 259
Additional paid-in capital		4 028 584	4 028 584
Total contributed equity	2	4 101 843	4 101 843
Retained earnings:			
Other equity		5 213 227	5 270 795
Total earned equity		5 213 227	5 270 794
SHAREHOLDERS' EQUITY		**9 315 070**	**9 372 638**
Bonds	8,12	2 100 166	3 926 100
Liabilities to group companies	7	605 085	612 749
Other Non-Current liabilities	4	1 053	743
NON-CURRENT LIABILITIES		2 706 304	4 539 593
Trade payables		22	13 950
Social and tax liabilities		6 113	7 364
Tax payable	11	15 361	4 037
Liabilities to group companies	7	468 635	1 292 953
Certificates, bonds and other current debt	8	1 410 390	2 385 537
Other current liabilities	4,13	49 176	75 598
CURRENT LIABILITIES		1 949 696	3 779 439
TOTAL LIABILITIES		**4 656 000**	**8 319 032**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**13 971 070**	**17 691 670**

Oslo, 1 April 2022

Jean-Marc Jestin
Chairman of the Board

Jean-Michel Gault
Member of the Board

Rutger van der Lubbe
Member of the Board

Julien Goubault
Member of the Board

Rafael Torres Villalba
Member of the Board

Marie Caniac
Chief Executive Officer

STATEMENT OF CASH FLOWS

In thousands of NOK	Note	2021	2020
Net income		1 586 940	4 185 678
Corporate income tax	11	-9 270	147 781
Paid tax for the period		-2 731	-
Gain/Loss on sale of non-current assets		-	74
Income on shares in subsidiaries	6	-91 140	-4 382 000
Gain/Loss on sale of shares	5, 6	-1 424 496	-
Depreciation on fixed assets	4	27 482	26 743
Write-down/reversal of write-down on financial assets	6	11 888	329 583
Changes in trade receivables		67	104
Changes in trade payable		-13 929	-4 012
Changes in social and tax liabilities		-1 252	-472
Changes in other current assets & other current liabilities		2 566	-10 871
Net cash flow from operating activities		**86 125**	**292 607**
Payments on acquisitions of non-current assets	5, 6	-21 000	-70 000
Proceeds from sale of non-current assets	5, 6	3 166 645	66
Payments on acquisitions of other assets		-7 127	-5 388
Proceeds from loans to subsidiaries		1 980 974	402 166
Net cash flow from investment activities		**5 119 492**	**326 845**
Proceeds from borrowings	8,12	-	1 640 597
Payments on borrowings	8	-3 522 678	-1 560 938
Payments of dividends		-1 697 500	-875 500
Net cash flow from financial activities		**-5 220 178**	**-795 841**
NET CHANGES IN CASH		**-14 561**	**-176 389**
Cash at the start of the period		**50 639**	**227 028**
Net changes in cash		**-14 561**	**-176 389**
Cash at the end of the period		**36 078**	**50 639**

STATEMENT OF CHANGES IN EQUITY

31/12/2020 In thousands of NOK	Share capital	Additional paid-in capital	Other equity	Total equity
Opening statement	**73 259**	**4 028 584**	**2 015 808**	**6 117 651**
Dividends paid			-875 500	**-875 500**
Net income for the period			4 185 678	**4 185 678**
Income from cash-flow hedging			-55 191	**-55 191**
Closing statement	**73 259**	**4 028 584**	**5 270 795**	**9 372 638**

31/12/2021 In thousands of NOK	Share capital	Additional paid-in capital	Other equity	Total equity
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**

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 accouting policies also apply to the parent company, and the notes to the consolidationed financial statements will in som cases cover the parent company.

Shares in subsidiaries and joint ventures are stated using the cost method. Group contributions and dividends from subsidiaries and joint ventures are recognized as income from investments in subsidiaries in the year the group contribution and dividends has been approved.

1 - PAYROLL EXPENSES

	2021	2020
Wages, bonuses and indemnities	57 510	67 655
Social security tax	9 083	9 654
Pension costs	4 577	5 537
Other costs	3 767	3 237
Total payroll expenses	**74 938**	**86 083**

Employees

The average number of employees in Steen & Strøm AS in 2021 and 2020 were 63 and 73, respectively.

Remuneration of senior executives

See note 10 of the consolidated financial statements.

Audit fees

The audit fee for Steen & Strøm AS in 2021 was NOK 1.912 thousand (NOK 1.582 thousand in 2020).
Other certification service for Steen & Strøm AS in 2021 was NOK 147 thousand.

Restricted funds

As of 31 December 2021 and 2020, restricted funds amounted to NOK 2 993 thousand and NOK 3.614 thousand.

2 - SHAREHOLDER'S EQUITY AND TREASURY SHARES

An extraordinary general meeting approved an additional dividend of NOK 738 million in February 2022.
See note 5.9 of the consolidated financial statements.

3 - 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.

4 - SOFTWARE, PROPERTY, PLANT & EQUIPMENT

Intangible assets - software	**31/12/2021**	**31/12/2020**
Acquisition cost as of 01/01	190 374	184 986
Acquisition	7 127	5 388
Acquisition cost as of 31/12	197 501	190 374
Acc. depreciation as of 31/12	180 160	159 845
Net book value as of 31/12	**17 341**	**30 529**
Depreciation for the year	20 315	19 410

Vehicles, furniture and office equipment and machinery	**31/12/2021**	**31/12/2020**
Acquisition cost as of 01/01	16 161	16 856
Acquisition	-	-695
Acquisition cost as of 31/12	16 161	16 161
Acc. depreciation as of 31/12	14 991	13 124
Net book value as of 31/12	**1 170**	**3 037**
Depreciation for the year	1 867	1 953

Company cabin	**31/12/2021**	**31/12/2020**
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	4 214	3 946
Acc. depreciation as of 31/12	4 482	4 214
Net book value as of 31/12	**2 217**	**2 485**
Depreciation for the year	268	268

Right-of-use assets	**31/12/2021**	**31/12/2020**
Net book value as of 01.01	3 475	7 471
Acquisition	3 835	1 234
Disposal	-65	-118
Depreciation and impairment allowances	-5 032	-5 112
Net book value as of 31/12	**2 213**	**3 475**

Rent period as of 31/21/2021 is 3 months.

Liabilities right-of-use assets:

	31/12/2021	**31/12/2020**
Other Non-Current liabilities	1 053	743
Current liabilities (1. year payment)	1 157	2 744
Total liabilities right-of-use assets as of 31/12	2 211	3 488

Interest expenses right-of-use liabilities of NOK 12 thousand.

5 - 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
Hovlandparken DA	0,0 %	288 850	-288 850	-
Økern Sentrum ANS	50,0 %	479 750	21 000	500 750
Total		**1 259 350**	**-267 850**	**991 500**

In 2021 Steen & Strøm AS sold its 50 % stake in Hovlandparken DA. Gain of sales is NOK 12 899 thousand.
See note 6.1 of the consolidated financial statements.

6 - INVESTMENTS IN SUBSIDIARIES AND OTHER COMPANIES

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

	31/12/2021	31/12/2020
Book value of investments in subsidiaries	9 423 706	10 888 893

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.
In 2021 there has been a write down of investments in subsidaries of NOK 11 888 thousand.
Gain of sales of subsidaries in 2021 is NOK 1 411 597 thousand.

Income from investments in subsidiaries and joint ventures	2021	2020
Dividends from subsidiaries	-	4 732 162
Distributions from joint ventures	43 000	50 500
Received group contribution	91 140	-
Total income from investments	**134 140**	**4 782 663**

7 - INTERCOMPANY RECEIVABLES AND PAYABLES

Current assets and current liabilities	**31/12/2021**	**31/12/2020**
Current receivables from group companies	75 741	94 987
Total current receivables	75 741	94 987
Non-current receivables from group companies *)	3 332 597	5 313 571
Total receivables	3 408 338	5 408 557

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

Current liabilities to group companies	468 635	1 292 953
Non-current liabilities to group companies	605 085	612 749
Total liabilities	1 073 719	1 905 702
Interest received from group companies	140 396	94 616
Interest paid to group companies	-17 099	-9 749
Net interest	123 297	84 867

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.

8 - LIABILITIES

Non-current interest bearing borrowings	**31/12/2021**	**31/12/2020**
Bonds	2 100 166	3 926 100
Total non-current interest bearing borrowings	**2 100 166**	**3 926 100**
Current borrowings		
Certificates	292 347	1 350 604
Bonds	945 039	909 254
Borrowing to financial institutions *)	173 004	125 679
Total current borrowings	**1 410 390**	**2 385 537**

*) 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	2 000 166	3 826 100
More than 5 years	100 000	100 000
Total	**2 100 166**	**3 926 100**

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

9 - 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	13 915	6 958	50,0 %
Metro Senter ANS	15 716	7 858	50,0 %
Total	**29 631**		

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

Type	**Banking partner**	**31/12/2021**
Bail declatration - surety for indemnity declaration previous tenants	Nordea Bank AB, Norwegian branch	2 147
Pledges sercured in investment property of subsidiaries	Different partners	8 858 477
Total off balance sheet commitments of garantees, bail declarations and pledges		**8 860 624**

10 - BREAKDOWN OF OTHER OPERATING EXPENSES

	2021	2020
Rental space	530	951
Management and other fees	5 069	4 721
Other operating expenses	3 810	10 239
Other administrative costs	40 328	30 686
Total other operating expenses	**49 738**	**46 597**

11 - TAX

Temporary differences	**31/12/2021**	**31/12/2020**
Fixed assets	-1 347	-341
Non-current receivables	102 868	118 862
Shares in partnerships	-192 939	-5 842
Taxable profit and loss account	6 319	7 899
Accrual of interest rate swap	-1 480	-2 487
Other differences	26 379	-56 758
Net temporary differences	**-60 200**	**61 332**
Losses carried forward	-	-159 284
Group Contribution	-75 833	-
Basis for deferred tax / tax assets	**-136 033**	**-97 952**
22 % deferred tax / deferred tax assets	-29 927	-21 549
Total deferred tax assets (-) / liabilities (+)	**-29 927**	**-21 549**

Explanation of the tax expense	**2021**	**2020**
22 % tax on profit before tax	347 087	953 361
Tax on non deductible interest	-2 731	4 037
Change of shares in partnerships from previous years	-41 161	153 321
Tax on received group contribution adopted this year	20 051	-
Permanent differences	-331 209	-962 938
Other differences	-1 306	-
Corporate income tax expense	**-9 270**	**147 781**

Analysis of tax expense	**2021**	**2020**
Taxes payable	15 361	128 177
Change in deferred tax	-8 378	-
Tax on non deductible interest	-1 306	4 037
The tax effects recognized in equity	-14 947	15 567
Corporate income tax expense	**-9 270**	**147 781**

Basis for tax payable	**2021**	**2020**
Profit before tax	1 577 670	4 333 458
Write-downs on shares	11 888	329 583
Income from partnerships	40 861	76 088
Revenue from companies within the exemption method	-1 558 636	-4 782 662
Other permanent differences	391	-
Basis for this year's tax	**72 173**	**-43 532**
Change in temporary differences	2 376	-46 433
Received group contribution adopted this year	75 833	-
Taxable income	**150 382**	**-89 965**
Use of tax losses carried forward	-68 144	-
Basis for tax payable	**82 238**	**-89 965**
Taxable income	**82 238**	-
Non decutible interest	-12 414	18 351
Basis for tax payable	**69 824**	**18 351**
Tax payable (22%)	**15 361**	**4 037**

12 - FINANCIAL INTRUMENTS - 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 31/12/2021 recorded a net receivable of NOK 27 759 thousand related to financial instruments.

The corresponding amount for 31/12/2020 was a net debt of NOK 52 317 thousand.

Summary of receivables and debts in foreign currency	**2021**	**2020**
Non-current receivables		
In thousands of SEK	703 814	892 256
Non-current debt		
In thousands of SEK	-	500 000
In thousands of DKK	152 680	151 155
Exchange rate on the balance sheet date		
SEK	0,97	1,04
DKK	1,34	1,41
In thousands of NOK		
Non-current receivables	**685 859**	**931 265**
Non-current debt	**205 085**	**734 609**

Assets and liabilities are recorded at exchange rates per 31/12/2021. Changes in exchange rates compared with last year's exchange rates at 31/12/2020 is posted in the accounts as a loss / gain.

Steen & Strøm AS has in 2021 had a net gain on foreign currency of NOK 37.648 thousand. Of this amount a gain of NOK 28.821 thousand is realized. The corresponding amounts in 2020 was a loss of NOK 45.171 thousand of which NOK 62.670 thousand in realized gain.

Remaining lines of credit are NOK 1.850.000 thousand.

13 - LITIGATIONS AND CLAIMS

See note 11.2 of the consolidated financial statements.

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.

Deloitte.

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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 2021, 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 2021, 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 2021, 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 financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, 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 laws and regulations 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 13 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.

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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 2021 is NOK 30 199 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 1 560 million as at 31 December 2021. 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 all 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. Were 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 appears 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 legal requirements.

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

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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 or 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.

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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 Regulation on European Single Electronic Format (ESEF)

Opinion

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name 5967007LIEEXZXJNDK21-2021-12-31-en have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

Auditor's Responsibilities

Our responsibility is to express an opinion on whether the financial statements have been prepared in accordance with ESEF. We conducted our work in accordance 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 that the financial statements have been prepared in accordance with the European Single Electronic Format.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its financial statements in the European Single Electronic Format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the financial statements tagged under the European Single Electronic Format 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, 1 April 2022
Deloitte AS

Sylvi Bjørnslett

Sylvi Bjørnslett
State Authorised Public Accountant

Alternative performance measures (APM)

Net rental income including equity investments

In thousands of NOK	2021	2020
Net rental income of Consolidated Statement of Comprehensive Income	1 417 519	1 590 403
Group share of Net rental income from Equity investments according to note 5.4B	52 795	61 152
Net rental income including equity investments	**1 470 314**	**1 651 555**

Net rental income evolution on like-for-like basis

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	453 712	319 851	445 138	1 218 701
Variable	-1 563	194 551	5 830	198 818

2020	Denmark	Norway	Sweden	Total
Net rental income of current operations	464 996	652 340	473 066	1 590 403
Net rental income of constant operations	441 301	324 725	447 907	1 213 932
Variable	23 696	327 615	25 160	376 471

Net rental income evolution on like-for-like basis	**2,8%**	**-1,5%**	**-0,6%**	**0,4%**

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	2021	2020
Non recoverable rental expenses	140 264	138 365
Building expenses (owner)	55 432	65 343
Direct operating expenses	**195 696**	**203 708**

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	2021	2020
Payroll expenses	126 551	138 822
Other general expenses	50 680	47 942
Depreciation and impairment allowance on investment properties	268	9 085
Depreciation and impairment allowance on intangible assets and property, plant and equipment	32 839	32 400
Other operating expenses	**210 338**	**228 249**

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	2021	2020
Non-current financial liabilities	8 016 380	10 407 455
Current financial liabilities	1 503 263	2 497 802
Bank facilities	173 004	157 074
Cash and cash equivalents	-460 902	-268 200
Net interest-bearing debt	**9 231 745**	**12 794 132**

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

Loan to Value

In thousands of NOK	2021	2020
Investment properties	30 140 407	36 766 384
Equity method securities	1 560 000	1 799 521
Value of portfolio	**31 700 407**	**38 565 904**

In thousands of NOK	2021	2020
Net interest-bearing debt	9 231 745	12 794 132
Value of portfolio	31 700 407	38 565 904
Loan to Value	**29,1 %**	**33,2 %**

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

Book equity ratio

In thousands of NOK	2021	2020
Shareholders' Equity	18 486 399	20 582 803
Total Assets	33 351 105	39 801 173
Book equity ratio	**55,4 %**	**51,7 %**

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	21 776	63 958	59 781	145 515
New yearly MGR	21 009	62 625	57 077	140 712
Reversion rate	**-3,5 %**	**-2,1 %**	**-4,5 %**	**-3,3 %**

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


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