ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Forenklet 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:	03.04.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

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, 13.08.2025

Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Andre driftsinntekter		107 115 000	104 793 000
Gevinst salg anleggsmidler	1	95 000	150 000
Sum inntekter		**107 210 000**	**104 943 000**
Kostnader			
Lønnskostnad	2	48 803 000	60 596 000
Avskrivning på varige driftsmidler	1	10 160 000	9 173 000
Annen driftskostnad	1, 2, 3	72 369 000	54 933 000
Sum kostnader		**131 332 000**	**124 702 000**
Driftsresultat		**-24 122 000**	**-19 759 000**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap	4	789 088 000	110 833 000
Renteinntekt fra foretak i samme konsern	5	56 555 000	81 072 000
Annen renteinntekt		22 966 000	6 961 000
Annen finansinntekt	6	60 695 000	156 100 000
Gevinst salg datterselskap	4	3 822 000	159 102 000
Sum finansinntekter		**933 126 000**	**514 068 000**
Nedskr. av finansielle anleggsmidler	4	88 515 000	
Rentekostnad til foretak i samme konsern	5	19 563 000	5 273 000
Annen rentekostnad	1, 7	32 447 000	49 606 000
Annen finanskostnad	6	48 359 000	146 577 000
Sum finanskostnader		**188 884 000**	**201 456 000**
Netto finans		**744 242 000**	**312 612 000**
Ordinært resultat før skattekostnad		**720 120 000**	**292 853 000**
Skattekostnad på ordinært resultat	8	-17 647 000	-8 863 000
Ordinært resultat etter skattekostnad		**737 767 000**	**301 716 000**
Årsresultat		**737 767 000**	**301 716 000**

Resultatregnskap

Beløp i: NOK	Note	2023	2022
Minoritetsinteresser		0	0
Årsresultat etter minoritetsinteresser		**737 767 000**	**301 716 000**
Kontantstrømsikring		-69 730 000	58 535 000
Skatteeffekt kontantstrømsikring		15 341 000	-12 877 000
Sum resultatkomponenter for IFRS-foretak		-54 389 000	45 658 000
Totalresultat		**683 378 000**	**347 374 000**
Overføringer og disponeringer			
Overføringer annen egenkapital		737 767 000	301 717 000
Andre resultatkomponenter		-54 389 000	45 658 000
Sum overføringer og disponeringer		**683 378 000**	**347 375 000**

Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Software	1	20 773 000	20 238 000
Utsatt skattefordel	8	61 445 000	28 457 000
Sum immaterielle eiendeler		**82 218 000**	**48 695 000**
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	1	1 681 000	1 949 000
Driftsløsøre, inventar, verktøy, kontorm.	1	1 442 000	1 735 000
Finansiell leasing	1	11 926 000	14 736 000
Sum varige driftsmidler		**15 049 000**	**18 420 000**
Finansielle anleggsmidler			
Investering i datterselskap	4	7 816 345 000	7 904 860 000
Lån til foretak i samme konsern	5, 6	1 492 000 000	1 518 762 000
Investeringer i tilknyttet selskap	9	1 021 500 000	1 006 500 000
Investering i aksjer	4	230 000	230 000
Andre fordringer	6	15 919 000	299 078 000
Sum finansielle anleggsmidler		**10 345 994 000**	**10 729 430 000**
Sum anleggsmidler		**10 443 261 000**	**10 796 545 000**
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer		4 084 000	14 329 000
Andre fordringer	6, 10	25 937 000	32 787 000
Konsernfordringer	5	3 740 432 000	5 586 000
Sum fordringer		**3 770 453 000**	**52 702 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd og fordringer konsernkonto	2	495 103 000	64 024 000
Sum bankinnskudd, kontanter og lignende		**495 103 000**	**64 024 000**

Balanse

Beløp i: NOK	Note	2023	2022
Sum omløpsmidler		**4 265 556 000**	**116 726 000**
SUM EIENDELER		**14 708 817 000**	**10 913 271 000**
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	11	**4 101 843 000**	**4 101 843 000**
Opptjent egenkapital			
Annen egenkapital		4 459 496 000	3 871 973 000
Sum opptjent egenkapital		**4 459 496 000**	**3 871 973 000**
Sum egenkapital		**8 561 339 000**	**7 973 816 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Obligasjonslån	6, 7	100 000 000	495 761 000
Langsiktig konserngjeld	5	539 749 000	215 569 000
Øvrig langsiktig gjeld	1	8 182 000	15 840 000
Sum annen langsiktig gjeld		**647 931 000**	**727 170 000**
Sum langsiktig gjeld		**647 931 000**	**727 170 000**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	7	404 167 000	1 610 306 000
Leverandørgjeld		79 000	
Betalbar skatt	8		
Skyldig offentlige avgifter		5 101 000	4 859 000
Kortsiktig konserngjeld	5	5 058 923 000	567 748 000
Annen kortsiktig gjeld	1, 10	31 275 000	29 369 000
Sum kortsiktig gjeld		**5 499 545 000**	**2 212 282 000**

Balanse

Beløp i: NOK	Note	2023	2022
Sum gjeld		**6 147 476 000**	**2 939 452 000**
SUM EGENKAPITAL OG GJELD		**14 708 815 000**	**10 913 268 000**

Konsernets resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Leieinntekter		1 519 283 000	1 424 412 000
Virkelig verdi-justering bygninger			
Gevinst ved salg bygninger og investeringer	6.1	-7 909 000	157 096 000
Annen driftsinntekt		80 360 000	84 099 000
Sum inntekter	3.1 , 9	**1 591 734 000**	**1 665 607 000**
Kostnader			
Lønnskostnader	10	121 345 000	115 019 000
Avskrivninger og nedskrivninger	5.1, 5.2, 5.3	11 292 000	10 119 000
Annen driftskostnad	11.3, 11.5	263 050 000	235 406 000
Virkelig verdi-justeringer bygninger	5.3	1 524 435 000	1 027 456 000
Sum kostnader		**1 920 122 000**	**1 388 000 000**
Driftsresultat		**-328 388 000**	**277 607 000**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	5.4	-40 112 000	310 510 000
Utbytte på andre investeringer		48 000	301 000
Annen finansinntekt	6.2	471 505 000	590 175 000
Verdiøkning finansielle instrumenter		-1 517 000	27 602 000
Sum finansinntekter		**429 924 000**	**928 588 000**
Verdireduksjon finansielle instrumenter			
Annen finanskostnad	6.2	623 175 000	607 623 000
Sum finanskostnader		**623 175 000**	**607 623 000**
Netto finans		**-193 251 000**	**320 965 000**
Ordinært resultat før skattekostnad		**-521 639 000**	**598 572 000**
Skattekostnad	7	-196 193 000	18 817 000
Ordinært resultat etter skattekostnad		**-325 446 000**	**579 755 000**

Konsernets resultatregnskap

Beløp i: NOK	Note	2023	2022
Skattekostnad på ekstraordinære poster		0	
Årsresultat		**-325 446 000**	**579 755 000**
Minoritetsinteresser		0	0
Årsresultat etter minoritetsinteresser		**-325 446 000**	**579 755 000**
Kontanstrømsikringer		-211 902 000	353 702 000
Skatt på kontantstrømsikringer	7	24 537 000	-30 864 000
Omvurderingsdifferanser valuta		988 436 000	-57 014 000
Sum resultatkomponenter for IFRS-foretak		801 071 000	265 824 000
Totalresultat		**475 625 000**	**845 579 000**
Overføringer og disponeringer			
Andre resultatkomponenter		801 071 000	265 824 000
Overføring annen egenkapital		-325 446 000	579 755 000
Sum overføringer og disponeringer		**475 625 000**	**845 579 000**

Konsernets balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Software	5.1	20 772 000	20 237 000
Utsatt skattefordel	7	149 160 000	152 580 000
Goodwill	4.2	348 425 000	348 425 000
Sum immaterielle eiendeler		**518 357 000**	**521 242 000**
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	3.2, 5.3, 5.10, 9, 11.1	26 339 782 000	26 640 670 000
Driftsløsøre, inventar mm	5.2	27 885 000	28 585 000
Sum varige driftsmidler		**26 367 667 000**	**26 669 255 000**
Finansielle anleggsmidler			
Investering i annet foretak i samme konsern	5.4	1 790 398 000	1 850 510 000
Langsiktige derivater	8, 11.1	277 101 000	447 339 000
Andre langsiktige fordringer	5.5, 11.1	6 471 000	206 115 000
Sum finansielle anleggsmidler		**2 073 970 000**	**2 503 964 000**
Sum anleggsmidler		**28 959 994 000**	**29 694 461 000**
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	5.6, 11.1	126 010 000	143 248 000
Andre fordringer	5.7, 11.1	275 066 000	312 398 000
Eiendommer holdt for salg	5.3a, 11.1	475 819 000	57 145 000
Sum fordringer		**876 895 000**	**512 791 000**

Konsernets balanse

Beløp i: NOK	Note	2023	2022
Investeringer			
Kortsiktige derivater	8, 11.1	0	16 843 000
Sum investeringer		**0**	**16 843 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd og lignende	5.8	598 256 000	313 824 000
Sum bankinnskudd, kontanter og lignende		**598 256 000**	**313 824 000**
Sum omløpsmidler		**1 475 151 000**	**843 458 000**
SUM EIENDELER		**30 435 145 000**	**30 537 919 000**

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		183 441 000	370 807 000
Annen egenkapital		13 683 874 000	13 280 792 000
Sum opptjent egenkapital		**13 867 315 000**	**13 651 599 000**
Sum egenkapital		**17 969 158 000**	**17 753 442 000**
Gjeld			
Langsiktig gjeld			
Utsatt skatt	7	3 949 438 000	3 987 924 000
Sum avsetninger for forpliktelser		**3 949 438 000**	**3 987 924 000**
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	5.10, 11.1	6 632 134 000	6 001 422 000
Derivater	8, 11.1	14 533 000	4 723 000
Garantier mm	11.1	137 247 000	126 646 000
Sum annen langsiktig gjeld		**6 783 914 000**	**6 132 791 000**

Konsernets balanse

Beløp i: NOK	Note	2023	2022
Sum langsiktig gjeld		**10 733 352 000**	**10 120 715 000**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	5.10, 11.1	1 162 784 000	2 159 857 000
Bank trekkfasilitet	5.8, 11.1		
Leverandørgjeld	11.1	119 650 000	126 823 000
Skyldige offentlige avgifter	5.11, 11.1	234 461 000	102 501 000
Annen kortsiktig gjeld	5.11, 11.1	215 740 000	274 580 000
Kortsiktige derivater	8, 11.1		
Sum kortsiktig gjeld		**1 732 635 000**	**2 663 761 000**
Sum gjeld		**12 465 987 000**	**12 784 476 000**
SUM EGENKAPITAL OG GJELD		**30 435 145 000**	**30 537 918 000**

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

Postadresse
Postboks 9200 Grønland
0134 Oslo
For elektronisk henvendelse se www.skatteetaten.no

Besøksadresse
Se www.skatteetaten.no
Org. nr: 996250318

Sentralbord
800 80 000
Telefaks
22 17 08 60

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.

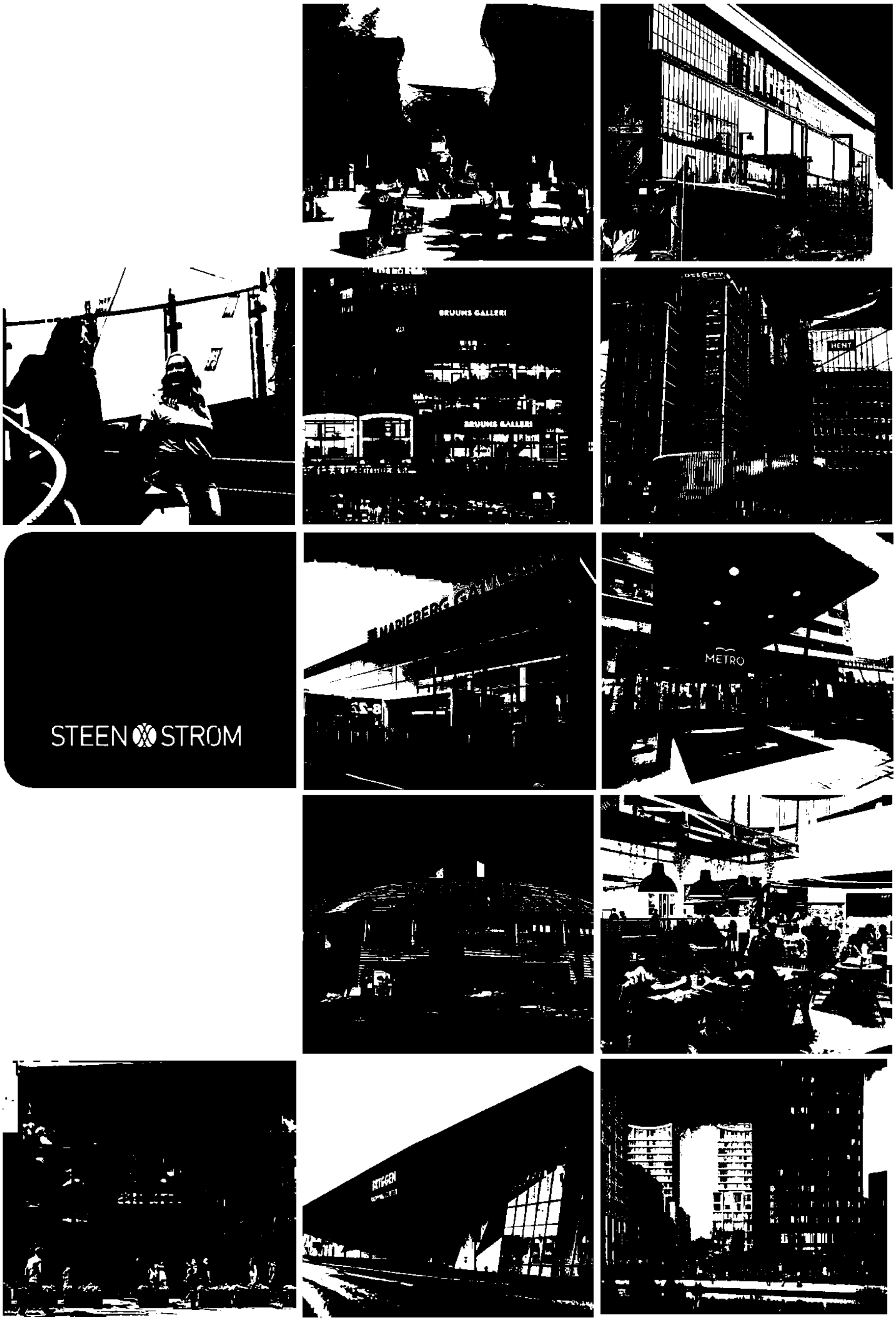
Med hilsen

Rune Tystad

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Helleland

Torstein Kinden Helleland


BRUUNS GALLERI
BRUUNS GALLERI
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STEEN STRØM

TABLE OF CONTENTS - ANNUAL REPORT 2023

BOARD OF DIRECTORS' REPORT 2023

Steen & Strøm's portfolio has to a wide extent resisted the consequences of economic volatility and uncertainty during 2023, with average retailer sales increasing by 7%, slightly above average inflation and indexation. The relatively strong sales performances are driven by our tier 1 assets, namely Emporia in Sweden and Oslo City in Norway.

Despite the relatively good performances, domestic retailers are hesitating to expand, with reference to the continuing uncertainties around the general, economic environment. International retailers are however still expanding, but demanding larger units, which takes longer to execute and deliver. Consequently, financial occupancy has decreased -50 bps during 2023 to 95% end of December.

Steen & Strøm held ten shopping centers throughout 2023 (Galleria Boulevard divested end of year), 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 2023, despite the ongoing, economic challenges (namely high inflation in first half of the year, and increasing interest rates in second half), with a relatively moderate impact on vacancy levels, an overall satisfying collection rate, and solid sales performance (surpassing pre-Covid levels). End of the year, we have agreed to sell our Swedish asset, Galleria Boulevard in Kristianstad, at a sales price of NOK 475.8 million, with a closing date 2 January 2024.

Net rental income on a like-for-like basis increased by +9.0% in 2023 (Norway +2.9%, Denmark +6.2% and Sweden +15.2%), mainly due to indexation impact, increase in variable revenues, and increased collection rate, to some extent off-set by general increases and recovery of service charges and some bankruptcies (impacting provision for credit losses). For the Group as a whole, the indexed linked effect on net rental income was +6.5% and the reversion rate was -4.3% in 2023. Reversion rate was significantly impacted by a few defensive deals in Denmark.

Total change in fair value of investment properties amounted to NOK -1 524.4 million in 2023 (NOK -343.2 million in Norway, NOK 129.0 million in Sweden and NOK -1 310.2 million in Denmark). The valuations are corresponding to an average net initial yield of 5.1% (4.7% in Norway, 5.7% in Sweden and 4.7% in Denmark), 39 basis points above 2022, influenced by increasing cap rates and interest rates. All assets, except Emporia, decreased in value due to increasing cap rates and interest rates. Emporia is benefiting from a dominating position in southern Sweden and currently also enjoying a high level of cross-border trade to Danes, due to the weakened SEK.

KEY FIGURES

RETAILER SALES

Steen & Strøm's business model is to lease premises at its shopping centers to retailers. Retailer sales in Steen & Strøm's shopping center portfolio was still impacted by Covid-19 in 2022, however with very different trends by country, due to differences in outbreaks and national response strategies. Total retailer sales for Steen & Strøm's shopping centers increased by 7.0% in 2023 compared to 2022 on a like-for-like basis (comparable shops in 2023 and 2022) and 7,3% on a like-for-like center basis. Per country, like-for-like center sales increased by 6.1% in Denmark, 2.9% in Norway and 9.8% in Sweden, outperforming pre-Covid levels in 2019 by 4.6% for the portfolio.

In the following, please notice that numbers in brackets are 2022 comparisons.

ECONOMIC ENVIRONMENT

Following a rapid post-pandemic recovery in the first half of 2022, Scandinavia entered a period of uncertainty marked by high inflation in the second half. This inflation was driven by substantial price increases in necessities, leading to a general slowdown in economic activity. Central banks responded by increasing interest rates. The effectiveness of anti-inflationary measures is evident, with a significant drop in inflation to 0.7% in Denmark in

December 2023 (compared to a peak of 10.1% in October 2022). Norway and Sweden also experienced decreasing inflation rates, albeit at a slower pace.
Annual Gross Domestic Product (GDP) as of Q3 2023, has declined in all countries compared to Q3 2022 (Norway -1.9%, Sweden -1.4% and Denmark -0.3%). The unemployment rate has increased in Sweden (to 7.7% +0,9% vs December 2022), whilst Denmark and Norway remained relatively stable (2.5%, +0.2% vs December 2022 and 3.5%, +0.3% vs December 2022 respectively). Consumer confidence improved in all three countries.

NET RENTAL INCOME

Net rental income from shopping center operations is NOK 1 347.2 million (NOK 1 239.6 million), of which gross rental income is NOK 1 519.3 million (NOK 1 424.4 million). Direct operating expenses at the shopping centers, included in net rental income, amounted to NOK 172.0 million (NOK 184.9 million). Figures exclude rental income from joint venture operated shopping centers, consolidated by application of the equity method (Metro and Økern). Total net rental income, including equity investments, was NOK 1 399.8 million in 2023 (NOK 1 289.4 million). Group share of net rental income from equity investments amounted to NOK 52.5 million in 2023 (NOK 49.8 million), explained by increase in net rental income at Metro in Norway.

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

OPERATING EXPENSES

In addition to direct operating expenses as defined above, other operating expenses include salaries, other general expenses, and depreciation, amounting to NOK 223.7 million in 2023 (NOK 175.7 million). The increase is mainly related to research- and project studies that have been expensed during 2023.

CHANGE IN THE FAIR VALUE OF INVESTMENT PROPERTIES

Total fair value change of investment properties was NOK -1 524.4 million (NOK -1 027.5 million). The central banks have increased the interest rates significantly during 2023 in all three countries, and as a consequence of this and the current uncertainties in the economy, the activity in the market has slowed down. The higher interest rates have increased the yield requirements and consequently reduced the fair value of investment properties. The valuation of the shopping centers is based on an average net initial yield of 5.08%, compared to an average net initial yield of 4.69% in 2022. The shopping centers and projects have a book value of NOK 28.1 billion (NOK 28.5 billion) as of 31 December 2023, including equity method investments. The weakening of NOK against DKK and SEK during 2023 has increased the value of investment properties with NOK 1.4 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 -328.4 million (NOK 277.6 million) after fair value adjustments. Loss on disposal of subsidiaries and investment properties amounted to NOK -7.9 million in 2023 (gain of NOK 157.1 million in 2022), while other operating revenue amounted to NOK 13.8 million (NOK 22.7 million).

COST OF NET DEBT

Net cost of debt amounts to NOK 151.7 million (NOK 17.4 million), including a NOK 76.9 million currency translation gain (gain of NOK 167.5 million). Net interest income from swaps was NOK 141.0 million in 2023 (net interest income of NOK 15.8 million). The increase in net interest income from swaps is due to an increase in floating interests received compared to the fixed interests paid. This is due to a general increase of the interest rates in the market.

SHARE OF EARNINGS IN EQUITY INVESTMENT ENTITIES

Share of earnings in equity investment entities amounted to NOK -40.1 million (NOK 310.5 million). Equity investments includes Økern and Metro. The negative development in share of earnings in equity investment entities is due to decreased values of investment properties in these entities (significant increases in value of investment properties were recognized in 2022).

PROFIT BEFORE TAX

Profit before tax amounted to NOK -521.6 million (NOK 598.6 million). Adjusted for fair value changes related to the investment property portfolio and income from disposals, the pre-tax profit equals NOK 1 010.7 million, which is a decrease of NOK 458.2 million from 2022.

CASH FLOW

Net cash flow from operating activities was NOK 1 353.3 million (NOK 1 283.6 million), while net cash flow from investing activities was NOK 150.0 million (NOK 2 405.4 million). Operating income adjusted for non-cash items (change in the fair value of investment properties and depreciations) and the reduction in outstanding receivables is broadly in line with cash flow from operating activities. Net cash flow from financing activities was NOK -1 230.4 million (NOK -3 644.8 million). The negative net cash flow from financing activities is due to repayment of loans and group contributions to the parent company's shareholder. Cash and cash equivalents increased by NOK 272.9 million in 2023 and amounted to NOK 598.3 million on 31 December 2023. The Group has liquidity reserves through unused credit facilities of NOK 1 970 million and un-mortgaged investment properties of NOK 16.6 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 of 31 December 2023 amounted to NOK 30.4 billion (NOK 30.5 billion), of which investment properties and properties under construction amounted to NOK 26.3 billion (NOK 26.6 billion). Change in fair value of Investment properties amounted to NOK -1 524.4 million in 2023 (NOK -1 027.5 million in 2022), driven by the current impacts of increased inflation and interest levels in general.

Booked equity amounted to NOK 18.0 billion at year-end 2023, corresponding to a book equity ratio of 59.0% (58.1%). Net interest-bearing debt amounted to NOK 6.8 billion (NOK 7.5 billion) on 31 December 2023.

SHOPPING CENTER OPERATIONS

Steen & Strøm operated 10 shopping centers in Scandinavia throughout 2023, incl. two centers in Norway, five centers in Sweden and three centers in Denmark. In addition, we are operating retail and leisure offers at our Økern development plot.

SHOPPING CENTERS IN NORWAY

Steen & Strøm holds one fully owned shopping center (Oslo City) and one partly owned shopping center in Norway (Metro Senter). Økern Center is classified as a part of the Økern Sentrum development project and is not included in the figures. Metro Senter is also excluded from the figures. Norway observed an increase in retailer sales of 9.6% on a constant portfolio basis in 2023. The shopping center had a total gross rental income of NOK 232.0 million in 2023 (NOK 310.9 million). Operating income, adjusted for fair value changes and income from disposals, amounted to NOK 186.0 million (NOK 271.5 million). Net rental income and operating income is included contribution from the three divested shopping centers for the first half of 2022. Increase in net rental income was +2.9% on a like-for-like basis in 2023.

SHOPPING CENTERS IN DENMARK

Steen & Strøm owns and operates three shopping centers in Denmark. The three fully owned shopping centers increased retailer sales by +4.8% on a constant portfolio basis in 2023. Gross rental income for the Danish centers amounted to NOK 656.5 million (NOK 563.9 million). Operating income, adjusted for fair value changes and income from disposals, amounted to NOK 537.4 million (NOK 453.6 million). Like-for-like increase in net rental income excluding currency effects was 6.2% in 2023.

SHOPPING CENTERS IN SWEDEN

Steen & Strøm owns and operates five shopping centers in Sweden (Galleria Boulevard was divested end of the year). The shopping centers increased retailer sales by 9.7% on a constant portfolio basis in 2023. Gross rental income for the Swedish centers amounted to NOK 630.8 million (NOK 549.6 million). Operating income, adjusted for fair value changes and income from disposals, amounted to NOK 480.6 million (NOK 422.9 million). Like-for-like increase in net rental income was +15.2% in 2023.

SHAREHOLDERS

OWNERSHIP STRUCTURE

Storm Holding Norway AS owns all shares in Steen & Strøm AS. Klépierre, the pan-European leader in shopping malls (56.1%), and Stichting Depositary APG Strategic Real Estate Pool (43.9%) indirectly control all shares of Storm Holding Norway AS through Nordica Holdco AB. Klépierre has its headquarter in Paris and has operations in 13 countries, including Norway, Sweden and Denmark. 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 2023, the Group provided NOK 257.6 million in group contribution 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 111 (including fix term) employees by end of 2023. These employees are based at our offices in Oslo, Copenhagen and Stockholm and at our 10 shopping centers across Scandinavia. Steen & Strøm has a gender spilt of approximately 60% women and 40% men. Women constitute the majority in positions and departments like accounting, rental, marketing, HR and shopping centers (including four female shopping center managers), while men constitute the larger part in corporate management, development and technical operations. Normal working hours are the same for all employees.

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

Steen & Strøm´s majority shareholder, Klepierre SA, has adopted a gender equality policy which aims to increase the proportion of women in the senior management teams to 40%. The policy applies similarly to Steen & Strøm as a Klepierre group company. Steen & Strøm currently has a male CEO and a management group where 1/3 of the members are women. The company aims to increase the number of women in leadership positions to at least 40% by the year 2030.

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 3.11% in 2023. It's a decrease of 1.38% from 2022. No injuries or accidents of any significance occurred in Steen & Strøm the last year.

TRANSPARENCY

Steen & Strøm supports and respects the protection of international human rights, and the efforts to secure decent working conditions for all employees and strives to secure that we do not contribute to any breaches of such rights. A statement regarding our due diligence assessment and efforts made to secure compliance pursuant to the "Transparency Act" ("Åpenhetsloven") will be made available within 30 June 2024 on the company's website, www.steenstrom.com

CORPORATE RESPONSIBILITY AND SUSTAINABILITY STATEMENT

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

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

ACT4GOOD

To meet our vision of sustainability, Steen & Strøm together with majority owner Klépierre, launched the new CSR approach Act4Good in 2023. **Act4Good** have strong targets in all areas with deadline in 2030. **Act4Good** further combines the requirements of operational excellence with environmental, societal and social performance, resting on four pillars:

- **Achieving Net Zero**, Act as a Climate Leader - which sums up the Group's ambition to make a positive contribution to the environment. This pillar consists of our initiatives to; achieve a net zero carbon portfolio, contribute to circular economy with a strong focus on Recycling and Reuse or waste, engage our visitors to decrease carbon emissions related to transports by increased possibilities for electric car charging, bicycle parking and repair facilities and information about alternative transports like train and bus.

- **Servicing Communities**, Act as a local Contributor - which illustrates the importance of the Group's local involvement and in the regions in which it operates. Initiatives in this pillar; Giving Back projects, Offer Green Services to visitors, All centers compliant with Internal Inclusion standards.

- **Growing People,** Act as a Skills Developer – this is about: Upskill our employees in CSR every year, Create Klépierre Academies to upskill people and improve their employability, include inclusion clauses in all our Service providers contracts, Engage all employees in sponsorship programs aimed at empowering local communities, Protect people´s physical and mental health.

- **Promoting Sustainable Lifestyles,** 50 million shoppers guided toward sustainable lifestyles – Promote sustainable commerce across all our shopping centers, dedicate one specific unit to new local responsible concepts, raise our visitor's awareness of sustainable lifestyles through responsible events.

ACHIEVING NET ZERO - 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, Sweden and Denmark. Moreover, for our center Emporia in Malmö, Sweden, all energy supplied is of renewable origin. For our center Field's in Copenhagen, we have purchased Gold Standard certified climate compensation credits to compensate for the emissions of the district heating we are consuming.

Steen & Strøm is also investing in new and existing centers to Build the most sustainable Platform for Commerce 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 2023, all centers in our portfolio have been BREEAM In-Use V.6 certified.

GRESB

In the annual Global Real Estate Sustainability Benchmark ("GRESB") of 2023, Steen & Strøm reached a high score of 92 points out of 100 points possible (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.

CLIMATE RISK

The climate change is demanding for all of us. In Act4Good, the first pillar "Achieving Net Zero" Steen & Strøm goal is to be Carbon Net Zero by 2030 in relation to scope 1 and scope 2. We measure, follow up and take actions on a broad range of parameters identified as critical to achieve our goals. To reach our goal of becoming Carbon Net Zero by 2030, Steen & Strøm is looking into increase our buy of green district heating where possible. Furthermore Steen & Strøm is evaluating the possibility to exchange district heating by investing in heat pumps instead where green district heating is not an option. Also, over the coming years some of the cooling machines used will be exchanged by new ones with less climate impact. Various climate risks have been evaluated on how they would impact our business. To be in the front Steen & Strøm has used a third-party auditor to perform "Flood Risk Assessment" and "Natural Risk Assessment" on all our Shopping Centers during 2022 and will continue doing so every third year. Those assessments are followed up in our tool Komply to ensure actions being taken by relevant management levels in the organization.

ORGANIZATION

Steen & Strøm has a steering committee for CSR (Act for Good Committee) consisting of the following management representatives: Chief Executive Officer, Technical Director, Chief Operation Officers, Head of

Marketing, Head of Human Resources, Head of Leasing and CSR Manager. Quarterly Act4Good calls are established with Klépierre to overview the status of our CSR work to reach our KPI`s.

KEY TARGET AREAS

Within energy management, Steen & Strøm is working proactively to reduce energy consumption and increase its share of renewable energy. The saving in 2023 vs. 2022 was 9%. 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 recycled/reused waste proportion of 41% for the shopping centers by end of 2023 with a goal to reach 52% in 2030.

Within water management, the consumption was reduced by 6% in 2023 compared to 2022. Within transport, one of the main goals is to increase the number of charging stations/points for electric cars and a project has been started in 2023 to fulfill the goals.

CORPORATE GOVERNANCE

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

RISK MANAGEMENT AND CONTROL

Steen & Strøm is following a framework of risk management and internal control developed with its majority owner, Klepierre. The purpose of this framework is to ensure a strong link between the overall strategy and goals of the Group, incl. daily operations in the various companies owned by the Group. During 2023, Steen & Strøm has continued to ensure harmonization of procedures for risk and control in accordance with Klépierre's framework. This includes coordination of methodology for first and second level of controls, as well as internal audits on selected areas. Steen & Strøm has established a five-year strategy, which is the basis for yearly plans and budgets.

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

EMPLOYEES AND WORKING ENVIRONMENT

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

ACTIONS AGAINST CORRUPTION

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

CUSTOMER-CENTRIC MALL MANAGEMENT

Steen & Strøm is a 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.
- **Always something to discover**, launched together with the majority owner Klépierre, sums up the positioning of the Steen & Strøm centers' offer. It conveys the idea of always offering new experiences to our customers, 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 our engagement 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. Consequently, 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, financial results assessed and analyzed against budgets and last year figures and KPIs are monitored monthly. Number of board meetings was four in 2023. Financial performance was to some extent on the agenda in all these meetings.

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

ACTIONS OF CONTROL

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

GOING CONCERN

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

STEEN & STRØM AS

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

Steen & Strøm AS had a profit for the year of NOK 737.8 million (NOK 301.7 million). The company has a very solid financial position with a book equity ratio of approximately 58% on 31 December 2023.

FUTURE PROSPECTS

THE MARKET IN GENERAL

Consumer spending has historically been stable in Scandinavia compared to other regions. The outlook for 2024 is still influenced by shifting retailer sales trends, due to the continuous, general economic volatility. Inflation seems to have peaked, and sales trends are still very volatile, but the tense macro environment due to international instability and conflicts. 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 95% by the end of 2023.
Consequently, Steen & Strøm is expecting a long-term positive development for the real estate property business.

The board of directors would like to thank all employees and customers for great efforts and positive contributions in 2023.

Oslo, 3 April 2024

Jean-Marc Jestin
Chairman of the Board

Stephane Tortajada
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

Christian Brewaeys
Chief Executive Officer

11

CONTENTS – CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of NOK	Note	2023	2022
Gross rental income		1 519 283	1 424 412
Non-recovered rental expenses		-158 885	-139 936
Building expenses (owner)		-13 150	-44 918
Net rental income	3.1, 9	**1 347 247**	**1 239 558**
Management, administrative and related income		66 552	61 447
Other operating revenue		13 808	22 652
Change in the fair value of investment properties	5.3	-1 524 435	-1 027 456
Payroll expenses	10	-121 345	-115 019
Other general expenses	11.3,11.5	-91 015	-50 552
Depreciation and impairment on investment properties	5.3	-270	-268
Depreciation and impairment on intangible assets and furniture and equipment	5.1,5.2	-11 022	-9 851
Proceeds from disposal of investment properties and equity investments		*63 913*	*1 678 727*
Net book value of investment properties and equity investments sold		*-71 823*	*-1 521 631*
Gain on disposal of investment properties and equity investments	6.1	-7 909	157 096
Operating income		**-328 389**	**277 606**
Net dividends and provisions on non-consolidated investments		48	301
Financial income		*471 505*	*590 175*
Financial expenses		*-623 175*	*-607 623*
Net cost of debt	6.2	-151 670	-17 448
Change in the fair value of financial instruments		-1 517	27 602
Share of earnings in equity investment entities	5.4	-40 112	310 510
Profit before tax		**-521 639**	**598 570**
Corporate income tax	7	196 193	-18 817
Net income of consolidated entity		**-325 446**	**579 754**
Average number of shares (in thousands)		**29 303**	**29 303**
Earnings per share		**-11**	**20**

In thousands of NOK		2023	2022
Net income of consolidated entity		**-325 446**	**579 754**
Other comprehensive income items recognized directly as equity			
Items that may be reclassified subsequently to profit or loss			
Gain/loss on cash flow hedges		-211 902	353 702
Income tax related to cash flow hedges	7	24 537	-30 864
Exchange differences on translation of foreign operations		988 436	-57 014
Items that will not be reclassified subsequently to profit or loss			
Other comprehensive income		**801 070**	**265 824**
Total comprehensive income		**475 624**	**845 578**
Comprehensive earnings per share		**16**	**29**

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

13

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of NOK	Note	31/12/2023	31/12/2022
Goodwill	4.2	348 425	348 425
Intangible assets	5.1	20 772	20 237
Furniture and equipment	5.2	27 885	28 585
Investment properties and properties under construction	3.2, 5.3, 5.10, 9, 11.1	26 339 782	26 640 670
Equity method securities	5.4	1 790 398	1 850 510
Other non-current assets	5.5, 11.1	6 471	206 115
Non-current derivatives	8, 11.1	277 101	447 339
Deferred tax assets	7	149 160	152 580
NON-CURRENT ASSETS		**28 959 995**	**29 694 460**
Investment properties held for sale	5.3a, 11.1	475 819	57 145
Trade accounts receivables	5.6, 11.1	126 010	143 248
Other receivables	5.7, 11.1	275 066	312 398
Current derivatives	8, 11.1	0	16 843
Cash and cash equivalents	5.8	598 256	313 824
CURRENT ASSETS		**1 475 150**	**843 457**
TOTAL ASSETS		**30 435 145**	**30 537 918**
Share capital	5.9	73 259	73 259
Additional paid-in capital		4 028 584	4 028 584
Consolidated reserves		14 192 761	13 071 845
Hedging reserves		*183 441*	*370 807*
Other consolidated reserves		*14 009 320*	*12 701 038*
Consolidated earnings		-325 446	579 754
SHAREHOLDERS' EQUITY		**17 969 158**	**17 753 441**
Non-current financial liabilities	5.10, 11.1	6 632 134	6 001 422
Non-current derivatives	8, 11.1	14 533	4 723
Security deposits and guarantees	11.1	137 247	126 646
Deferred tax liabilities	7	3 949 438	3 987 924
NON-CURRENT LIABILITIES		**10 733 353**	**10 120 714**
Current financial liabilities	5.10, 11.1	1 162 784	2 159 857
Bank facilities	5.8, 11.1	-0	-0
Trade payables	11.1	119 650	126 823
Other liabilities	5.11, 11.1	215 740	274 580
Current derivatives	8, 11.1	-	-
Social and tax liabilities	5.11, 11.1	234 461	102 501
CURRENT LIABILITIES		**1 732 635**	**2 663 762**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**30 435 145**	**30 537 918**

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

Oslo, 3 April 2024

Jean-Marc Jestin
Chairman of the Board

Stephane Tortajada
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

Christian Brewaeys
Chief Executive Officer

14

CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of NOK	Note	2023	2022
Net income of consolidated entity		-325 446	579 754
Depreciation and impairment investment properties, intangible assets, furniture and equipment		11 292	*10 119*
Change in the fair value of investment properties		1 524 435	*1 027 456*
Capital gains and losses on asset disposals net of taxes and deferred taxes		5 118	*-156 770*
Corporate income tax		-196 193	*18 817*
Share of earnings in equity method investees		40 112	*-310 510*
Reclassification of financial interests and other items		271 256	*275 963*
Paid taxes		-80 193	-32 520
Change in operating working capital		102 926	-128 694
Net cash flow from operating activities		**1 353 307**	**1 283 614**
Proceeds from sale of investment properties	6.1	60 091	778
Proceeds from sale of other fixed assets		95	150
Proceeds from disposal of subsidiaries (net of cash disposed)	6.1	3 822	1 666 993
Acquisitions of investment properties	5.3	-35 596	-7 712
Payments in respect of construction work in progress	5.3	-142 732	-109 930
Acquisitions of other fixed assets	5.1,5.2	-10 033	-26 154
Proceeds of loans and advance payments granted and other investments	6.1	274 334	881 231
Net cash flow from investing activities		**149 981**	**2 405 356**
Dividends and group contributions paid to the parent company's shareholders		-257 593	-1 578 535
New loans, borrowings and hedging instruments	5.10	1 408 453	1 449 844
Repayment of loans, borrowings and hedging instruments	5.10	-2 195 236	-3 311 147
Interest paid		-183 263	-202 809
Other cash flows related to financing activities		-2 777	-2 191
Net cash flow from financing activities		**-1 230 416**	**-3 644 838**
Net changes in cash		**272 872**	**44 133**
Cash at the start of the period		**313 824**	**287 898**
Effect of foreign exchange differences		11 560	-18 207
Cash at the end of the period	**5.8**	**598 256**	**313 824**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

31/12/2022 In thousands of NOK	Share capital	Additional paid-in capital	Hedging reserves	FX conversion reserves	Consolidated reserves	Consolidated earnings	Total Equity
Opening statement	**73 259**	**4 028 584**	**47 969**	**1 570 236**	**12 238 293**	**528 057**	**18 486 398**
Reclassification of last year's net income	0	0	0	0	528 058	(528 058)	**(0)**
Net income for the period	0	0	0	0	0	579 754	**579 754**
Net income of consolidated entity	**0**	**0**	**0**	**0**	**528 058**	**51 696**	**579 754**
Income from cash-flow hedging net after tax	0	0	322 838	0	0	0	**322 838**
Exchange differences on translation of foreign operations	0	0	0	(57 014)	(0)	0	**(57 014)**
Other comprehensive income	**0**	**0**	**322 838**	**(57 014)**	**(0)**	**0**	**265 824**
Group contribution	**0**	**0**	**0**		**(40 535)**	**0**	**(40 535)**
Dividends paid	**0**	**0**	**0**	**0**	**(1 538 000)**	**0**	**(1 538 000)**
Closing statement	**73 259**	**4 028 584**	**370 807**	**1 513 223**	**11 187 815**	**579 754**	**17 753 441**

31/12/2023 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**	**370 807**	**1 513 223**	**11 187 815**	**579 754**	**17 753 441**
Reclassification of last year's net income	0	0	0	0	579 754	(579 754)	**0**
Net income for the period	0	0	0	0	0	(325 446)	**(325 446)**
Net income of consolidated entity	**0**	**0**	**0**	**0**	**579 754**	**(905 199)**	**(325 446)**
Income from cash-flow hedging net after tax	0	0	(187 366)	0	0	0	**(187 366)**
Exchange differences on translation of foreign operations	0	**(0)**	0	963 458	24 978	0	**988 436**
Other comprehensive income	**0**	**(0)**	**(187 366)**	**963 458**	**24 978**	**0**	**801 070**
Group contribution	0	0	0		**(257 593)**	0	**(257 593)**
Other Movements	0	0	0	0	(2 314)	0	**(2 314)**
Closing statement	**73 259**	**4 028 584**	**183 441**	**2 476 681**	**11 532 639**	**(325 446)**	**17 969 158**

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 2023 to 31 December 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 3 April 2024. The principal activities of the Company and its subsidiaries (the Group) are described in Note 3.1 Segment information.

2 ACCOUNTING PRINCIPLES

2.1 BASIS OF PREPARATION

The consolidated financial statements for the year 2023 have been prepared in accordance with IFRS® Accounting Standards 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).

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 2023

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 Accounting Standards, amendments and interpretations issued but not effective for the financial year ending 31.12.2023 and not early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group. No new and revised IFRS Accounting 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.

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.

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.The Group consider that a sale is highly probable when a binding Sales and Purchase Agreement (SPA) is signed. 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.

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.

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 and development projects (including land and building rights). 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 Accounting Standards 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 after 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 2023 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, yield, 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, sensitivities and estimation uncertainty, see Note 5.3c.

Measurement of goodwill

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

3.1 - Segment information

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

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

— Denmark
— Norway
— Sweden

The management team monitors the operating results of each business segment independently as a basis for segment decision-making and performance evaluation. Group financial policy (including the impact of financial income and expenses), corporate activities and tax result calculation are handled at

2023

		Segment income statement		
In thousands of NOK	**Denmark**	**Norway**	**Sweden**	**Total**
Gross rental income	656 494	232 020	630 768	1 519 283
Non-recovered rental expenses	-77 679	-10 242	-70 964	-158 885
Building expenses (owner)	-25 190	60 075	-48 035	-13 150
Net rental income	**553 626**	**281 853**	**511 769**	**1 347 247**
Management, administrative and related income	21 789	23 830	20 933	66 552
Other operating revenue	1 912	4 127	7 769	13 808
Change in the fair value of investment properties	-1 310 235	-343 150	128 950	-1 524 435
Payroll expenses	-17 051	-84 172	-20 122	-121 345
Other general expenses	-21 893	-29 372	-39 750	-91 015
Depreciation and impairment allowance on investment properties	-	-270	-0	-270
Depreciation and impairment allowance on intangible assets and furniture and equipment	-1 015	-10 006	-1	-11 022
Proceeds from disposal of investment properties and equity investments	-	*3 822*	*60 091*	*63 913*
Net book value of investment properties and equity investments sold	-	*-8 838*	*-62 985*	*-71 823*
Income from disposal of investment properties and equity investments	-	-5 016	-2 893	-7 909
Operating income	**-772 868**	**-162 176**	**606 655**	**-328 389**
Net dividends and provisions on non-consolidated investments				48
Financial income				*471 505*
Financial expenses				*-623 175*
Net cost of debt				-151 670
Change in the fair value of financial instruments				-1 517
Share of earnings in equity investment entities				-40 112
Profit before tax				**-521 639**
Corporate income tax				196 193
Net income of consolidated group				**-325 446**

2022

In thousands of NOK	**Denmark**	**Norway**	**Sweden**	**Total**
Gross rental income	563 917	310 936	549 560	1 424 412
Non-recovered rental expenses	-59 526	-13 618	-66 792	-139 936
Building expenses (owner)	-39 897	50 200	-55 222	-44 918
Net rental income	**464 494**	**347 518**	**427 546**	**1 239 558**
Management, administrative and related income	14 900	27 052	19 495	61 447
Other operating revenue	4 529	11 904	6 220	22 652
Change in the fair value of investment properties	-253 695	-298 834	-474 927	-1 027 456
Payroll expenses	-17 639	-78 170	-19 211	-115 019
Other general expenses	-12 041	-27 436	-11 075	-50 552
Depreciation and impairment allowance on investment properties	-	-268	-0	-268
Depreciation and impairment allowance on intangible assets and furniture and equipment	-684	-9 129	-38	-9 851
Proceeds from disposal of investment properties and equity investments	-	*1 678 727*	-	*1 678 727*
Net book value of investment properties and equity investments sold	-	*-1 521 631*	-	*-1 521 631*
Income from disposal of investment properties and equity investments	-	157 096	-	157 096
Operating income	**199 863**	**129 733**	**-51 990**	**277 606**
Net dividends and provisions on non-consolidated investments				301
Financial income				*590 175*
Financial expenses				*-607 623*
Net cost of debt				-17 448
Change in the fair value of financial instruments				27 602
Share of earnings in equity investment entities				310 510
Profit before tax				**598 570**
Corporate income tax				-18 817
Net income of consolidated group				**579 754**

24

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

In thousands of NOK	31/12/2023	31/12/2022
Denmark	10 948 572	11 300 067
Norway	4 373 209	4 689 473
Sweden	9 882 049	9 278 642
Investment properties	**25 203 830**	**25 268 183**

In thousands of NOK	31/12/2023	31/12/2022
Denmark	775 078	837 120
Norway	50 620	17 691
Sweden	310 254	517 676
Investment properties under construction	**1 135 953**	**1 372 488**

3.3 Aquisitions by operating segment

2023 In thousands of NOK	Intangible assets	Furniture and equipment and work in progress	Investment properties	Investment properties under construction	Total aquisitions
Denmark	-	2 763	35 541	33 545	71 849
Norway	6 192	1 078	55	60 030	67 355
Sweden	-	-	-	49 157	49 157
Total	**6 192**	**3 841**	**35 596**	**142 732**	**188 361**

2022 In thousands of NOK	Intangible assets	Furniture and equipment and work in progress	Investment properties	Investment properties under construction	Total aquisitions
Denmark	-	687	-	24 823	25 511
Norway	8 248	17 219	7 712	57 116	90 295
Sweden	-	-	-	27 991	27 991
Total	**8 248**	**17 906**	**7 712**	**109 930**	**143 797**

2021 In thousands of NOK	Intangible assets	Furniture and equipment and work in progress	Investment properties	Investment properties under construction	Total aquisitions
Denmark	-	633	831	33 967	35 431
Norway	7 127	3 935	12 803	69 339	93 204
Sweden	-	1 118	71	45 113	46 302
Total	**7 127**	**5 686**	**13 705**	**148 418**	**174 936**

4.1 - Subsidiaries

Full consolidated companies	Country	Headquarter	% of interest 31/12/2023	% of interest 31/12/2022
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%
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 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%

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	4 424 238	204 160	4 628 398
Total Group book value equity CGU	**4 096 575**	**197 207**	**4 293 782**

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	31/12/2022	Acquisitions	Disposals and retirement of assets	Amortization and impairment allowances	31/12/2023
Total gross value	**205 749**	**6 192**	-	-	**211 941**
Amortization and impairment allowances	-185 512	-	-	-5 657	-191 169
Total amortization and impairment allowances	**-185 512**	-	-	**-5 657**	**-191 169**
Intangible assets - Net value	**20 237**	**6 192**	-	**-5 657**	**20 772**

In thousands of NOK	31/12/2021	Acquisitions	Disposals and retirement of assets	Amortization and impairment allowances	31/12/2022
Total gross value	**197 501**	**8 248**	-	-	**205 749**
Amortization and impairment allowances	-180 160	-	-	-5 352	-185 512
Total amortization and impairment allowances	**-180 160**	-	-	**-5 352**	**-185 512**
Intangible assets - Net value	**17 341**	**8 248**	-	**-5 352**	**20 237**

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	31/12/2022	Acquisitions	Disposals and retirement of assets	Depreciation and impairment allowances	Currency fluctuations	31/12/2023
Furniture and equipment	81 323	2 486	-501	-	4 176	87 484
Right-of-use assets	31 100	1 356	-833	-	1 033	32 656
Total gross value	**112 423**	**3 841**	**-1 334**	-	**5 209**	**120 139**
Depreciation and impairment allowances furniture and equipment	-69 868	-	500	-917	-3 523	-73 808
Depreciation and impairment allowances right-of-use assets	-13 971	-	833	-4 448	-860	-18 446
Total depreciation and impairment	**-83 839**	-	**1 333**	**-5 365**	**-4 383**	**-92 254**
Furniture and equipment - Net value	**28 585**	**3 841**	**-1**	**-5 365**	**826**	**27 885**

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

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	31/12/2022	Acquisitions	Disposals and retirement of assets	Depreciation and impairment allowances	Currency fluctuations	Fair value adjustments	Other movements	31/12/2023
Shopping centers								
Land	2 312 232	-	-	-	80 767	-	-52 873	2 340 126
Structures	12 767 840	-	-	-270	718 158	-	-814 317	12 671 411
Facades, cladding and roofing	255 075	-	-	-	14 880	-	-41 694	228 261
General and technical installations	1 655 225	78	-	-	107 520	-	6 841	1 769 663
Fixtures	1 141 433	55	-181 254	-	78 252	-	208 064	1 246 551
Right-of-use assets	361 632	35 463	-	-	23 379	-2 968	-	417 505
Cost value	**18 493 436**	**35 596**	**-181 254**	**-270**	**1 022 957**	**-2 968**	**-693 979**	**18 673 518**
Fair value adjustments	**6 774 747**	**-**	**121 088**	**-**	**413 253**	**-1 338 883**	**560 107**	**6 530 311**
Fair value shopping centers	**25 268 183**	**35 596**	**-60 166**	**-270**	**1 436 210**	**-1 341 851**	**-133 873**	**25 203 829**

Other movements consist of investment properties transferred from investment properties under construction, see Note 5.3b Investment properties under construction and reclassification to Investment properties held for sale (see further comments below under Investment properties held for sale).

Investment properties held for sale:
The subsidiary FAB Centrum Västerort has agreed to sell its shopping center Galleria Boulevard. The sale is structured as a sale of assets. The sale of Galleria Boulevard was finally closed and the proceeds from the sale was received during first quarter of 2024. The carrying amount 31 December 2023 of NOK 475.8 million is equal to the agreed sales price (deducted for transaction costs) and is classified as a separate line item within current assets (Investment properties held for sale) in the consolidated statement of financial position.

In thousands of NOK	31/12/2021	Acquisitions	Disposals and retirement of assets	Depreciation and impairment allowances	Currency fluctuations	Fair value adjustments	Other movements	31/12/2022
Shopping centers								
Land	2 443 169	155	-165 227	-	28 053	-	6 082	2 312 232
Structures	13 337 267	-	-673 590	7 038	97 125	-	-	12 767 840
Facades, cladding and roofing	876 606	5 314	-621 490	-	-6 730	-	1 374	255 075
General and technical installations	2 058 993	636	-474 311	-	41 495	-	28 412	1 655 225
Fixtures	1 601 195	88	-476 787	-	16 937	-	-	1 141 433
Right-of-use assets	347 558	1 519	-	-	17 908	-1 784	-3 569	361 632
Cost value	**20 664 789**	**7 712**	**-2 411 405**	**7 038**	**194 788**	**-1 784**	**32 299**	**18 493 436**
Fair value adjustments	**8 244 718**	**-**	**-406 505**	**-**	**75 378**	**-1 138 844**	**-**	**6 774 747**
Fair value shopping centers	**28 909 506**	**7 712**	**-2 817 910**	**7 038**	**270 166**	**-1 140 628**	**32 299**	**25 268 183**

Investment properties held for sale:

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

5.3b - Investment properties under construction

In thousands of NOK	31/12/2022	Acquisitions	Disposals and retirement of assets	Depreciation and impairment allowances	Currency fluctuations	Fair value adjustments	Other movements	31/12/2023
Investment properties under constructio	**1 372 488**	**142 732**	**-147**	**-**	**90 647**	**-182 584**	**-287 184**	**1 135 953**

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

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 (%)	31/12/2023	31/12/2022
Norwegian investment properties	4.69%	4.24%
Swedish investment properties	5.68%	5.42%
Danish investment properties	4.67%	4.19%
Weighted average	5.08%	4.69%

The central banks have increased the interest rates significantly during 2023 in all three countries, and as a consequence of this and the current uncertainties in the economy, the activity in the market has slowed down. The higher interest rates have increased the yield requirements.
For the Norwegian portfolio, only Oslo City is considered in the average yields. There are five assets in the Swedish portfolio, of which Galleria Boulevard has the lowest NIY at 4,3%, while Kupolen has the highest NIY at 6,94%. The Danish portfolio consists of three assets, of which Bryggen has the lowest NIY at 1,27%, while Bruun's has the highest NIY at 4,85%.

Sensitivities yield

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

In thousands of NOK	Yield	Value	Change
Reduced yield by -0,5%	-0.5%	29 215 304	2 875 522
Fair value 31/12/2023	0.0%	26 339 782	-
Increased yield by 0,5%	0.5%	23 979 587	-2 360 196

Sensitivities cash flows

The following table show sensitivity in fair value of investment properties and property under construction as a result of change in

In thousands of NOK	Cash flow	Value	Change
Increased cash-flow by 1%	1.0%	26 603 180	263 398
Fair value 31/12/2023	0.0%	26 339 782	-
Reduced cash-flow by 1%	-1.0%	26 076 384	-263 398

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

Estimation uncertainty

The key components in valuation estimates are the evolution in cash flow, thus rents and net initial yields. Our external appraisers have applied the same methodology across our portfolio, but different assessments, namely on the anticipated need for temporary discounts and the pace of leasing activities, depending on the retail climate in each country or region. The common approach in all three countries, to account for the above-mentioned uncertainties, is to adjust discount rates accordingly.

We continue to observe macroeconomic uncertainties, driven by international conflicts, high inflation and increasing interest rates, thus influencing cap rates. It is consequently still uncertain, how long the current "slowdown" will last and thus what long term impact it will have on our activities, thus to which extent it will impact our investment properties.

Increased attention towards climate impact and social responsibility can potentially impact our image and sustainability, and thus the net initial yields. It is difficult to quantify the impact, but it influences the status and attractiveness of our malls, hence our leasing activity and subsequently our cash flow. ESG comprise 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 increase in energy prices also has to a certain extent a potential impact on our cash flow, should current levels persist. On the short term, Steen & Strøm and our tenants are "shielded" by electricity hedging (see note 8 - Exposure to risk).

Ongoing construction contracts

At 31 December 2023 the Group has no material ongoing construction/refurbishment projects.

5.4a - Investments in jointly controlled companies

In thousands of NOK	31/12/2022	Share of net income	Dividends received	Capital increases and reductions	31/12/2023
Investments in jointly controlled companies	1 850 510	-40 112	-35 000	15 000	1 790 398
Equity method securities	**1 850 510**	**-40 112**	**-35 000**	**15 000**	**1 790 398**

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

	Country	Headquarter	% of interest	
Equity Method Companies: jointly controlled			**31/12/2023**	**31/12/2022**
Nordal ANS	Norway	Oslo	50.0%	50.0%
Økern Sentrum AS	Norway	Oslo	50.0%	50.0%
Økern Eiendom ANS	Norway	Oslo	50.0%	50.0%
Økern Sentrum ANS	Norway	Oslo	50.0%	50.0%
Metro Shopping AS	Norway	Oslo	50.0%	50.0%
Metro Senter ANS	Norway	Oslo	50.0%	50.0%

5.4b Equity method - Statement of comprehensive income

In thousands of NOK	2023 100%	2023 Group share	2022 100%	2022 Group share
Gross rental income	133 248	66 624	127 262	63 631
Non-recovered rental expenses	-20 206	-10 103	-16 635	-8 318
Building expenses (owner)	-8 010	-4 005	-10 956	-5 478
Net rental income	**105 032**	**52 516**	**99 671**	**49 836**
Other operating revenue	30	15	137	69
Change in the fair value of investment properties	-191 679	-95 840	674 049	337 025
Other general expenses	-349	-175	-266	-133
Depreciation and impairment on intangible assets and furniture and equipment	-	-	-	-
Operating income	**-86 458**	**-43 229**	**773 591**	**386 796**
Financial income	*4 100*	*2 050*	*182*	*91*
Financial expenses	*-142*	*-71*	*-69*	*-35*
Net cost of debt	3 958	1 979	113	57
Profit before tax	**-82 500**	**-41 250**	**773 704**	**386 852**
Corporate income tax	2 277	1 139	-152 685	-76 343
Share of earnings in equity investment entities	**-80 223**	**-40 112**	**621 019**	**310 510**

5.4c Equity method - Statement of financial position

In thousands of NOK	31/12/2023 100%	31/12/2023 Group share	31/12/2022 100%	31/12/2022 Group share
Furniture and equipment and work in progress	-	-	-	-
Investment properties and properties under construction	3 786 293	1 893 147	3 936 901	1 968 451
Deferred tax assets	-	-	-	-
NON-CURRENT ASSETS	**3 786 293**	**1 893 147**	**3 936 901**	**1 968 451**
Trade accounts and notes receivable	5 143	2 572	6 423	3 212
Other receivables	10 758	5 379	9 870	4 935
Cash and cash equivalents	80 001	40 001	70 279	35 140
CURRENT ASSETS	**95 902**	**47 951**	**86 572**	**43 286**
TOTAL ASSETS	**3 882 195**	**1 941 098**	**4 023 473**	**2 011 737**
Share capital	1 555 502	777 751	1 595 502	797 751
Additional paid-in capital	1 857	929	1 857	929
Consolidated reserves	2 103 660	1 051 830	1 482 641	741 321
Other consolidated reserves	*2 103 660*	*1 051 830*	*1 482 641*	*741 321*
Consolidated earnings	-80 223	-40 112	621 019	310 510
Shareholders' equity, group share	**3 580 796**	**1 790 398**	**3 701 019**	**1 850 510**
SHAREHOLDERS' EQUITY	**3 580 796**	**1 790 398**	**3 701 019**	**1 850 510**
Deferred tax liabilities	285 160	142 580	287 437	143 719
NON-CURRENT LIABILITIES	**285 649**	**142 825**	**287 437**	**143 719**
Trade payables	7 853	3 927	26 301	13 151
Other liabilities	6 496	3 248	7 777	3 889
Social and tax liabilities	1 401	701	939	470
CURRENT LIABILITIES	**15 750**	**7 875**	**35 017**	**17 509**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**3 882 195**	**1 941 098**	**4 023 473**	**2 011 737**

5.5 - Other non-current assets

In thousands of NOK	31/12/2023	31/12/2022
Other long term investments	3 230	3 283
Deposits	3 241	2 832
Loans *	-	200 000
Total	**6 471**	**206 115**

* In 2022 Steen & Strøm AS sold its fully owned subsidiaries Hamar Storsenter AS, Gulskogen Senter AS and Stavanger Storsenter AS. In connection with the sales Steen & Strøm AS (lender) agreed to grant a seller's credit in the aggregate principal amount of NOK 200 million to the buyer (borrower). The borrower paid interest on the outstanding principal amount of the credit at a rate of five (5) per cent per annum. Interests were payable quarterly in arrears. The loan was repaid in advance in 2023 at a discount of NOK 15 million.

5.6 - Trade receivables

In thousands of NOK	31/12/2023	31/12/2022
Trade receivables	95 233	125 686
Stepped rents and rent-free periods of leases	70 398	70 112
Gross Value	**165 631**	**195 797**
Loss allowance	-39 622	-52 550
Net value	**126 010**	**143 248**

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 31/12/2023	165 631	113 983	27 168	4 195	20 286
Loss allowance	-39 622	-	-15 140	-4 195	-20 286
Trade receivables, net as of 31/12/2023	**126 010**	**113 983**	**12 028**	-	-
Trade receivables, gross as of 31/12/2022	195 797	42 319	66 952	41 966	44 561
Loss allowance	-52 550	-	-	-7 988	-44 561
Trade receivables, net as of 31/12/2022	**143 248**	**42 319**	**66 952**	**33 978**	-

In thousands of NOK	2023	2022
Opening balance loss allowance	-52 550	-45 851
Increase in loss allowance recognised in the profit and loss during the period	-5 105	-36 586
Impairment losses on trade receibavles	16 777	11 558
Reversal of previously impairment losses	4 376	18 633
Foreign exchange effects	-3 120	-303
Closing balance	**-39 622**	**-52 550**

Credit risk

Credit risk is assessed for in accordance with IFRS 9.
The credit risk assessment is 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 are 100% provisioned, after deducting security deposits (not bank guarantees).
b) For businesses heavily impacted by forced closure periods, the related receivables are 100% provisioned after deducting security deposits (not bank guarantees).

2) Forced closure periods:

a) The outstanding receivables (after deduction of abatements granted or to be granted) are 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 and with some use of security deposits), as we consider that the outstanding receivable will 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 are 100% provisioned with some deducting of 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 with deduction of security deposits (depending on the quarter and type of security).
b) Where no abatement agreement has been signed, agreed or expected, the outstanding amounts to be collected are assessed on a tenant-by-tenant basis taking into account the tenant's solvency profile. Tenants are analysed using different parameters such as the occupancy cost ratio. Therefore, different levels of allowance are defined, from 0% or 100%.

5.7 - Other receivables

In thousands of NOK	31/12/2023	31/12/2022
Tax receivables	**102 244**	**100 830**
- Corporate income tax	38 044	22 253
- VAT	64 199	78 577
Other receivables	**172 822**	**211 567**
- Service charges due	19 698	19 064
- Supplier advances and down payments made	3 317	3 095
- Prepaid expenses	4 401	8 314
- Other	145 407	181 094
Total	**275 066**	**312 398**

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

5.8 - Cash and cash equivalents

In thousands of NOK	31/12/2023	31/12/2022
Bank	598 256	313 824
Treasury instruments	-	-
Gross cash and cash equivalents	**598 256**	**313 824**
- Bank overdrafts	**0**	**0**
Net cash and cash equivalents	**598 256**	**313 824**

In 2023 the group has implemented a group account scheme for bank accounts in Norway, Denmark and Sweden. The owner of the Scandinavian group account scheme is Steen & Strøm AS and the scheme is covering all fully owned companies. The group also maintain a group account scheme for bank accounts in Norway, which is linked to the group's overdraft accounts. At 31 December 2023 and 2022, the group held a total bank credit facility available of NOK 1 970 million and NOK 1 900 million, respectively.

Restricted bank deposits
At 31 December 2023 and 2022, restricted funds amounted to NOK 2.2 million and NOK 2.4 million, respectively

Note 5.9 - Shareholders' equity

Share capital

At 31 December 2023, the share capital of the Company was NOK 73 258 653, divided into 29 303 461 shares at par value NOK 2,50.

Shareholders

At 31 December 2023 and 2022, 100% of the shares in the Company were held by Storm Holding Norway AS. S AS is 100% owned by Nordica HoldCo AB, which in turn is owned 56.1% by Klèpierre Nordica BV, corporate ide with headquarters in Amsterdam, Holland and 43.9% by Storm ABP Holding BV, corporate identity number 343 headquarters in Schipol, Holland

5.10 - Non-current and current financial liabilities

In thousands of NOK	Opening Balance 01/01/2023	Cash flow	Reclassification Non Current to Current	Foreign exchange movement	Other movements	Closing Balance 31/12/2023
Non-current financial liabilities						
Bonds net costs/premium*	495 761	-	-400 000	-	4 239	100 000
Loans and borrowings from credit institutions - more than one year**	5 127 245	271 792	324 572	377 601	-	6 101 211
Other loans	6 940	-1	-	0	-	6 939
Non-current lease liabilities (Note 9)	371 476	-0	-7 018	23 366	36 161	423 985
Non-current derivatives (Note 8)	4 723	9 605	-	205	-	14 533
Total non-current financial liabilities	**6 006 145**	**281 396**	**-82 446**	**401 172**	**40 400**	**6 646 667**
Current financial liabilities						
Bonds net costs/premium*	1 600 000	-1 600 000	400 000	-	-	400 000
Loans and borrowings from credit institutions - less than one year**	542 184	518 318	-324 572	6 648	-	742 578
Accrued interest	10 359	2 176	0	-131	-	12 405
Commercial papers***	-	-	-	-	-	-
Current lease liabilities (Note 9)	7 314	-6 716	7 018	186	-	7 802
Current derivatives (Note 8)	-	-	-	-	-	-
Total current financial liabilities	**2 159 857**	**-1 086 222**	**82 446**	**6 703**	**-**	**1 162 784**
Total non-current and current financial liabilitie	**8 166 002**	**-804 826**	**0**	**407 875**	**40 400**	**7 809 451**

* 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 15.1 years, while in Denmark 13.8 years.
*** 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.

In thousands of NOK	Opening Balance 01/01/2023	Cash flow	Reclassification Non Current to Current	Foreign exchange movement	Other movements	Closing Balance 31/12/2023
NOK	2 135 800	-1 615 373	-	-	5 067	525 494
SEK	2 297 239	234 459	-0	168 667	-	2 700 365
DKK	3 732 962	576 089	-0	239 208	35 333	4 583 592
Total non-current and current financial liabilitie	**8 166 002**	**-804 826**	**-0**	**407 875**	**40 400**	**7 809 451**

Contractual payment* of liabilities

In thousands of NOK	31/12/2023	31/12/2022
0 - 1 years	1 318 960	2 283 094
2 - 5 years	1 517 959	2 484 830
More than 5 years	7 291 587	5 249 156
Total non-current and current financial liabilities	**10 128 507**	**10 017 080**

* 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 31/12/2023 are used in the calculations.

In thousands of NOK	31/12/2023	31/12/2022
Investment properties and properties under construction	23 946 070	24 351 860
Investment property under construction	-0	-0
Total carrying value of pledged assets	**23 946 070**	**24 351 860**

The total mortgage amount of the pledged assets amounts to NOK 9 680 million.

5.11 - Social and tax liabilities and other liabilities

In thousands of NOK	31/12/2023	31/12/2022
Social and tax liabilities		
Staff and related accounts	20 285	18 042
Social security and other bodies	7 298	8 894
- Corporate income tax	134 300	-15 877
- VAT	18 385	29 698
Other taxes and duties	54 192	61 745
Total social and tax liabilities	**234 461**	**102 501**
Other liabilities		
Creditor customers	141 278	131 295
Prepaid gift cards	29 097	33 751
Other liabilities	45 365	109 534
Total other liabilities	**215 740**	**274 580**

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	31/12/2023	31/12/2022
Bail declaration - surety for indemnity declaration previous tenants	Nordea Bank AB, Norwegian branch	2 147	2 147
Pledges secured in investment property of subsidiaries	Different partners	9 961 695	8 862 985
Total off-balance sheet commitments of guarantees, bail declarations and pledges		**9 963 842**	**8 865 132**

Loan covenants

Certain loan agreements contain financial covenants. With regard to such covenants, Steen & Strøm AS has to maintain a minimum book equity ratio of 20%. Some subsidiaries have loan agreements with LTV (loan to value) covenants. Loan to value expresses the ratio of net interest-bearing debt to the value of the investment property. The covenants on these loans require the LTV to be below 65%. Furthermore, certain loan agreements contain a change of control event provision being triggered should the Klèpierre Group cease to own (directly or indirectly) 50% of the shares in Steen & Strøm AS. The Steen & Strøm Group was in compliance with its loan covenants 31 December 2023.

6.1 - Income from disposal of investment properties and equity instruments

	2023
Proceeds from disposal of investment properties and equity investments	63 913
Net book value of investment properties and equity investments sold	-71 823
Income from disposal of investment properties and equity investments	-7 909

In 2023 Steen & Strøm AS sold Block-C at Galleria Boulevard. The sales proceed amounted to NOK 60 milli
Proceeds from disposal and net book value as stated above also include final pro & contra from the sales conducted in 2022.

	2022
Proceeds from disposal of investment properties and equity investments	1 678 727
Net book value of investment properties and equity investments sold	-1 521 631
Income from disposal of investment properties and equity investments	157 096

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

6.2 - Net cost of debt

In thousands of NOK	2023	2022
Financial income		
Interest income on swaps	173 400	56 666
Proceeds from divestment of swaps	65 599	-
Interest on associates' advances	3	0
Other interest received	1 035	14 390
Other revenue and financial income	3 575	1 133
Foreign exchange gains	227 894	517 986
Financial income	**471 505**	**590 175**
Financial expenses		
Interest on bonds	-41 280	-71 661
Interest on loans from credit institutions (incl. certificates)	-255 423	-84 443
Interest expense on swaps	-32 351	-40 858
Deferral of payments on swaps	-103 889	-
Interest on associates' advances	-1	-3 408
Other financial expenses	-30 599	-49 787
Foreign exchange losses	-151 003	-350 465
Interest on lease liabilities	-8 629	-7 001
Financial expenses	**-623 175**	**-607 623**
Net cost of debt	**-151 670**	**-17 448**

Net cost of debt include net foreign exchange gain of NOK 67.0 million and NOK 167.5 million in 2023 and 2022, respectively.

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

37

7 - Tax

In thousands of NOK	2023	2022
Corporate income tax		
Current Tax	30 455	22 814
Change in deferred tax	165 737	-41 630
Corporate income tax	**196 193**	**-18 817**
Profit before tax	-521 639	598 570
Tax calculated on profit before tax	123 403	-130 017
Tax on group contribution given to parent company	56 670	8 918
Taxes without bases in taxable income current period	-7 583	57 002
Non taxable elements	21 816	45 205
Other	1 886	76
Corporate income tax	**196 193**	**-18 817**

Non taxable elements in mainly related to sale of shares and investment properties.

Effective tax rate	**37.6%**	**3.1%**

Deferred taxes are composed of:

Deferred tax assets		
In thousands of NOK	**31/12/2023**	**31/12/2022**
Tangible fixed assets and investment property	146 735	152 580
Losses carried forward	2 425	-
Total for entities in a net asset position	**149 160**	**152 580**
Deferred tax liabilities		
Tangible fixed assets and investment property	3 739 251	3 811 034
Derivatives	12 246	42 653
Capital losses carried forward/capital gain pending taxation	890	1 112
Other	197 051	133 125
Total for entities in a net liability position	**3 949 438**	**3 987 924**
NET POSITIONS	**3 800 278**	**3 835 345**
Summary of losses carried forward		
No due date	52 718	377 858
Total losses carried forward	**52 718**	**377 858**

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	-24 537	30 864
Translation profits and losses cash flow hedges	1 125	-410
Total deferred tax recognized in other comprehensive income	**-23 411**	**30 454**

The OESD/G20 Inclusive Framwork on Base Erosion and Profit Shifting has published the Pillar Two model rules designed to address the tax challenges arising from the digitalisation of the global economy.
It is unclear if the Pillar Two model rules create additional temporary differences, whether to remeasure deferred taxed for the Pollar Two model rules and which tax rate to use to measure diferred taxes. In response to this uncertainty, on 23 May 2023 and 27 June 2023, respectively, the IASB and AASB issued amendments to IAS 12 "Income taxes" introducing a mandatory temporary exception to the requirements of IAS 12 under which a company does not recognise or disclose information about deferred tax assets and liabilities related to the proposed OESD/G20 BEPS Pillar Two model rules. The Group applied the temporary exeption at 20 June 2023.

8 - Exposure to risk

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

The Group uses various types of interest rate derivatives to hedge against fluctuations due to changes in interest rate levels. As of 31 December 2023 and 2022, the Group had interest-rate hedges at nominal value NOK 6 403 million and NOK 6 690 million, respectively.

The interest rate swaps are used to hedge against fluctuations due to changes in the level of interest rates. The secured loans and the swap agreements have the same terms and conditions. For the swaps that's satisfy the requirements for hedge

Overview of the Group's hedge agreements:

Start Date	End Date	Amount	Currency	Int. rate	Excess value (thousand NOK)
24/01/2023	24/07/2025	250 000 000	NOK	0.3000 %	15 918
29/09/2023	28/09/2028	400 000 000	SEK	1.9500 %	7 374
29/09/2023	28/09/2029	200 000 000	SEK	2.0700 %	2 634
30/10/2020	29/10/2027	100 000 000	SEK	0.1880 %	8 364
15/04/2021	30/09/2027	300 000 000	SEK	0.1930 %	24 661
30/12/2021	30/12/2026	200 000 000	SEK	0.3190 %	13 163
30/06/2022	30/06/2027	300 000 000	SEK	0.3910 %	21 407
03/04/2023	29/12/2028	300 000 000	SEK	2.6500 %	-4 664
03/04/2023	31/12/2029	375 000 000	SEK	2.6900 %	-8 422
03/07/2023	31/12/2026	125 000 000	DKK	2.5800 %	1 831
30/12/2020	30/12/2025	300 000 000	DKK	-0.1010 %	26 625
30/06/2022	30/06/2027	800 000 000	DKK	0.0460 %	105 226
03/07/2023	30/06/2026	300 000 000	DKK	0.0540 %	30 073
03/07/2023	28/09/2029	450 000 000	DKK	2.1600 %	19 826
03/07/2023	30/09/2030	100 000 000	DKK	2.8100 %	-1 447
Total net excess value					**262 569**

Average rate on interest-bearing loans in 2023 and 2022 was 2.1% and 1.6%, respectively. Based on the financial instruments and interest rate swaps as of 31 December 2023, a general increase of 1% in interest rate levels will reduce profits by approximately NOK 7.3 million.

The Group recognized in 2023 a loss of NOK 1.5 million on interest-rate hedging (income of NOK 15.8 million in 2022). Other movements in interest rate hedging that are not recognized through the income statement are itemized in other comprehensive income.

Liquidity risk
The Group's strategy is to, at all times, have sufficient cash and cash equivalents or credit facilities to be able to finance operations and investments for the next three years, in accordance with the Company's strategic plan for the same period. See Note 5.8 Cash and cash equivalents. At 31 December 2023, the Group held a total bank credit facility available of NOK 1 970 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 having assets and liabilities in the same currency.

Non-Current and Current Interest bearing Financial Liabilities in foreign currency (in thousands of NOK)	31/12/2023	31/12/2022
SEK	2 700 365	2 297 240
DKK	4 583 592	3 732 962

Exchange rate on the balance sheet date	31/12/2023	31/12/2022
SEK	101.30	94.53
DKK	150.82	141.38

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 2023 and 2022 were as follows:

In thousands of NOK	31/12/2023	31/12/2022
Total financial liabilities (including bank facilities and excluding lease liabilities)	7 363 132	7 782 489
Cash and interest-bearing receivables	598 256	313 824
Net interest-bearing debt	**6 764 876**	**7 468 665**
Total non-current assets	**28 959 995**	**29 694 460**
Debt ratio	**23.4%**	**25.2%**

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

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

The hedges pose a value for Steen & Strøm and in particular our tenants. Fair value of the electricity hedges as of 31 December 2023 amounted to NOK 7.8 million.

9 - LeaseS

The Group as lessee

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

Comprehensive income statement impacts from applying IFRS 16 Leases:

In thousands of NOK	**2023**	**2022**
Value change right-of-use assets related to investment properties	-2 968	-1 784
Depreciation of right-of-use assets related to office and vehicle leases	4 448	3 000
Interest expense on lease labilities	8 629	7 001
Total (net expense)	**16 045**	**11 786**

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

In thousands of NOK	**31/12/2023**	**31/12/2022**
Within 1 year	7 802	7 314
1 to 5 years	58 966	10 020
After 5 years*	365 019	361 456
Total	**431 787**	**378 790**

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

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

In thousands of NOK	**2023**	**2022**
Change in the fair value of investment properties	-2 968	-1 784
Depreciation, amortization and provisions	4 448	3 000
Reclassification of financial interests and other items	-8 629	-7 001
Repayment of loans, borrowings and hedging instruments	-6 716	-1 721

Total cash payments made during 2023 and 2022 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 19.9 million and NOK 15.6 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 2023, 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	**31/12/2023**	**31/12/2022**
Investment properties	26 339 782	26 640 670
Total	**26 339 782**	**26 640 670**

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

In thousands of NOK	31/12/2023	31/12/2022
Within 1 year	1 002 933	1 035 489
1 to 5 years	1 273 228	1 173 553
After 5 years	175 087	177 606
Total	**2 451 247**	**2 386 648**

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:

	31/12/2023	31/12/2022
Norway	98.5 %	98.2 %
Sweden	96.0 %	96.2 %
Denmark	98.1 %	99.0 %
Average	97.3 %	97.7 %

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10 - Payroll Expenses

In thousands of NOK	2023	2022
Wages, bonuses and indemnities	84 881	80 994
Social security tax	15 186	14 946
Pension costs	12 047	12 946
Other costs	9 230	6 134
Payroll expenses	**121 345**	**115 019**

Employees
The average number of employees in the Group in 2023 and 2022 were 109 and 114, respectively. At 31 December 2023 (31 December 2022) the Group had 111 (102) 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 2023 and 2022 NOK 14.8 million and NOK 17.1 million, respectively, have been accrued to cover the Group's bonus scheme. The bonus provision includes public and social taxes.

Remuneration of senior executives

2023 (in thousands of NOK)	Salary	Bonus	Payment in kind	Pension	Total
Group Management					
Christian Brewaeys - *Chief Executive Officer (from 1 September 2023)*	777	-	64	77	**918**
Marie Caniac - *Chief Executive Officer* (until 31 August 2023)	2 279	1 368	618	163	**4 427**
Bjørn Tjaum - *Chief Investment Officer*	2 233	882	369	280	**3 765**
Nils Eivind Risvand - *Chief Legal Officer*	1 786	822	352	235	**3 196**
Brian Jensen - *Chief Financial Officer*	2 678	843	133	227	**3 881**
Total compensation	**8 976**	**3 915**	**1 472**	**904**	**15 269**

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

The current Chief Executive Officer was hired from 1 September 2023 on a permanent agreement with the Klèpierre Group. The expat contract for the former Chief Executive Officer ended 31 August 2023. The notice period for the Chief Executive Officer, 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. For further information see note 2.23 and note 5.3c.

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

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

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

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

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

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

		31/12/2023		
in thousands of NOK	**Level 1**	**Level 2**	**Level 3**	**Total**
Total investment properties (including assets held for sale)			**26 815 601**	**26 815 601**
Total financial derivatives		**262 569**		**262 569**
Other financial assets		401 076	6 471	407 547
Other financial liabilities		-8 502 016	-	-8 502 016
Total other financial assets and liabilities	**-**	**-8 100 941**	**6 471**	**-8 094 469**
Total	**-**	**-7 838 372**	**26 822 072**	**18 983 700**

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

44

11.2 – Litigations and claims

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

Field´s – "Naturklagenævnet"

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

Steen & Strøm issued a law suit in 2014, claimingthat the decision of the Nature Protection Board of Appeal is void, on several grounds. The court process has taken 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 main proceedings for the court took place in January and February, 2024. In the main hearing, the court will also consider Steen & Strøm's claim that the case must be referred to the ECJ (European Courts of Justice). The decision of the court can be appealed, and a final decision might take several further years.

No provisions related to this case have been made in the Steen & Strøm Group consolidated financial statements at 31 December 2023.

Tax case – Lillestrøm Torv

The Norwegian tax authorities have decided that taxable income in a former subsidiary of Steen & Strøm AS shall be increased by NOK 85.3 million for the income year 2015. The amount entails a tax of NOK 23 million. The reason for the decision is that a property transferred to another group company in 1997, by mistake, remained in the transferring company's books. This was corrected when it was discovered in 2015, but the tax authorities' opinion was that the realization first took place in 2015. Steen & Strøm strongly disagrees with the decision and have filed a complaint. Steen & Strøm has in January 2024 received a draft recommendation for decision from the Tax Appeal Board (Sekretariatet for Skatteklagenemda). The Tax Appeal Board's draft recommendation is in the favour of the Norwegian tax authorities. Steen & Strøm has delivered a complaint to the draft recommendation. The complaint is likely to be heard later in 2024, but the estimated time frame is uncertain. If the complaint is unsuccessful, the matter is likely to be taken to the courts. The amount of NOK 23 million was paid to the Tax Authorities in 2019 and has been recognized in the consolidated statement of financial position as a receivable on line item Other receivables. A provision of NOK 1.1 million related to case has been made in the Steen & Strøm Group consolidated financial statements at 31 December 2023.

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	2023	2022
Standard IT fee	-14 612	-10 218
Total	**-14 612**	**-10 218**

Net cost of debt

Interest income on receivables towards related parties were as follows:

In thousands of NOK	2023	2022
Storm Holding Norway AS	-	-2 096
Total	**-**	**-2 096**

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

11.4 - Post-balance sheet date events

There were no significant events after the balance sheet date which can impact the evaluation of the consolidated financial statements for 2023.

11.5 - Audit fees

In thousands of NOK	2023	2022
Statutory audit	5 083	5 146
Other services	298	541
Total	**5 382**	**5 686**

CONTENTS – FINANCIAL STATEMENT STEEN & STRØM AS

STEEN & STRØM AS - FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

In thousands of NOK	Note	2023	2022
Other operating income		107 115	104 793
Gain from sales of assets	1	95	150
Total operating income		**107 210**	**104 943**
Payroll expenses	2	48 803	60 596
Depreciation	1	10 160	9 173
Other operating expenses	1, 2, 3	72 369	54 933
Total operating expenses		**131 332**	**124 702**
OPERATING INCOME		**- 24 122**	**- 19 759**
Financial income and expenses			
Income from investments in subsidiaries and joint ventures	4	789 088	110 833
Gain from sale of investments in subsidiaries and joint ventures	4	3 822	159 102
Interest received from group companies	5	56 555	81 072
Net interest on cash and cash equivalents		22 966	6 961
Other financial income	6	60 695	156 100
Write-down/reversal of write-down on shares	4	- 88 515	-
Interest paid to group companies	5	- 19 563	- 5 273
Interest on borrowings	1, 7	- 32 447	- 49 606
Other financial expenses	6	- 48 359	- 146 577
NET FINANCIAL INCOME AND EXPENSES		**744 242**	**312 613**
PROFIT BEFORE TAX		**720 120**	**292 854**
Corporate income tax	8	17 647	8 863
CORPORATE INCOME TAX		**17 647**	**8 863**
Net income		**737 767**	**301 717**
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)		- 69 730	58 535
Tax on cash-flow hedging instruments		15 341	- 12 877
Total comprehensive income	6, 8	**683 378**	**347 375**

STATEMENT OF FINANCIAL POSITION

In thousands of NOK	Note	31/12/2023	31/12/2022
Intangible assets			
Deferred tax assets	8	61 445	28 457
Software	1	20 773	20 238
Total intangible assets		**82 218**	**48 695**
Property, plant & equipment			
Company cabin	1	1 681	1 949
Cars, machinery and equipment	1	1 442	1 735
Right-of-use assets	1	11 926	14 736
Total property, plant & equipment		**15 049**	**18 419**
Financial assets			
Investment in subsidiaries	4	7 816 345	7 904 860
Loans to subsidiaries	5, 6	1 492 000	1 518 762
Investments in joint ventures	9	1 021 500	1 006 500
Investments in shares	4	230	230
Other non-current receivables	6	15 919	299 078
Total financial assets		10 345 993	10 729 430
NON-CURRENT ASSETS		**10 443 260**	**10 796 544**
Receivables			
Trade receivables		4 084	14 329
Current receivables from group companies	5	3 740 432	5 586
Other current receivables	6, 10	25 937	32 787
Total current receivables		**3 770 453**	**52 702**
Cash and cash equivalents			
Cash and cash equivalents	2	495 103	64 024
CURRENT ASSETS		**4 265 556**	**116 726**
TOTAL ASSETS		**14 708 815**	**10 913 270**

STATEMENT OF FINANCIAL POSITION

In thousands of NOK	Note	31/12/2023	31/12/2022
Contributed equity:			
Share capital		73 259	73 259
Additional paid-in capital		4 028 584	4 028 584
Total contributed equity	11	4 101 843	4 101 843
Retained earnings:			
Other equity		4 459 496	3 871 973
Total earned equity		4 459 496	3 871 973
SHAREHOLDERS' EQUITY		**8 561 339**	**7 973 817**
Bonds	6, 7	100 000	495 761
Liabilities to group companies	5	539 749	215 569
Other non-current liabilities	1	8 182	15 840
NON-CURRENT LIABILITIES		647 931	727 171
Trade payables		79	-
Social and tax liabilities		5 101	4 859
Current liabilities to group companies	5	5 058 923	567 748
Certificates, bonds and other current debt	7	404 167	1 610 306
Other current liabilities	1, 10	31 275	29 369
CURRENT LIABILITIES		5 499 545	2 212 282
TOTAL LIABILITIES		**6 147 476**	**2 939 453**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**14 708 815**	**10 913 271**

Oslo, 3 April 2024

Jean-Marc Jestin
Chairman of the Board

Stephane Tortajada
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

Christian Brewaeys
Chief Executive Officer

STATEMENT OF CASH FLOWS

In thousands of NOK	Note	2023	2022
Net income		737 767	301 717
Corporate income tax	8	- 17 647	- 8 863
Paid tax for the period		-	- 17 906
Gain/Loss on sale of non-current assets		14 905	- 150
Income from investments in subsidiaries and joint ventures	4	- 789 088	- 110 834
Gain/Loss on sale of shares	4	- 3 822	- 159 102
Gain/Loss on sale of derivatives	6	- 42 858	-
Depreciation on fixed assets	1	10 160	9 173
Write-down/reversal of write-down on financial assets	4	88 515	-
Changes in trade receivables		10 245	- 14 329
Changes in trade payable		79	- 22
Changes in social and tax liabilities		242	- 1 253
Changes in other current assets & other current liabilities		56 961	- 34 813
Net cash flow from operating activities		**65 458**	**- 36 383**
Payments on acquisitions of non-current assets	9	- 15 000	- 15 000
Proceeds from sale of non-current assets	4, 6	188 917	1 477 949
Payments on acquisitions of other assets	1	- 6 247	- 9 925
Proceeds from loans to subsidiaries		26 762	1 813 834
Proceeds from dividends		789 088	35 000
Net cash flow from investing activities		**983 521**	**3 301 858**
Payments on borrowings	7	- 693 080	-1 699 530
Proceeds from sale of derivatives	6	75 181	-
Payments of dividends		-	-1 538 000
Net cash flow from financing activities		**- 617 899**	**-3 237 530**
NET CHANGES IN CASH		431 080	27 945

Cash at the start of the period		**64 023**	**36 078**
Net changes in cash		**431 080**	**27 945**
Cash at the end of the period		**495 103**	**64 023**

STATEMENT OF CHANGES IN EQUITY

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

31/12/2023 In thousands of NOK	Share capital	Additional paid-in capital	Other equity	Total equity
Opening statement	**73 259**	**4 028 584**	**3 871 973**	**7 973 817**
Group contribution			- 95 855	**- 95 855**
Net income for the period			737 767	**737 767**
Income from cash-flow hedging			- 54 389	**- 54 389**
Closing statement	**73 259**	**4 028 584**	**4 459 494**	**8 561 339**

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 some cases cover the parent company.

Simplified Application

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

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

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

1 - SOFTWARE, PROPERTY, PLANT & EQUIPMENT

Intangible assets - software	**31/12/2023**	**31/12/2022**
Acquisition cost as of 01/01	205 750	197 501
Acquisition	6 192	8 248
Acquisition cost as of 31/12	211 942	205 750
Acc. depreciation as of 31/12	191 168	185 512
Net book value as of 31/12	**20 773**	**20 238**
Depreciation for the year	5 657	5 351

Cars, machinery and equipment	**31/12/2023**	**31/12/2022**
Acquisition cost as of 01/01	17 357	16 161
Acquisition	55	1 196
Disposal	- 500	-
Acquisition cost as of 31/12	16 913	17 357
Acc. depreciation as of 31/12	15 470	15 623
Net book value as of 31/12	**1 442**	**1 735**
Depreciation for the year	348	1 112

Company cabin	**31/12/2023**	**31/12/2022**
Acquisition cost as of 01/01	6 698	6 698
Acquisition cost as of 31/12	6 698	6 698
Acc. depreciation as of 31/12	5 018	4 750
Net book value as of 31/12	**1 681**	**1 949**
Depreciation for the year	268	268

53

Right-of-use assets	31/12/2023	31/12/2022
Net book value as of 01.01	14 736	2 213
Acquisition	1 078	15 464
Disposal	-	- 499
Depreciation and impairment allowances	- 3 888	- 2 442
Net book value as of 31/12	**11 926**	**14 736**

Rent period as of 31/12/2023 is 4 years and 3 months.

Liabilities right-of-use assets:

	31/12/2023	31/12/2022
Other Non-Current liabilities	8 182	11 117
Current liabilities (1. year payment)	3 797	3 636
Total liabilities right-of-use assets as of 31/12	11 980	14 754

Interest expenses right-of-use liabilities of NOK 107 thousand.

2 - PAYROLL EXPENSES

	2023	2022
Wages, bonuses and indemnities	35 316	45 552
Social security tax	6 328	7 176
Pension costs	3 088	4 212
Other costs	4 071	3 656
Total payroll expenses	**48 803**	**60 596**

Employees

The average number of employees in Steen & Strøm AS in 2023 and 2022 were 35 and 45, respectively.

Remuneration of senior executives

See note 10 of the consolidated financial statements.

Audit fees

The audit fee for Steen & Strøm AS in 2023 was NOK 1 516 thousand (NOK 2 492,5 thousand in 2022).
Other certification service for Steen & Strøm AS in 2023 was NOK 16 thousand.

Restricted funds

As of 31 December 2023 and 2022, restricted funds amounted to NOK 2 092 thousand and NOK 2 345 thousand.

3 - BREAKDOWN OF OTHER OPERATING EXPENSES

	2023	2022
Rental space	1 262	1 570
Management and other fees	3 937	4 954
Other operating expenses	3 601	4 192
Other administrative costs	63 569	44 217
Total other operating expenses	**72 369**	**54 933**

4 - INVESTMENTS IN SUBSIDIARIES AND OTHER COMPANIES

Company	Ownership 31/12	Value at 31/12
AS Kristiania Byggeselskap for smaaleiligheter, Oslo, Norway	1,5 %	230
Others		-
Book value of Investments in other shares		**230**

Company	Ownership 31/12	31/12/2023	31/12/2022
Steen & Strøm Danmark A/S, Copenhagen, Denmark	100%	1 032 070	1 032 070
Oslo City Kjøpesenter AS, Oslo, Norway	100%	2 817 881	2 917 689
Olso City Parkering AS, Oslo, Norway	100%	129 595	118 302
Steen & Strøm Mediapartner Norge AS, Oslo, Norway	100%	107	107
Steen & Strøm Senterservice AS, Oslo, Norway	100%	20 367	20 367
Steen & Strøm Holding AB, Stockholm, Sweden	100%	3 816 324	3 816 324
Book value of investments in subsidiaries		**7 816 345**	**7 904 860**

All subsidiaries are valued at cost.
Final pro & contra from sales of fully owned subsidaries conducted in 2021 and 2022 is in 2023 NOK 3 822 thousand.
Book value includes accumulated write down of investments in subsidaries of NOK 244 797 thousand.

Income from investments in subsidiaries and joint ventures	**2023**	**2022**
Dividends from subsidiaries	754 088	-
Distributions from joint ventures	35 000	35 000
Received group contribution	-	75 833
Total	**789 088**	**110 834**

5 - INTERCOMPANY RECEIVABLES AND PAYABLES

Current assets and current liabilities	**31/12/2023**	**31/12/2022**
Current receivables from group companies	3 740 432	5 586
Total current receivables	3 740 432	5 586
Non-current receivables from group companies *)	1 492 000	1 518 762
Total receivables	5 232 432	1 524 347

*) Non-current receivables/liabilities to group companies have a maturity of 1,5 years.
Of this amount, NOK 1 417 thousand has been converted to shares in 2024.

Current liabilities to group companies	5 058 923	567 748
Non-current liabilities to group companies	539 749	215 569
Total liabilities	5 598 672	783 317
Interest received from group companies	56 555	81 072
Interest paid to group companies	- 19 563	- 5 273
Net interest	36 991	75 800

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

6 - FINANCIAL 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 31/12/2023 recorded a net receivable of NOK 15 918 thousand related to financial instruments. The corresponding amount for 31/12/2022 was a net receivable of NOK 104 684 thousand.

In 2023 the company has sold financial instruments with a net gain of NOK 42 858 thousand.

Summary of non-current receivables and debts in foreign currency	**2023**	**2022**
Non-current receivables		
In thousands of SEK	-	28 328
Non-current debt		
In thousands of SEK	299 749	-
In thousands of DKK	156 540	154 214
Exchange rate on the balance sheet date		
SEK	1,01	0,95
DKK	1,51	1,40
In thousands of NOK		
Non-current receivables	**0**	**26 783**
Non-current debt	**539 749**	**215 569**

Assets and liabilities are recorded at exchange rates per 31/12/2023. Changes in exchange rates compared with last year's exchange rates at 31/12/2022 is posted in the accounts as a loss / gain.

Steen & Strøm AS has in 2023 had a net loss on foreign currency of NOK 9 722 thousand. Of this amount a gain of NOK 17 507 thousand is realized. The corresponding amounts in 2022 was a net gain of NOK 16 908 thousand of which NOK 150 497 thousand in realized gain.

In connection to the divestment of three fully owned subsidiaries in 2022, Steen & Strøm AS has granted a seller's credit to the buyer of the companies of NOK 200 000 thousand. The loan was repaid in full in 2023. See note 5.5 of the consolidated financial statements for more information.

Remaining lines of credit are NOK 1 970 000 thousand.

7 - LIABILITIES

Non-current interest bearing borrowings	**31/12/2023**	**31/12/2022**
Bonds	100 000	495 761
Total non-current interest bearing borrowings	**100 000**	**495 761**

Current borrowings		
Bonds	404 167	1 610 306
Total current borrowings	**404 167**	**1 610 306**

Repayment plans and renegotiation of non-current debt:

Between 1 and 5 years	-	395 761
More than 5 years	100 000	100 000
Total	**100 000**	**495 761**

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

56

8 - TAX

Temporary differences	**31/12/2023**	**31/12/2022**
Fixed assets	- 1 630	- 1 731
Long-term liabilities	- 38 421	-
Non-current receivables	-	- 16 269
Shares in partnerships	- 257 310	- 223 192
Taxable profit and loss account	4 044	5 055
Accrual of interest rate swap	280	1 921
Other differences	13 744	104 864
Net temporary differences	**- 279 294**	**- 129 351**
Basis for deferred tax / tax assets	**- 279 294**	**- 129 351**
22 % deferred tax / deferred tax assets	- 61 445	- 28 457
Total deferred tax assets (-) / liabilities (+)	**- 61 445**	**- 28 457**

Explanation of the tax expense	**2023**	**2022**
22 % tax on profit before tax	158 426	64 428
Change of shares in partnerships from previous years	- 7 506	- 6 656
Tax on given/received group contribution adopted this year	- 21 088	- 16 455
Permanent differences	- 147 479	- 52 725
Other differences	- 1	2 544
Corporate income tax expense	**- 17 647**	**- 8 863**

Analysis of tax expense	**2023**	**2022**
Change in deferred tax	- 32 987	1 470
Correction of tax expence from previous year	-	2 544
The tax effects recognized in equity	15 341	- 12 877
Corporate income tax expense	**- 17 647**	**- 8 863**

Basis for tax payable	**2023**	**2022**
Profit before tax	720 120	292 854
Write-downs on shares	88 515	-
Income from partnerships	34 118	30 253
Profit (-) /loss (+) from sale of shares	- 3 822	- 159 102
Dividends from subsidiaries and other ownerships	- 789 136	- 111 135
Other permanent differences	- 34	324
Basis for this year's tax	**49 760**	**53 195**
Change in temporary differences	46 095	97 433
Given/Received group contribution adopted this year	- 95 855	- 150 628
Taxable income	-	-
Use of tax losses carried forward	-	-
Basis for tax payable	-	-
Tax payable (22%)	-	-

9 - INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

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

Company	Ownership 31/12	Value at 01/01	Capital increase / Sale	Value at 31/12
Metro Senter ANS	50,0 %	490 750	-	490 750
Økern Sentrum ANS	50,0 %	515 750	15 000	530 750
Total		**1 006 500**	**15 000**	**1 021 500**

10 - LITIGATIONS AND CLAIMS

See note 11.2 of the consolidated financial statements.

11 - SHAREHOLDER'S EQUITY AND TREASURY SHARES

See note 5.9 of the consolidated financial statements.

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

None of the Company's employees or Members of the Board have shares or stock options in the Company
See note 10 of the consolidated financial statements.

13 - GUARANTEES, BAIL DECLARATIONS AND PLEDGES

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

	Total debt	SST Share	Ownership
Økern Sentrum ANS	2 736	1 368	50,0 %
Metro Senter ANS	12 241	6 120	50,0 %
Total	**14 977**		

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

Type	Banking partner	31/12/2023
Bail declatration - surety for indemnity declaration previous tenants	Nordea Bank AB, Norwegian branch	2 147
Pledges sercured in investment property of subsidiaries	Different partners	9 961 695
Total off balance sheet commitments of garantees, bail declarations and pledges		**9 963 842**

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 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.
- 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 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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 2023, and its financial performance and its cash flows for the year then ended in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

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

Basis for Opinion

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

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Steen & Strøm AS for 15 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 2023. 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

Description of the 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 2023 is NOK 26 816 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 1 790 million as at 31 December 2023. Investment properties are measured at fair value. Fair value adjustments of investment properties may have a significant effect on the group's operating income and consequently the equity. The fair value is based on estimates as well as property specific information. The basis for management's estimates is valuations performed by external, independent appraisers. These estimates require significant judgement and therefore valuation of investment property is a key audit matter. Refer to note 2.23 "Critical accounting judgements and key sources of estimation uncertainty" in addition to note 5.3 and 5.4 in the financial statements of the group for details of investment properties and valuation methodology.	We evaluated the design and implementation of the control activities that management has established to ensure that relevant property information is included in the external valuations. For a sample of investment properties, we reconciled the information regarding annual rent in the external valuers' reports to the group's own records. We assessed the external valuers' competence and qualifications and that the valuation methods used were in accordance with generally accepted valuation standards and were appropriate to determine fair value of the group's investment properties. We met with the external appraisers, and discussed and challenged assumptions used and reason behind significant movements in valuations from previous periods. 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 appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

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

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

Our opinion on the Board of 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 of the Company 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 of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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 Company or the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Steen & Strøm AS, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name "5967007LIEEXZXJNDK21-2023-12-31-en (4).zip", have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

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

Management's Responsibilities

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

Auditor's Responsibilities

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

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

Oslo, 3 April 2024
Deloitte AS

Gry Kjersti Berget

Gry Kjersti Berget
State Authorised Public Accountant

Alternative performance measures (APM)

Net rental income including equity investments

In thousands of NOK	2023	2022
Net rental income of Consolidated Statement of Comprehensive Income	1 347 247	1 239 558
Group share of Net rental income from Equity investments according to note 5.4B	52 516	49 836
Net rental income including equity investments	**1 399 763**	**1 289 394**

Net rental income evolution on like-for-like basis

2023	Denmark	Norway	Sweden	Total
Net rental income of current operations (see note 3.1)	553 626	281 853	511 769	1 347 247
Net rental income of constant operations	585 988	216 877	553 728	1 356 593
Variable	-32 362	64 976	-41 959	-9 346
2022	Denmark	Norway	Sweden	Total
Net rental income of current operations (see note 3.1)	464 494	347 518	427 546	1 239 558
Net rental income of constant operations	551 915	210 687	480 797	1 243 399
Variable	-87 421	136 831	-53 251	-3 841
Net rental income evolution on like-for-like basis	**6,2%**	**2,9%**	**15,2%**	**9,0%**

Net rental income on like-for-like basis 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	2023	2022
Non recoverable rental expenses	158 885	139 936
Building expenses (owner)	13 150	44 918
Direct operating expenses	**172 035**	**184 854**

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	2023	2022
Payroll expenses	121 345	115 019
Other general expenses	91 015	50 552
Depreciation and impairment allowance on investment properties	270	268
Depreciation and impairment on intangible assets and furniture and equipment	11 022	9 851
Other operating expenses	**223 652**	**175 691**

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	2023	2022
Non-current financial liabilities (excluding lease liabilities according to IFRS 16)	6 208 150	5 629 946
Current financial liabilities (excluding lease liabilities according to IFRS 16)	1 154 982	2 152 543
Cash and cash equivalents	-598 256	-313 824
Net interest-bearing debt	**6 764 876**	**7 468 665**

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

Loan to Value

In thousands of NOK	2023	2022
Investment properties and properties under construction (excluding IFRS 16 right-of-use assets)	26 398 095	26 336 184
Equity method securities	1 790 398	1 850 510
Value of portfolio	**28 188 493**	**28 186 693**

In thousands of NOK	2023	2022
Net interest-bearing debt	6 764 876	7 468 665
Value of portfolio	28 188 493	28 186 693
Loan to Value	**24,0 %**	**26,5 %**

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

Book equity ratio

In thousands of NOK	2023	2022
Shareholders' Equity	17 969 158	17 753 441
Total Assets	30 435 145	30 537 918
Book equity ratio	**59,0 %**	**58,1 %**

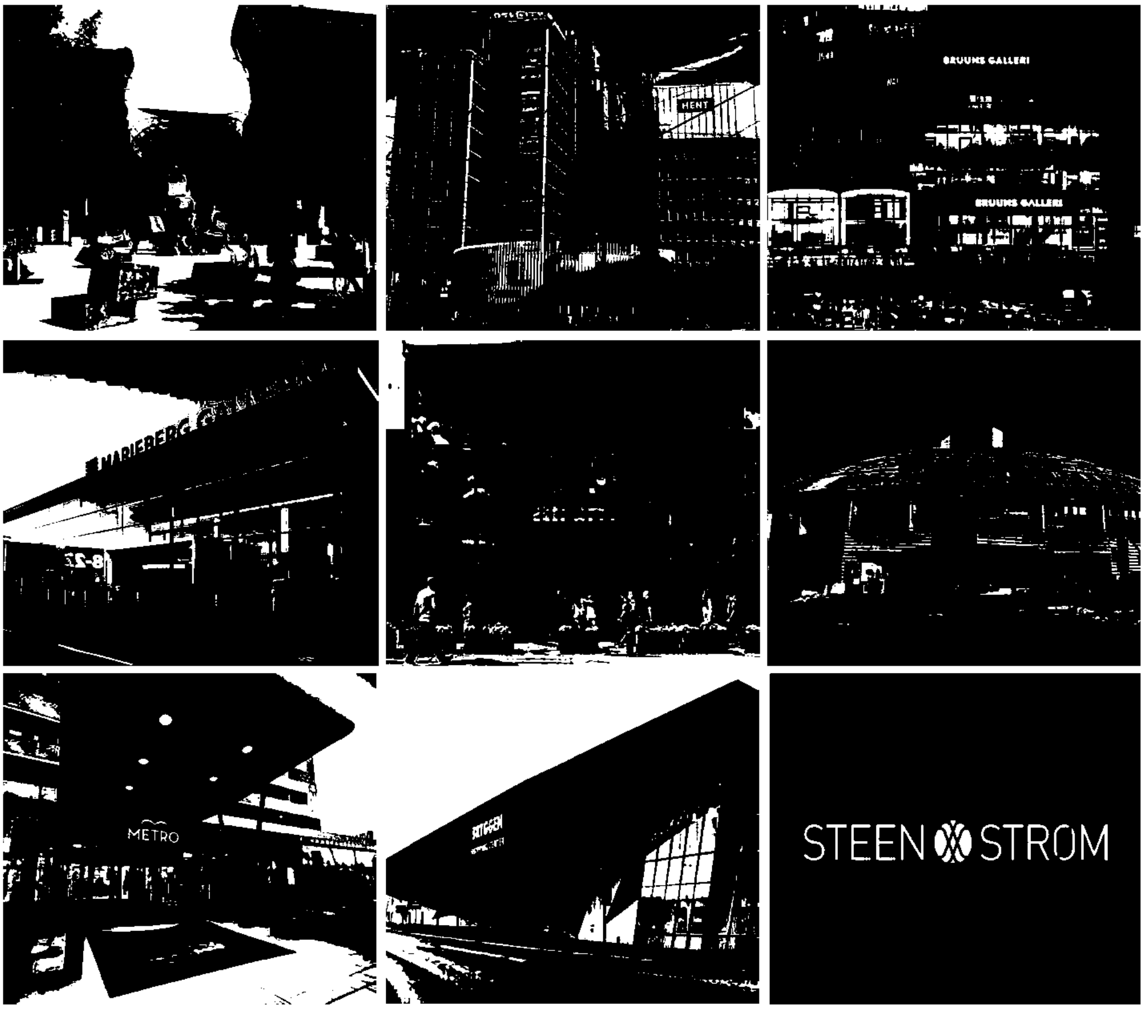
Book equity ratio indicates the relative proportion of equity used to finance the assets.

Reversion rate

In thousands of NOK	Denmark	Norway	Sweden	Total
Previous MGR	169 964	86 278	164 639	420 881
New yearly MGR	154 231	86 120	162 385	402 735
Reversion rate	**-9,3 %**	**-0,2 %**	**-1,4 %**	**-4,3 %**

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

WELCOME TO A UNIQUE SHOPPING EXPERIENCE!



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

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