



CATENA
2020
Annual Report
with Sustainability Report

Continued strong trend,
focus on sustainability

Upcoming events

LogistikTrender 10 YEARS

Margins are shrinking, seconds are being optimised, every error is timed – while space technology and AI bring completely new dimensions.

For ten years, Catena has hosted the event and discussion forum LogistikTrender to inspire and to share new knowledge. In 2021, we want to celebrate our anniversary with a glittering party to take us to the next level and to further advance the perspectives of logistics – beyond time and space. In 2021, an opportunity will be provided to follow the day digitally.

► Read more at www.catenafastigheter.se.



Annual General Meeting 2021

The Annual General Meeting of Catena AB (publ) will be held on 29 April. Supported by temporary statutory regulations, the Annual General Meeting will be conducted by postal ballot to safeguard the safety and health of shareholders and to reduce the risk of contagion. For this reason, the Meeting will be conducted without the in-person attendance of shareholders, proxies or non-company personnel.

Registration

Shareholders wishing to participate in the Meeting must, by submitting their postal ballot, be entered in the share register maintained by Euroclear Sweden AB by 21 April 2021 at the latest and shall register their participation in the Annual General Meeting by Friday, 28 April 2021 at the latest by submitting their postal ballot such that it is received by Euroclear Sweden AB on that date at the latest. Shareholders with nominee-registered shares must, in addition to registering by submitting their postal ballot, have their shares registered in their own name. Voting rights registra-

tions made by Friday, 23 April 2021, at the latest, will be taken into account in producing the share register. A specific postal voting form shall be used, which can be downloaded from Catena's website. The completed and signed form must be received by Euroclear Sweden AB by Friday, 28 April 2021, at the latest, and must be addressed to Catena AB (publ), "Annual General Meeting", c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden or by e-mail to generalmeetingservice@euroclear.com (stating "Catena AB – postal voting" in the subject line). Shareholders who are natural persons may also cast their postal vote electronically via Euroclear Sweden AB's website <https://anmalan.vpc.se/EuroclearProxy/> and verifying their identity using BankID. Electronic votes shall be submitted by Friday, 28 April 2021 at the latest. Power of attorney forms are available from www.catenafastigheter.se/arsstamma.

Notification of the Annual General Meeting with more detailed information was published on 26 March 2021, and this notification is also available on Catena's website.

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ABOUT THIS REPORT

Catena reports the Group's financial and non-financial information in a joint report. The report reflects the Company's operations and integrates financial, sustainability and corporate governance information to provide a comprehensive and coherent description.

Catena's statutory Annual Report includes the Board of Directors' report and the financial statements, covered on pages 20-53 and 88-142. Catena's Sustainability Report in accordance with the Annual Accounts Act is covered on pages 56-85.

Catena's Sustainability Report has been prepared in accordance with GRI Standards, level Core. Catena has also complied with the EPRA Sustainability Best Practices Recommendations Guidelines.

Catena – this is who we are

Sustainably and through partnerships, Catena owns, manages and develops efficient logistics facilities that supply Scandinavia's metropolitan regions.



A VISION WORTH INVESTING IN

Since Catena chose to focus on logistics properties in 2013, the vision has been clear – Catena seeks to link Scandinavia’s cargo flows. Three company-specific factors help generate value and show the way ahead.

1 Focused business model adds value

With a focus on strategically located logistics properties adjacent to key logistic hubs, Catena has amassed a particularly deep knowledge of logistics and trade – insights that safeguard Catena’s strong position in the market and provide customers with a proactive and ambitious partner.

2 Project development as value driver

An important part of Catena’s overall business model involves refining and developing efficient logistics properties that are sustainable in the long term. This fosters conditions for value growth, both in the existing portfolio and through construction projects. The large land reserve in strategically important positions is an important prerequisite for growing with new and existing customers.

3 Strong cash flow provides a stable platform

Having a wide range of customers, several of whom are among the largest distributors in the market, ensures strong cash flow and, with that, a secure and stable foundation for the Company.

113 properties
Fair value: SEK 18,612 million

1,948 thousand m²
lettable area

484 contract
Rental value: SEK 1,389 million

46 employees

10 funding channels
Loans: SEK 9,735 million

14,465 shareholders
Shareholders’ equity: SEK 7,590 million

SEK **14.5** billion
market capitalisation
Nasdaq Stockholm, Large Cap

ADAPTED FOR TOMORROW’S PRODUCT FLOWS

External developments favour Catena and some trends are particularly important.

1 Extensive structural changes

Accelerating technological development and the transition to a more sustainable society are examples of external trends leading to new consumption patterns. Digitally driven trade increases the need for logistics space, but that also imposes stricter demands on efficient and climate-smart deliveries. The logistics chain is becoming even more critical, increasing demand for modern and energy-efficient logistics properties in appropriate locations.

2 Global economy and trade

Globalisation is driving demand for improved logistics solutions able to meet needs for efficient flows in an increasingly complex and integrated world market.

3 Behavioural changes

Urbanisation drives a concentration of logistics positions closer to customers and digitally-driven trade is growing strongly in all age categories, which favours an accelerating rate of growth.

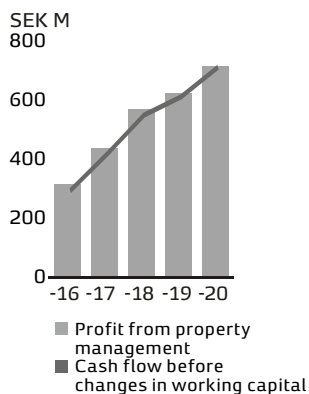
2020 – another year of growth

THE YEAR IN FIGURES

Profit from property management

+15%

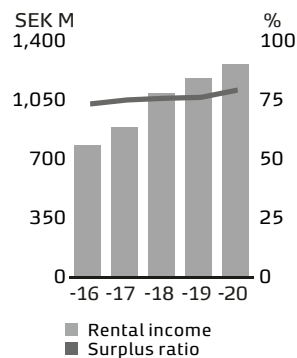
Increase to SEK 718.6 million.



Rental income

+7%

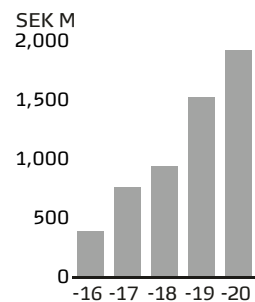
Rental income increased to SEK 1,263.9 million with a surplus ratio of 79.4 percent.



Profit before tax

+26%

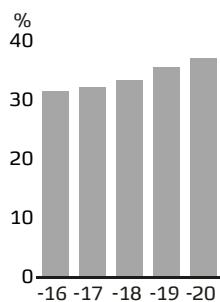
Profit before tax increased to SEK 1,923.5 million.



Equity ratio

+4.5%

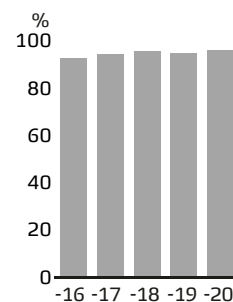
Increase to 37.2 percent.



Economic letting ratio

+1.3%

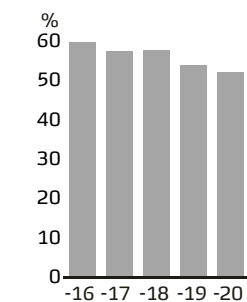
Increase to 96.2 percent.



Loan-to-value ratio

-3.1%

Reduction to 52.3 percent.



DEVELOPMENT OF THE PROPERTIES

New spaces

+124,437 m²

Over the year, the operations were expanded through project development and acquisitions.

Environmentally certified during the year

+120,500 m²

A total 6 percent of the property portfolio is certified in accordance with Miljöbyggnad Silver or equivalent.

Investments

SEK 1,358 million

Over the year, the operations were expanded through project development and acquisitions.

Fair value of the properties

+14%

Increase to SEK 18,612.4 million.

SIGNIFICANT EVENTS DURING THE YEAR

Confirmed position in e-commerce logistics

Catena has consolidated its position as the first choice for e-commerce players. Several new tenants active in digitally driven trade have been added and partnerships with existing tenants in the same sector have been deepened with large-scale extensions being built, as is the case with Boozt and Nowaste Logistics, for example.

Sustainability as both an objective and the means

There is an unwavering drive to seek sustainable solutions in all areas of our operations. What Catena delivers must be sustainable over time – ecologically, socially and financially. The effects of our work are clear not only in the properties, the entire company's business can be affected positively. That Catena is on the right track was confirmed during the year by the EPRA sBPR Silver and EPRA sBPR Most Improved awards that we received.

Shifting up a gear in Denmark

With the acquisition of three strategically located logistics properties in Hillerød, Horsens and Odense in Denmark at the beginning of the year, another important step was taken in the Danish market.

A virus changed the conditions

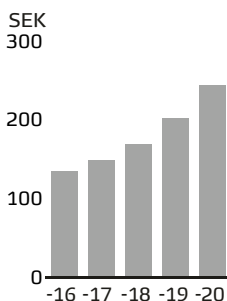
Business and society were impacted by the corona virus during the year, as was Catena. In addition to changes in working methods and procedures for mitigating contagion, the corona virus has helped accelerate the development of digitally driven trade, which has had positive effects for Catena's operations. The long-term indirect, macroeconomic consequences remain difficult to assess. Read more about Catena's handling of the corona virus on page 48.

THE SHARE

EPRA NRV

+21 %

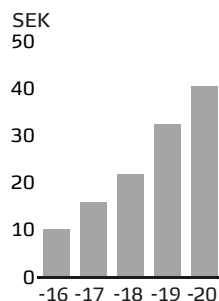
Long-term net asset value, SEK
245.08 per share.



Earnings per share

+25 %

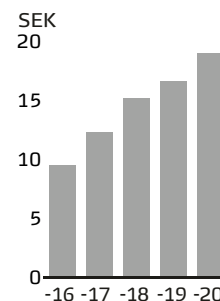
Increase to SEK 40.51.



Profit from property management per share

+15 %

Increase to SEK 19.06.



► Read more about the development of Catena's share on pages 52–53.

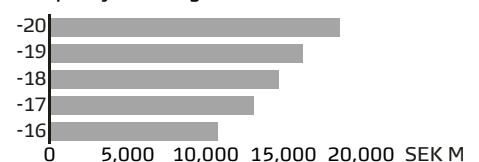
Target fulfilment in 2020

OPERATIONAL TARGETS – ALL WORK IS CONDUCTED FROM FOUR STRATEGIC HORIZONS

Property development

It is Catena's goal to increase the profit from property management by at least 10 percent annually and that this should amount to at least 50 percent of income. In 2020, profit from property management grew by 15 percent and amounted to 57 percent of income. Project development and acquisitions provide the conditions for value growth – and the value of the property portfolio rose by 14 percent over the year.

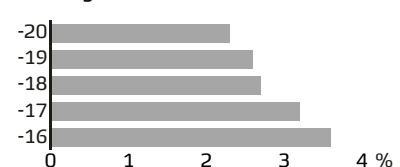
Property value/growth



Finance

Catena strives to achieve appropriate financing at the lowest possible cost in the short and long term. In addition, a balanced combination of equity and borrowed capital is sought, both to enable favourable returns for shareholders and to generate security for creditors. On the balance-sheet date, the loan-to-value ratio was 52.3 percent. Catena's objective is to steer its operations by maintaining key performance indicators at certain levels, such as debt maturity, interest coverage ratio and equity ratio. Read more on pages 9 and 49-51.

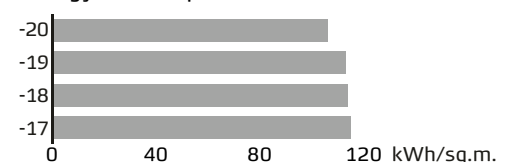
Average interest rate



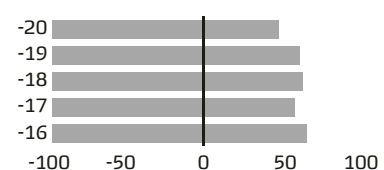
Sustainability

Catena participates in societal development – what the Company delivers must be sustainable over time. Newly produced properties must always be certified in accordance with Miljöbyggnad Silver as a minimum. Of the total space offered by the Group, 6 percent is currently certified, with the objective of at least 50 percent of the total area being certified by 2025. Energy consumption continues to decline, thanks to efficiency enhancement projects and new technologies. In 2020, Catena mapped its emission volumes in Scope 3 (indirect emissions) – the data is of significance as a large proportion of the emissions that Catena generates originate with contractors at the construction phase. As an employer, Catena works for increased equality and diversity. The latest employee survey showed an eNPS of 48, a decline compared with the preceding year, although the target of 40 was exceeded.

Energy consumption



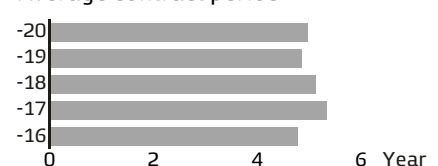
eNPS



Clients and markets

With its good relationships and strong brand, Catena seeks always to be a speaking partner when major logistics facilities are being established. For newly signed leases, a rental period of at least five years is sought, which was exceeded in 2020. Catena also exceeds its target economic occupancy ratio of 95 percent by 1.2 percentage points – despite Covid-19 affecting many property companies. The explanation is a good mix of customers who have provided the perseverance and stability required to handle the crisis.

Average contract period



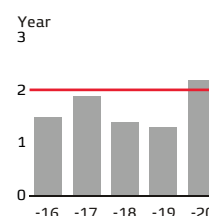
Catena's annual LogistikTrender event for 2020 was postponed. Being at the forefront and constantly assuring and disseminating knowledge on the logistics of the future is characteristic of Catena, which plans to carry out the event in 2021 with opportunities to also follow the event and be inspired virtually.

OVERARCHING FINANCIAL OBJECTIVES

The **average debt maturity** should be at least two years

Comments on 2020

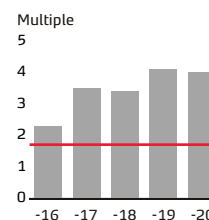
A long debt maturity with a varied distribution entails lower financing risk and opportunities for better terms. At the end of the year, debt maturity was 2.2 years (1.3).



The **interest-coverage ratio** shall not be less than a multiple of 1.75

Comments on 2020

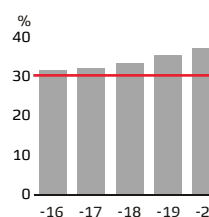
The interest-coverage ratio indicates the capacity to cover interest expenses. It is important to ensure there is a margin to be able to withstand higher interest expenses and/or higher vacancy rates, for example. At the end of the year, the interest-coverage ratio was 4.0 (4.1), a satisfactory level.



The **equity ratio** should be at least 30 percent

Comments on 2020

The equity ratio indicates long-term payment capacity and, at the end of the year, it amounted to 37.2 percent (35.6).



SHARE PERFORMANCE

Proposed dividend 2021

SEK 7.50 /share

Corresponding to a yield of 1.9 percent (1.6).

Share price trend

-7 %

A reduction from the opening price of SEK 413.50 to SEK 385.00.

Highest price quoted

SEK 446.00

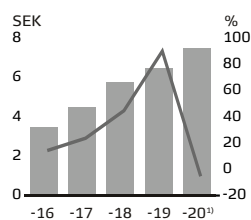
19 February 2020. The lowest price quoted for the share was SEK 213.50 on 18 January 2020.

Share price trend 1 January 2013 – 28 February 2021

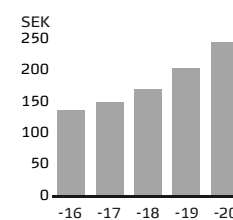
■ Catena ■ OMX Stockholm PI ■ Carnegie Real Estate Index



Dividend per share and total return



Long-term net asset value, EPRA NRV, per share



1) According to the proposal by the Board of Directors and the CEO.

Long-term ownership lays the foundation for development

Despite the fact that 2020 turned out to be a year in which large parts of life were turned upside down for both people and companies, we can sum up another strong year for Catena, whose business concept has proven even more sustainable as society adjusts in the wake of the corona pandemic. A few of Catena's tenants have been negatively affected, while most have benefited from changing consumption patterns and an accelerating e-commerce trend. Compared with the preceding year, profit from property management increased by SEK 92 million to SEK 719 million. Combined with high growth in value, Catena's strong cash flows generate financial capacity to enable continued growth.

” **Where social distancing requirements created obstacles, efficient logistics solutions built bridges.**

Behaviours that have changed rapidly

Digitally driven trade increased sharply over the year and the importance of logistics for a functioning society became highly apparent. Where social distancing requirements created obstacles, efficient logistics solutions built bridges. In addition to our many tenants with e-commerce operations, a large proportion of the tenants in Catena's properties perform essential societal functions. These are suppliers of food and medicines, as well as customers such as DHL or PostNord, who played a crucial role in keeping society functioning during the pandemic. At the same time, our assessment is that the developments during the year were merely part of a larger trend that has now been accelerated – and even without restrictions, the behavioural changes observed in 2020 will continue to intensify over time.

The sustainable logistics network

Each of Catena's 113 properties forms an important part of a complex logistics network, which is, in turn, part of an ecosystem with connections to trade, industry and service alike. Catena has a responsibility to contribute to the realignment that society is currently undergoing and to ensure that we work for more sustainable solutions at all levels. We work within the framework of Agenda 2030 and are affiliated with the Global Compact, where

we focus on six of the global goals where we believe our operations can have the greatest impact. In general, our approach and what we deliver are of considerable significance for the working environment, for example, as well as for energy consumption, transport efficiency, biodiversity and efficient land use. Catena's environmental impact is significant, not least in terms of construction processes and new production.

During the year, we therefore mapped how we, in collaboration with our suppliers, can reduce our climate footprint even during the construction process.

Although the sustainability goals help us set out the course ahead, it is important that we act now and address the issues systematically and in a manner that really makes a difference. For example, we have a goal of certifying all new construction in accordance with the Miljöbyggnad Silver standard as a minimum, but if we have the opportunity to implement additional sustainability initiatives that could have an effect – financially, socially or environmentally – these should obviously be considered. We also work continuously with our existing portfolio, in which we invested approximately SEK 969 million over the year. An example is the Nattskiftet 11 property in Stockholm, which has been modernised and adapted as flows and purchasing patterns develop. The result is an attractive and efficient facility with opportunities for climate-smart city logistics solutions, where both Bring and online pharmacy Meds chose to move in during the year.

Product flows are evolving at a rapid pace with new possibilities for planning and optimisation through digitalisation, artificial intelligence and automation. Potentially, a number of individual journeys could be replaced by smart deliveries directly to the home if efficient transports with a high degree of filling can be ensured. We believe that the larger, emerging hubs that Catena has identified as the logistics positions of the future are important for successfully achieving a more sustainable logistics network in the future. The location of our developable land at both the Stockholm Syd and Logistics Position Järna sites meets the requirements for sustainable deliveries within Stockholm and the Mälardalen region – particularly taking into account the proximity of the main railway line, which opens up opportunities for a future combi terminal in Järna. Landvetter is another development area, which, like our existing logistics positions in Sunnanå, outside Malmö, and in Tostarp, outside Helsingborg, is directly adjacent to major transport routes and brings together several

” We believe that the larger, emerging hubs that Catena has identified as the logistics positions of the future are important for successfully achieving a more sustainable logistics network in the future.

tenants in a logistics cluster. With several facilities in the same area, key functions can be coordinated, fostering efficiency and providing valuable economies of scale. The logistics network becomes more sustainable when its various parts can interact.

Denmark key to linking Scandinavian cargo flows

Transport routes and major population centres are our geographies. For Catena's facilities to be able to supply the Scandinavian metropolitan regions optimally, ensuring an efficient logistics network, growing further in Denmark is a priority for us. At the beginning of 2020, we acquired three Danish properties with a total lettable area of approximately 11,000 m². This transaction has since been supplemented by Catena's acquisition of one Swedish and five Danish logistics facilities in strategic locations with total lettable space of about 93,300 m². We believe that the Fehmarn Belt tunnel connection will be of great importance for efficient goods flows, as would be the new fixed connection between Helsingborg and Helsingør that is currently being studied. Both initiatives place Danish logistics hubs in focus.

Long-term customer relationships

One of Catena's strengths is that we are a long-term property owner with a business concept including both property development and property management. We conduct innovative new production projects but also stay on as an active and committed manager when the facility is in place. Shaping the future together with our customers and remaining close to them, to be a step ahead when needs and the world around us change, represents part of the eternal horizon with which we view our properties and tenant relationships alike. Our approach was confirmed in the brand survey we conducted in the autumn of 2020. We are proud of the results, which showed that we are per-



ceived as a professional and long-term player – a position we cherish and gladly maintain.

Consequently, I am encouraged to note that my skilled and committed colleagues at Catena do all they can to exceed expectations and deliver, even in 2020, which was a challenging year given the restrictions that followed in the wake of the corona pandemic. By being solution-oriented and creative, we have continued to work in the highly customer-friendly and long-term manner that is our hallmark.

Helsingborg, March 2021
Jörgen Eriksson

Strong megatrends demand more efficient goods flows

The development of more efficient and sustainable goods flows is being driven by global mega-trends, such as increasing urbanisation (with increasing numbers of people in our urban areas), the global economy and trade, structural changes, such as digitally driven trade, and an ever-increasing focus on climate and the environment.



TECHNICAL DEVELOPMENT

Extensive structural changes, with technological innovation as the common denominator, are bringing new consumption patterns. Digitally driven trade increases the need for logistics space, but that also place demands on fast, individualised and climate-smart deliveries. The logistics chain is becoming more critical, bringing increased demand for modern logistics properties in appropriate locations. Technological developments and increasing e-commerce provide opportunities to improve consumers' shopping experience in various ways, for example through increased convenience, transparency and design.

The highest margin benefit is derived from regional and city logistics, in which goods are distributed to the store or directly to the consumer. That is when the number of traffic movements and hence the cost and environmental impact are greatest.

Better, faster and smarter logistics also involve automated logistics facilities and logistics systems that improve goods flows, the cost for handling and picking costs are reduced and available warehouse space can be used optimally. The market for warehouse automation is expected to double to USD 27 billion by 2025.

Source: IQLogistics, Modern Materials Handling.



TRANSITIONING TO A MORE SUSTAINABLE SOCIETY

Awareness among both logistics customers and end customers about climate change and other aspects of sustainability has placed a clear focus on developments in this area.

Digitisation and self-driving vehicles are currently changing the industry. Digital tools and platforms can help save resources. Some examples are fuel-efficient driving and avoiding empty transport vehicles.

Optimised routes require well-thought-out logistics locations able to distribute products and goods intelligently, resolving last-mile transports in the most sustainable manner possible.

Increasingly, new delivery options with greater transparency regarding the environmental impacts are required by end customers.

Source: TOC logistics, PwC.



GLOBAL TRADE

The global economy and trade drive demand for improved logistics solutions able to meet needs for efficient flows in an increasingly complex and integrated world market.

Every day, several hundred million packages are delivered around the world to expectant private individuals who have made an exciting online purchase or to companies needing business-critical spare parts for expensive production lines.

World trade has seen positive growth over the past ten years, increasing by 39 percent between 2009 and 2019. Global e-commerce is a driving factor, growing by 27.6 percent in 2020 to USD 4,280 billion. By 2021, forecasts suggest that global e-commerce will be approaching USD 5,000 billion. Impelled strongly by the corona pandemic, Swedish e-commerce sales increased, by 40 percent to SEK 122 billion in 2020 and are expected to reach SEK 130 billion in 2021.

Rapid development in digitally-driven commerce is imposing new demands on logistics solutions that are sustainable and efficient in the long term.

Source: HUI, E-barometern, Ekonomifakta, emarketer.



BEHAVIOURAL CHANGES

Changes in human behaviour affect Catena's business. Urbanisation is driving a concentration of logistics positions closer to customers and digitally-driven trade is growing strongly in all age categories, favouring an accelerating rate of growth.

Today, 55 percent of the world's population lives in urban areas, a proportion that is expected to increase, adding a further 2.5 billion people to the urban population by 2050. About 70 percent of the Swedish population increase will occur in the three metropolitan counties.

The functionality of the smart city is dependent on functioning urban flows and the challenges are many, but can be met with investments in sustainable innovations and systems where logistics plays a central role.

Source: World Bank, UN.

► Read more on the next two-page spread regarding development in Catena's rental, investment and financial markets.

Stable market arenas in a changing world

Demand for logistics properties is driven by increased cargo flows and growing retail trade, particularly e-commerce. Society is in an ongoing phase of adjustment and development, in which structural changes, technological innovation and expanded delivery methods are increasing the need for larger spaces for logistics purposes.

Stable rental market

In line with the increased cargo flows in recent years, due in particular to increased e-commerce, demand for modern, well-located spaces has been high.

Rent levels for newly produced logistics facilities are determined largely by the costs for land and production. The rental market for logistics properties is relatively stable. Despite the limited supply of space, development in rent levels has been weak, particularly in the regional towns. Closer to the metropolitan cities where the availability of land is limited, an increase in rent levels can be discerned. Even looking ahead, rent hikes are generally expected to be limited by the considerable supply of developable land and stable production costs, but also by strong competition among contractors and project developers for new assignments in the segment. However, increasing differentiation can be discerned. The rent for well-placed terminals as well as e-commerce warehouses and specialised premises for e.g. food, for which demand is high, is somewhat higher than for warehouses. The share of railway transports in the overall logistics mix is also expected to increase, due to increased environmental focus.

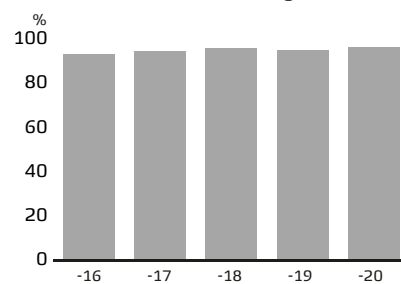
Customers

The sector's customers include logistics companies to whom producers, wholesalers and even retailers out-source their logistics function through third-party logistics. Major players are DHL, PostNord, Schenker, DSV, Bring and Green Cargo. The sector's customers also include producers and suppliers who handle their logistics in-house in their own or leased premises. This is true both of heavy industries such as Volvo and Electrolux as well as large retailers like ICA, Axfood and IKEA and e-commerce companies such as Apotea, Boozt, Dustin, Mathem and Mat.se.

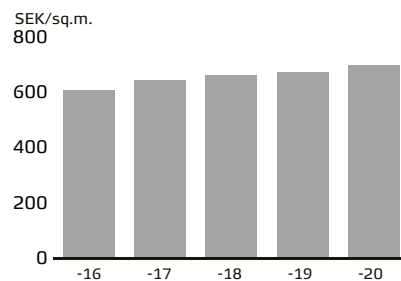
Other managers, logistics properties

A small number of property companies specialise in logistics properties. In addition to Catena, the larger Swedish listed companies include Sagax and Corem. Several of the established property companies have increased their focus in the logistics segment, such as Castellum, Fast-Partner and Stendörren.

Catena's economic letting ratio



Catena's average rent level



Privately owned Kilenkrysset and international companies ProLogis and Goodman also operate in Sweden. In addition, Logistic Contractor develops and builds logistics facilities.

Active investment market

E-commerce is driving new construction of warehouses and logistics buildings. Between 2015 and 2020, new production of warehouse and logistics properties has increased from 500,000 m² to 650,000 m² annually. In 2020, growth was additionally boosted by the corona virus, with e-commerce in Sweden increasing from 10 percent in 2019 to 14 percent in 2020. E-commerce requires 2.4 times the space compared with traditional retail logistics, leading to increased demand for space. In Sweden, there are plans to build slightly more than 760,000 m² in 2021 and there is already about 500,000 m² in the order books for 2022. The increase in space will



primarily occur in regional logistics, expanded local distribution and positioning in omni-channel trade.

Since the early 2000s, the logistics property market has undergone a structural transformation. In the past, the properties were largely owned by the companies that used them, but we have gradually seen more institutional players with indirect or direct exposure in the segment. The market is characterised by a wide spread with respect to such parameters as ownership, size, modernity and efficiency. This means that most institutional investors still have a smaller allotment, particularly of logistics properties, than the segment's portion of the total commercial property stock.

In the Swedish commercial property market, 2020 was the third-strongest year to date in terms of transactions. Transaction activity within Catena's segment has never been greater. Investor interest in commercial properties has decreased, while demand for warehouses and logistics properties has increased significantly. The transaction volume for logistics and industrial properties amounted to approximately SEK 37 billion in 2020, with SEK 28 billion being classified as purely logistics properties, and foreign investors accounting for about 62 percent of logistics acquisitions. Return requirements for modern logistics properties are record-low. Nevertheless, it is relatively cheap to invest in Sweden compared with core markets in continental Europe. During the year, several major transactions boosted volumes in the Swedish property market. Blackstone continued to invest in Swedish logistics through a number of acquisitions totalling slightly more than SEK 6 billion and, in December, it was announced that the intention was to implement a record acquisition of a logistics portfolio of 214 properties valued at SEK 19 billion from Castellum. In addition, the German fund DWS acquired two large properties, Elgiganten's warehouse of 112,000 m² in Jönköping for approximately SEK 1.5 billion and Coop's new central warehouse of 109,000 m² at the Eskilstuna logistics park for approxi-

mately SEK 1.5 billion. In addition to these major transactions, several others for around SEK 1 billion each were conducted, as well as several more for less than that.

Financial market

At the beginning of 2020, Sweden, like many other countries, had entered a slowdown phase following several years of favourable economic conditions. The Riksbank nonetheless managed to raise the interest rate to zero and was cautiously optimistic about the future. Twelve months later, at the end of 2020, the Riksbank had announced support packages for a total SEK 700 million over the year. The government also presented fiscal stimulus measures of around SEK 200 billion affecting the budget and corresponding to about 4 percent of GDP. The reason – the new corona virus that swept in with full force and put the world in an acute state of emergency. As a result of political restrictions, global economic activity slowed and GDP fell sharply in the second quarter. This was followed by a strong recovery in the third quarter followed by another decline due to a new wave of infection and restrictions in the fourth quarter.

With the exception of temporary disruptions, the pandemic has nevertheless had a relatively limited negative impact on the credit and stock markets. This can largely be attributed to all of the monetary and fiscal policy support packages that were launched during the year and which entailed a huge injection of capital, carrying the economy through in an artificial manner. It is too early to determine what consequences all of the support packages will have on the real economy in the long run.

At the end of the year, the risk appetite for credit and equity was good, albeit surrounded by somewhat greater uncertainty. For example, it is possible to discern a lingering effect on the pricing of interest rates between companies of differing credit quality – the Riksbank's decision to buy and own corporate bonds has directly contributed to cementing the differences.

Tomorrow's logistics property

Catena monitors the external world and the trends that will have a long-term impact on the logistics and logistics properties of the future. Alongside continuous analyses of cargo and transport flows in Scandinavia and with in-depth knowledge in logistics and trade, this provides expertise that ensures Catena's strong position in the market and that furnishes customers with a continuously proactive partner. These insights also develop the view of the property itself and how it will work in the future.

Sustainability will be the mainstay of the offering

Today, Catena already works with sustainability issues on many fronts. When Catena builds new facilities and renovates older ones, an important parameter is energy optimisation with, photovoltaic cells or energy trees, for example, absorbing renewable energy from the atmosphere. For the Company and its tenants, this both lowers costs and reduces the climate impact. Another focus involves using appropriate, sustainable materials and certifying buildings – which also encompasses sustainable workplaces so that working in logistics will remain attractive. Taking responsibility over time also means ensuring that the properties are equipped for future climate change. Efforts to convince tenants of the importance of the work are conducted in parallel with the sustainability activities. The receptiveness of the Company's tenants varies depending on the industrial segments in which they operate and the size of the Company, although it is continuously increasing.

Catena sees certain trends over the next few years as particularly interesting and as placing sustainability even more in focus. One of the more significant changes is the environmental impact of transport as the world shifts from fossil fuels to renewable ones. The electrification of transport vehicles is well under way and optimal charging opportunities will become a natural part of the construction process and delivery. Together with the increasing digitalisation of the transport sector, which benefits both sustainability and security, this means that Catena as a property owner will, to a greater extent, be able to offer smart solutions at its properties, making a major difference for carriers and tenants alike.

Partnership for the smartest logistics property

Catena knows logistics properties and has a very strong history in project development. A key element in project development work is being able to anticipate tenants' needs. With extensive experience in all aspects of adapting a logistics facility to the customer's needs, Catena can serve as a speaking partner and increasingly also as a facilitator in the collaboration between different logistics skills sets to achieve the best solution for the customer. Automation solutions will soon be found at all facilities and as robot picking or automated transports within the property becomes more commonplace as added services, Catena will be able to assist, thanks to its close partner-

ships and established relationships. A trend that is starting to become clear and that will grow is the tenants' desire for the property to be adapted to their specifications from the outset. Increasingly in demand are optimised and fully-equipped facilities, with customer-friendly management and all packaged within a single lease. In Catena's offering, agreements like this may also include financing of broader technical or logistical solutions.

Innovative approaches for increased space efficiency

The need for different types of logistics positions is increasing in pace with continued growth in e-commerce and the singularisation of our customers' goods flows and those of their customers, with deliveries being measured in packages and articles rather than pallets. Although key logistics nodes will remain important, additional peri-urban solutions are in demand as tenants increasingly resolve "last mile" deliveries with sustainable transports such as by bicycle or mini-vehicle.

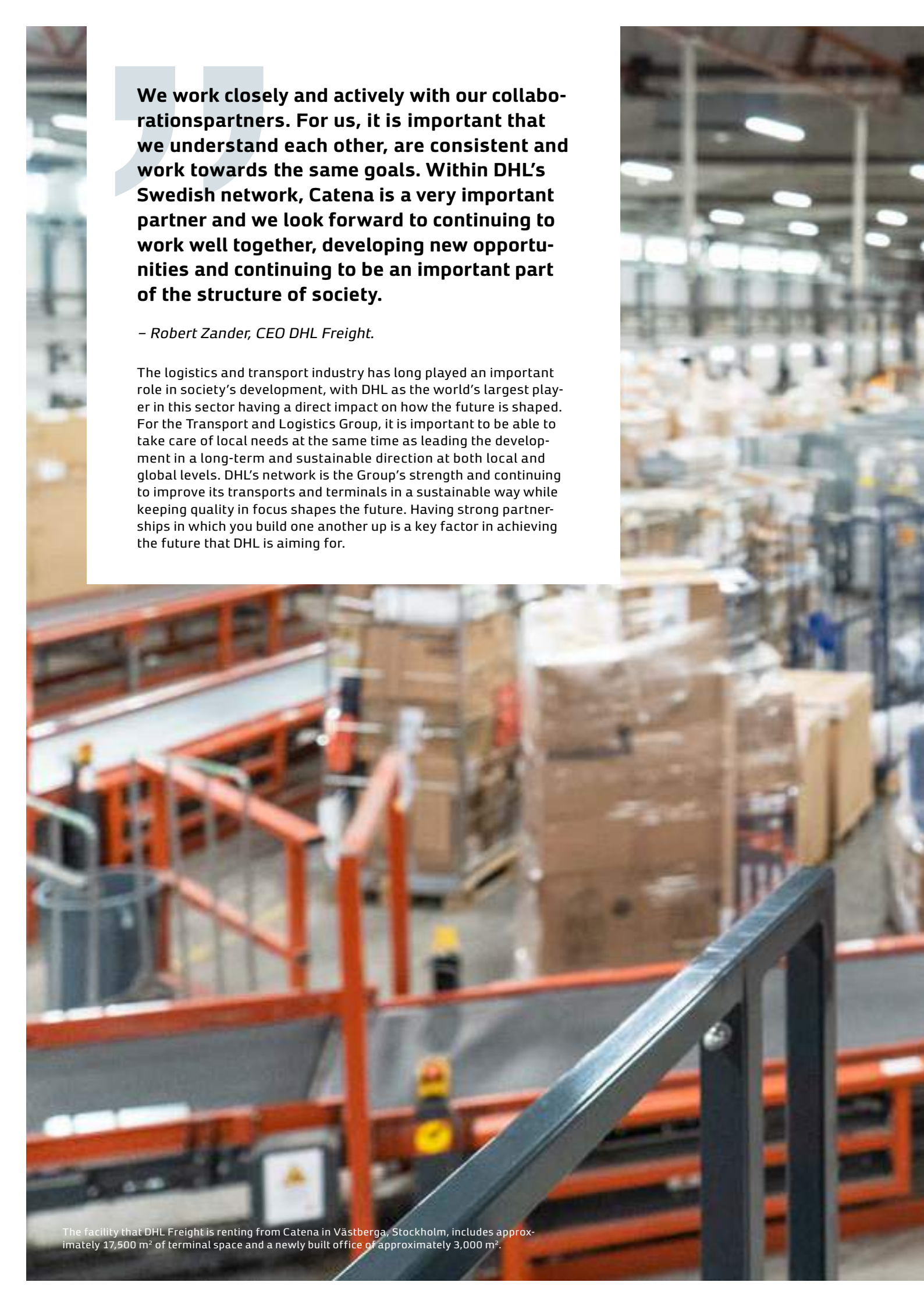
Catena currently enjoys an advantage over its competitors with its industry-leading network of logistics facilities in attractive locations and its significant land reserves. Catena choice to invest in developable sites means it holds a trump card for the future, although peri-urban locations and sites in the metropolitan regions will demand additional innovation. The lack of land for redevelopment means that new solutions are required. Multi-tenant warehouses, in which several logistics companies share space, will increase in number. Older properties can be converted and change function completely or make room for new, better adapted facilities. In urban centres, logistics properties will increasingly be built vertically – or why not underground? The spaces within these properties can also be used better. Today, Catena mainly uses roof surfaces to house photovoltaic cell facilities. Large roof and façade surfaces are, however, assets that may be crucial for more than local energy production, they can also contribute to increased biodiversity, food production, future opportunities for carbon sequestration or leased to other activities located in the facility.

It is reasonable to assume that tomorrow's logistics properties will look different than those of today. It is also reasonable to expect that cooperation and sensitivity will lead to the best solutions. Catena's long-term ownership and customer-oriented development and management is a competitive advantage enabling rapid development.

Towards the future

Future key trends that affect logistics properties revolve around sustainability and forward-looking partnerships where, for example, digitalisation and automation can contribute to entirely new logistics dimensions. The capacity to use spaces intelligently and efficiently is another important success factor.





We work closely and actively with our collaborationspartners. For us, it is important that we understand each other, are consistent and work towards the same goals. Within DHL's Swedish network, Catena is a very important partner and we look forward to continuing to work well together, developing new opportunities and continuing to be an important part of the structure of society.

– Robert Zander, CEO DHL Freight.

The logistics and transport industry has long played an important role in society's development, with DHL as the world's largest player in this sector having a direct impact on how the future is shaped. For the Transport and Logistics Group, it is important to be able to take care of local needs at the same time as leading the development in a long-term and sustainable direction at both local and global levels. DHL's network is the Group's strength and continuing to improve its transports and terminals in a sustainable way while keeping quality in focus shapes the future. Having strong partnerships in which you build one another up is a key factor in achieving the future that DHL is aiming for.

The facility that DHL Freight is renting from Catena in Västberga, Stockholm, includes approximately 17,500 m² of terminal space and a newly built office of approximately 3,000 m².



How Catena generates value

By offering attractive logistics facilities in strategic locations, Catena plays an important role in the development of society and in the logistics of the future – which also generates sustainable value for the company’s various stakeholders.

The business concept explains how the company generates value. “We shall sustainably and through partnerships develop efficient logistics facilities that serve the metropolitan regions of Scandinavia”. Together with our vision of linking Scandinavia’s cargo flows, this demands a customer-focused approach and favourable insights regarding the goods and cargo flows of the future. In a society that requires a more efficient logistics network with smarter transport planning, the properties and their locations have gained greater importance. The continued development of the Company would not be possible without strong cash flows, which therefore represent an overarching objective. The results of the Company’s efforts are reflected in the dividends paid to shareholders – totalling SEK 855 million between 2016 and 2020.

Employees who make a difference – every day

It is when strategies are translated into day-to-day efforts that the Company approaches its vision. It is what happens in the property management operations and the ongoing project development processes that determines Catena’s ability to achieve its objectives. Catena is a value-driven organisation – exceeding expectations, assuming responsibility over time and demonstrating commitment are the fundamental values underpinning all relationships and decisions.

OPERATIONAL TARGETS FROM FOUR STRATEGIC HORIZONS

Catena’s work is guided by clear operational targets based on four strategic horizons (the outcomes of the targets for 2020 are described on pages 8-9).

Property development

Catena wants to grow to be able to deliver additional sustainable and efficient logistics facilities and to offer an even better alternative for customers, investors and employees. Since the outset in 2013, the property volume has increased by a total of 450 percent while financial stability has been maintained.

Profit from property management shall grow by at least 10 percent annually and the Company strives to maintain a strong cash flow, in which profit from property management accounts for at least 50 percent of every krona in income. Our sub-targets state that at least SEK 600 million must be invested in in-house project development. An important strategy in achieving our targets entails continuing to acquire land and properties in existing or envisaged logistics hubs.

► Read more about property development on pages 34–36.



Finance

Within the framework of its finance policy, Catena shall ensure appropriate financing at the lowest possible cost in the short and long term. Three overarching financial targets bring long-term stability to Catena's business model:

- an equity ratio of at least 30 percent – a target that is well balanced given the Company's cash flow.
- The interest-coverage ratio shall not be less than a multiple of 1.75, since this provides a reassuring safety margin in preparation for rising market interest rates and/or a higher vacancy ratio.
- Average debt maturity should be at least 2 years, which safeguards financing over a reasonable period of time, reducing the refinancing risks and safeguarding optimal credit terms for continued financing.

In addition, Catena has determined that the Company should always have at least five providers of credit and should secure green financing for at least 50 percent of the credit volume by 2025.

Sustainability

What Catena delivers should be sustainable over time. Among the sub-targets for 2020, it is stated that the Company shall certify all newly-constructed properties at the Miljöbyggnad Silver standard or equivalent. Calculated in kWh/m², energy consumption should decrease by 15 percent for normal-year-adjusted heating and by 10 percent for electricity in 2025 compared with 2017, all new construction projects should include a photovoltaic cell facility and all energy consumed should be fossil-free by 2030. The combined purpose with all of this is to reduce

Catena's greenhouse gas emissions – an ambition that is further strengthened by the Company's intention to monitor its operations to a greater extent using Science Based Target (in the near future with a particular focus on Scope 3, which is described in greater detail on page 62).

Being an attractive and responsible employer is reflected in high degree of willingness to recommend us and the Company seeks to achieve an eNPS of at least +40 in its annual survey. In addition, all employees are to be afforded equal opportunities for development and should consider their working environment to be safe and stimulating. Equality and diversity are to increase in all professional categories by 2025.

► Read more in our Sustainability Report.

Clients and markets

The objective is for Catena to always receive an enquiry when major logistics facilities need to be established. Good relations and a strong brand are important success factors – the Company strives for increased awareness and seeks to consolidate its position as a leading company in the area of logistics. Catena aims to achieve a market share of at least 15 percent of newly produced logistics space (m²) in Sweden and to achieve an economic occupancy rate of at least 95 percent. A rental period of at least five years is the target when signing new leases. The focus is on innovative and sustainable customers, where Catena, as a long-term, proactive speaking partner, is able to meet the new needs that arise when product flows and customer behaviours change.

► Read more about clients and markets on pages 24–31.

Strategic realignment

Historical	Current	Future
Logistics properties	Efficient, sustainable and adaptable logistics properties	Logistics properties that can be completely adapted to a changing world and that contribute to the development of society by efficiently and sustainably linking Scandinavia's cargo flows
Supplier, property manager, shareholder	Conversation partner regarding the entire logistics chain, as well as regarding suppliers, managers and long-term shareholders	Strategic conversation partner who, through deliveries, property management and long-term ownership helps to optimise the logistics network for customers and society alike
Focus Sweden	Strong position for handling Scandinavian cargo flows	The first choice for Scandinavian and international players when it comes to handling Scandinavian cargo flows

VISION
Linking Scandinavia's
cargo flows



A diversified logistics network

Different logistics properties fulfil distinct tasks in collecting, storing and distributing goods, imposing different demands on the property. Catena offers all types of logistics facilities, interacting in a complex flow. To meet end-customers' demands in terms of on-time delivery, climate footprint and cost, the product should always be optimally positioned in the logistics network. One delivery might proceed directly from a small-scale producer to the end-consumer. To be achievable, another delivery may require a regional distribution centre and city logistics. Yet another delivery may involve terminals, logistics warehouses and distribution centres for delivery six months after the order was placed.

Terminal for immediate transshipment

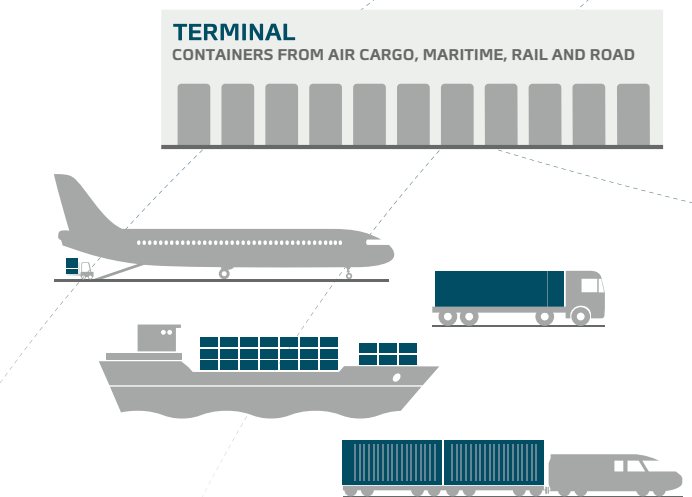
A terminal is primarily designed for the transshipment of cargo and goods that are received and delivered on the same day. Goods arrive there from manufacturers and distributors in Sweden and elsewhere in the world, by sea, air, rail and road. Some are container terminals that are especially well equipped for transferring cargo from one mode of transport to another. The terminals are strategically located near population centres, but, most importantly, with convenient connections to ports, rail routes and major roads. Terminals are often the first establishment at a new logistics location. Terminals are generally operated by one of the major third-party logistics players and several hundred customers may be served by a single terminal.

Logistics warehouses for storage

Logistics warehouses are where goods are placed while awaiting sale and provide a buffer between the customer and the supplier, regardless of whether consumer products or industrial input goods are concerned. Their equipment also differs, from pallet racks to full automation, often with universal systems suited to a number of different products. Logistics warehouses are often located at the producer's facilities or importer's port, or at collection points for one or more units that are placed so that the stages in the logistics chain can be minimised. The logistics warehouse is also generally located adjacent to a terminal. Operations at a logistics warehouse are normally conducted by a single tenant or a small number of tenants, who may be a producer, wholesaler, importer or a third-party operator.

Distribution centre – for onward distribution

A distribution centre is designed to store goods in a central location for a short period before onward transport to retailers in the distribution centre's service region. In particular, this requires good loading and unloading opportunities. Distribution centres are often located along the ring roads encircling population centres or, based

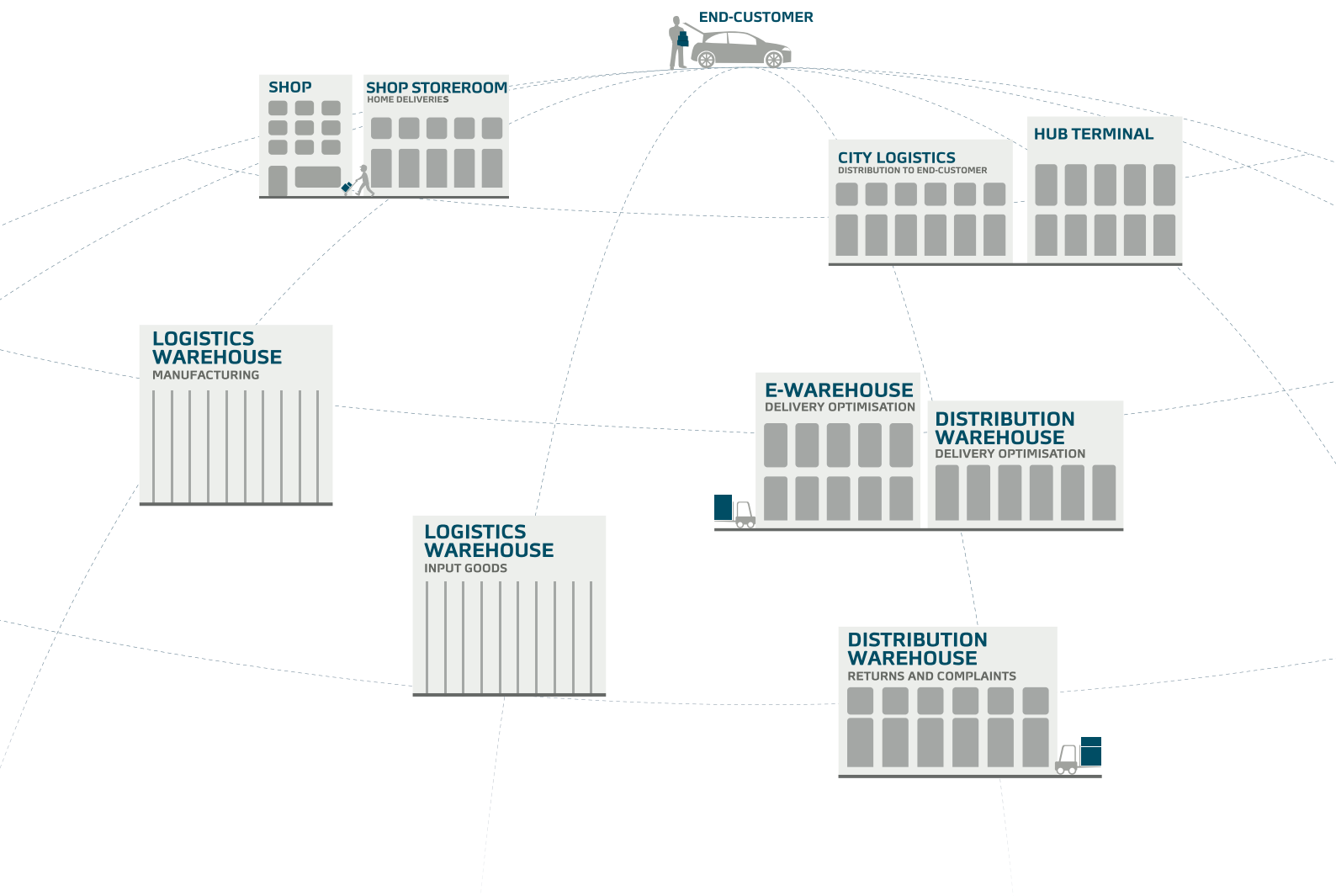


on the nature of the goods, centrally within a region. As a rule, operations are conducted by third-party logistics companies such as DHL, Bring, PostNord and others. E-warehouse is a variant of city logistics that specialises in serving the growing e-commerce segment.

E-commerce warehouses often have equipment for packing goods prior to delivery to distribution points where end users can collect their goods. They can also be centrally located in urban areas or otherwise easily accessible to consumers in order to streamline and improve the supplier's distribution in the last stage – reaching consumers.

Omni warehouses and city logistics

An omni-facility is a hybrid between, for example, a terminal and a logistics warehouse. That means it has the numerous gates characteristic of the terminal and the space required to receive and dispatch incoming and outgoing goods on the same day. However, it also has



the height characteristic of a logistics warehouse, which is needed to cost-efficiently warehouse goods, even over extended periods. An omni facility or an omni warehouse can include virtually any combination of logistics functions required, depending on location and area.

An increasing trend in the trade sector sees centralised warehouses increasingly being supplemented by more decentralised structures. Shops and department stores are equipped with storerooms that act as omni facilities for the immediate vicinity, functioning as warehouses, shop stockrooms and pick-up points for online sales.

What is referred to as city logistics involves facilities specially designed for frequent, fast and short-distance transports of fast-moving consumer goods to retailers or directly to consumers. The peri-urban facilities, are specifically designed to handle different types of goods from multiple suppliers. They are equipped for rational picking because shipments, although small, may consist of several different products from several suppliers. In

this way, shops, which are not seldom situated in expensive locations, can minimise storage space, save costs and tie up less capital. Producers and importers also get their products out to the shops where there is current demand. Smaller hub terminals close to towns and cities are also becoming more common.

Sustainability and demands from end-customers

The logistics network is continuously assessed and developed. Sustainability will be a more obvious part of the offer that refines the network and various sub-offerings. Focus on the efficiency of logistics properties in everything from the environment and energy to automation alongside more deliberate end customers will result in an increased rate of change. Continuous analysis is necessary on Catena's part to be able to optimize the portfolio and offer new solutions that meet needs.

Property management close to customers

Through property management close to customers, Catena creates the right conditions for a profitable property portfolio while helping the Company's customers achieve their business objectives. Always exceeding the customer's expectations and assuming responsibility over time are success factors. Characteristic of Catena are our genuine commitment and our durable relationships.

Tenant services

The Company's extensive and diverse property portfolio makes it possible to regulate space flexibly and in pace with our tenants' development. Through property management close to customers, Catena is able to understand and meet the needs that arise. Catena has a broad expertise in logistics and properties and is able to act as a facilitator in collaboration with a network of specialists in areas including security functions, IT control systems, handling equipment and fully-automated solutions. In this way, Catena is able to help adapt properties to meet new needs.

Efficiency and maintenance

Catena's properties are continuously improved. The tenant should rest assured that the property will be kept in good condition and that control of the property is part of the offering. Sometimes, particularly when it comes to cost or energy efficiency enhancements, the refinement process is initiated by Catena, and sometimes this occurs in collaboration with an existing or new tenant. Through digitalisation and innovative solutions, Catena continuously refines the customer offering in its own operations.

Development through close interaction and long-term commitment

Having a skilled and efficient property management organisation in place in the regions safeguards relations, not only with customers, but also with the local business community and society in general. This makes it possible to respond quickly to the problems that can arise. By always staying one step ahead and challenging customers with regard to existing and new needs, Catena helps its customers achieve their business objectives while seizing new business opportunities. Catena is a long-term partner and the active property administration resulted in the Company continuing to strengthen its customer relations over the year and increasing the number of customers.



Mikael Waldesten,
property manager in Region Helsingborg.



Solsten 1:102, Härryda.

Property development as value driver

Catena is growing through the refinement of existing properties and the establishment of completely new strategic logistics positions. The ambition is to match the tenants' needs – now and in the future.

As of the balance-sheet date, Catena owned and managed 113 properties in strategic locations. They consist both of acquired properties and properties developed in-house, with the objective of at least SEK 600 million annually being devoted to proprietary project development. This provides favourable conditions for being able to grow alongside new and existing customers and, in the long term, generating strong cash flows.

In 2020, Catena invested a total of SEK 969 million (753) in new construction, extensions and renovations. Over the past five years, the Company has invested an average of SEK 687 million annually. On the balance-sheet date, projects were in progress with remaining investments of about SEK 432 million.

Development of existing facilities

As an active and long-term partner, refining existing properties creates competitive advantages and raises the level of quality and earnings capacity of the portfolio. With the right investments, the properties also become more sustainable over time.

Some facilities are developed to offer new functions in pace with shifting flows and purchasing patterns. Older warehouse premises, for example, which are located near urban centres can be modernized to be able to handle city logistics or, in some cases, be converted for completely different purposes (for example to a playground or padel hall). Projects to enhance energy efficiency are another way of developing existing properties that can result in better environmental performance and lower costs. Choosing the right source of heating, installing photovoltaic cells, ensuring more efficient ventilation solutions or switching to lighting with modern LED technology are initiatives that often have a great effect.

The offering is further honed through new construction and extension projects.

Several of Catena's most prominent logistics positions were expanded during the year. Further developing the opportunities offered by existing properties is a priority – this can be achieved by means of building rights or supplementary acquisitions, for example.







Through site development encompassing an entire area, synergies are derived that benefit both Catena and its tenants. In 2020, Logistics Position Sunnanå, outside Malmö, continued to grow, most recently with the addition of an air cargo warehouse of approximately 10,200 m² for DHL Express. An ongoing detailed plan-



ning process for an additional 110,000 m² offers continued potential to develop the area. At Logistics Position Tostarp, alongside the E6 and E4 motorways outside Helsingborg, an 18,300 m² terminal has been completed for PostNord together with an 18,000 m² extension for Nowaste Logistics. A little further north, the E-city Engelholm e-commerce cluster continues to grow with the construction of a new building of approximately 22,800 m² for Boozt, adjacent to its existing building – an investment that consolidates E-city Engelholm as an excellent location for e-commerce.

New situations are also emerging. At a strategic logistics location alongside the E4 in Åstorp, construction has commenced of a new, efficient logistics facility for Seafrigo – an international third-party logistics company that focuses on the handling and storage of food. A new distribution centre of 10,800 m² with a chilled and frozen goods warehouse will be built there. In Malmö, the function of the logistics network will change instead when a property on Lodgatan, close to the port and central station and with easy access to the E6 and E20 motorways, is made available for new construction. The location,

Major projects during the year ¹⁾

Projects	Property	Space, m ² , type	Estimated operating surplus, SEK m	Estimated investment, SEK m	Expended by 31 Dec 2020, SEK m	Completed ²⁾ Letting ratio 31 Dec 2020	Environmental certification
<i>Completed new construction and extensions > SEK 100 million</i>							
PostNord	Plantehuset 3 Mineralgatan 14 Helsingborg	18,300 Terminal	15.7	250	254	1 Aug 2020 100% let	
Nowaste Logistics, extension	Plantehuset 3 Mineralgatan 15 Helsingborg	18,000 Distribution warehouse	9.1	132	113	1 Sep 2020 100% let	
DHL Express	Sunnanå 12:52 Flansbjersv. 14 Burlöv	10,200 Distribution warehouse	10.2	150	141	1 Oct 2020 100% let	
Boozt	Norra Varalöv 31:11 Produktionsv. 10 C Ängelholm	22,800 Logistics warehouses	12.0	193	154	1 Dec 2020 100% let	
Total, completed projects		69,300	47.0	725	662		
<i>New construction and extensions in progress > SEK 100 million</i>							
Multi-tenant warehouse, Part 2 ³⁾	Sunnanå 12:52 Flansbjersv. 17 Burlöv	18,100 Logistics warehouses	15.5	197	186	2021, Q1 100% let	
Seafrigo Nordic	Part of Broby 57:1 Åstorp	10,800 Distribution warehouse	9.0	147	40	2021, Q3 100% let	
Total, ongoing projects		28,900	24.5	344	226		

1) In addition to the larger projects reported in the table, minor projects and adaptations for tenants occur.

2) Catena considers a project to have been completed when receiving a certificate of completion and/or when the tenant makes its first rent payment.

3) With the last premises having been leased, both the estimated investment and the estimated net operating surplus have been adjusted.

Property acquisition

Property designation	Transfer date	Region	Municipality	Space, sq. m.	Property value, SEK M	Rental income/year, SEK M
Lokesvej 18	31 Jan 2020	Malmö	Hilleröd, DK	4,176	96.5	5.8
Kometvej 15	31 Jan 2020	Malmö	Horsens, DK	4,484	79.7	4.2
Magasinet 3	14 Feb 2020	Stockholm	Södertälje	21,240	130.0	12.0
M.P Allerups Vej 61	1 Oct 2020	Malmö	Odense, DK	2,340	58.8	3.5
Magneten 3	13 Oct 2020	Stockholm	Umeå	land	10.0	0.0
Storheden 2:1	17 Dec 2020	Stockholm	Luleå	land	11.2	0.0
Total				32,240	386.2	25.5

Property sales

Property designation	Transfer date	Region	Municipality	Space, sq. m.	Property value, SEK M	Profit, SEK M
Godsvagnen 6	1 Dec 2020	Stockholm	Örebro	19,600	157.0	8.0
Total				19,600	157.0	8.0

adjacent to the urban centre, is undergoing a process of transformation and is well-suited for frequent, fast and short deliveries – perfect for future city logistics.

Catena's objective is to build sustainably over time, with all newly produced properties being certified to at least the Miljöbyggnad Silver standard or equivalent.

Transactions

Catena readily supplements land acquisitions with acquisitions of existing investment properties to achieve long-term and strategic benefits. This may involve growing, establishing operations more quickly in new locations

and broadening the customer base. Established properties with development potential are of interest and could add opportunities for future building rights.

During the year, Catena acquired a total of six properties – Magasinet 3 in Södertälje, Magneten 3 in Umeå and Storheden 2:1 in Luleå, as well as the Danish properties Lokesvej 18 in Hillerød, Kometvej 15 in Horsens and MP. Allerups vej 61 in Odense. With the latter properties, we took another important step into the Danish market. During the year, Catena also signed an agreement to acquire the Åre 92 property in the Municipality of Borås with a completely newly produced logistics facility in



Lokesvej 18, Hillerød, Denmark.
Source: True Market Value.

which the fashion company Nelly.com is a tenant.

One divestment took place during the year. This was the Godsvagnen 6 property in the municipality of Örebro, which was sold to a government player.

Potential projects

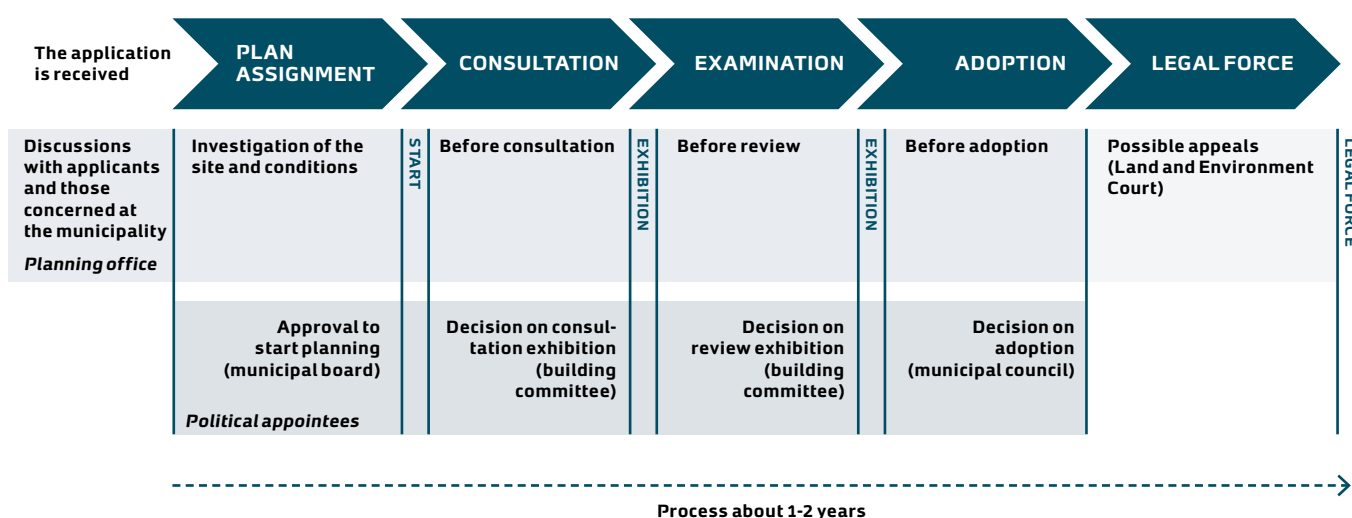
Catena's land reserve is crucial for its opportunities for future development projects and therefore also for the continued development of the entire logistics network. Including land allotments and options, Catena's total potential land bank comprised approximately 5 million m² on the balance-sheet date. Some of the land is wholly owned while some is co-owned with others. Most of the wholly owned land forms part of existing investment properties where operations are already conducted.

The scheduling of projects depends, among other things, on the economic trend, the market situation and the detailed development planning process.

Detailed planning process

An ongoing dialogue with municipalities is a prerequisite for creating future opportunities for development. This implies an opportunity for allocated land to be activated under certain conditions. Sometimes an optional element is included, which is usually associated with pre-determined conditions being met before acquisitions and access can be carried out – it may be that the detailed plan must gain legal force before the transaction takes place or that actors wishing to establish themselves at the site can be presented.

Detailed planning process



Larger potential projects

Area	Municipality	Total land area, m ²	Participation	Forecast, ready-to-build land
<i>Owned/jointly owned (in selection)</i>				
Logistics Position Järna	Södertälje	1,000,000	50%	Q3 2024
Örebro Syd	Örebro	920,000	34%	Q3 2021
Logistics Position Sunnanå	Burlöv	110,000	100%	Q2 2021
Folkestaleden	Eskilstuna	75,000	100%	Immediately
Logistics Position Katrineholm	Katrineholm	50,000	100%	Immediately
Västerslätt	Umeå	62,000	100%	Immediately
Lodgatan, Malmö Hamn	Malmö	40,000	100%	Immediately
Mappen	Linköping	40,000	100%	Immediately
<i>Option</i>				
E-City Engelholm	Ängelholm	850,000		Q2 2022
Stockholm Syd	Nykvarn/Södertälje	450,000		Q4 2021
Logistics Position Tostarp	Helsingborg	420,000		Q1 2023
Tahe	Jönköping	150,000		Q3 2026
<i>Land allocation agreements</i>				
Logistics position Landvetter	Härryda	210,000		Q4 2021
Torsvik Syd	Jönköping	200,000		Immediately

Prominent logistics hubs with development potential

As a result of careful analyses and a knowledge of how goods flow in Scandinavia, Catena identifies areas of potential that may be of particular importance in the logistics network of the future.

Logistics Position Sunnanå

The Öresund region is part of Greater Copenhagen with a significant population base. Outside Malmö, in the Municipality of Burlöv, Logistics Position Sunnanå is situated in best possible location, with a direct exit from main road 11 and just a further 300 metres to the exit from the E6/E20 motorway. Since 2016, Catena has built approximately 74,800 m² of leased storage space in the area. Potential remains to develop the area through an ongoing detailed planning process for an additional 110,000 m² of land with opportunities for logistics premises of a total approximately 55,000 m².



Municipality:
Burlöv

Developable land:
110,000 m²

Forecast, ready-to-build land:
Q2 2021

Terms:
None, detailed development planning in progress

Stockholm Syd

The new logistics hub for the Stockholm region is now emerging between Södertälje and Nykvarn, only 30 minutes from central Stockholm. The location is optimal for managing goods flows and enabling sustainable deliveries that meet the emerging needs in the metropolitan region as trade flows and consumption patterns change. Catena is developing the area together with five other players.



Municipality:
Nykvarn/Södertälje

Developable land:
450,000 m²

**Forecast,
ready-to-build land:**
Q4 2021

Terms:
Detailed development
plan

Logistics Position Landvetter

The area around the Landvettermotet motorway interchange has the potential to become one of the country's foremost logistics hubs. The location is optimal for transshipments of products and goods supplying in part the Gothenburg region and in part the rest of the Nordic region, with nearby access to both the airport and port. Catena's ambition is to build high-profile logistics facilities at site with high demands on the architectural expression and sustainability – one goal is for the buildings to be self-sufficient in heat aided by geothermal energy.



Municipality:
Härryda

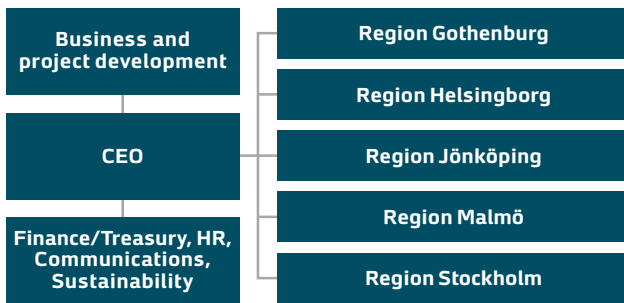
Developable land:
210,000 m²

**Forecast,
ready-to-build land:**
Q4 2021

Terms:
Detailed development
plan

An efficient and value-driven organisation

The position as a leader in logistics properties is attributable largely to the capacity existing throughout the organisation and our capacity to be at our customers' side to develop in parallel with them. Our shared core values always provide the initial motivation.



With only 46 employees, Catena is an efficient organization with very short decision-making paths. The fact that the Company benefits fully from the experiences and skills that exist within the operations and that the business structure is optimal are business-critical factors.

Catena's operations are divided into regional property management organisations. There are also Group-wide functions, including Finance/Treasury and Business Support (encompassing HR, Communications and Sustainability). Management bears the overall responsibility for business development, financial control and performance review. Finance/Treasury is responsible for the continuous reporting that is based on international standards and the Group's financing. The function is also responsible, together with the CEO, for the Group's transactions and communications with the financial markets and society.

Established regional presence and a close partner

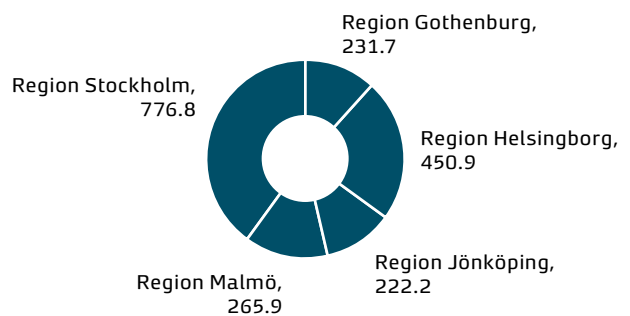
The property management operations are organised into Region Gothenburg, Region Helsingborg, Region Jönköping, Region Malmö and Region Stockholm, in accordance with the geographical location of the properties. The property management function provides service and contact with tenants to identify and resolve problems quickly, but also to develop both customer relationships and properties in the long term. Catena

engages both internal managers, property technicians and external property care takers. The regions are also responsible for the development of Catena's business regionally through contacts with the local business community and the local authorities. In this way, the regions can initiate transactions and development. The regional property management organisations are supported by the central functions. This flexible and customer-oriented business structure affords Catena considerable opportunities to manage its growing portfolio and develop the operations over both the long and short term.

Our core value as the starting point

Catena's growth rate and success depends largely on coordinated teams of employees who work together to achieve established objectives. An important component of the work comprises the shared core values that all employees can use as the starting point for major and minor decisions. Catena works actively with the Company's values and regularly discusses their implications in our day-to-day work.

Catena's regions, lettable space, m² thousands



► See also the regions' development on pages 40-41 and the property list on pages 42-45.

Our core values



Exceeding expectations

We behave professionally in everything we do, large or small, and have the skills needed to meet current and future needs. Based on this, we always go a little further, daring to be innovative.



Taking long-term responsibility

Both our own work environment and society as a whole are affected by how we act and the decisions we make. What we deliver must be sustainable over time – ecologically, socially and financially.



Being committed

We work close to our customers and one another and we are passionate about what we do. At Catena, we believe in having fun at work and we do not fear this joy being contagious – we are happy to share!



2020 – positive development for the properties despite a turbulent world

2020 was the year of the pandemic with many adjustments being made, not least in terms of human health and safety. However, the pandemic’s impact on Catena’s performance was, in general, limited. Catena’s development was strong despite the turbulent times and important key performance indicators, such as rental income, operating surpluses and profit from property management, improved. The positive trend is the result of active project development but also of efficient management and administration. Catena’s strong cash flow provides favourable opportunities for continued growth, both in new facilities, as well as in existing holdings.

► Read more about the effects of Covid-19 and Catena’s response on page 48.

The property portfolio

On 31 December 2020, following transactions and property settlements, Catena’s property portfolio comprised 113 logistics properties (109) located along important transport routes and population centres mainly in southern and central Sweden. The total lettable area was approximately 1,947.5 thousand m² (1,842.7). The total rental value amounted to SEK 1,388.5 million (1,264.8) and contractual annual rental income totalled SEK 1,335.3 million (1,202.0).

► Read more about Catena’s projects on pages 25–31.

► A complete list of properties is given on pages 42-45.

Income and rent

Rental income for the year increased by 7 percent to SEK 1,263.9 million (1,182.9), corresponding to SEK 666 per m² (651) when adjusted for non-recurring effects. Income for the year was affected by compensation for the premature termination of leases in the amount of SEK 14 million, where the vacancy was immediately filled by a new tenant, and reserves for feared credit losses in the amount of approximately SEK 5 million. In comparable

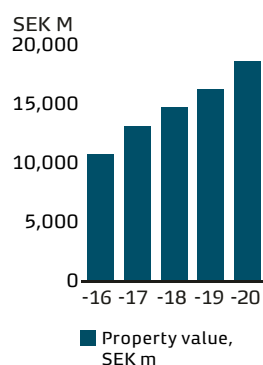
portfolios, rental income, adjusted for non-recurring effects, increased by 1.5 percent compared with the preceding year. The remaining increase in rental income derives from completed projects and the effect of acquisitions. The letting ratio remained stable at 96.2 percent (95.0). This is a result of strategically placed logistics facilities, as well as of focused and active leasing efforts.

Income from contracts with terms of more than three years accounted for close to 67 percent (66) of Catena’s contracted annual rent. This entails stable income with no appreciable variation between periods, except in connection with acquisitions and sales. The average remaining lease period is approximately five years.

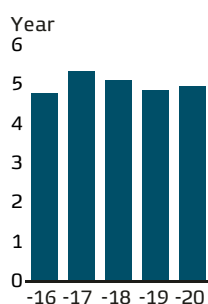
Letting and occupancy

During the year, 68 tenants moved in with newly-signed contracts for a total area of 169,764 square metres. The contract value for new tenancies was SEK 130.7 million (85.6), while that for discontinued tenancies ended up at SEK 47.3 million (62.7) for 66 terminated contracts with a total area of 82,590 square metres. This entails a net increase in new tenancies at a value of SEK 83.4 million (22.9).

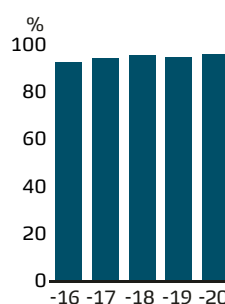
Development of property portfolio



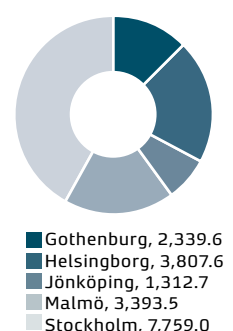
Average contract period



Economic letting ratio



The property portfolio per region, SEK M



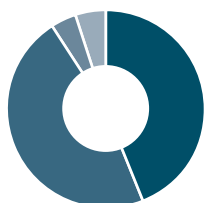
Lease structure

The contract portfolio is long term and tenants consist primarily of large, secure and well-established companies operating in different sectors, such as logistics, transport, and FMCG and durable goods traders. This lessens the risk of losses driven by customers' insolvency. A significant part of the customer base consists of e-commerce companies. Catena's ten largest tenants, several of whom rent premises in several locations, accounted for 46.6 percent (45.3) of the Group's contracted rental income as of 31 December 2020. The leases for these ten tenants have an average term of 5.5 years. As of the closing date, the average remaining lease period remained stable and long, increasing somewhat to 5.0 years (4.9). The table below shows Catena's largest customers. However, it is worth noting that many of the companies are represented by a number of local decision-making units.

► A table showing the maturity structure of the leases is presented on page 99, in Note 4 Rental income.



Client categories, %

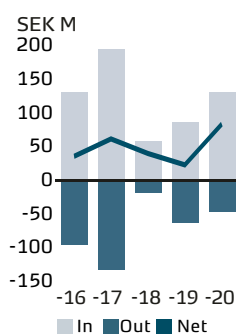


■ Logistics companies, 44
■ Trading companies, 47
■ Industrial companies, 4
■ Others, 5

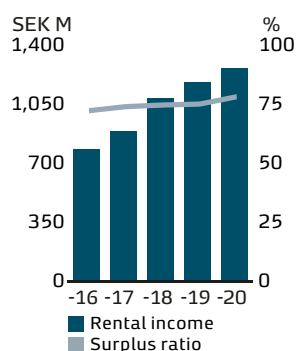
Catena's ten largest shareholders as at 31 December 2020

1. DHL
2. PostNord
3. ICA Fastigheter
4. Martin & Servera
5. Boozt
6. Nowaste Logistics
7. Dagab
8. Intervare
9. Alwex Lager & Logistik
10. Menigo Food Service

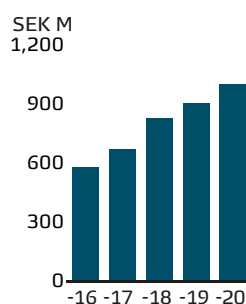
New tenancies/
vacancies



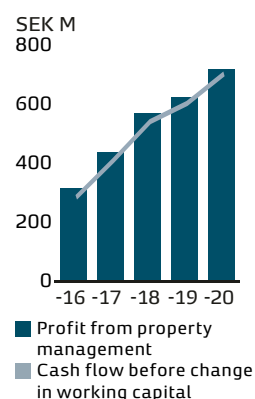
Rental income and
surplus ratio



Net operating surplus



Profit from property
management and cash
flow before changes in
working capital



Net operating surplus and surplus ratio

The net operating surplus – rental income less property expenses and property administration, rose by 11 percent over the year to SEK 1,003.8 million (902.8). This is primarily a result of the increased space, the stable letting ratio and efficiency improvements, not least in the area of energy. Among other things, Catena has continued to invest in energy-saving technology, more sustainable heating and better lighting and ventilation systems. Property expenses decreased by 7 percent to SEK 260.1 million (280.1), corresponding to SEK 137 per m² (154). Planned maintenance has to some extent been postponed due to tenants having limited access to premises to limit the spread of Covid-19. In summary, the surplus ratio increased from 76.3 to 79.4 percent. There are seasonal variations in the operation and maintenance of properties. Very cold winters or an unusually hot summer can entail increased expenses. These variations are offset to some extent through onward invoicing of expenses to tenants.

Profit from property management

Profit from property management, the carrying amount with reversals of changes in value and tax, increased compared with the previous year by SEK 91.8 million, or 15 percent, to SEK 718.6 million (626.8). The primary reason for the improved profit from property management is an increased operating surplus.

Profit from property management was also affected by an increase in financial expenses over the year from SEK 228.2 million to SEK 239.5 million as a consequence of increased borrowing. Compared with 2019, Catena lowered its average interest rate by 0.3 percentage points to 2.3 percent (2.6).

► Read more about financing on pages 49–51.

Profit for the year

Profit for the year increased by 25 percent to SEK 1,527.1 million (1,223.8), which was SEK 303.3 million higher than for the preceding year. Changes in the value of properties were SEK 367.6 million higher than in the preceding year. The realised change in the value of properties amounts to SEK 8.0 million as a result of the sale of Godsvagnen 6. The unrealised change in the value of derivatives amounted to SEK 38.1 million on the balance-sheet date. This is due to an increase in market interest rates on maturities corresponding to our interest rate derivatives. The unrealised changes in value are of an accounting nature and do not affect cash flow.

In 2018, the Riksdag (Swedish Parliament) adopted new tax rules for the corporate sector, entailing among other things, a reduction in corporate tax in two steps to 21.4 percent as of 2019 and to 20.6 percent as of 2021. The deferred tax for the year can be realised in 2021 at

the earliest and has therefore been reported at the lower tax rate.

► Read more about profit for the year on pages 88–126. Financial information.

Development of property portfolio

Catena's real estate portfolio has gradually been developed with more modern logistics facilities and developable land with an increased potential for further improvement in profit from property management.

Acquisitions

Over the year, Catena acquired six properties, three of which are situated in Denmark and three in Sweden. All in good logistics locations with potential for good cash flow, at a combined value of SEK 388.8 million.

Investments

Ongoing investments have been made in new construction, remodelling and extensions at existing properties for SEK 969.1 million. Catena has completed projects corresponding to a total of approximately 105,000 m².

PostNord has moved into its new 18,300 m² terminal at the Plantehuset 3 property at Logistics Position Tostarp, in Helsingborg, and the extension expanding Nowaste Logistics' large warehouse from 30,400 m² to 48,500 m² is now in full operation.

In Ängelholm, E-City is being expanded with a new 22,800 m² building where Boozt has now moved in.

At Logistics Position Sunnanå, outside Malmö, DHL Express has moved into its new 10,200 m² air cargo warehouse, and completion of the final premises in the second multi-tenant warehouses is currently in progress. Although the logistics position has now been fully let, detailed development planning for additional land at the site is in full swing.

Disposals

During the year, a property in Region Stockholm was sold for SEK 157.0 million, generating a capital gain of SEK 8.0 million.

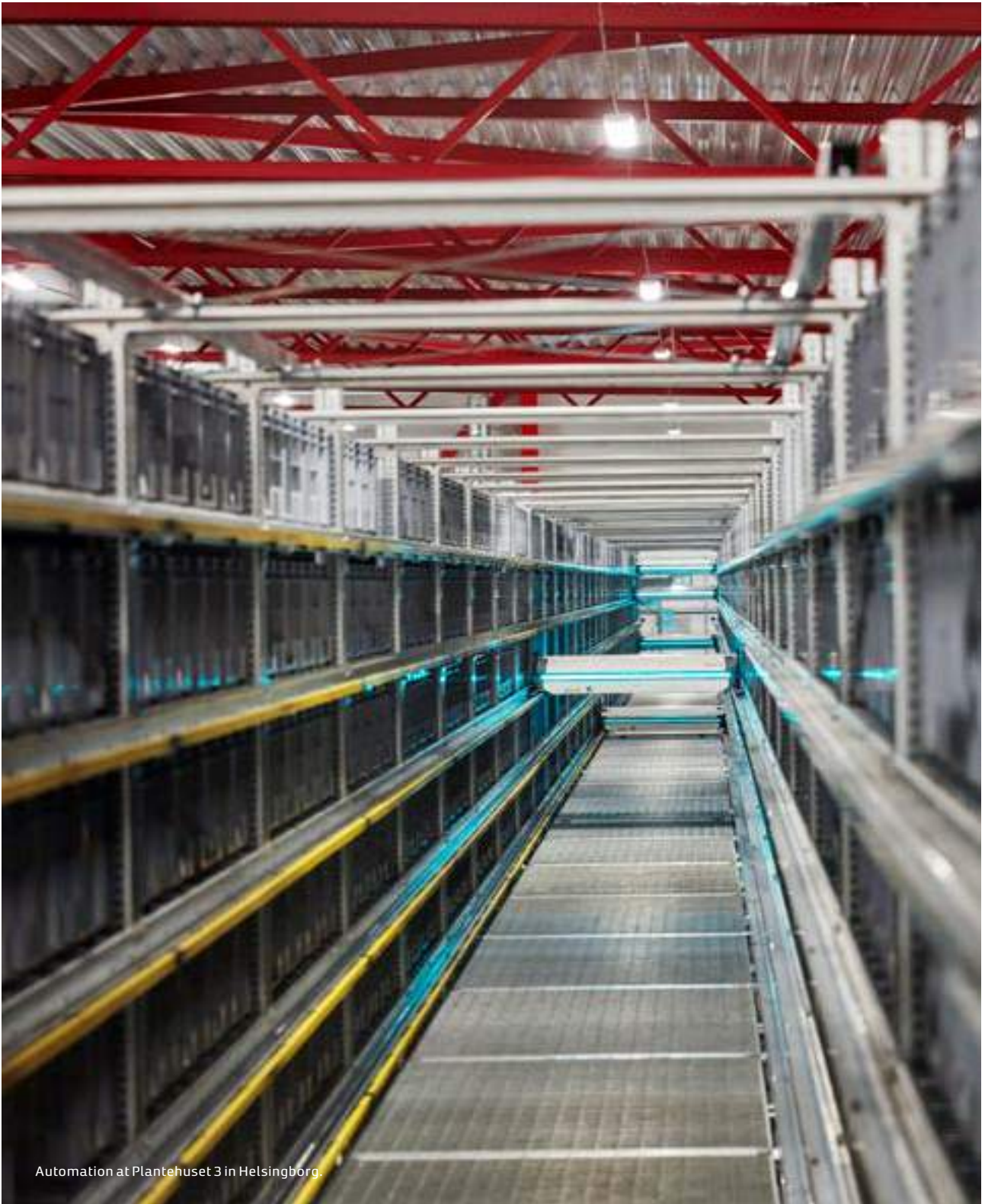
► Read more on property valuation on page 39.

Unrealised changes in value

Unrealised changes in value of Catena's properties have arisen as a result of a lower yield requirement, coordination, well-executed projects and good property management and amounted to SEK 1,158.8 million in 2020. This corresponds to 7 percent of the value before adjustment.

Related party transactions

This year's earnings include minor related-party transactions with Hansan AB and Evidens BLW AB.



Automation at Plantehuset 3 in Helsingborg.

Current earnings capacity

Earnings capacity		
SEK M	31 Dec 2020	31 Dec 2019
Rental income	1,314.8	1,208.9
Property expenses	-300.2	-276.0
Net operating surplus	1,014.6	932.9
Central administration	-36.5	-36.4
Share of profit of associates	-5.0	-5.0
Net financial items	-226.0	-223.4
Ground rent	-9.9	-9.8
Profit from property management	737.2	658.3
Tax for the year	-151.9	-140.9
Profit for the year	585.3	517.4
Key share data		
Profit for the year, SEK per share	15.5	13.7
Number of shares outstanding, millions	37.7	37.7

In the table, Catena presents its earnings capacity on a 12-month basis. As the table is not equivalent to a forecast, but is intended to reflect a normal year, actual outcomes may differ because of decisions that affect the outcome positively as well as negatively in relation to normal years, like unforeseen events. The presented earnings capacity does not include any assessment of changes in rent, vacancy or interest rate. Catena's Income Statement is also affected by changes in value and changes in the property portfolio as well as changes in the value of derivative instruments. None of this has been taken into account in the current earnings capacity. The net operating surplus is based, at the balance-sheet

date, on contracted leases and normalised property costs for the current portfolio. Financial expenses are based on Catena's average interest rate level including hedges for current loan debt less capitalized interest in normal project volume. The tax is calculated on a conventional basis according to the tax rate at any given time.

Yield		
%	31 Dec 2020	31 Dec 2019
EPRA NIY (initial yield)	5.5	5.8
EPRA "topped-up" (normalised yield)	5.7	6.1

Catena presents a direct yield here in the form of "Net Initial Yield (NIY)" and "topped-up" Net Initial Yield in accordance with EPRA's definitions. Both key figures are calculated on the basis of Investment properties according to the consolidated balance sheet plus addition of ownership of investment properties in joint ventures and after deductions for development land and projects not yet completed. Net initial yield (NIY) is based on contractual annual rent for properties in Catena's own portfolio as well as our share of contractual annual rent in properties owned by joint ventures after deduction of initial discounts. From these annual rents, deductions are made for expected operating and maintenance expenses and property administration. The net operating surplus calculated in this way differs from current earnings capacity mainly because contracted annual rent and expenses for projects not yet completed are not included.

In the calculation of EPRA "topped-up" NIY, contracted annual rent is used without deduction of initial discounts.

Property valuation

Precision, clear guidelines and well-functioning procedures engender conditions for fair valuation of assets.

A proven valuation model

Like most listed property companies, Catena has opted to recognise its investment properties at fair value, in accordance with IAS 40. Catena performs quarterly internal valuations of all of its investment properties. The internal valuation is used to determine the fair values recognised in the Balance Sheet. The valuation is based on a six-year cash-flow model for each individual property. The model is based on actual income and expenses, adjusted for a normalised future earnings capacity in terms of both income and expenses.

When assessing the future earnings capacity, factors taken into account include the expected changes in the rent level based on the current rent of the individual lease compared with the market rent for each date of maturity, and changes in letting ratio and property costs. The yield value has then been calculated in a cash-flow statement per property.

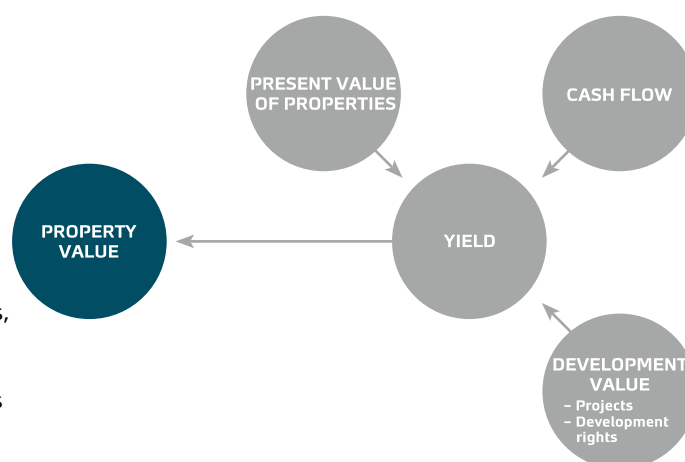
The yield value includes the value of the assessed future payment flows over the next five years and the present value of the assessed value of the property in five years' time. The yield value has then been adjusted for the value of on-going projects and land with unutilised development rights.

Significant variables

The parameters that significantly impact the value of a property are the discount rate and its development. Assumptions including interest rates, debt/equity ratio, inflation assumptions, the required return on paid-in capital, property location, tenant structure, etc. are included in the discount rate.

The operating surplus reflects how the market views the corresponding properties' income and expenses at the time of valuation. A change of +/-1 percent in these parameters impacts the estimated fair value.

Other corrective parameters are the property's development potential in the form of, for example, development rights.



Sensitivity analysis

Change	Impact	
	+1%	-1%
Discount rate, SEK M	-2,795	3,764
Assumed annual rent development, SEK M	857	-968

Changes in value of investment properties

To verify the internal valuations, external valuations of a selection of the Company's properties are also carried out.

During the year, Cushman & Wakefield valued approximately 59 percent of the portfolio, representing a value of SEK 11 billion.

A certain discrepancy is permitted between the internal valuation and the fair value before the fair value is adjusted. The discrepancy should be within a range controlled by a permitted discrepancy from the established yield requirement of +/-0.25 percent.

Only when the deviation exceeds or falls short of this range is the fair value adjusted. This discrepancy is accepted since there is always an element of uncertainty in the estimated value.



Catena's property management operations are adapted to the properties' geographic locations in five regions: Stockholm, Gothenburg, Jönköping, Helsingborg and Malmö.

The regions are responsible for service and contacts with the tenants, thereby enabling them to quickly identify and resolve problems, but also to assess opportunities for developing customer relationships and premises alike. Catena engages internal managers, as well as property technicians and external property care takers.

The regions are also responsible for the development of Catena's business regionally through contacts with local businesses and authorities. This allows the regions to initiate transactions and development.

Regional development

GOTHENBURG



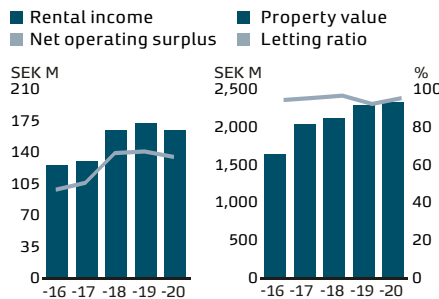
Contacts
Jonas Arvidsson, Regional Manager, Gothenburg
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Comments on 2020

- During the year, an agreement was signed for the acquisition of the Åre 92 property with 38,300 m² of space. The tenant for the property is online fashion company Nelly.com, which holds a ten-year lease.
- During the year, work was intensified on the development of the motorway interchange area adjacent to Landvetter Gothenburg Airport.
- A new 15-year agreement was signed with Padel of Sweden for the Bulten 1 property in Kungälv.
- During the year, the remodelling of the Klarinetten 1 property in Mölndal was completed for the tenant Leo's playground.

Priorities in 2021

- Continued focus on the detailed development plan and customer processing for the land area at the Landvetter Airport motorway interchange.
- Continued focus on land acquisition.
- Intensified work to fill vacancies at the Vindtunneln 2, Bulten 1 and Solsten 1:102 properties.
- Focus on renegotiating leases and possible projects in connection with this.



Key data	2020	2019	Change, %
Surplus ratio, %	84.7	84.4	0.4
Contractual annual rent, SEK M	170.3	164.1	3.8
Rental value, SEK M	174.1	173.2	0.5
Profit from property management, SEK M	107.7	113.2	-4.9
Lettable area, thousand m ²	231.7	231.2	0.2
No. of properties	15	15	0.0
No. of contracts	45	46	-2.2

HELINGSBORG



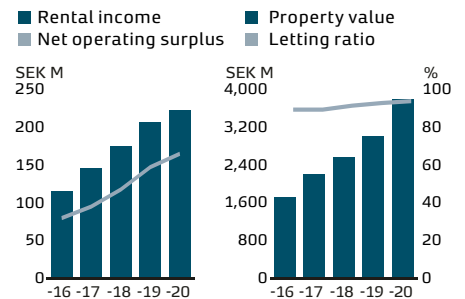
Contacts
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Comments on 2020

- Three major new construction projects were completed in the region in 2020. At Logistics Position Tostarp, Nowaste Logistics' warehouse (18,100 m²) was expanded and Post-Nord moved into its new terminal (18,300 m²). In E-city, Ängelholm, a new building was completed for Boozt (21,900 m²).
- An agreement was signed for the new construction of a chilled/frozen goods warehouse for Seafrigo in Åstorp (10,800 m²).
- Catena's eight-storey office building Vångagårdet became fully let during the year with new leases being signed.

Priorities in 2021

- Completion of Seafrigo's chilled/frozen goods warehouse, with the tenant expected to move in during May 2021.
- Facilitate further expansion for Boozt in Ängelholm by preparing a new terminal.
- Further intensify the process of finding new land to acquire.
- Commence detailed planning work at Hästhagen, Helsingborg.
- Develop the Köpingegården site, for which a new implementation plan was approved in 2020.
- Commence construction of a new warehouse at the Ättekulla industrial area.



Key data	2020	2019	Change, %
Surplus ratio, %	76.5	73.9	3.5
Contractual annual rent, SEK M	262.8	217.0	21.1
Rental value, SEK M	273.3	228.0	19.9
Profit from property management, SEK M	128.4	113.0	13.6
Lettable area, thousand m ²	450.9	391.7	15.1
No. of properties	23	23	0.0
No. of contracts	129	128	0.8

JÖNKÖPING



Contacts

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jonas.arvidsson@catenafastigheter.se

Comments on 2020

- The major remodelling project at Fröträdet in Växjö has now been completed.
- The expansion of the Tahe property in Jönköping for Procurator has now been completed (12,600 m²).
- In Jönköping, extensive efforts were conducted to support smaller-scale tenants due to the effects of Covid-19.

Priorities in 2021

- Focus on renegotiating leases and possible projects in connection with this.
- Focus on detailed planning work and processing of potential customers for the Hyltena site in Torsvik.
- Develop future plans for the Fröträdet property in Växjö seek support for these internally and externally.
- Initiate an expansion project at the Lagret 4 property in Nässjö.

MALMÖ



Contacts

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Comments on 2020

- At Logistics Position Sunnanå, the air freight warehouse for DHL Express (10,200 m²) was completed and certified in accordance with the Miljöbyggnad Silver environmental building standard.
- Increased space for Mathem/Fruktbudet at the Tågarp16:17 property.
- The second multi-tenant warehouse (18,000 m²) in Sunnanå was fully let during the year.
- Catena took possession of three new logistics facilities in Denmark with PostNord as the tenant.
- A terminal for DHL Freight (Sweden) AB was expanded (1,800 m²), at Logistics Position Sunnanå.

Priorities in 2021

- Continued efforts to develop land at Logistics Position Sunnanå. Detailed development plan adopted in 2020, although the decision is now under appeal.
- Environmental certification of several buildings.
- Install photovoltaic cells at the Tågarp 16:17 property and assess similar opportunities at several other properties.
- Initiatives for continued growth in Denmark.
- Develop existing land on Lodgatan, in the Östra Hamnen district of Malmö (demolition commenced in 2020).

STOCKHOLM



Contacts

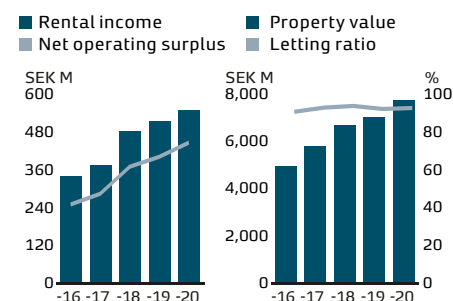
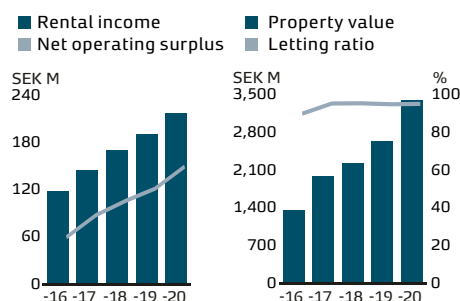
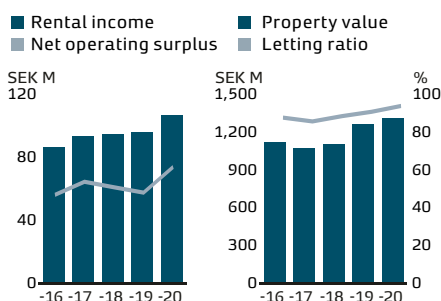
Tobias Karlsson, Regional Manager, Stockholm
tobias.karlsson@catenafastigheter.se

Comments on 2020

- An agreement was signed for the new construction of a warehouse (38,000 m²) for Babyland in Morgongåva.
- New construction of a chilled/frozen goods terminal (4,500 m²) for Kyl- och Frys Expressen in Luleå.
- Acquisition of land at the Magneten 6 property in the Västerslätt area of Umeå.
- A new six-year agreement was signed with Dagab for the Frukthallen 3 facility in Årsta, with an area of 10,000 m² (converted into a modern logistics facility with photovoltaic cells and geotechnics).
- A new seven-year agreement was signed with the online pharmacy Meds (5,600 m²).
- Extend the lease with Ica in Borlänge by eight years and extend the facility by 5,000 m².
- Continued efforts to lease vacant premises in northern Sweden, with new customers including Linjegods and Instabox.

Priorities in 2021

- Commence a new construction project or major extension during the year.
- Increase the surplus ratio through active efforts to fill vacancies, through investments and by optimising the property management work.
- Continued planning work regarding Stockholm Syd with construction possibly commencing in 2022.



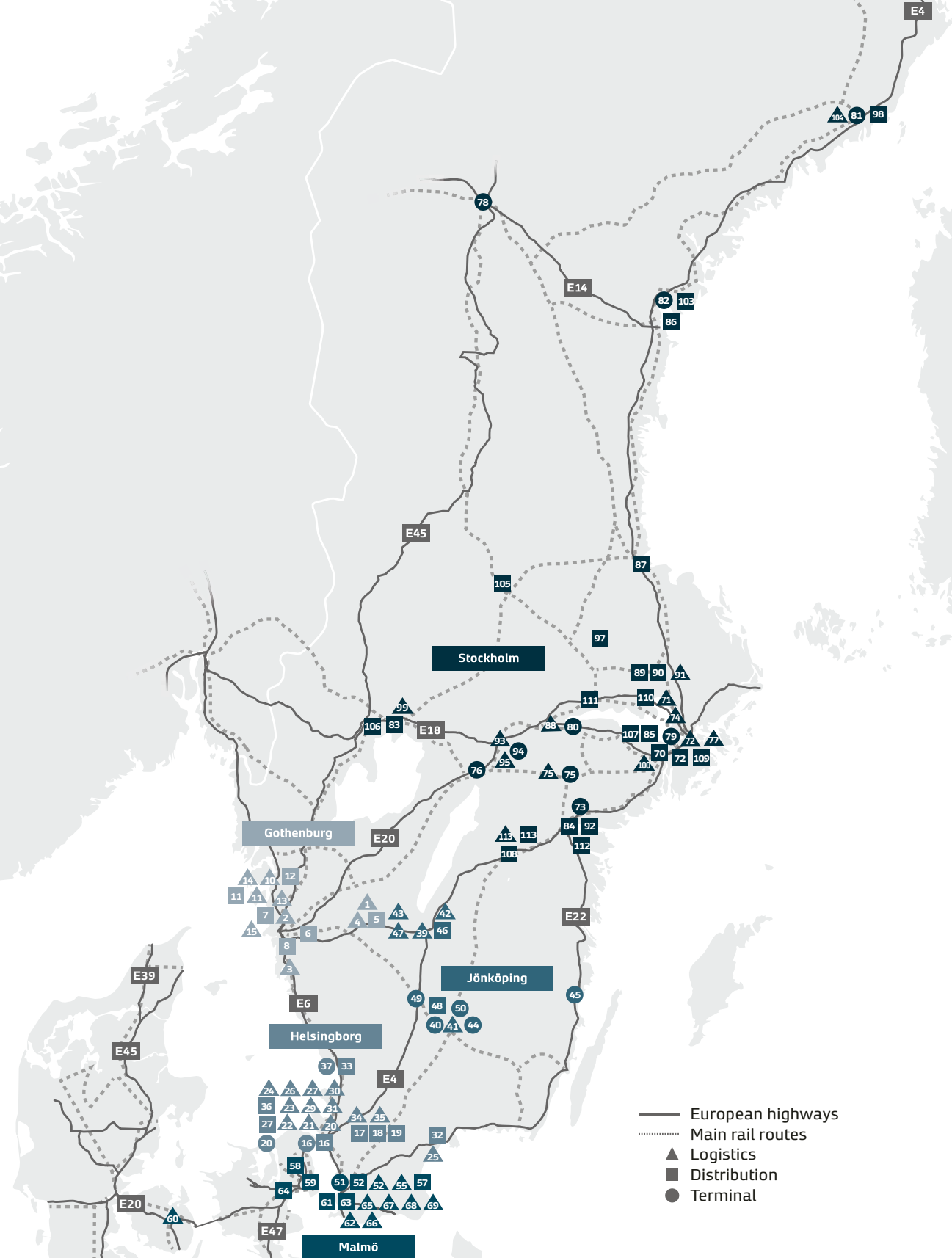
Key data	2020	2019	Change, %
Surplus ratio, %	71.8	62.9	14.1
Contractual annual rent, SEK M	121.3	109.4	10.9
Rental value, SEK M	126.0	117.4	7.3
Profit from property management, SEK M	59.1	43.8	34.9
Lettable area, thousand m ²	222.2	209.6	6.0
No. of properties	12	12	0.0
No. of contracts	63	66	-4.5

Key data	2020	2019	Change, %
Surplus ratio, %	71.3	66.5	7.2
Contractual annual rent, SEK M	232.5	198.4	17.2
Rental value, SEK M	238.8	204.2	16.9
Profit from property management, SEK M	112.5	85.1	32.2
Lettable area, thousand m ²	265.9	245.4	8.4
No. of properties	19	17	11.8
No. of contracts	55	60	-8.3

Key data	2020	2019	Change, %
Surplus ratio, %	83.7	80.7	3.7
Contractual annual rent, SEK M	548.4	513.1	6.9
Rental value, SEK M	576.3	542.0	6.3
Profit from property management, SEK M	354.9	310.2	14.4
Lettable area, thousand m ²	776.8	764.8	1.6
No. of properties	44	42	4.8
No. of contracts	184	140	31.4

List of properties

By region at 31 December 2020



- European highways
- Main rail routes
- ▲ Logistics
- Distribution
- Terminal

Property	Postal address	Address	Value-year	Taxable value, SEK T	Rental value, SEK T	Type, square metres					Total
						Contractual rent, SEK T	Logistics warehouse	Distribution Terminal	Other		
Gothenburg											
1 Vindtunneln 1	Borås	Vevgatan 18	2002	74,901	10,459	10,459	16,897	0	0	0	16,897
2 Backa 97:10	Hising Backa	Exportgatan 43, 45	1979	57,901	10,240	10,240	13,983	0	0	0	13,983
3 Varla 6:15	Kungsbacka	Kabelgatan 5	1980	88,611	16,033	15,936	24,932	0	0	0	24,932
4 Vindtunneln 2	Borås	Segloravägen 6	2006	80,200	8,345	8,345	16,391	0	0	0	16,391
5 Källbäckstryd 1:408	Brämhult	Tvinnargatan 17	1990	5,111	580	580	0	1,247	0	0	1,247
6 Björrod 1:205	Landvetter	Västra Björrods- vägen 4	2018	26,927	6,364	6,364	0	3,380	0	0	3,380
7 Backa 23:2	Hising Backa	Exportgatan 20 A	2006	33,600	5,538	5,538	0	3,984	0	0	3,984
8 Generatorm 11	Möln dal	Aminogatan 32 C	2006	13,545	2,820	2,820	0	1,995	0	0	1,995
9 Klarinetten 1	Möln dal	Arnegårdsgatan 12	2007	25,800	5,579	5,579	0	0	0	4,257	4,257
10 Muttern 6	Kungälv	Bilgatan 25	2010	49,870	5,049	5,049	8,000	0	0	0	8,000
11 Backa 23:5	Hising Backa	Exportgatan 14-16	2013	49,263	17,636	17,636	7,670	7,659	0	0	15,329
12 Fördelaren 1	Kungälv	Truckgatan 15	1979	264,733	33,224	33,224	0	54,000	0	0	54,000
13 Bulten 1	Kungälv	Bultgatan 27	1997	90,344	16,080	12,348	23,090	0	0	0	23,090
14 Solsten 1:102	Mölnlycke	Fibervägen 2-8	1987	118,298	33,757	33,757	42,437	0	0	0	42,437
15 Backa 23:9	Hising Backa	Exportgatan 20 B	2009	16,683	2,441	2,441	1,824	0	0	0	1,824
Total, Region Gothenburg				995,787	174,146	170,316	155,224	72,265	0	4,257	231,746
Helsingborg											
16 Plantehuset 3	Helsingborg	Mineralgatan 15, 17,14, 12	2018	129,631	54,214	54,214	0	59,545	18,300	0	77,845
17 Remmen 1	Åstorp	Ji-Te gatan 9/ Persbogatan 1, 3	1985	14,346	3,784	3,110	0	6,782	0	0	6,782
18 Lejonet 6	Åstorp	Bangatan 7	1973	3,068	973	973	0	1,785	0	0	1,785
19 Lejonet 7	Åstorp	Bangatan 9 A	1995	9,566	1,951	1,951	0	3,624	0	0	3,624
20 Köpingegården 1	Helsingborg	Trintegatan 10, 13, 15	2004	122,991	26,540	26,540	14,403	0	24,522	0	38,925
21 Kopparverket 11	Helsingborg	Stormgatan 11	2007	114,400	7,606	7,606	26,600	0	0	0	26,600
22 Plantehuset 2	Helsingborg	Mineralgatan 11	2011	13,607	4,211	4,211	4,694	0	0	0	4,694
23 Hästhagen 4	Helsingborg	Landskronav. 5, 7/ Rännarbanan 30	2005	89,915	28,612	24,830	50,823	0	0	0	50,823
24 Förmannen 4	Ängelholm	Transportgatan 13	1993	63,871	12,620	12,620	22,241	0	0	0	22,241
25 Misteln 1	Åhus	Täppetleden 1	2011	9,332	1,545	1,545	1,900	0	0	0	1,900
26 Rebbelberga 26:37	Ängelholm	Framtidsgatan 3	2007	60,936	9,258	9,258	15,960	0	0	0	15,960
27 Norra Varalöv 31:11	Ängelholm	Produktionsvägen 10 m.fl.	2017	153,320	51,579	51,579	66,705	14,545	0	0	81,250
28 Kärra 1:23	Ängelholm	Helsingborgsvägen 528	1929	1,296	168	168	0	0	0	200	200
29 Norra Varalöv 31:5	Ängelholm	Produktionsvägen 11	2011	7,908	1,897	1,897	4,056	0	0	0	4,056
30 Rebbelberga 26:38	Ängelholm	Framtidsgatan 5	1998	3,873	765	765	849	0	0	0	849
31 Vångagården 20	Helsingborg	Landskronavägen 23, 25 A and B	1974	94,954	25,817	20,432	25,690	0	0	0	25,690
32 Arnulf Överland 1	Kristianstad	Estrids väg 2	1997	6,288	1,004	1,004	0	2,236	0	0	2,236
33 Konen 5	Halmstad	Kristinehedsvägen 16	2011	5,082	1,120	1,120	0	727	0	0	727
34 Hammaren 1	Klippan	Stackarpsvägen 8	1977	23,357	5,666	5,013	18,456	0	0	0	18,456
35 Hammaren 2	Klippan	Stackarpsvägen 10	2002	68,550	16,883	16,883	32,550	0	0	0	32,550
36 Bunkagården Mellersta 2	Helsingborg	Bunkagårdsgatan 5	Spec.	0	12,976	12,976	0	28,250	0	0	28,250
37 Fräsaren 12	Halmstad	Fräsaregatan 6	Spec.	0	4,066	4,066	0	0	5,435	0	5,435
38 Bunkagården Mellersta 1	Helsingborg	Bunkagårdsgatan 1	Land	10,200	0	0	0	0	0	0	0
Total, Region Helsingborg				1,006,491	273,255	262,762	284,927	117,494	48,257	200	450,878

Property	Postal address	Address	Value year	Taxable value, SEK T	Rental value, SEK T	Contractual rent, SEK T	Type, square metres				Total
							Logistics warehouse	Distribution	Terminal	Other	
Jönköping											
39 Barnarps-Kråkebo 1:44	Jönköping	Möbelvägen 39	1991	115,446	13,459	13,459	34,126	0	0	0	34,126
40 Lagret 1	Nässjö	Terminalgatan 6	2004	66,224	21,289	21,289	0	0	24,404	0	24,404
41 Lagret 4	Nässjö	Terminalgatan 6	2016	44,595	5,574	5,574	9,252	0	0	0	9,252
42 Tahe 1:64	Taberg	Målövägen 2	1980	97,854	19,526	19,067	41,800	0	0	0	41,800
43 Barnarps-Kråkebo 1:56	Jönköping	Stolsvägen 2	2001	22,156	2,914	2,914	4,030	0	0	0	4,030
44 Postiljonen 1	Växjö	Nylandavägen 2	Spec.	17,477	6,311	6,311	0	0	6,702	0	6,702
45 Däcket 1	Oskarshamn	Lövgrensvägen 4	Spec.	0	1,389	1,389	0	0	2,908	0	2,908
46 Älghunden 3	Jönköping	Mutternvägen 3	1983	17,047	2,368	2,368	0	3,738	0	0	3,738
47 Ätthögen 2	Jönköping	Herkulesvägen 56	1987	37,600	5,943	5,881	8,709	0	0	0	8,709
48 Fröträdet 1	Växjö	Högsbyvägen 3 / Stora Råppevägen 62	1990	158,751	36,265	32,090	0	68,580	0	0	68,580
49 Rockan 2	Värnamo	Torpvägen 2	Spec.	0	5,442	5,442	0	0	9,729	0	9,729
50 Smeden 1	Växjö	Ljungadalsgatan 10	Spec.	0	5,504	5,504	0	0	8,210	0	8,210
Total, Region Jönköping				577,150	125,984	121,288	97,917	72,318	51,953	0	222,188
Malmö											
51 Sunnanå 12:51	Arlöv	Flansbjersvägen 10 and 12	Spec.	0	22,181	22,181	0	0	18,794	0	18,794
52 Sunnanå 12:52	Arlöv	Flansbjersvägen 13-18	2018	148,200	51,269	51,269	8,362	47,675	0	0	56,037
53 Sunnanå 1:20 & 1:21	Arlöv	Tullstorpsvägen 110	Land	8,309	1,100	1,100	0	0	0	0	0
54 Sockret 4	Malmö	Lodgatan 9-13/ Tånggatan 4	Land	45,542	0	0	0	0	0	0	0
55 Tågarp 16:22	Arlöv	Företagsvägen 14	1974	31,400	7,107	7,075	9,849	0	0	0	9,849
56 Sunnanå 5:16	Arlöv		Land	1,581	24	24	0	0	0	0	0
57 Morup 5	Malmö	Kosterögatan 12-14	Spec.	0	18,595	13,873	0	24,931	0	0	24,931
58 Lokesvej 18	Hilleröd	Lokesvej 18		0	5,213	5,213	0	4,176	0	0	4,176
59 Kometvej 15	Hellerup	Kometvej 15		0	4,149	4,149	0	4,484	0	0	4,484
60 Allerups Vej 61	Odense	M.P Allerups Vej 61		0	3,479	3,479	2,340	0	0	0	2,340
61 Bronsringen 1 & 3	Oxie	Bronsgjutaregatan 4	2008	54,000	8,710	8,710	0	5,510	0	0	5,510
62 Terminalen 1	Trelleborg	Terminalsgatan 2	1971	57,400	11,431	11,082	24,292	0	0	0	24,292
63 Tågarp 16:17	Arlöv	Lagervägen 4	1978	159,946	41,702	40,837	0	47,682	0	0	47,682
64 Kornmarksvej 1	Bröndby	Kornmarksvej 1		0	46,447	46,447	0	47,121	0	0	47,121
65 Slätthög 6	Malmö	Olsgårdsgatan 8 B	2014	25,317	2,896	2,896	3,158	0	0	0	3,158
66 Tankbilen 9	Trelleborg	Godsvägen 9	2008	35,821	5,665	5,665	8,700	0	0	0	8,700
67 Olsgård 4	Malmö	Olsgårdsgatan 11	2018	15,895	1,890	1,890	1,526	0	0	0	1,526
68 Slätthög 4	Malmö	Olsgårdsgatan 8 A	2015	20,602	3,103	3,103	2,848	0	0	0	2,848
69 Slätthög 1	Malmö	Olsgårdsgatan 6	2015	36,967	3,807	3,482	4,486	0	0	0	4,486
Total, Region Malmö				640,980	238,769	232,476	65,561	181,579	18,794	0	265,934

Property	Postal address	Address	Value year	Taxable value, SEK T	Rental value, SEK T	Contractual rent, SEK T	Type, square metres				Total
							Logistics warehouse	Distribution	Terminal	Other	
Stockholm											
70 Tuvängen 1	Södertälje	Morabergsvägen 25	2000	21,128	2,533	2,533	0	2,640	0	0	2,640
71 Dikartorp 3:12	Järfälla	Passadvägen 8, 10	2002	185,173	24,092	24,092	29,585	0	0	0	29,585
72 Nattskiftet 11	Stockholm	Elektrav. 11-23/ Drivhjulsv. 42	1996	20,000	39,486	35,708	53	25,564	0	0	25,617
73 Slottshagen 2:1	Norrköping	Kommendantvägen 5	Spec.	0	10,441	8,888	0	0	15,126	0	15,126
74 Vanda 1	Kista	Vandagatan 3	1990	177,178	24,459	24,459	23,340	0	0	0	23,340
75 Sothönan 3	Katrineholm	Industrigatan 7, 5/ Terminalgatan 3	1986	22,850	15,650	15,603	12,352	0	14,755	0	27,107
76 Terminalen 1	Hallsberg	Hallsbergsterminalen 12-20	Spec.	0	12,733	12,733	0	0	25,850	0	25,850
77 Jordbromalm 4:33	Haninge	Lillsjövägen 19	2005	165,776	18,984	18,984	23,547	0	0	0	23,547
78 Skogskojan 1	Östersund	Grindvägen 3	Spec.	0	4,076	4,076	0	0	3,466	0	3,466
79 Drivremmen 1	Hägersten	Drivhjulsv. 17/ Västberga Allé 41	Spec.	0	26,821	26,821	0	0	33,123	0	33,123
80 Ekeby 2:2	Eskilstuna	Folkestaleden 3	1976	3,709	3,607	3,607	0	0	7,976	0	7,976
81 Batteriet 7 & 8	Umeå	Spårvägen 26 A och B	Spec.	0	1,945	1,945	0	0	4,376	0	4,376
82 Målås 4:4	Sundsvall	Förmanslänken 9 A	Spec.	0	3,803	3,803	0	0	8,120	0	8,120
83 Östanvinden 5	Karlstad	Östanvindsgatan 4	1983	3,155	835	835	0	1,330	0	0	1,330
84 Basfiolen 7	Norrköping	Moa Martinsons gata 10 A	1983	4,957	563	563	0	1,318	0	0	1,318
85 Vasslan 1	Årsta	Sockengränd 2	1986	51,635	6,592	6,592	0	5,431	0	0	5,431
86 Vårdshuset 3	Sundsvall	Vårdshusvägen 5	1985	3,677	886	886	0	1,512	0	0	1,512
87 Sörby Urfjäll 38:2	Gävle	Elektrikergatan 4	1990	5,496	873	873	0	1,427	0	0	1,427
88 Källstalöt 1:6 & 1:7	Eskilstuna	Brunnsta 19	1975	81,070	18,608	18,608	32,200	0	0	0	32,200
89 Stenvreten 8:33	Enköping	Varggatan 17	2010	49,000	15,983	15,983	0	10,873	0	0	10,873
90 Rosersberg 11:81	Rosersberg	Metallvägen 31	2006	172,400	21,894	21,894	0	30,045	0	0	30,045
91 Rosersberg 11:116	Rosersberg	Metallvägen 60	2013	104,200	9,947	9,947	10,171	0	0	0	10,171
92 Statorn 31	Norrköping	Malmgatan 14	1972	59,600	7,006	6,478	0	15,708	0	0	15,708
93 Törsjö 2:49	Örebro	Paketvägen 1, 3	2004	207,768	31,957	31,957	55,255	0	0	0	55,255
94 Mosås 4:66	Örebro	Paketvägen 10	Spec.	0	7,601	7,601	0	0	8,885	0	8,885
95 Mosås 4:57	Örebro	Paketvägen 4 A and B, 6, 8	1970	39,517	4,504	4,474	12,089	0	0	0	12,089
96 Magneten 6	Umeå	Kontaktvägen 20	Land	23,000	341	341	0	0	0	0	0
97 Snesholm 1:16	Morgongåva	Molnebov. 10/ Tjusarev. 40	2018	81,000	19,214	19,214	0	38,000	0	0	38,000
98 Lagret 1	Umeå	Depåvägen 1	1991	126,902	15,616	15,616	0	24,892	0	0	24,892
99 Välingen 2	Karlstad	Välsviksleden 218	2009	12,374	3,072	3,072	3,810	0	0	0	3,810
100 Magasinet 3	Järna	Tuna Industriväg 35	1970	70,659	12,223	11,713	20,441	0	0	799	21,240
101 Magneten 3	Umeå	Kontaktvägen 18	Land	0	0	0	0	0	0	0	0
102 Storheden 2:1	Luleå	Makadamvägen 12	Land	0	0	0	0	0	0	0	0
103 Sköns Prästbord 2:4	Sundsvall	Timmervägen 4	1973	29,657	19,715	15,633	0	24,600	0	0	24,600
104 Mätaren 6	Umeå	Mätarvägen 3	1977	88,328	16,269	13,609	24,484	0	0	0	24,484
105 Planeraren 2	Borlänge	Planerargatan 3	1979	76,300	25,733	25,733	0	32,758	0	0	32,758
106 Bleket 2	Karlstad	Brisgatan 4/ Lovartsgatan 6	1973	37,795	14,859	5,785	0	22,605	0	0	22,605
107 Frukthallen 3	Årsta	Frukthandlarvägen 3-9	1968	119,400	29,483	26,924	0	21,696	0	504	22,200
108 Mappen 3	Linköping	Köpetorpsgatan 8	1977	93,200	16,713	13,955	0	28,500	0	0	28,500
109 Jordbromalm 4:41	Jordbro	Lillsjövägen 52	Spec.	0	22,992	22,992	0	32,898	0	0	32,898
110 Slammertorp 3:3	Järfälla	Mejerivägen 5	2000	134,000	16,481	16,481	0	17,545	0	0	17,545
111 Korsberga 1	Västerås	Saltängsvägen 50	2011	56,636	8,161	8,161	0	10,100	0	0	10,100
112 Adaptern 1	Norrköping	Blygatan 25	1975	105,800	17,299	17,299	0	28,429	0	0	28,429
113 Mappen 4	Linköping	Köpetorpsgatan 6, 10	1979	76,496	22,318	22,013	22,388	6,225	0	0	28,613
Total, Region Stockholm				2,509,836	576,367	548,485	269,715	384,096	121,677	1,303	776,791
TOTAL				5,730,244	1,388,521	1,335,328	873,344	827,752	240,681	5,760	1,947,537

Important events

Q1

On 9 January, Catena acquired three properties in Hilleröd, Horsens and Odense, in Denmark, from PostNord, which is also a tenant in the relevant properties. The acquisitions were conducted as a corporate transaction at a total underlying property value of SEK 235 million following the deduction of deferred taxes. The properties are situated on plots with a combined area of approximately 61,000 m² and have a combined lettable area of 12,700 m². Development rights for about 20,000 m² are also associated with the properties, offering opportunities for future expansion. PostNord signed a ten-year lease in connection with the transaction and the estimated net operating surplus for the properties is estimated at approximately SEK 12.7 million. The transfer date for the properties in Hilleröd and Horsens was 31 January and 1 October for the property in Odense.

On 10 January, Catena and Coop Logistik announced that they had agreed to continue discussions with the intention of Catena acquiring a property and constructing an approximately 105,000 m² automated warehouse in the Municipality of Eskilstuna. Catena's total investment was estimated at between SEK 3.7 billion and SEK 3.9 billion.

Johan Franzén stepped down from his position as Regional Manager for Gothenburg and Jönköping on 1 April 2020.

On 14 February, Catena signed an agreement to acquire the Magasinet 3 property, with a plot area of slightly more than 66,100 m². The property is situated adjacent to the 1,000,000 m² Gerstabergr 1:7 site that Catena intends to develop through its partnership holding in the company Södertuna utveckling AB. The property acquired includes building rights of approximately 10,000 m² and a lettable area with tenants of approximately 21,000 m². The combined rental value was estimated at approximately SEK 12 million. The acquisition is being conducted as a corporate transaction at a value of SEK 130 million. The site was sold by Folkpolarna AB.

Due to ownership changes in Catena, with Kilen 134 Strängnäs AB, represented by Jan Persson, having reduced its shareholding, the Nomination Committee has the following composition: Anders Nelson, appointed by Backahill Kil AB, Gustaf Hermelin, Chairman of the Board and appointed by SFU Sverige AB; Johannes Wingborg, appointed by Länsförsäkringar Fondförvaltning AB; Olof Nyström, appointed by Fjärde AP-fonden (new member of the Nomination Committee). The Chairman of the Nomination Committee is Anders Nelson, while the Chairman of the Board, Gustaf Hermelin, convenes the Committee. Combined, the four shareholders represented held approximately 44 percent of the votes in Catena as of 29 February 2020. In preparation for the Annual General Meeting on 29 April 2020, the Nomination Committee submitted its proposal regarding Chairman of the Board and other Board members. The Nomination Committee proposed re-election of Katarina Wallin, Tomas Andersson, Hélène Briggert and Magnus Swärdh and re-election of Gustaf Hermelin as the Chairman of the Board, with Caesar Åfors and Vesna Jovic being newly elected as Henry Klotz and Ingela Bendrot declined re-election.

Q2

Given the altered circumstances in the market, Catena AB and Coop Logistik AB agreed on 3 April not to fulfil the letter of intent previously established between the parties regarding the construction of an automated warehouse.

Catena implemented changes in its management team. As of 1 May 2020, the management team consists of the CEO, the CFO, the Head of Treasury, the Head of Business and Property Development and the Head of Business Support. Two new roles are Head of Business and Property Development, responsible for regions, projects and business development, and the Head of Business Support, responsible for HR, communications and sustainability. In addition to CEO Benny Thögensen, the management team thus consists of Deputy CEO/CFO, Sofie Bennsten, who also became the Acting Head of Business Support, the Head of Treasury, Peter Andersson, and Deputy CEO/Head of Business and Property Development, Jörgen Eriksson.

On 8 April, Catena signed an agreement with Sven-Olof Hagelin of the Tahe Gård farm in Taberg regarding the acquisition of an area of land in the Municipality of Jönköping. The current land area, which comprises approximately 190,000 m², is adjacent to Torsvik. The transaction was implemented by consolidating the land with Catena's existing Tahe 1:64 property and was conditional on detailed plan gaining legal force. Catena will gain access to the site when the detailed development plan has gained legal force.

Fredrik Renå stepped in as the new Regional Manager for Malmö on 1 May 2020, replacing Jörgen Eriksson, who stepped into a new role as Deputy CEO/Business and Property Manager.

At the end of May, Catena signed a 12-year lease with Seafrigo Nordic and invested SEK 147 million in a new 10,800 m² distribution centre, comprising facilities for both chilled and frozen goods and a smaller office space, with an estimated net operating surplus of SEK 9 million. The plant is certified in accordance with Miljöbyggnad Silver and a photovoltaic cell facility is being installed on the roof. Construction was scheduled to commence in the summer of 2020. Seafrigo plans to move in during the summer of 2021.

Q3

On 3 September 2020, Jonas Arvidsson took over as Catena's new Regional Manager, responsible for Region Gothenburg and Region Jönköping. Jonas joins Catena from DHL Nordic where he was regional manager for logistics properties and responsible for analysis and development of existing properties, as well as for projects and new production. Prior to that, Jonas has held leading positions in which he has headed major logistics projects within DHL Supply Chain.

In September, Benny Thögensen announced his resignation as CEO of Catena but that he would stay on in that position until a new CEO had taken office.

On 28 September, Catena signed an agreement to acquire the Åre 92 property, which is located in the Municipality of Borås, a key strategic logistics location for Nordic distribution. The property is situated on a plot of 120,000

m² and has a lettable area of approximately 38,000 m². The acquisition is expected to take place on 1 February 2021 as a corporate transaction at a predetermined property value of SEK 272 million, prior to the deduction of deferred tax. In connection with the transaction, a 15-year lease agreement will be signed with Nelly.com. The net operating surplus is estimated at about SEK 16.5 million per year. The newly-constructed and energy-efficient facility offers good opportunities for expansion, with the lease agreement including an option for an expansion of 13,000 m².



In October, the Nomination Committee was appointed in preparation for Catena's Annual General Meeting. The Nomination Committee comprises Anders Nelson, appointed by Backahill Inter AB, Johannes Wingborg appointed by Länsförsäkringar Fondförvaltning AB, Gustaf Hermelin, Chairman of the Board and appointed by SFU Sverige AB, and Olof Nyström appointed by Fjärde AP-fonden. The Chairman of the Nomination Committee is Anders Nelson, while the Chairman of the Board, Gustaf Hermelin, convenes the Committee. Combined, the four shareholder representatives hold approximately 44 percent of the votes in Catena as of 1 October 2020.

The Board of Directors of Catena appointed Jörgen Eriksson as the company's new CEO. Jörgen took up the position on 1 November following Benny Thøgersen's choice to leave Catena.

In November, Catena and Nelly.com signed an additional agreement for the financing of an automation solution for SEK 84 million in the newly constructed logistics facility that Catena had signed an agreement to acquire in September. The automation solution will be manufactured by Autostore and delivered by Element Logic. Nelly.com will have the option of acquiring the equipment at a later date.

Catena sold the Godsvagnen 6 property in the Municipality of Örebro on 1 December for a purchase consideration of SEK 157 million, exceeding the valuation as of the third quarter by approximately 5 percent. The buyer was a Swedish government organisation. The property has a lettable area of approximately 19,600 m² and is situated on a plot of 60,700 m². The rental value amounts to approximately SEK 12 million, and control of the property was transferred to the buyer in December.

On 18 December, Catena acquired the Storheden 2:1 property from Pegasus Real Estate. On the plot of more than 19,200 m² in the Municipality of Luleå, Catena will construct a terminal of a total 4,198 m², comprising 2,684 m² of cold storage and 704 m² of frozen storage. The plant is certified in accordance with Miljöbyggnad Silver and a photovoltaic cell facility will be installed on the roof. The site also offers opportunities for future expansion. A ten-year agreement was signed with Kyl och Frysexpressen Nord, which is estimated to generate an operating surplus of approximately SEK 4.8 million.

Significant events after the end of the year

On 14 January, Catena signed an agreement to acquire the Morgongåva 15:33 property in the Morgongåva business park, which is located approximately 40 kilometres west of Uppsala. Catena is to construct a 38,000 m² logistics facility at the site, investing SEK 300 million. A 12-year lease has

been signed with Babyland, which intends to conduct its e-commerce deliveries from the facility. The new logistics facility will be environmentally certified in accordance with the Miljöbyggnad Silver standard, with its strict requirements in terms of energy, the indoor environment and choice of materials – solar cells will be installed on the roof. The overall investment is expected to generate a net operating surplus of approximately SEK 17.8 million.

On 22 February, Catena AB signed an agreement for Catena to acquire five properties in Denmark and one in Sweden (Borås) at an underlying property value of approximately SEK 815 million after deduction for deferred taxes. The operating surplus for all of the properties is estimated at about SEK 45 million. The properties will be acquired through corporate acquisitions, with the purchase consideration for the shares provisionally amounting to about SEK 457 million after deductions for deferred taxes. The acquisition encompasses a total lettable area of approximately 93,270 m², a rental value of SEK 49 million and an average remaining lease duration exceeding ten years. Development rights for a total of about 40,000 m² are also associated with the properties, offering opportunities for future expansion. Part of the purchase consideration will be paid by Catena issuing a promissory note which, according to the agreement, the vendor submits as payment for newly issued shares in Catena. The issue, which is partly being conducted to finance the acquisition, was directed towards the vendor and will be subscribed and paid for through the completion of the acquisition on Catena gaining possession of the properties.

On account of Catena AB and Danish company H5 Properties A/S signing an agreement on 22 February 2021 that Catena would acquire six logistics properties in Denmark and Sweden, payment has been made in part through a promissory note for SEK 200 million issued by Catena, which the vendor then submitted as payment for newly issued shares in Catena in connection with the transfer of the properties on 1 March 2021. The new share issue has been approved by the Board of Directors of Catena, supported by the authorisation granted to the Board of Directors by the 2020 Annual General Meeting of the Company and entailing a capital contribution of SEK 200 million, in accordance with what was stated above. The subscription price for the issue of approximately SEK 379 per Catena share was based on the average share price over the past 10 trading days, meaning that H5 Properties holds 527,911 new shares in Catena, corresponding to 1.38 percent of the total number of shares following the issue.

The Nomination Committee has submitted a proposal regarding the composition of the Board of Directors to the Annual General Meeting to be held on 29 April 2021. It is proposed that Magnus Swärdh, Katarina Wallin, Hélène Briggert, Vesna Jovic and Caesar Åfors be re-elected and that Gustaf Hermelin be re-elected as the Chairman of the Board. It is also proposed that Lennart Mauritzson be newly elected as Tomas Andersson has declined re-election.

Covid-19

The corona virus and the Covid-19 disease it causes caught the world off-guard in 2020, impacting public health, as well as economies and financial markets. For Catena, while the corona virus has entailed stress in everyday life, it has also brought business opportunities.

All parts of society have been put to the test in connection with the pandemic and it is still difficult to gain an overview of the long-term effects of the corona virus. Over the year, however, it became clear that a consequence of physical distancing is altered buying behaviours. People are shopping digitally to a greater extent, and new groups have become active in e-commerce. The trend looks set to continue – a development that benefits the market for logistics properties.

Impact on tenants

The health of our tenants and employees comes first. In view of the risk of contagion, Catena has followed the authorities' recommendations and has implemented additional precautionary measures. A good level of service has been ensured thanks to new working methods and innovative solutions.

The majority of Catena's tenants have continued to function well. A large number have e-commerce operations and an estimated 1 million m² of Catena's total portfolio is leased to customers providing essential services and who play an important role in securing functioning goods flows. These include major players in the FMCG and pharmaceuticals segments, as well as customers such as DHL and PostNord. The customer base includes small number of tenants who have been more affected by Covid-19, primarily subcontractors to the restaurant and service sector, as well as event and activity operations. Individual agreements have been made where the transition from quarterly to monthly payment has been the most common solution. Catena has only been able to assist tenants to a limited extent with regard to the government rent subsidy as this was designed in such a way that only a few tenants have an industry affiliation eligible for the subsidy. The rent subsidy applied only to the second quarter and allowed property owners providing a 50-per cent rent discount to apply for government compensation for 50 percent of the discount provided. During the year, Catena reached agreements to shift from quarterly to monthly payments for rental payments of about SEK 88 million. Discounts linked to the government subsidy were provided in the amount of SEK 1.6 million, of which Catena accounted for 50 percent, entailing a charge of SEK 0.8 million against second quarter earnings. Alongside the state subsidy, Covid-19-related discounts amounting to a further SEK 1.2 million were provided. All rent notifications subject to an agreement to transition from quarterly to monthly payments have been paid as planned. Catena expects continued liquidity limitations of corresponding scope in early 2021. A small number of customers face profitability challenges, with the market situation in the wake of the pandemic having brought additional pressure.

The new situation has caused Catena to make more cautious assessments regarding provisions for doubtful accounts receivable. The presumption is that the overdue claim is uncertain. The total provision, which is at least partly Covid-19 related, amounts to SEK 8.0 million, compared with SEK 3.0 million at the end of the preceding year. Realised customer losses amounted to SEK 0.1 million (2.1).

Project

Catena's project development has not been significantly affected by the corona pandemic. Original schedules have been kept, the level of activity in major construction projects has remained high, including at Logistics Position Sunnanå near Malmö and at Logistics Position Tostarp near Helsingborg.

Financing

In the wake of the pandemic, the economy slowed sharply over the past year, despite the fact that the capital markets have functioned relatively well, with the exception of temporary disturbances. This is largely due to the extensive monetary and fiscal stimuli announced by the world's central banks and governments during the year. They have generated sufficient capital to calm the markets, helping keep interest rates low. At the end of the year and in comparison with its introduction, it is possible to distinguish a lingering effect on interest rate spreads between companies with varying credit quality.

For Catena, however, its financial operations functioned satisfactorily during 2020. All refinancing has been achieved as planned, with only marginal concessions in light of the pandemic's effects on the economy. For 2021, Catena is financially well equipped – of the SEK 3.6 billion in loans maturing in 2021, approximately SEK 1.2 billion has already been renegotiated and just under SEK 100 million relates to bonds. Catena has cash and cash equivalents, including unutilised and confirmed credit facilities amounting to SEK 1,811.1 million, providing a stable foundation with excellent conditions for continued growth.

Transactions and property values

Demand for logistics properties increased significantly during the year, primarily driven by growth in e-commerce. This has contributed to increased interest among investors in the segment and increased transaction activity at record-low yield requirements. Accordingly, value fluctuations in Catena's property portfolio have been positively affected, although they have also increased as a result of well-executed projects, leasing of vacancies and renegotiations at higher rental levels. The great interest in logistics properties as an investment entails potential for continued value growth for Catena.

Balanced financing

Developing, owning and managing logistics properties requires good access to capital. The combination of well-diversified financing with an attractive property portfolio generating strong cash flow makes room for continued controlled growth under favourable conditions.

Catena's portfolio, which focuses on strategically located logistics properties is characterised by long-term customer relationships and stable cash flows. The portfolio is distributed between more than 300 customers, several of which are among Sweden's most well-known brands in their respective industries. This creates security for both shareholders and credit providers and ensures that the Company is able to continue financing its operations on favourable terms, now and in the future.

Catena's financial strategy serves to ensure that the Group can, at any given time, secure capital and liquidity at the lowest possible cost and that payment systems are appropriate. The strategy is adapted partly to the Group's business operations and partly taking into account the financial policy reviewed and adopted by the Board of Directors annually. The finance policy constitutes an internal framework and regulations for how the Group's financial risks are defined and managed these mainly being counterparty, liquidity, refinancing and interest rate risks.

► Read more about financial risks on pages 129-130 and in Note 20, and a set of financial targets is given on page 9.

Capital structure

The relationship between equity and borrowed capital is of considerable significance for shareholders, credit providers and the operations in general. Changes in the capital structure affect the Company's risk and its return capacity, and Catena works continuously to achieve an appropriate structure.

At the end of the year, Catena had assets amounting to SEK 20,398.6 million (17,770.1), of which property values accounted for SEK 18,612.4 million (16,270.5), with these

being financed in part with equity of SEK 7,590.4 million (6,318.0) and in part with liabilities amounting to SEK 12,808.2 million (11,452.1). The liabilities consisted of an interest-bearing part amounting to SEK 9,735.0 million and a non-interest-bearing part amounting to SEK 3,073.2 million. The equity ratio corresponded to 37.2 percent (35.6) on the balance-sheet date.

► See the Balance Sheet on page 90.

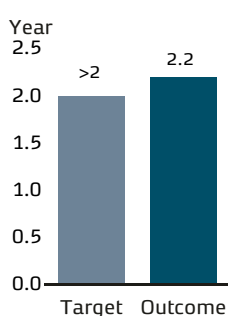
Interest-bearing liabilities and structure

In 2020, Catena negotiated new credit agreements and renegotiated existing ones totalling SEK 6,126.1 million (2,687.8). In total, the Group's borrowing increased by SEK 950.4 million (267.8), primarily as a result of investments and acquisitions.

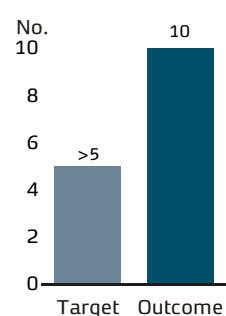
At the end of the year, interest-bearing liabilities amounted to SEK 9,735.0 million (8,784.6), all of which were secured through property mortgages. The liabilities consisted of SEK 7,167.9 million (6,724.3) in traditional bilateral bank loans, SEK 1,605.0 million (1,386.0) in secured bonds, SEK 598.8 million (674.3) in commercial papers and SEK 363.3 million (0) in Danish mortgage bonds. Consequently, interest-bearing liabilities amounted to 52.3 percent (54.0) of the value of the properties. In addition to loans raised, there were, at the time, confirmed but unutilised credit commitments from banks amounting to SEK 1,400.0 million (425.0). Combined, the interest-bearing liabilities' weighted average debt maturity was 2.2 years (1.3) and, over the next few years, approximately 37 percent (45) of the portfolio will be refinanced under current agreements. In total, the interest-bearing liabilities are distributed between 10 different sources of financing.

Financial Policy

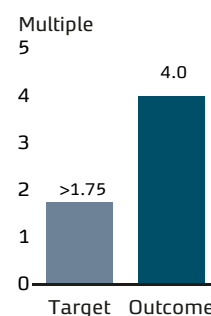
Average debt maturity



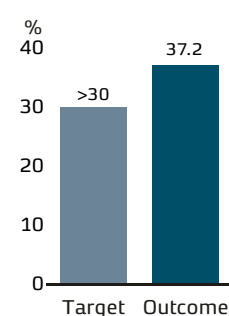
Credit providers



Interest coverage ratio



Equity/assets ratio



Debt and interest maturity

Year	Debt maturity			Interest maturity, including derivatives		
	SEK M	Share, %	Including margin, %	SEK M	Share, %	Including margin, %*
0-1	3,605.5	37.0	1.4	4,095.5	42.1	1.7
1-2	1,211.1	12.5	1.3	500.0	5.1	3.7
2-3	3,036.3	31.2	1.2	908.0	9.3	2.7
3-4	1,616.5	16.6	1.2	500.0	5.2	2.8
4-5	0.0	0.0	0.0	711.8	7.3	3.1
5-	265.6	2.7	0.8	3,019.7	31.0	2.6
Total	9,735.0	100.0	1.3	9,735.0	100.0	2.3

* The margin is evenly distributed across the maturity structure of variable rate loans including the effect from the swap portfolio.

Bank borrowing

Traditional and bilateral credit agreements with banks constitute Catena’s main source of financing. At the end of the year, these amounted to 74 percent (76) of total interest-bearing liabilities and were distributed among 7 (8) different banks. This diversified bank borrowing and the favourable relations afford Catena scope and security in future acquisition situations and/or in connection with renegotiations.

Bonds

Within the framework of Svensk FastighetsFinansiering (SFF), Catena has issued secured bonds. At the end of the year, the outstanding volume amounted to SEK 1,605.0 million (1,386.0), corresponding to 16 percent of Catena’s total interest-bearing liabilities. Diös Fastigheter AB, Catena AB, Fabege AB, Platzer Fastigheter Holding AB and Wihlborgs Fastigheter AB hold equal 20-percent shareholdings in SFF. The MTN programme, which is secured through property mortgages, amounts in its entirety to SEK 12 billion and may be exercised by all shareholders, subject to certain predetermined parameters and commitments. At the beginning of 2020, SFF received an official credit rating from Nordic Credit Rating (NCR) corresponding to BBB+. The credit rating thus achieves Investment grade, which in short places the credit quality in the higher spectrum on the rating scale.

More about SFF can be found on the Company’s website svenskfastighetsfinansiering.se.

Commercial papers

Catena has an outstanding commercial paper programme, providing an flexible opportunity for self-funding for at most one year. The framework amounts to SEK 2 billion and can be traded through Swedbank and Danske Bank. At the end of the year, the outstanding volume issued amounted nominally to SEK 600 million (675), corresponding to 6 percent (8) of total interest-bearing liabilities. The commercial papers are at all times backed by a secured, unutilised credit facility that hedges the refinancing risk in the underlying commercial papers.

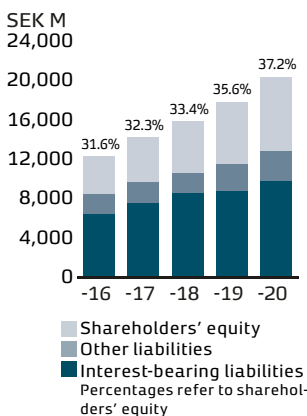
Danish mortgage bonds

Through the Danish mortgage credit system, Catena borrowed SEK 363.3 million (0) on the balance-sheet date, corresponding to 4 percent of Catena’s total interest-bearing liabilities. The bonds are mainly used to finance Catena’s Danish property portfolio.

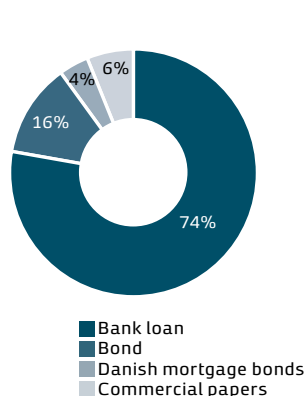
Interest expenses and sensitivity

On the balance-sheet date, the average interest rate, including the cost of derivatives and unutilised lines of credit, was 2.3 percent (2.6). The lower real interest expense is primarily an effect of renegotiated interest rate derivatives and a lower base rate. Given that a majority of the Group’s loans are subject to interest rate floors, Catena’s interest expenses are affected positively even when the market interest rate rises, assuming that it is in negative territory.

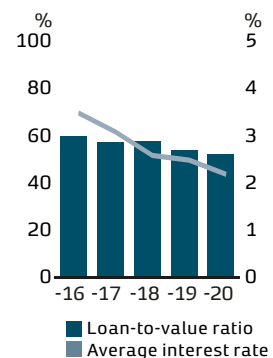
Capital structure



Source of financing



Borrowing and interest expenses



If the market interest rate, defined as Stibor 3 months, were to rise by 1 percentage point, Catena's interest expenses would, all else being equal, rise by approximately SEK 26 million (27) and, if the market interest rate were to fall by one percentage point, the interest expenses would increase by approximately SEK 37 million (24). With Catena's financial strategy in mind, the interest coverage ratio during the year was a multiple of 4.0 (4.1), providing a ample headroom to the financial policy and other financial commitments.

Interest-rate risk management

Interest expenses are a significant part of Catena's earnings. They are mainly affected by changes in the market interest rate, but also by changing rules and conditions in the credit market, which can, in turn, alter credit margins. Catena works continuously and strategically to limit the effect of these changes in various ways.

To limit the Group's interest-rate risk, Catena mainly uses fixed-rate loans and interest-rate derivatives, in such cases primarily traditional interest-rate swaps. Fixed rate loans are valued at nominal value, while interest rate derivatives are continuously marked to market, meaning that the carrying amount corresponds to fair value, with the change being recognised in the Income Statement.

On the balance-sheet date, the carrying amount of the interest rate derivatives was a negative SEK 343.0 million (381.1) and the change in value was SEK 38.1 million (29.3). The change in value of the derivatives does not affect cash flow and, on reaching maturity, the value of derivatives is always zero.

At the end of the year, fixed-rate loans, excluding commercial papers, amounted to SEK 673.6 million (843.0) and the nominal volume of outstanding interest rate swaps purchased amounted to SEK 5,714.6 million (4,521.7). Combined, they comprised an interest-rate hedge of 66 percent (61) of the total loan portfolio. At the end of the year, about 42 percent(49) of the loan portfolio had an interest maturity of less than one year and the average interest maturity for the entire loan portfolio including derivatives was 3.1 years (2.3).

Towards green financing

For a long time, Catena has worked purposefully towards sustainable operations, focusing on mitigating negative environmental effects and increasing energy efficiency in the Group's properties. Some of the initiatives that Catena has been involved in include membership of the UN Global Compact for a Sustainable Future, the TCFD to identify and highlight climate-related risks, the Science Based Target (SBT) to ensure that targets and work are in line with the science, and the EPRA sustainability standards to make reporting transparent and comparable with the market. In addition to Catena's involvement in various organizations and associations, the Group's ambition is to environmentally certify new buildings in accordance with the Miljöbyggnad Silver standard as a minimum. On the balance-sheet date, 6 percent of the portfolio was environmentally certified and the goal is for our green assets to be matched with green financing. By 2025, the goal is for at least 50 percent of the outstanding credit volume to be green.

Liquidity

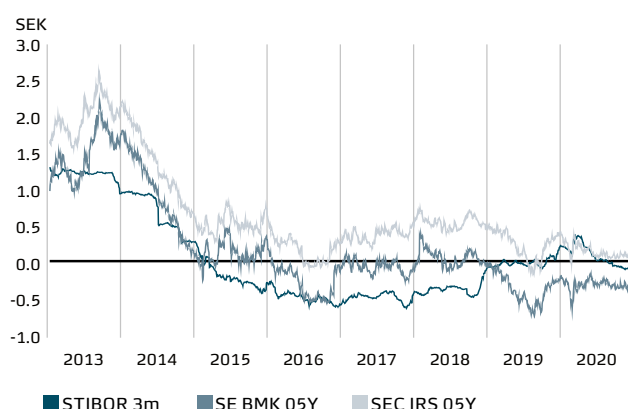
During the year, the Group financed its operations partly with cash flow from its operating activities in the amount of SEK 744.3 million (613.7), and partly from the financing activities in the amount of SEK 536.7 million. In 2020, the flow from the operating activities was a strong contributor to the investments in properties, amounting to SEK 1,357.9 million. At the end of the year, cash and cash equivalents amounted to SEK 411.1 million (131.2). In addition to cash and cash equivalents, there were, at the time, confirmed and unutilised credit commitments from banks amounting to SEK 1,400.0 million.



Contacts

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peter.andersson@catenafastigheter.se

Swedish market interest rates



Danish market interest rates



Catena's share performance

Catena works to give the shareholders a long-term sustainable and competitive total return on their investment with a balanced risk. Accurate, clear, current and transparent information facilitates the market valuation of the Company.

Catena's shares were launched on the Nasdaq Stockholm exchange, on the Nordic Mid Cap list in the Real Estate sector, on 26 April 2006 under the ticker CATE. On 4 January 2021, the share changed segment and is now traded on the Nordic list Large Cap.

The closing price on 30 December 2020 was SEK 385.00, against the closing price on 30 December 2019 of SEK 413.50 on 413.50, representing a decrease of 7 percent over the year (increase 88). During the year, the highest price noted for the Catena share was SEK 446.00 and the lowest was SEK 213.50. The total return on the share in 2020 was negative in the amount of 5.3 percent (90.1).

During the year, 15,221,688 shares (19,329,083) were traded on Nasdaq Stockholm, corresponding to a turnover rate of about 40 percent (51) based on the average number of shares.

Dividend policy and dividends

In the long-term, Catena's dividends to shareholders should amount to 50 percent of profit from property management after standard tax. For the 2020 financial year, the Board of Directors and the CEO propose a total dividend of SEK 286.7 million (245.0), corresponding to about 50 percent of total profit from property management after standard tax. Per share, that is SEK 7.50 (6.50). This corresponds to a yield of 1.9 percent (1.6).

► Read more about the share and dividend on pages 134-135.

EPRA

Since 2017, Catena has been included in the EPRA international property index on the London Stock Exchange, positively affecting the Company's ability to attract both existing and new investors.

Shares and share capital

The share capital of Catena AB is to be no less than SEK 55,000,000 and no more than SEK 220,000,000. The total number of shares is not permitted to be less than 12,500,000 and more than 50,000,000. At 31 December 2020, the share capital in Catena AB totalled SEK 165,874,953.20 distributed between 37,698,853 ordinary shares. After the balance-sheet date, a directed new issue has been carried out and 527,911 shares have been added, the total number of ordinary shares now amounts to 38,226,764. The quotient value per share is SEK 4.40. Each share confers one vote and each person entitled to vote at the General Meeting of shareholders may vote for the full number of shares held and represented. All shares confer equal rights to participate in the Company's assets and earnings. The shares are not subject to any limitations as regards the right to transfer of ownership.

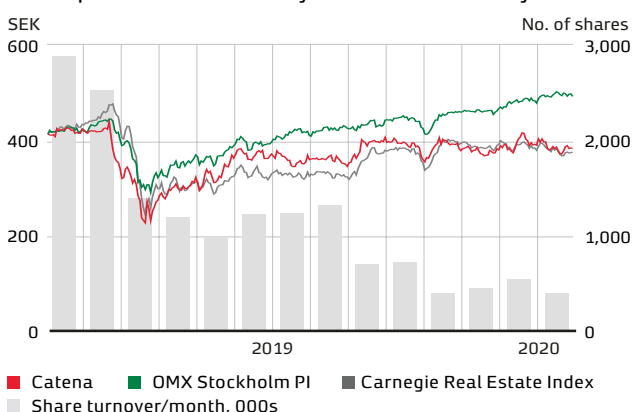
Net asset value

The net asset value is the Company's total capital that the Company has to manage to thereby create both a value development and yield for the owners. With assets and liabilities taken up at fair value, the net asset value can be calculated based on the Company's equity. However, consideration should be taken to tax effects. The long-term net asset value (EPRA NRV) is estimated at SEK 245.08/share (202.87). This corresponds to 64 percent of Catena's share price at year-end.

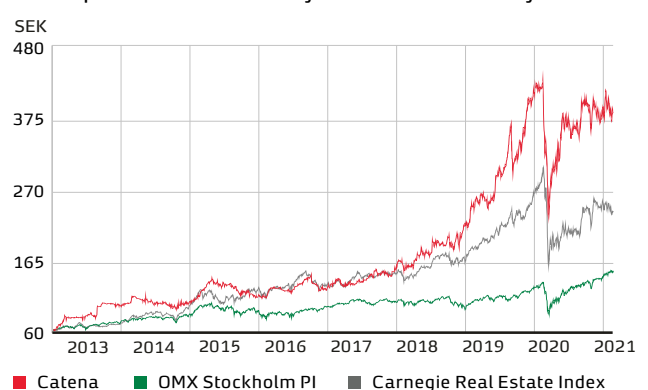
Ownership

As at 28 February 2021, Catena AB had 14,392 shareholders (14,308). The largest shareholder is the Backahill Group with 29.8 percent (29.8) of the capital. No other shareholder held 10 percent or more of the shares out-

Share price trend 1 January 2020 – 29 February 2021



Share price trend 1 January 2013 – 28 February 2021



standing. Owners outside of Sweden accounted for 45.8 percent (43.6) of the capital. Owners in Sweden accounted for 54.2 percent (56.4) of the share capital and votes, of which legal entities accounted for 79.0 percentage points (50.9) and private individuals for 5.3 percentage points (5.6) of the share capital and votes. On 28 February 2021, Catena AB held no treasury shares.

► Read about Catena's ownership structure and the largest owners on page 134.

Per share data

	2020	2019
Share price at year-end, SEK	385.00	413.50
Price trend over the year, %	-6.9	87.5
Highest price paid during the year, SEK	446.00	421.50
Lowest price paid during the year, SEK	213.50	213.00
Profit from property management per share, SEK	19.06	16.63
Earnings per share, SEK	40.51	32.46
Dividend per share, SEK	7.50 ¹⁾	6.50
Dividend yield, %	1.9	1.6
Total return on the share, %	-5.3	90.1
P/E ratio	10	13
Cash flow before change in working capital per share, SEK	18.91	16.25
Equity per share, SEK	201.34	167.59
Long-term net asset value EPRA NRV, per share, SEK	245.08	202.87
Current net asset value EPRA NTA, per share, SEK	234.49	193.99
Disposal value EPRA NDV, per share, SEK	188.00	154.25
Turnover rate, %	40.4	51.3
No. of shares at year end, 000s	37,699	37,699
Average number of shares, 000s	37,699	37,699

1) According to the proposal by the Board of Directors and the CEO.

	SEK M	SEK/ share
Equity as per balance sheet	7,590.4	
Reversal		
Goodwill	-503.0	
Interest-rate derivatives as per balance sheet	343.0	
Deferred tax as per balance sheet	1,809.0	
Long-term net asset value, EPRA NRV	9,239.4	245.08

Incentive programme

Catena has no share-based incentive programmes, options or convertible securities issued. Nor were there any authorisations to issue any such financial instruments in 2020. Accordingly, none of the Board members or any of the senior executives in Catena hold any warrants in Catena as per 31 December 2020.

Analysts monitoring Catena

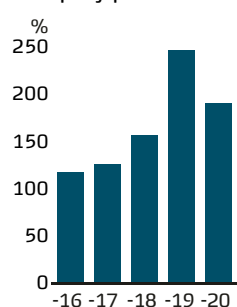
ABG Sundal Collier	Victor Krüger
DNB	Niklas Wetterling
Erik Penser Bank	Rikard Engberg
Kempen	John Vuong
Kepler Cheuvreux	Jan Ihrfelt
Pareto Securities	Markus Henriksson



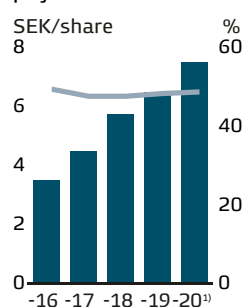
Contacts

David Silvesjö, Financial Controller / IR
david.silvesjo@catenafastigheter.se

Market price relative to equity per share

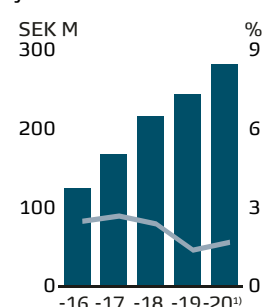


Dividend and payout ratio



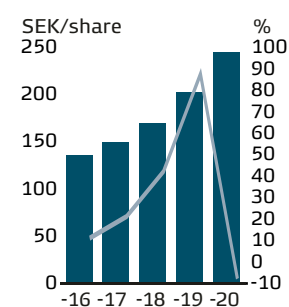
■ Dividend
■ Payout ratio
1) According to the proposal by the Board of Directors and the CEO.

Dividend yield



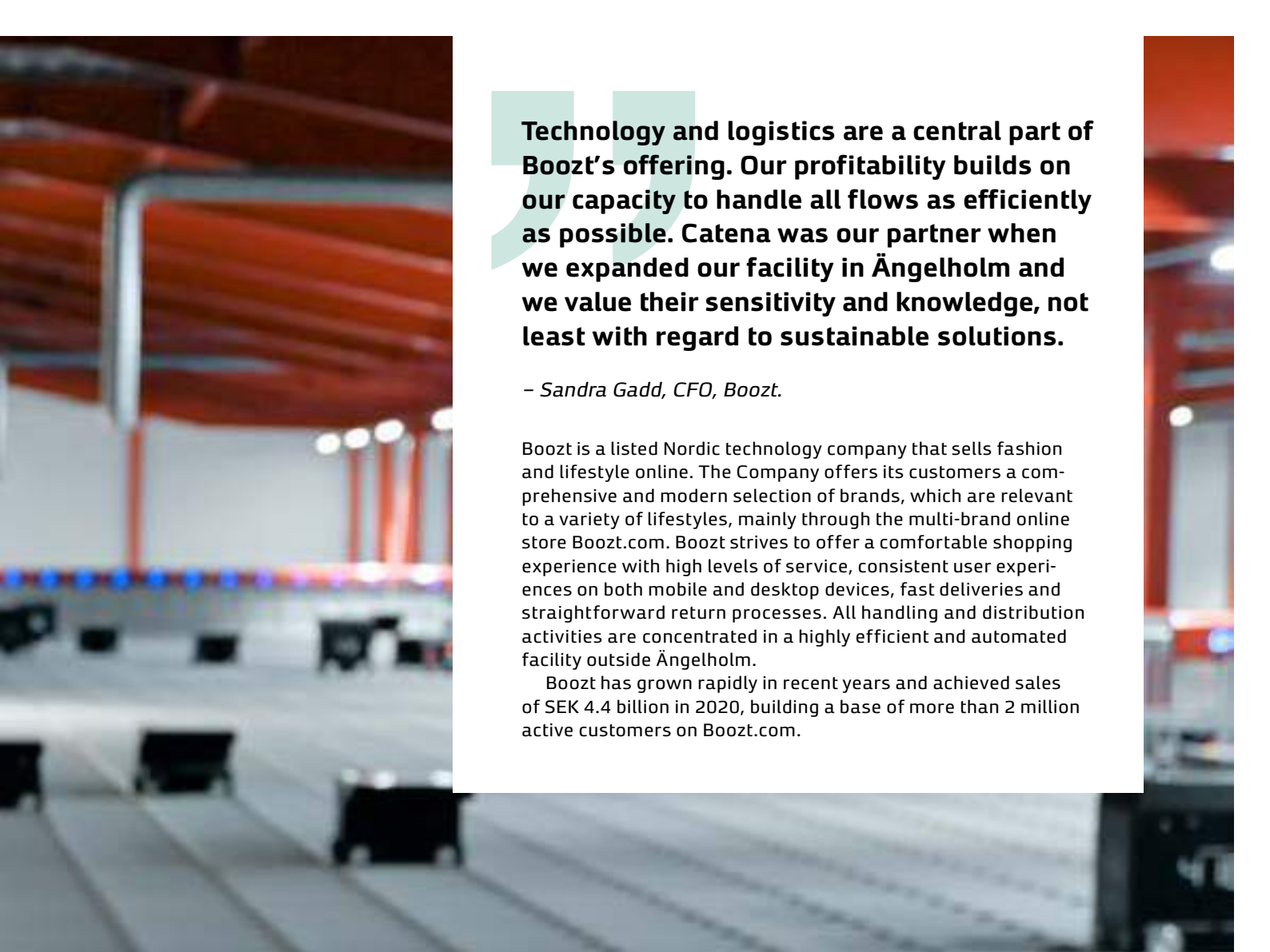
■ Dividend, total
■ Yield
1) According to the proposal by the Board of Directors and the CEO.

Net asset value, EPRA NRV and total return



■ Net asset value
■ Total return






Technology and logistics are a central part of Boozt's offering. Our profitability builds on our capacity to handle all flows as efficiently as possible. Catena was our partner when we expanded our facility in Ängelholm and we value their sensitivity and knowledge, not least with regard to sustainable solutions.

– Sandra Gadd, CFO, Boozt.

Boozt is a listed Nordic technology company that sells fashion and lifestyle online. The Company offers its customers a comprehensive and modern selection of brands, which are relevant to a variety of lifestyles, mainly through the multi-brand online store Boozt.com. Boozt strives to offer a comfortable shopping experience with high levels of service, consistent user experiences on both mobile and desktop devices, fast deliveries and straightforward return processes. All handling and distribution activities are concentrated in a highly efficient and automated facility outside Ängelholm.

Boozt has grown rapidly in recent years and achieved sales of SEK 4.4 billion in 2020, building a base of more than 2 million active customers on Boozt.com.



During the autumn, Boozt moved into a 22,800 m² new building adjacent to Boozt's existing facility. In addition to the new building being environmentally certified in accordance with the Miljöbyggnad Silver standard, with strict requirements in terms of energy, indoor environment and the choices of materials – a 255 kW photovoltaic cell facility has also been installed on roof of the facility. The combined area of Boozt's facilities in Ängelholm amounts to 66,300 m².

Sustainable at all levels

Catena addresses all areas in which the Company is able to act more sustainably in a systematic way – regardless of whether this involves the properties, society or the Company’s role as employer. With well-thought-out strategies and a long-term approach, economic, social and environmental values alike benefit.

Sustainability has long been a priority and a strategic horizon from which Catena operates. Accordingly, a solid foundation has been laid for the challenges confronting the property sector. Catena is nonetheless investing more than ever in further developing its sustainability work and contributing to the transformation in which society finds itself. The political objective is for Sweden to be fossil-fuel-free by 2045, with transport and logistics playing a significant role in the possibility of achieving this objective. The construction and property sector accounts for 19 percent of Sweden’s total greenhouse gas emissions, in accordance with the National Board of Housing, Building and Planning. Accordingly, efforts by the sector and by Catena to develop more sustainable solutions can really achieve a major impact.

Catena’s ambitions are clearly reflected in the Company’s business plan, where goals and strategies within sustainability will become even clearer over the upcoming years. One of Catena’s goals is to increase the proportion of environmentally certified properties – in 2020, 6 percent of the total lettable area was certified and 10 percent is in the process of being certified. The target is to cut the consumption of electricity and heating in the properties by 10 and 15 percent per m² from 2017 to 2025, respectively. Catena works actively with various energy efficiency projects and these contributed to the electricity target being achieved in 2020 with consumption being reduced by 11 percent. The total energy con-

sumption per m² has decreased by 13 percent compared with 2017. Catena’s energy projects have also resulted in greenhouse gas emissions being reduced, with emissions (Scopes 1 and 2, that is emissions that Catena can affect) having fallen sharply by 39 percent since 2018. During the year, Catena’s new emission targets were reviewed and approved by the Science Based Target (SBT) initiative, which has become one of Catena’s most important instruments for the transition to a climate-neutral Sweden in 2045.

As important as it is for Catena to understand the climate footprint of the entire operation, it is just as important to adapt the offering and working methods to a changing world. Over the year, Catena continued to develop its work on the Task Force on Climate-Related Financial Disclosure (TCFD), to identify climate-related risks and opportunities and to design the transformational targets and strategies required to meet the more changing climate of the future.

During the year, an updated materiality analysis was performed. The analysis stated clearly that Catena’s values form the core of all of the work being conducted and highlighted the sustainability issues that both the Company and its stakeholders consider important. These are summarised in three different focus areas presented in the report. Read more under each focus area and the analysis in its entirety on pages 72-73.



Significant initiatives during the year



TCFD

Catena's employees commenced the identification of climate-related risks and opportunities that the Company is facing and the financial consequences that climate change may have. The goal is for the identified risks and opportunities to result in new goals and strategies for Catena's entire operations. Read about the ongoing work with TCFD on page 74.



SCIENCE
BASED
TARGETS

Climate mapping and SBTi

To be able to set ambitious climate goals requires a superior understanding of how and where Catena contributes to the largest climate footprint. Therefore, during the year, Catena underwent a major survey of its greenhouse gas emissions. The new goals that have been developed based on the data have been approved by the Science Based Target initiative (SBTi). Read more about Catena's climate mapping and SBTi on pages 62-63.



Agenda 2030 and the UN Global Compact

Since 2019, Catena has taken a stand on the UN's goal for sustainable development, Agenda 2030, and signed the UN's Global Compact. For Agenda 2030, six main goals were identified with underlying sub-goals where the operations have the greatest impact. The Global Compact's ten principles are reflected in Catena's values and show a clear position within Catena and vis-à-vis partners on how the Company views and works with the principles.



Environmentally certified properties

Catena has taken a big step in the right direction to environmentally adapt its properties. In 2020, another seven facilities were certified in accordance with Miljöbyggnad Silver. Read more on page 63.

Continued solar cell expansion

In 2020, Catena produced six new buildings, on four of which photovoltaic cell systems have been installed, while three more systems were installed on existing buildings. In total, the seven photovoltaic cell facilities have an estimated annual production of approximately 1,438 MWh.

In 2020, the power output from the photovoltaic cell facilities covers 1.5 percent of Catena's total energy consumption. Read more on page 64.



LFM30

LFM30 is a local initiative in Malmö to establish a geographical game plan to accelerate

the construction sector's climate realignment and implementation of Agenda 2030. In 2020, Catena became a member of the association and works together with the other 146 members to achieve a climate-neutral construction sector.



Awards

In 2020, Catena was awarded two European Public Real Estate (EPRA) awards – EPRA Silver and EPRA Most Improved. The non-profit association that presents Europe's listed property companies pays attention to sustainability indications within the environment, social responsibility and corporate governance issues. Read more on page 75.

Sustainable logistics and societal development

As a logistics property owner, Catena operates in a cross-industry context that extends from properties to the construction and logistics sectors. These are areas of operations that are crucial to modern society while unequivocally impacting the environment. By developing more sustainable logistics, Catena is able to influence both business partners and the environment positively, while, at the same time, a strong brand in sustainable logistics properties generates value for the Company's stakeholders.

SUSTAINABILITY TARGETS 2020	OUTCOMES AND ACTIVITIES 2020	AGENDA 2030
Exert a positive influence on our business partners and our environment by strengthening our brand and being involved in societal development.	<p>Participation in conferences such as Sustainable Tomorrow and Business Arena, etc.</p> <p>Membership in networks and research projects such as LFM30, Arenastaden and HITS.</p> <p>Logistics Trends 2020 was cancelled, the 2021 event is being planned with a digital alternative.</p>	<p>Goal 9: Sustainable industry, innovation and infrastructure</p> <p> Target: 9.4 Upgrade all industries and infrastructure for increased sustainability.</p> <p>Goal 17: Partnerships for the goals</p> <p> Target: 17.17 Encourage effective partnerships.</p>

The most important sustainability issues: Contribute to and participate in the development of sustainable logistics in society and promote logistics flows with minimal environmental impact.

Customer collaborations for sustainable logistics solutions

Catena's properties form an important part of the entire logistics network. Well-thought-out locations and efficient properties generate the conditions for more sustainable logistics planning. Catena seeks therefore in earnest to understand its customers' challenges and to propose conceivable solutions that will work both today and in the future. By always staying one step ahead and understanding the trends, challenges and new hubs that emerge, Catena can be both flexible and fast when conditions change.

An important strategy for building sustainable logistics solutions lies in offering logistics locations that streamline current and future cargo flows. Terminals located near major cities, adjacent to major motorways and rail freight stations ensure efficient transport routes and flexibility in choosing the mode of transport. In ad-

dition, properties near metropolitan regions optimise peri-urban logistics, as goods can be reloaded without passing through the urban centre as is currently often the case. Intelligent peri-urban, logistics are essential in achieving a more sustainable society.

Knowledge and development

Another way in which Catena can contribute to sustainable logistics solutions is to increase the level of knowledge and the pace of development within the area. Networking and regular meetings with local government leaders, partner organisations and interest groups afford Catena opportunities to express its view of the challenges facing logistics. In connection with this, Catena's internal knowledge also grows.

Catena is also involved in various projects and initiatives to achieve sustainable, peri-urban logistics. Among other things, Catena is a partner in the company Urban



Catena’s value chain

Catena seeks to act sustainably throughout the value chain, from the start of construction to the complete logistics property and onwards to the logistics companies who ultimately reach the end consumer.

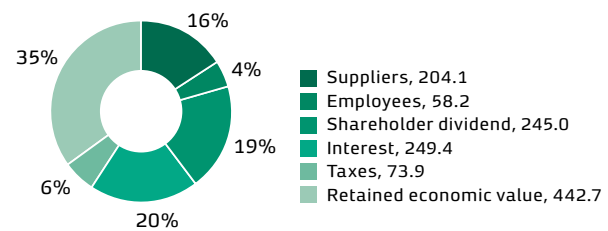
Services, which operates in Arenastaden, and in the research project “HITS”, which is sponsored by Vinnova. Both projects focus on creating more efficient, coordinated and sustainable solutions for the “last mile” – the final mile in making urban deliveries.

Catena always wants to expand its knowledge and to develop in the area of sustainable construction. In 2020, Catena therefore joined LFM30, where, alongside others in the construction and property sector, it is following a local roadmap for climate-neutral construction sector in Malmö by 2030. Catena’s goal is to share knowledge and experiences with those involved in the network and ultimately to build its first completely climate-neutral property. Catena also arranges the annual LogistikTrender conference. Various sector stakeholders participate in this, and it provides a unique platform for knowledge exchange and for increasing collaboration between different parties. The 2020 conference was postponed due to Covid-19, with the next event being planned for 2021. The theme of LogistikTrender 2021 is “Logistics beyond time and space”, with the sustainability perspective running as a common thread throughout the programme.

Generating value for the Company’s stakeholders

Sustainable logistics has great potential for long-term impacts on society, in terms of environmental, social and economic parameters. Catena maintains an ongoing dialogue with its key stakeholders to ensure that the Company also focuses on the right things in its sustainability efforts. This dialogue was further strengthened in 2020 when Catena performed an updated materiality analysis, see more on pages 72-73.

Created and distributed economic value, SEK M



The diagram shows how Catena’s income in 2020 was distributed among various stakeholder groups. The total value generated amounted to SEK 1,273.3 million.

One way to quantify companies’ direct impact on their stakeholders is to assume how the Company’s income has been distributed to different stakeholder groups – employees, suppliers, and society through tax payments. The diagram shows how Catena’s income in 2020 was distributed among various stakeholder groups.

A strong brand in sustainable logistics generates value for the Company’s shareholders while opening up opportunities for green financing. Catena’s customers also benefit by conducting their operations in properties that are sustainable over time.

Society benefits greatly from sustainable logistics solutions, not only because this ensures agile logistics and efficient product flows, but also because strategically well-situated logistics properties enable sustainable urban development as goods traffic in cities decreases.

Efficient charging stations

In 2020, Catena initiated a project for installing charging posts together with DHL. A total of 12 of Catena's properties, from the north of Sweden to the south, have been identified as possible sites for a total 54 charging posts for DHL's company cars.




The charging posts are made of recycled aluminium and can charge up to 2x22 kW. The charging posts make it possible to obtain statistics, schedule charging, change the power level and to optimise and monitor electricity consumption. They can also be load balanced – for dynamic distribution of available current. Each property is equipped with a 4G router with SIM cards installed to communicate with the charging posts via Wifi.

The project is being carried out in collaboration with Klimatklivet, which offers investment support for local and regional measures that reduce emissions of carbon dioxide and other gases that affect the climate. Catena wants to continue being able to deliver solutions to our customers that benefit Sweden's environmental goals of limiting climate impact, while at the same time contributing to the spread of new technology, market introduction, employment and better health.



Sustainable properties

An ambitious reduction of emissions in the construction and property sector is essential in limiting global warming to 1.5 °C, thus achieving the objective of the Paris Agreement. Both the climate and the global economy depend on the outcome of the efforts that are made. Together with customers and suppliers, Catena works to accelerate the transition and to deliver properties that are sustainable over time.

SUSTAINABILITY TARGETS 2020	OUTCOMES AND ACTIVITIES 2020	AGENDA 2030
<p>Certify 25 percent of the total space at the Group's facilities, at the Miljöbyggnad Silver level or equivalent, as of 2025.</p> <p>All free-standing new buildings should include a photovoltaic facility adapted to the conditions of the property and the tenant.</p> <p>Fossil-free energy by 2030 (applies to energy that Catena purchases/generates).</p> <p>Reduce energy consumption for normal-year adjusted heating by 15 percent in kWh/m² and for electricity by 10 percent in kWh/m² by 2025 compared with 2017.</p> <p>By 2030, Catena will reduce its emissions in Scope 1 and Scope 2 by 50 percent compared with 2018, while setting ambitious targets for Scope 3.</p>	<p>6 percent of the total area had been certified by 2020. 10 percent are in the certification process.</p> <p>7 new photovoltaic cell facilities installed in 2020 with an estimated annual output of 1,438 MWh.</p> <p>92 percent of Catena's energy is fossil-free.</p> <p>Normal year-adjusted heat decreased by 1 percent and electricity by 11 percent in 2020 compared with 2017.</p> <p>Scopes 1 and 2 decreased by 39 percent compared with 2018. Scope 3 survey was conducted.</p>	<p>Goal 7: Sustainable energy for all</p> <p> Target: 7.2 Increase the share of renewable energy in the world.</p> <p> Target: 7.3 Double the increase in energy efficiency.</p> <p>Goal 9: Sustainable sector, innovation and infrastructure</p> <p> Target: 9.4 Upgrade all industries and infrastructure for increased sustainability.</p>

The most important sustainability issues: Collaborate with customers on sustainable development, strive for low environmental impact in newbuilds and remodelling, work with energy efficiency and renewable energy and set requirements for suppliers regarding ethics, work environment and environment.



Climate

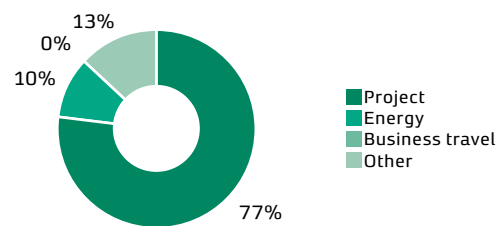
In 2017, the Swedish government adopted a climate policy framework in line with the Paris Agreement, and in which the government states that Sweden must be climate neutral by 2045. This means that Sweden will not have any net emissions of greenhouse gases into the atmosphere by 2045. According to the Swedish National Board of Housing, Building and Planning, the property sector accounts for about 12.2 million tonnes of CO₂e annually, corresponding to 19 percent of Sweden's total greenhouse gas emissions. The construction and property sector bears a great responsibility with this. Accordingly, the goals must be ambitious – and the pace of change as well.

According to Catena's business plan, the Company will significantly reduce its emissions throughout the value chain. To gain a better understanding of the emissions and what target is required, Catena conducted a major survey of its emissions in 2020 and had the emission targets approved by the Science Based Target initiative (SBTi). Catena has resolved to reduce its Scope 1 and 2 emissions by 50 percent by 2030, compared with 2018, and is working actively to reduce its Scope 3 emissions, to contribute to the Paris Agreement and to keep warming below 1.5°C. The SBTi's requirements are based on current science and research in accordance with the UN Climate Panel (IPCC).

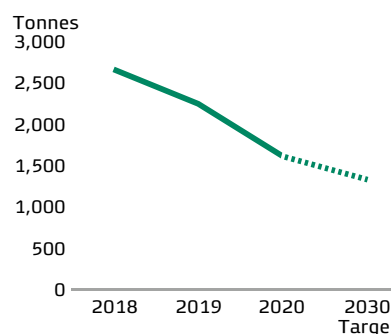
Catena annually calculates the direct and indirect emissions incurred in Scopes 1 and 2 in accordance with the GHG protocol, and has worked actively to reduce these for a long time. The graph next to this shows that Scopes 1 and 2 have achieved a reduction of 39 percent between 2018 and 2020.

In the spring of 2020, Catena mapped the indirect emissions in Scope 3 based on costs incurred and standard calculations. The results of the survey showed that 97 percent of Catena's total emissions consist of indirect emissions in Scope 3 and over 70 percent of the total emissions occur in connection with construction projects, that is, in the product and construction phase (A1-A5 in the figure on the opposite page).

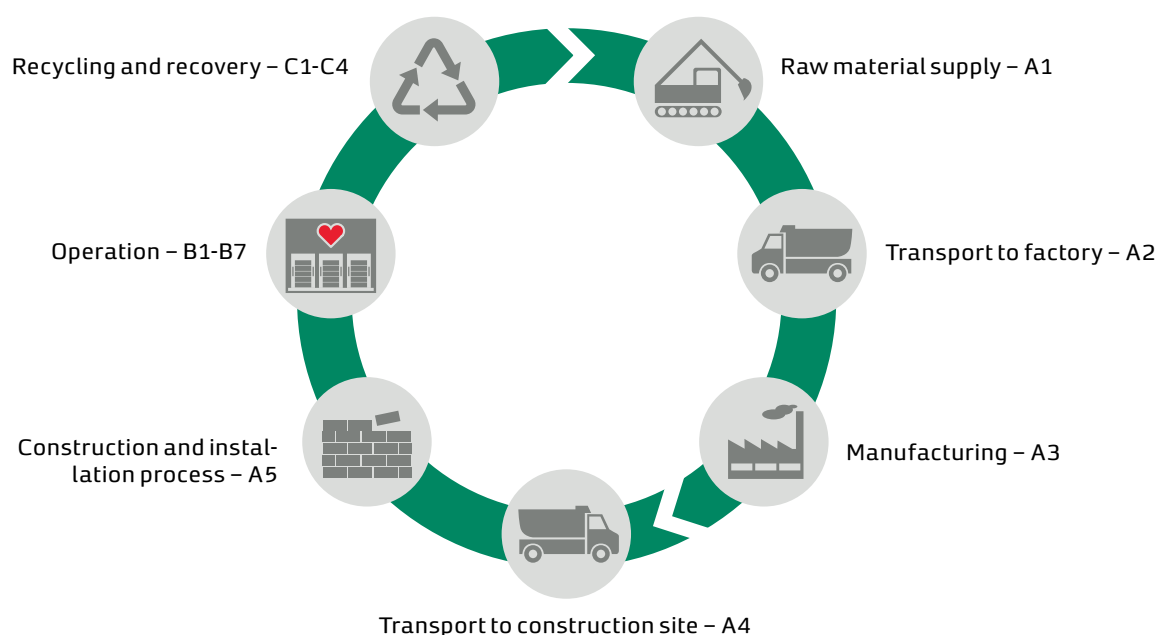
Distribution of greenhouse gas emissions per activity



Catena's greenhouse gas emissions (Scope 1+2), tonnes CO₂e



Scope	Activity Catena	Data source	Source conversion factor
Scope 1 Direct emissions from self-controlled sources.	Gas heating not metered to customer	Internal energy monitoring system	The Swedish Environmental Protection Agency
	Refrigerant leakage	Refrigerant reports	Refrigerant reports (in some cases with a one-year lag)
	Travel by company car	Booked costs	The Swedish Transport Agency and NTM
Scope 2 Indirect emissions from grid-borne energy use.	Electricity and district heating consumption not metered to customers	Internal energy monitoring system	Respective supplier of electric and district heating (in some cases with a one-year lag) and national average for electricity from IVL / Boverket and Energinet
Scope 3 Other indirect emissions over which the organisation has no direct control but which occur due to its activities.	Energy consumption under customer control	Internal energy monitoring system	The respective supplier of electric and district heating (in some cases with a one-year lag) and the national average for electricity from IVL/Boverket and Energinet. For gas and oil, data are supplied by the Swedish Environmental Protection Agency
	Business travel	Mileage compensation, travel agency	Swedish Transport Agency, Taxi Stockholm, SJ, GHG Protocol
	Employee commuting	Employee survey	Danish Transport Agency, NTM
	Other indirect emissions (emissions from construction projects, for example)	Not reported in figures due to insufficient data but estimated to account for more than 80 percent of total emissions	



The life cycle of a building

From the product and construction phase (A1-A5) to the operational phase (B1-B7) to a circular final phase (C1-C4).

Emissions from construction projects are thus significantly higher than emissions in other categories. For this reason, Catena makes great efforts to understand and reduce its footprint. Catena has developed a roadmap to achieve the sustainability goals and reduce greenhouse gas emissions in all Scopes. Among other things, the roadmap includes measures affecting the Company’s car and travel policies for employees, energy issues and project activities.

An example of an action based on the roadmap is that, in the autumn of 2020, Catena initiated a pilot project at one of the Company’s new construction projects in Åstorp, where a climate declaration will be implemented in accordance with the forthcoming legal requirements from the National Board of Housing, Building and Planning. The climate declaration calculates the emissions from A1-A5 (see figure above). Additional climate declarations are planned to be implemented in 2021. In connection with these climate declarations, Catena will assess at what stage the greatest emissions occur and how the emissions can be reduced. Different materials are being assessed to ensure that climate-smart alternatives are chosen. Based on the climate declarations, Catena will continue to work to develop appropriate strategies and ambitious goals to reduce its indirect emissions in the value chain.

Environmental certifications

With environmental certification as a tool, Catena creates buildings offering a high level of sustainability performance that are quality assured by third parties. In accordance with Catena’s sustainability goals, 25 percent of the Company’s total lettable area must be certified in accordance with the Miljöbyggnad Silver standard (as a minimum) or equivalent by 2025. In the business

plan for 2021, the target has been revised and raised to 50 percent.

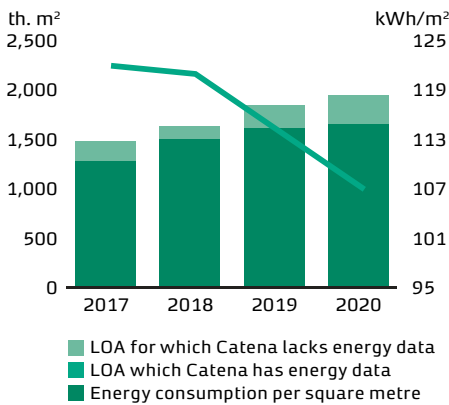
Miljöbyggnad ensures that buildings consume energy efficiently in operation and offer a pleasant and healthy indoor environment, at the same time as the certification raises the requirements for the choice of materials. While Miljöbyggnad primarily targets new construction, Catena is also investigating opportunities to increase the sustainability performance of its existing portfolio. In 2020, Catena commenced certification on the Backa 23:5 property in accordance with the new Miljöbyggnad iDrift system. Miljöbyggnad iDrift was launched during the summer of 2020 as a tool to increase the sustainability performance of existing buildings through their operation and management. Applying Miljöbyggnad iDrift, the Company can adapt its older properties to be more sustainable based on their specific conditions. The certification system is part of Catena’s target for 50 percent of its area to be certified.

In 2020, seven buildings with a total area of 120,500 m², achieved Miljöbyggnad Silver certification and certification processes are currently in progress or being prepared for a further 11 buildings. A total of 328,719 m² is certified or in the process of certification under Miljöbyggnad and Miljöbyggnad iDrift. That is equivalent to 16 percent of Catena’s total lettable area.

Energy

Heating and electricity represent the largest individual operating costs for properties. The opportunities to achieve efficiencies are considerable, both in terms of costs and environmental impact. Catena is to reduce its energy use for normal-year adjusted heating by 15 percent (kWh/m²) and for electricity by 10 percent (kWh/m²) by 2025 compared with 2017. In 2020, the target for

Energy intensity of the properties



electricity was achieved with a reduction of 11 percent compared with 2017 and the total energy consumption per m² decreased by 13 percent compared with 2017. It is clear that Catena’s energy project is yielding results. The targets will be reviewed in 2021 to ensure a continued high level of ambition.

By 2030, 100 percent of Catena’s energy will be fossil-free. Although the target focuses primarily on energy purchased by Catena, the Company is also working to identify fossil-free solutions for energy purchased by customers. Today, Catena’s energy is 92 percent fossil-free and all purchased electricity for the properties in Sweden is renewable. The remaining fossil energy derives from the electricity consumed at one of Catena’s properties in Denmark and two buildings that are heated with fuel. A minimal fossil share also remains in district heating. Where the conditions are appropriate, Catena is studying the possibility of using ground-source heating geothermal heating or other solutions. The electricity agreement in Denmark is being reviewed.

At the same time, Catena is developing and strengthening its collaboration with tenants, providing increased knowledge and additional opportunities for influence in terms of their purchased energy sources. For a building to be environmentally certified in accordance with Miljöbyggnad Silver, one of the requirements is that the tenants purchase renewable energy.

The properties’ roof areas offer good opportunities for installing photovoltaic cells, and the Company is working together with customers to make use of such opportunities. Catena’s objective is for all new buildings to include a photovoltaic system adapted to the circumstances of the property and the tenant, and where the electricity generated can be consumed within the property. In 2020, Catena produced six new buildings, on four of which photovoltaic cell systems have been installed, while three more systems were installed on existing buildings. In total, the seven photovoltaic cell facilities have an estimated annual production of approximately 1,438 MWh. The output of all of Catena’s photovoltaic cell facilities combined covered 1.5 percent of Catena’s total energy consumption in 2020. Catena’s photovoltaic cell group coordinates resources and safeguards knowledge sharing between the regions.

Supplier assessments

Catena uses external suppliers and partners for, among other things, property management and large parts of the construction process for new construction and conversion. This means that a substantial part of sustainability management is conducted in partnership with suppliers and partners. The Company’s employees are responsible for ascertaining whether the suppliers that are engaged are responsible actors. Catena’s Code of Conduct for suppliers includes requirements in the areas of the environment, work environment, health and safety, human rights and anti-corruption. The requirements are based on the ISO 14001 environmental management system, as well as the ten principles of the UN Global Compact, which Catena has signed. Suppliers performing work at Catena’s properties and where Catena expects to purchase services for at least SEK 250,000 annually shall be approved in accordance with the Company’s sustainability requirements. They must familiarise themselves with Catena’s Code of Conduct for suppliers and disseminate it to their subcontractors. For suppliers with more than 20 employees, a self-declaration must also be completed, in which information about the Company’s work in the areas of the environment, work environment and ethics is documented and assessed. Relevant certificates, procedures and policies must be attached with the declaration. In 2020, Catena identified 222 suppliers for assessment, of whom 84 have been assessed and approved. The remaining suppliers are currently under review, or are no longer used by the Company. To date, no supplier has failed to gain approval. Over the year, Catena developed the supplier review process through internal training in supplier review and began a collaboration with students from the Chalmers University of Technology in Gothenburg in the “Sustainable supply chain” project. In 2021, Catena will focus on improvements based on the results of the training and the collaboration with Chalmers by, among other things, developing the internal process for supplier assessment to more quickly bring new suppliers on board and to develop the collaboration with contractors to inspire continued improvements.

Choices of materials

Careful selection of materials is important to ensure healthy and safe premises with a low environmental impact, while choices of materials have a major impact on the buildings’ maintenance needs and energy performance during operation. To safeguard a low environmental impact and to avoid hazardous substances in new construction, Catena always compiles a digital logbook via the Byggarubedömningen building product assessment service, where contractors document built-in products. Selected materials must be approved by the system before being used in Catena’s properties. The system also ensures that Catena complies with the UN precautionary principle, meaning that if an action could cause harm to human health or the environment, Catena is obliged to take measures.

ENERGY PROJECT:
Self-sufficient properties

Catena works continuously to reduce its properties' climate footprint and operating costs by streamlining their energy consumption. A good example of this is Catena's site on Köpe-torpsgatan in Linköping, immediately adjacent to the airport. Catena has three buildings at the site with 57,000 m² of warehousing and logistics space, with Arla, ICA and Bring, among others, as tenants. Catena also holds land suitable for another building of approximately 10,000 m².

For the three existing buildings, as well as for a future fourth building, a new, shared energy system is being built that will be entirely self-sufficient and will be disconnected from the district heating system. The new system is based on the heat generated by a cooling plant in a freezer unit in one of the buildings, being stored in a geothermal storage plant comprising some 50 boreholes with a total depth of 15,000 metres.

The properties' respective systems are being connected and the heat generated by the freezers can be used for heating in all of the properties. The total heating consumption is estimated to decrease to 10 kWh/m², compared with the average for Catena's property portfolio at 38.5 kWh/m². Catena will continue to work with energy systems for several properties.



CO₂ saving
249 tonnes/year

74%
lower energy consumption

Annual savings
SEK **1.2** M



Köpingegården 1, Helsingborg.

Construction and installation products are also a major source of Catena's greenhouse gas emissions. There are many challenges, but the issue of materials is a crucial part of Catena's environmental and climate work.

Waste

Waste is an important environmental issue, both in projects and in the operation of Catena's properties. In both cases, the issue of waste is challenging due to a lack of information.

In most cases, Catena's tenants are responsible for managing the waste that arises in their operations. In the properties where Catena is responsible for the waste, waste-treatment suppliers have only limited information about the amount of waste that is handled. The goal is for waste to be sorted into the fractions applicable in each municipality and for sorting at source to be comfortably and easy for tenants.

In construction projects, the contractors are usually responsible for waste management and Catena has only limited information on how much waste is generated. As the legal requirements for contractors to sort and report waste increase, Catena's insight into this issue will also increase. With more knowledge about the amount of waste, Catena can establish strategies to reduce it.

The data available on the amount of waste that Catena handled in 2020 is reported on page 79 in accordance with EPRA's Sustainability Best Practice Recommendations.

Biodiversity and land use

When Catena conducts new construction, this often involves raw land. Raw land refers to undeveloped land, such as agricultural land or forest. This affects local ecosystems and biodiversity, which is a fundamental prereq-

uisite for survival and welfare. Biodiversity is declining year after year and plants and animals are increasingly being threatened. At Catena, there is an awareness of the problem of building on raw land while, at the same time these areas are an important part of Catena's business strategy to offer attractive logistics locations.

To offset the negative impacts of Catena's buildings, the Company works with measures of various kinds. For example, in stage 2 at the Sunnanå site, where the detailed planning process is in progress, a possible future building requires the removal of a former irrigation pond, a number of trees and other greenery. These are home to various species, such as bats and frogs. To compensate, Catena will therefore build a new storm water pond with a sandy beach for waders, frogs, salamanders and tall trees will be planted for the bats in the area.




Green areas and dams at the properties do not serve solely as ecological compensation but also as a means of managing storm water, mitigating flooding and avoiding the municipal storm drain network becoming overburdened. They also contribute to a more pleasant workplace for those who work in the area.

Close cooperation for development

The dialogue with tenants represents an important part of Catena's work to create sustainable properties. Reducing greenhouse gas emissions, environmentally certifying properties and enhancing their energy-efficiency, or installing photovoltaic cells requires well-functioning partnerships with tenants being involved from an early stage. All energy consumption at Catena's properties is measured and analysed, regardless of whether the customer or Catena is responsible for the contract with the supplier. The analysis forms the basis for being able to present suitable efficiency opportunities.

A responsible and attractive employer

Catena’s most important resource in achieving the overarching objectives is the Company’s employees. In relation to its sales and assets, Catena has few employees, making each individual all the more important for the operations. When employees thrive and develop, conditions are generated for understanding the needs of customers, for generating business and for attracting and retaining new employees.

SUSTAINABILITY TARGETS 2020	OUTCOMES AND ACTIVITIES 2020	AGENDA 2030
<p>Achieve an eNPS figure of at least 40 in the annual employee survey.</p> <p>Increase gender equality and diversity in all occupational groups by 2025 to better reflect the composition of society.</p> <p>All employees shall be afforded equal opportunities for development and should consider their work environment to be safe and stimulating.</p>	<p>The 2020 eNPS landed at 48.</p> <p>The gender equality aspect is included in all recruitments.</p> <p>Generous attitude to employees’ wishes for training, investment in the work environment, introduced alarms for working alone. Ongoing internal competence development.</p>	<p>Goal 4: Quality education</p> <p> Target: 4.4 Increase the number of people with skills in financial security.</p> <p>Goal 5: Gender equality</p> <p> Target: 5.5 Ensure full participation for women in leadership and decision making.</p> <p>Goal 8: Decent work and economic growth</p> <p> Target: 8.8 Protect workers’ rights and promote a safe and secure work environment for all.</p>

The most important sustainability issues: Offer an attractive workplace for our employees.



Our core values govern the operations

Working together towards, and achieving, Catena’s business objectives, all employees apply a common set of values in their day-to-day work. The values contribute substantially to Catena’s success, with the strategic objective of being an attractive and responsible employer that is able to retain, as well as attract, employees. Read more about Catena’s Core Values on pages 32–33.

Satisfied employees are sustainable employees

As an employer, Catena assumes a holistic responsibility, fostering both the physical and psychosocial work environment. The employees’ view of the Company as a sustainable employer is followed up in several different ways – annual employee surveys, occupational

health care with recurring health examinations, annual employee interviews and more.

In the Company’s latest employee survey, conducted in November 2020, the response rate was 93 percent. From the responses to the survey, it is clear that employees are thriving and they are proud to work at Catena.

In addition to active day-to-day efforts regarding the work environment, Catena pursues, in years not characterised by a global pandemic, a number of different activities to strengthen Catena’s corporate culture and spirit. It was not possible to carry out all of these activities in 2020, Catena has, among other things, invested additionally in wellness to promote health as well as community. Catena has also worked actively to conduct meetings through digital forums.

Catena annually measures the Company’s attractiveness as an employer using eNPS (Employee Net Promoter Score), the rating being a measure of how many of the employees are prepared to recommend the Company as a workplace on a scale of -100 to +100. Although the Company’s eNPS has decreased slightly compared with 2019, the target of +40 is achieved by a good margin. The results show clearly that Catena is a Company for which most employees are active ambassadors. Catena’s eNPS is high in both a national and international comparison and also shows that employees have a great



interest in, and commitment to, Catena's sustainability work. Catena continues to work on the basis of the employee survey as a whole to identify possible areas for improvement.

Equal development opportunities in a safe and developing work environment

Continuous skills development is crucial for Catena's employees to continue understanding and being able to resolve our customers' current and future expectations and needs, and for each employee to feel that Catena is a long-term sustainable employer that invests in its employees. Through annual employee interviews that are conducted with all employees, training plans are produced. Accordingly, extensive opportunities exist for employees to choose between practical training sessions, courses and seminars, etc. in which they may participate on the Company's account.

Central and prioritised areas of training are aspects of property management, finance, the environment and law. In 2020, Catena focused additionally on training in the area of the work environment for the administrative organisation and inventoried, planned and implemented/participated in training in both the physical and psychosocial work environment. To ensure that Catena's sustainability work is integrated into all parts of the Company's operations, all new employees undergo sustainability training. Updates and development discussions in the area of sustainability take place on an ongoing basis via internal channels and at employee meetings.

Catena works actively to safeguard a healthy, safe and pleasant work environment for the Company's employees. This work includes the physical, as well as the psychosocial work environment. Some key aspects of this process involve fostering conditions for a favourable balance between work and leisure, as well as affording everyone the conditions for a flexible work situation with opportunities for influence.

Some cornerstones in Catena's efforts to facilitate se-

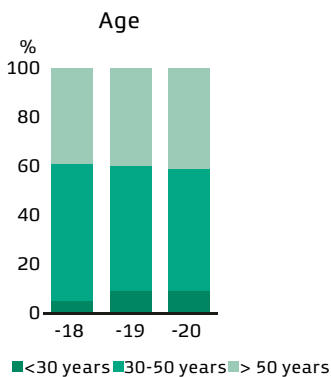
curity and health for its employees are collective agreements encompassing all employees, and the Company's work environment handbook, which lays the foundation for all employees' rights and opportunities for an ergonomic workplace and being able to choose what aids are needed to facilitate their work. Occupational health care is offered with recurring health examinations, etc. A recurring theme at both physical and digital staff meetings is the importance of a good work environment. Between such meetings, information about the work environment is disseminated via the intranet.

The responsibility for a healthy work environment lies with Catena's senior management team and managers with HR responsibilities. To identify risks and problems at an early stage, management and managers follow up on the work environment on an ongoing basis. In cases of, or where there is a risk of, insecure working situations, discussions are held with the manager responsible, with the CEO or the HR Manager and needs for measures to be implemented are determined in joint consultation. Since 2019, Catena also maintains a whistle-blower programme to enable anonymous reporting of misconduct with the utmost secrecy. The whistle-blower service is available via Catena's website and in the personnel manual.

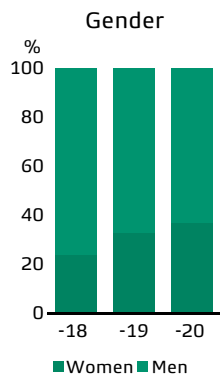
Catena's Work Environment Policy provides, among other things, the framework for systematic work environment efforts. The year's review of the work environment indicated two areas requiring reinforcement – the risks of working alone and the need to revise knowledge on CPR and first aid. During the year, Catena acquired alarms to be used when working alone and made plans for refresher training in CPR and first aid in 2021.

To set the tone from the outset for how important a favourable work environment is for Catena, all new employees undergo training in the work environment and in Catena's work environment handbook. Where needed or asked for, there is also the opportunity for supplementary training in this area. For the administrative organisation, a clear training plan is in place regarding what work

Employee distribution 2020



The diagram shows the percentage of employees in various age categories.



The diagram shows the percentage of women and men among Catena's employees.



Absentee rate

	2020	2019	2018
Average, all employees, %	2.2	0.8	0.7
Women, %	2.5	1.5	0.9
Men, %	2.0	0.5	0.7

The table shows sickness absence as a proportion of the planned number of working hours. No work-related fatalities, injuries, accidents or illnesses were reported.

Training hours

	2020	2019	2018
Average for all employees	24	17	8
Women	24	17	11
Men	23	17	6
Management	12	19	N/D
Other Employees	24	16	N/D

The table above shows the average number of training hours per employee.

Gender pay ratio

	2020	2019
Board of Directors, %	85	84
Management, %	75	70
Other employees, %	71	73

The salary relationship between men and women in Group management is significantly affected by the fact that the CEO is a man. For other employees, the average is affected by the fact that the female employees are younger and do not hold senior positions.

Work-related accidents and accident frequency

	2020		2019	
	Number	Frequency	Number	Frequency
Work-related injuries	0	0	0	0
Number of serious work-related injuries	0	0	0	0
Number of work-related injuries fatality	0	0	0	0
Number of work-related lost-days	0	0	0	0

Accident statistics include in-house personnel only. During the year, Catena did not have any externally contracted personnel. The calculations are based on a total 87,696 working hours. Accident frequency is reported per 200,000 working hours.

environment training is required for each role. Temporary personnel also receive the same training – although Catena did not bring in any such personnel in 2020.

Gender equality and diversity

At Catena, everyone shall enjoy the same opportunities regardless of ethnicity, religion or other beliefs, disability, sexual orientation, gender identity or expression, age or social origin. On recruitment, in connection with promotion and on an ongoing basis, expertise, experience and personal characteristics are evaluated.

Catena works long-term for an even distribution between men and women in the organisation and aims

to work actively to increase gender equality and diversity within the Company by 2025. In 2020, an HR manager was recruited, tasked with, among other things, working towards the long-term objective in all recruitment processes and in connection with internal promotion. As Catena's personnel turnover is low, conditions are generated for a more even distribution within the Company in the future, primarily through growth.

Ethical business

Catena's ethical guidelines provide the platform for the daily work of the Company's employees, partners and suppliers. Behaviour must always be pervaded by good

business ethics and comply with current legislation and agreements. Catena has an Ethics Policy that describes the Company's fundamental values and guidelines for employees and Board members. The Policy includes guidelines in accordance with the ethical rules on contact and relation promoting benefits in business activities that were developed by the Swedish Anti-corruption Institute. Catena's whistle-blower programme further simplifies for employees and partners alike to report shortcomings that contravene applicable legislation, ethics, morals or Catena's policies. All reports are received anonymously and investigated by an external actor. Submitted reports are handled by a special whistle-blower committee at Catena. No applications have been received via the function since its inception

in 2019. In 2020, a Sustainability Policy was implemented, and all employees have had the opportunity to acquaint themselves with this. The Policy, which has been approved by the Board of Directors, is based on the principles of the UN's Global Compact, providing guidelines in areas including energy, environmental certification and, greenhouse gas emissions, as well as social and ethical aspects. For a long time, Catena has had very few employees (about 40). Over the past three years, Catena's workforce has increased by six positions. With a growing workforce, the risks of irregularities within the organisation increase, making internal control processes increasingly relevant – Catena will continue to focus on developing its anti-corruption efforts.

FOCUS:
Work
environment

Work environment focus in the management organisation

A basic prerequisite for the Company is that Catena's employees have a safe and secure work environment. To remind people of the importance of both the physical and social work environment, in 2020 Catena invested additionally in seminars and training for the administrative organisation in the areas of work environment and work environment responsibility.

To ensure the training includes appropriate content, the process commenced with an inventory among the employees about which issues are important to touch on to clarify what the legislation requires and how to act appropriately in everyday life. Based on this inventory, Catena then, together with experts in work environment legislation, developed a course focusing on legislation relevant for Catena together with examples from reality based on the issues raised by the employees in the property management organisation. The initiative, which was much appreciated by the participants, has given several positive results such as providing a reminder of the importance of a safe work environment, updated documentation (available to all employees) about current rules and how they should be applied in various situations, a review of training needs and planning of future training initiatives, a review and updating of the notification procedure as well as the procurement of alarms for working alone.



Sustainability notes

Catena's Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, Core level. The Sustainability Report, which also constitutes the statutory sustainability report, comprises pages 56-85 and has been reviewed by the Company's auditors.

The Sustainability Report applies to Catena AB and all of its wholly-owned subsidiaries for the 2020 calendar year. The Sustainability notes detail how the Company has chosen the areas on which the Sustainability Report should focus and how stakeholders' priorities are met, as well as providing additional information on governance in priority areas. Catena also reports in accordance with EPRA's Sustainability Best Practice Recommendations (sBPR), meaning that Catena discloses certain supplementary tables and charts, as well as the sources

of the data, assumptions and conversion factors used in the accounts. An EPRA index is also included in the accounts. We also report on work that we have commenced regarding the TCFD's recommendations, supplementing this with relevant tables and calculations.

Catena's management is responsible for making strategic decisions regarding economic, social and environmental issues, with Catena's Board of Directors bearing the ultimate responsibility.



Snesholm 1:16, Heby.

Stakeholders and materiality

Catena's stakeholders play a significant role in Catena's sustainability work. Based on ongoing dialogues with key stakeholders, Catena is able to identify the most significant issues and can, in this way, focus resources where they generate the greatest benefit and improvement. The table below shows Catena's priority stakeholders, states why they are prioritised, their key issues and how the Company communicates with them.

Stakeholder group	Why are these stakeholders prioritised?	Opportunities for dialogue	Key issues
Shareholders, investors, analysts	Catena's operations serve to generate returns for shareholders and are compared with the market and with competitors.	<ul style="list-style-type: none"> • Annual General Meeting • Ongoing meetings and telephone contacts • Interim reports • Meetings with shareholders and analysts • Capital Markets Day in Båstad • Website • LogistikTrender 	<ul style="list-style-type: none"> • Business model, objectives and strategy • Financing • Growth • ESG issues • Share liquidity • Publication of information
Customers	To attract tenants, Catena needs to understand its customers' needs and wishes and to put them into practice.	<ul style="list-style-type: none"> • Reinforced active management organisation that maintains regular contact with tenants • Website • LogistikTrender 	<ul style="list-style-type: none"> • Stable and flexible partner • Accessibility • Cost-efficient and environmentally effective premises • Access to multiple modes of transport • Include environmental issues in the construction process • Technical efficiency
Social actors	Catena's buildings have an impact on the community, while society is able to influence how Catena designs its buildings.	<ul style="list-style-type: none"> • Ongoing contacts with public sector decision makers to improve logistics locally, regionally and nationally • Collaboration with organisations or associations promoting sustainable community development and sponsorship of initiatives • LogistikTrender • Website 	<ul style="list-style-type: none"> • Goods supply and agile logistics • Trends • Reduced traffic intensity in urban centres • Low impact on the environment and climate • Long-term view • Efficient land use
Suppliers	Suppliers perform work in accordance with the wishes of Catena and its tenants.	<ul style="list-style-type: none"> • Regular in-person meetings with suppliers • LogistikTrender • Website 	<ul style="list-style-type: none"> • Stable partner • Long-term perspective and clarity • Valuation of sustainability aspects in procurement
Employees	Catena's employees also serve as ambassadors for the Company and, for the best results, should be committed to their work.	<ul style="list-style-type: none"> • Regular contacts • At least one annual performance interview and salary review • Annual personnel conference to educate and motivate • Internal workshops • Intranet 	<ul style="list-style-type: none"> • Opportunities for training and skills development • Clear career paths • Salary and benefits • Balance between work and leisure • Diversity and equality

To obtain a more in-depth picture of stakeholders' views on sustainability, Catena performed an updated materiality analysis in 2020. Both external and internal stakeholders participated through interviews and surveys. The stakeholder groups that Catena considered most important to include were societal actors, suppliers, customers, shareholders and analysts, as well as the Company's employees.

The purpose of the analysis was to produce relevant data to be able to decide partly on Catena's significant sustainability issues and partly on how the strategic work with these issues should proceed. In the first stage of the process, relevant sustainability issues were identified that would be included in the materiality analysis. The choice was based on issues that were generally considered important from the perspective of sustainability, that were relevant to Catena's operations and that were in line with the Company's level of ambition. The stakeholders then had to take a position on the selected sustainability issues and express how important they considered each issue to be for Catena's sustainability work. The results of the survey were analysed and formed the basis for the decision on Catena's significant sustainability issues.

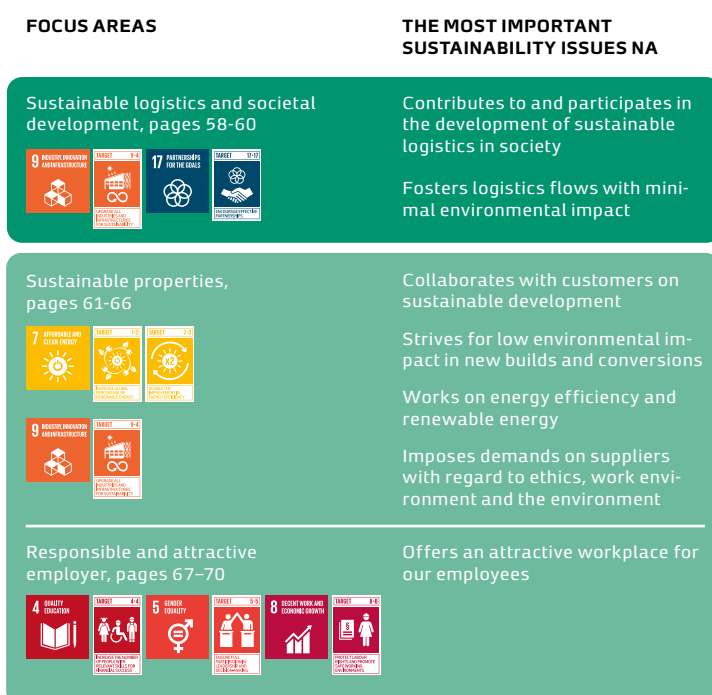
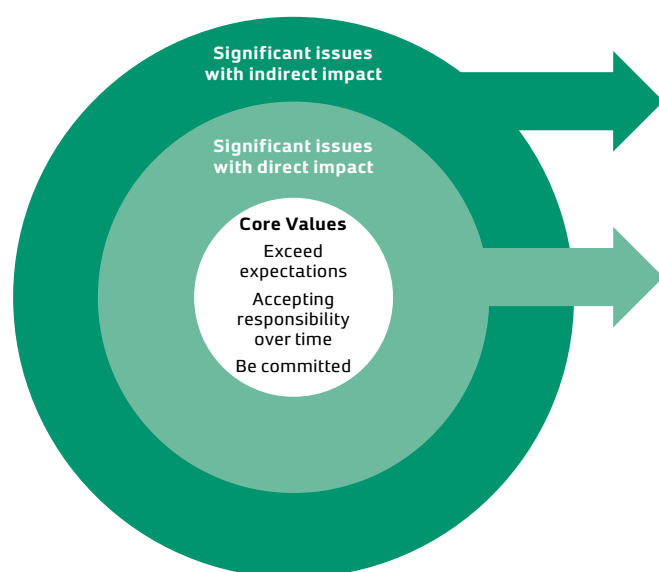
In the next phase of the process, an assessment was made of the impact of the sustainability issues and the Company's influence over this impact. These two perspectives are of great importance for Catena's continued strategic work on sustainability issues. If Catena has a sizeable impact on a certain sustainability issue, for example, that issue should be addressed. If conversely the Company's impact in this regard is minor, this will have consequences for how successfully the sustainability

issue can be managed. Similarly, it also matters whether Catena's influence is direct or indirect. For example, a particular supplier's operations could have a substantial and direct impact on the environment, but because Catena can make demands on its suppliers' way of working, the Company also has a great deal of influence in creating a positive change.

Catena has therefore chosen to give special priority to the handling of sustainability issues where the Company has a sizeable and direct impact and where its influence to make a positive difference is also great.

The model below shows how Catena chooses to organise its sustainability work. This is based on the results of the materiality analysis, where the significant sustainability issues are divided into the Company's three focus areas within sustainability. Catena's values are at the core of how the Company behaves and are a starting point for the sustainability work. Sustainability issues with a sizeable and direct impact and where Catena's influence is, at the same time, considerable play a central role in Catena's sustainability work. These issues are divided between Catena's focus areas *Sustainable properties and Responsible and attractive employer*, which therefore have an overriding importance in the strategic sustainability work. Sustainability issues with a substantial but indirect impact and where the Company's influence to generate a positive difference is limited are organised under *Sustainable logistics and societal development*, which nevertheless plays an important role in the work. The model also shows how Catena's focus areas relate to Agenda 2030 and the global development goals and sub-goals on which the Company has chosen to focus.

Outcome, materiality analysis



Reporting in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD)

The importance of global climate change is becoming increasingly clear and Catena's business is affected by these changes. TCFD is a framework established to identify companies' climate-related financial risks and opportunities. Catena has chosen to start reporting in accordance with the framework with the aim of acting for and managing the risks and opportunities that come with a changed climate, both based on physical conditions in weather and climate but also the adjustments required to limit carbon dioxide emissions, both direct and indirect, for to keep us below 1.5°C warming.

In 2019, Catena began work on TCFD's recommendations, focusing on identifying relevant risks and opportunities, as well as their impact and the Company's exposure to them.

In 2020, the Company has taken this work a step further by including different climate scenarios in the risk analysis. As Catena is a relatively small company with 46 employees, all employees, including management, have the opportunity to participate in the work. This ensures that all perspectives are included, which is an important part of the work as climate change affects all parts of Catena's operations.

In the form of workshops and based on two extreme climate scenarios, employees identify risks and opportunities, as well as their probability and consequences. This work will be presented to the board and lead to concrete strategies and measures as well as transformative business goals to meet climate change.

The results of this work will be made available to external parties.

In this Annual Report, Catena presents an analysis in accordance with TCFD's recommendations. The table below describes the scope and refers to the relevant pages for more detailed explanations.

TCFD

Governance	Strategy	Risk management	Indicators and targets
A) The Board of Directors' monitoring of climate-related risks and opportunities, see pages 71, 74 and 127.	A) Climate-related risks and opportunities identified by Catena and their impact, see page 130.	A) Catena's processes for identifying climate-related risks, see pages 74, 127 and 130.	A) Catena's indicators for assessing climate-related risks and opportunities, see pages 75–79.
B) Role of management in assessing and managing climate-related risks and opportunities, see pages 71, 74 and 127.	B) Impact of risks and opportunities on the organisation's operations, strategy and financial planning, see page 130.	B) Catena's processes for managing climate-related risks, see pages 74 and 127–130.	B) Scope 1, 2 and 3 emissions in accordance with the Greenhouse Gas Protocol, see table on page 78.
	C) Contingencies in Catena's strategy for various climate-related scenarios, see pages 74 and 130.	C) Integration of the above processes into the organisation's general risk management, see pages 74, 127 and 130.	C) Targets for management of climate-related risks, see Catena's sustainability targets on page 61.

EPRA sBPR: Performance measures

Catena reports the Company's sustainability indicators based on EPRA's latest recommendations: Best Practices Recommendations on Sustainability Reporting, sBPR, third edition from September 2017. Catena reports sustainability ratios for all 28 of EPRA's sBPR Performance Measures.

EPRA's recommendations

EPRA (European Public Real Estate Association) promotes, develops and represents the European property sector. The organisation has developed recommendations in the area of sustainability, so-called sustainability best practice recommendations (sBPR), comprising indicators of energy, greenhouse gas emissions, water, waste and social and management indicators. As an EPRA member, Catena considers the recommendations and uses the indicators to illustrate the development of its sustainability work in the form of comparable figures. For the key performance indicators presented in the 2019 Annual Report, EPRA presented Catena with two awards – EPRA Silver and EPRA Most Improved.

Organisational boundaries

Catena reports key performance indicators in accordance with the Greenhouse Gas Protocols operational/financial controls, that is to say, the data reported refers to all of Catena's wholly owned subsidiaries. For Catena, there is no difference between operational and financial control. Catena is a partner in one company but lacks consumption data for that company, which is therefore not relevant for EPRA accounting and is included in the figure for total lettable area (LOA). This means that all of the properties presented on pages 43-45 are included. The total LOA for 2020 is 1,947,537 m².

Coverage

Catena works actively to gain access to relevant measurement data on all its properties. This is important in reporting correct and relevant data and in engendering favourable conditions for favourable and efficient technical management. Today, Catena has access to data regarding almost the entire portfolio. The lettable area (LOA) and its share of the total LOA included in the measure for each indicator is stated together with the respective key performance indicators. For key performance indicators in comparable holdings, Catena has included properties that has been in the portfolio since 2019 or earlier, where there is measurement data for all of 2019 and 2020 and where the size of the total lettable area has not changed between 1 January 2019 and 31 December 2020.

Estimate of the landlord-obtained utility consumption

Reported data are measured, ensured and are not estimated. Only data for Catena's head office at Vångagärdet 20 is estimated as Catena does not have sub-meters in the office area, which is part of a larger building. To obtain consumption figures, Catena has used the relevant indicator for the entire property (25,960 m²), divided by the total area and then multiplied by the office area

(645 m²). The use of the office space is also included in the figures reported for the total.

Third party assurance

Catena's Sustainability Report in accordance with the GRI Standards has been subject to a limited assurance engagement by PwC in accordance with ISAE 3000. See the Assurance Report report on page 85.

Boundaries – reporting on landlord and tenant's consumption

Catena reports statistics for electricity, heat, water and waste in those instances where Catena is responsible for the agreement with the supplier. For energy, the actual metered consumption that is re-invoiced to the tenant is also reported separately. Because Catena seeks to influence not only its own consumption, but also seeks to help tenants streamline their use, Catena also reports consumption where the customer is responsible for electricity, heat and water. It is only with regard to waste that Catena has no statistics on its customers' use.

Normalisation

Catena calculates intensity key performance indicators by dividing by the total lettable area of the buildings. Catena applies SMHI (Swedish Meteorological and Hydrological Institute) degree days in normalising energy used for heating.

Segmental analysis (geography, building type, etc.)

Catena owns almost exclusively logistics properties and just a few office buildings. As the proportion of offices is low and are often located within logistics properties, Catena has not divided the figures between different types of buildings. Nor are the figures distributed geographically as Catena's properties are subject to similar geographical conditions.

Disclosure on Company's own offices

Catena reports the environmental indicators for its head office, where about half of Catena's employees work. For the remaining offices, there are no precise figures and reasonable estimates cannot be made as they are smaller units.

Location of EPRA Sustainability Performance data in the report

See Catena's EPRA index on page 76.

Narrative on performance

Explanations of the outcomes of the various indicators are presented in the notes beneath each table. Further disclosures and activities are detailed on pages 56-71.

Reporting period

The reporting for each year presented in the EPRA table pertains to the calendar year (1 January to 31 December).

Materiality

Catena's materiality analysis is reported on pages 72-73.

EPRA sBPR Index

The table below lists references to data for each EPRA sBPR indicator.

EPRA code	GRI Standard indicator	Page reference
Environmental Performance Measures		
Elec-Abs	302-1	77
Elec-Lf	302-1	77
DH&C-Abs	302-1	77
Dh&C-Lfl	302-1	77
Fuel-Abs	302-1	77
Fuel-Lfl	302-1	77
Energy-int	CRE1	78
GHG-Dir-Abs	305-1	Scope 1 for fuel heating 2020 is 67 tonnes CO ₂ e, see page 78
GHG-Indir-Abs	305-2	Scope 2 (location-based) from electricity and district heating for 2020 is 1,917 tonnes CO ₂ e, see page 78.
GHG-Int	CRE3	Intensity Scope 1+2 (location-based) from energy use in the properties resulted in 1.2 kg CO ₂ e / m ² for 2020, see more on page 78.
Water-Abs	303-1	78
Water-Lfl	303-1	78
Water-Int	CRE2	78
Waste-Abs	306-2	79
Waste-Lfl	306-2	79
Cert-Tot	CRE8	79
Social Performance Measures		
Diversity-Emp	405-1	80
Diversity-Pay	405-2	69
Emp-Training	404-1	69
Emp-Dev	404-3	100 percent of the employees participated in individual development interviews, see more on page 68.
EmpTurnover	401-1	80
H&S-Emp	403-2 (2016)	69
H&S-Asset	416-1	80
H&S-Comp	416-2	80
Comty-Eng	413-1	80
Governance Performance Measures		
Gov-Board	102-22	140
Gov-Select	102-24	134-136
Gov-Col	102-25	133-138

Environmental indicators, EPRA

Electricity use			Total				Comparable portfolios		Change, %
EPRA code	Unit		2020	2019	2018	2017	2020	2019	
Elec-Abs	MWh	Purchased by landlord	48,715	56,290	53,154	40,249	43,768	47,463	-8
Elec-Lfl		<i>of which, metered to tenant</i>	31,008	31,460	28,976	N/D	28,469	29,790	-4
		Purchased by tenant	66,278	66,425	66,238	63,870	59,558	62,050	-4
		Self-produced by landlord	1,063	257	1	-	470	131	258
		Self-produced by tenant	1,072	986	556	-	1,072	855	25
		Total electricity use	117,128	123,958	119,949	104,119	104,868	110,499	-5
%		<i>Proportion renewable</i>	40	41	42	N/D	43	44	
kWh/m		Intensity	70	75	78	79	77	81	-5
m ²		LOA (average)	1,669,562	1,648,182	1,540,947	1,322,819	1,367,840	1,367,840	
%		Share of total LOA (31 Dec)	86	89	86	80	70	74	

The table shows electricity consumption at Catena's wholly-owned properties, broken down between purchased sources and sources generated in-house. All reported energy generated in-house originates from local photovoltaic facilities and has been consumed within Catena's properties. The renewable proportion includes electricity that Catena purchases from Vattenfall, as well as electricity generated using photovoltaic cells. For electricity purchased by tenants, Catena has limited information regarding the source and the proportion of renewable is therefore probably higher than stated.

District heating use			Total				Comparable portfolios		Change, %
EPRA code	Unit		2020	2019	2018	2017	2020	2019	
DH&C-Abs	MWh	Purchased by landlord	35,495	32,764	33,588	27,430	30,331	28,817	5
DH&C-Lfl		<i>of which, metered to tenant</i>	14,525	13,838	14,258	N/D	12,573	12,304	2
		Purchased by tenant	22,416	22,957	22,150	18,757	22,850	22,584	2
		Total district heating use	57,911	55,721	55,738	46,187	53,181	51,401	3
%		<i>Proportion renewable</i>	95	94	93	N/D	95	94	
kWh/m		Intensity	44	43	44	42	44	43	2
m ²		LOA (average)	1,313,028	1,292,991	1,265,564	1,103,467	1,198,576	1,183,590	
%		Share of total LOA (31 Dec)	67	70	71	66	62	65	

The table shows the consumption of district heating at Catena's properties. The figures are normal-year-adjusted in accordance with SMHI's degree days. Catena does not use district cooling in its properties. Revision of the distribution between the tenant and landlord for 2019 compared with the previous Annual Report due to supplementary information regarding energy agreements.

Fuel use			Total				Comparable portfolios		Change, %
EPRA code	Unit		2020	2019	2018	2017	2020	2019	
Fuels-Abs	MWh	Purchased by landlord	985	4,072	6,800	6,241	939	3,813	-75
Fuels-Lfl		<i>of which, metered to tenant</i>	659	916	885	N/D	613	658	-7
		Purchased by tenant	70	155	345	301	11	51	-79
		Total fuel use	1,055	4,228	7,145	6,542	950	3864	-75
%		<i>Proportion renewable</i>	-	-	-	-	-	-	
kWh/m		Intensity	10	31	46	57	9	32	-72
m ²		LOA (average)	108,222	137,496	154,725	115,458	105,539	120,525	
%		Proportion of total LOA (31 Dec)	6	7	9	7	5	7	

The table shows fuel consumption at Catena's properties. The figures are normal-year-adjusted in accordance with SMHI's degree days. There was a major reduction in 2020 due to a property switching to district heating in August 2019 and another being demolished in January 2020. Areas and thus intensity for 2017 and 2019 have been corrected compared with the 2019 Annual Report in which the average LOA value had been calculated incorrectly.

Total energy use			Total				Comparable portfolios		Change, %
EPRA-code	Unit		2020	2019	2018	2017	2020	2019	
Energy-Int	MWh	Purchased/generated by landlord	86,258	93,383	93,543	73,920	75,508	80,224	-6
		<i>of which, metered to tenant</i>	<i>46,193</i>	<i>46,214</i>	<i>44,119</i>	<i>N/D</i>	<i>42,727</i>	<i>42,752</i>	<i>0</i>
		Purchased/generated by tenant	89,836	90,523	89,289	82,928	83,491	85,540	-2
		Total energy use	176,094	183,906	182,833	156,848	158,999	165,764	-4
	kWh/m	Intensity	107	114	121	122	51	54	-6
	m ²	LOA (average)	1,653,460	1,618,870	1,505,297	1,281,546	1,485,529	1,485,529	
	%	Proportion of total LOA (31 Dec)	85	88	84	77	76	81	

The table shows the energy intensity in Catena's properties. Change between distribution of tenant and landlord for 2019 compared with the previous Annual Report due to a revision in the distribution of district heating. See also explanation under the table for district heating.

Greenhouse gas emissions				Total			
EPRA-code	Unit	Scope	Emission source	2020	2019	2018	2020-2018, %
GHG-Dir-Abs	tonnes	Scope 1	Natural gas	67	637	1,195	-94
			Refrigerant leakage	317	317	257	23
GHG-Indir-Abs	CO ₂ e	Scope 2	Company car	32	100	54	-41
			Electricity (market-based)	0	0	0	0
GHG-Int			Electricity (location-based)	716	919	895	-20
			District heating	1,201	1,199	1,163	3
		Total, Scope 1+2 (market-based)		1,617	2,254	2,670	-39
		Total Scope 1+2 (location-based)		2,333	3,172	3,564	-35
		Scope 3	Electricity (market-based)	5,161	4,617	3,962	30
			Electricity (location-based)	4,432	4,257	4,153	7
			District heating	1,922	2,330	2,191	-12
			Natural gas and oil	150	221	257	-42
			Business travel	5	27	46	-89
			Commuting	50	40	42	19
		Total Scope 1+2+3 (market-based)		8,905	9,488	9,168	-3
		Total Scope 1+2+3 (location-based)		8,892	10,046	10,253	-13
	kg CO ₂ e/m ²	GHG intensity (Scope 1+2, market-based)		0.98	1.96	2.37	-59
	kg CO ₂ e/m ²	GHG intensity (Scope 1+2+3, market-based)		5.39	6.21	6.81	-21
	m ²	LOA (average)		1,653,460	1,618,870	1,505,297	
	%	Share of total LOA (31 Dec)		85	88	84	

The table shows direct and indirect greenhouse gas emissions and their intensity. Strong reduction of Scope 1 due to a property being reconnected from natural gas to district heating in August 2019. Adjustments in emissions for 2018 and 2019 have been made compared with figures presented in the 2019 Annual Report due to improved and more specific information on electricity agreements that have been obtained. A more detailed explanation can be found on page 83.

Water consumption			Total			Comparable portfolios		Change, %
EPRA-code	Unit		2020	2019	2018	2020	2019	
Water-Abs Water-LfL Water-int	m ³	Purchased by landlord	119,271	136,526	123,308	89,346	99,548	-10
		Purchased by tenant	104,221	103,961	92,099	102,062	103,285	-1
		Total water use	223,492	240,487	215,407	191,408	202,833	-6
	l/m²	Intensity	141	152	153	152	161	-6
	m ²	LOA (average)	1,581,180	1,586,399	1,409,796	1,256,883	1,256,883	
	%	Share of total LOA (31 Dec)	81	86	79	65	68	

The table shows water consumption at Catena's properties.

Waste			Total		Comparable portfolios		
EPRA-code	Unit		2020	2019	2020	2019	Change, %
Waste-Abs	tonnes	Hazardous waste	41	14	36	4	817
Waste-LfL	tonnes	<i>of which to other/ unknown treatment method</i>	41	14	36	4	
	%		100	100	100	100	
	tonnes	Non-hazardous	565	248	244.9	195.1	26
	tonnes	<i>of which, for incineration</i>	147	17	61	17	259
	%		26	7	25	9	
	tonnes	<i>of which, for recycling</i>	126	151	86	102	-16
	%		22	61	35	52	
	tonnes	<i>of which, for landfill</i>	20	25	15	25	-39
	%		4	10	6	13	
	tonnes	<i>of which, for composting</i>	16	5	1	1	-34
	%		3	2	0	0	
	tonnes	<i>of which to other/ unknown treatment method</i>	255	50	82	50	63
	%		45	20	34	26	
	tonnes	Total waste	606	262	281	199	41
		LOA (average)	652,742	564,888	483,016	483,016	
		Share of total LOA (31 Dec)	34	31	25	26	

The table shows waste quantities at Catena's properties where Catena engages waste-treatment companies and where the contracted waste-treatment companies are able to deliver treated weight quantities to Catena. The data is limited due to few waste-treatment companies having statistics available. There was a major increase between 2019 and 2020 due to more waste companies having statistics available during 2020 and because Catena is now reporting statistics on additional properties.

Catena's headquarters			2020	2019	2018	Change 2020-2019, %
EPRA code	Unit					
Elec-Abs, Lfl	MWh	Total electricity use	15.3	22.8	33.85	-33
DH&C-Abs, Lfl		Total district heating use	38.7	16.2	N/A	-
Fuel-Abs, Lfl		Total fuel use	-	48.4	N/A	-
Energy-Int	kWh/m ²	Intensity	83.7	135.6	52.48	-38
GHG-Dir-Abs	tonnes CO ₂	Scope 1	-	8.6	N/A	-100
GHG-Indir-Abs		Scope 2	3.3	0.7	N/A	377
GHG-Int	kg CO ₂ e/m ²	Intensity	5.2	14.4	N/A	-64
Water-Abs, Lfl	m ³	Total water use	135.0	187.0	213.00	-28
Water-Int	l/m ²	Intensity	209.3	289.9	330.23	-28
Waste- ABS, Lfl	tonnes	Total (non-hazardous, for recycling and incineration)	0.18	0.49	0.34	-63
	m ²	LOA	645	645	645	

The table shows environmental indicators at Catena's head office. All values are estimated.

Environmental certification			2020	2019	2018
EPRA-code	Unit	Environmental certification system and level			
Cert-Tot	m ²		149,562	149,562	126,675
	% of total area	Certified in accordance with "Greenbuilding"	8	8	7
	m ²		120,500	0	0
	% of total area	Certified in accordance with "Miljöbyggnad Silver"	6	0	0
	m ²		270,062	149,562	126,675
	% of total area	Total certified	14	8	7
		Number of buildings	13	7	6

The table shows the number of buildings that are environmentally certified, as well as the certified area.

Social indicators

Social sustainability at Catena's properties						
EPRA-code	Indicator	2020	2019	2018		
H&S-Asset	Proportion of properties where health and safety assessment has been performed, %	100	100	100		
H&S-Comp	Occasions when health and safety deficiencies have been observed at Catena properties	0	0	0		
Comty-Eng	Proportion of properties where community projects have been implemented, %	0	0	0		

Employee turnover and retention							
EPRA-code	Indicator	2020		2019		2018	
		Number	Of which women	Number	Of which women	Number	Of which women
Emp. Turnover	New employees	8	4	6	5	6	1
	Share of total number of employees at year-end, %	17		14		15	
	Employees who left	5	1	4	1	4	0
	Share of total number of employees at year-end, %	11		9		10	

Labour force						
Indicator	2020		2019		2018	
	Number	Of whom, women	Number	Of whom, women	Number	Of whom, women
Total number of employees (count)						
No. of employees	46	17	43	14	41	10
Employees on permanent contracts	46	17	42	13	41	10
<i>Of which, full time</i>	46	17	42	13	41	10
Of whom, part-time	0	0	0	0	0	0
Employees on temporary contracts	0	0	1	1	0	0

The table shows the total number of employees and the number of women at Catena, divided into different types of employment. During the year, Catena did not make use of any contracted temporary personnel, nor were there any seasonal variations in the number of employees. All data is obtained from HR administration.

Employee gender diversity							
EPRA-code	Indicator	2020		2019		2018	
		Number	Proportion women	Number	Proportion women	Number	Proportion women
Diversity Emp	Board of Directors	7	3	7	3	7	3
	Under 30 years	0	0	0	0	0	0
	30-50 years	1	1	2	2	2	2
	Over 50 years	6	2	5	1	5	1
Management	Management	3	1	7	1	7	1
	Under 30 years	0	0	0	0	0	0
	30-50 years	1	0	3	1	3	1
	Over 50 years	2	1	4	0	4	0
Other Employees	Other Employees	43	16	36	13	34	9
	Under 30 years	4	4	4	4	2	1
	30-50 years	22	8	19	6	20	6
	Over 50 years	17	4	13	3	12	2

The table shows the composition of the Company by gender and age category.

GRI

The GRI (Global Reporting Initiative) helps companies around the world understand and communicate their impacts on critical sustainability issues, such as climate change, human rights, governance and social well-being. Catena's Sustainability Report for 2020 adheres to the GRI standards, Core level. The GRI reporting is based on the areas that have been identified as important to the Company by means of stakeholder dialogues and external monitoring.

GRI index

The following table lists references to the GRI disclosures and indicators reported by Catena within the Company's reporting.

GENERAL STANDARD DISCLOSURES

GRI Standards	Description	Page reference/ Comment
ORGANISATIONAL PROFILE (2016)		
102-1	Name of the organisation	2
102-2	Key brands, products and services	4-5
102-3	The organisation's headquarters	2
102-4	Countries with operations	4, 75, 98
102-5	Ownership structure and corporate format	52-53
102-6	Markets	40-42, 14
102-7	Size of the organisation	5-7, 42-45, 49-51, 80
102-8	Labour force	80
102-9	Supply chain	64
102-10	Significant changes in the organisation and its supply chain	7, 46-47
102-11	Application of the precautionary principle	64
102-12	External initiatives	57
102-13	Membership	57
STRATEGY AND ANALYSIS (2016)		
102-14	Statement by senior decision maker	10-11
ETHICS AND INTEGRITY (2016)		
102-16	Values, principles, standards and codes of conduct	32-33
GOVERNANCE (2016)		
102-18	Governance structure	71, 127-141
STAKEHOLDER COMMITMENT (2016)		
102-40	Stakeholder groups	72-73
102-41	Proportion of labour force covered by collective agreements	68
102-42	Identification and selection of stakeholder groups	72-73
102-43	Approach to communication with stakeholders	72-73
102-44	Issues raised by stakeholders and the handling of these	72-73
ACCOUNTING PROFILE (2016)		
102-45	Entities included in the report	71
102-46	Process for defining the contents of the report	72-73
102-47	Identified material areas	72-73
102-48	Revised information	75, 77, 83
102-49	Significant changes	72-73
102-50	Reporting period	71, 75
102-51	Date of latest report	March 30, 2020
102-52	Reporting cycle	Annually
102-53	Contact details for questions regarding the report and its contents	84
102-54	Statement that the report complies with the GRI Standards	71
102-55	GRI index	81-82
102-56	External assurance	85

SUBSTANCE-SPECIFIC DISCLOSURES

GRI Standards	Description	Page reference/ Comment
GRI 201: ECONOMIC PERFORMANCE (2016)		
103-1, 103-2, 103-3	Governance	12-15, 20-21, 71
201-1	Generated and distributed financial value	59
GRI 203: INDIRECT FINANCIAL IMPACT (2016)		
103-1, 103-2, 103-3	Governance	12-15, 59, 71
203-2	Significant indirect financial impact	58-59
GRI 205: ANTI-CORRUPTION (2016)		
103-1, 103-2, 103-3	Governance	69-70
205-3	Number of corruption cases	No cases, see also pages 69-70
GRI 302: ENERGY (2016)		
103-1, 103-2, 103-3	Governance	61-64, 70-71
302-1	The organisation's energy consumption	75, 77-78
CRE1	Energy intensity in buildings	75, 78
GRI 305: EMISSIONS (2016)		
103-1, 103-2, 103-3	Governance	61-64, 70-71
305-1	Direct GHG emissions (Scope 1)	62, 75, 78, 83
305-2	Indirect GHG emissions (Scope 2)	62, 75, 78, 83
305-3	Other indirect GHG emissions (Scope 3)	62, 75, 78, 83
GRI 401: EMPLOYMENT AND WORKING CONDITIONS (2016)		
103-1, 103-2, 103-3	Governance	67-70
401-1	Personnel turnover	80, region or age distribution not reported due to the low number of individuals
GRI 403: OCCUPATIONAL HEALTH AND SAFETY (2018)		
103-1, 103-2, 103-3	Governance	67-70
403-1 – 403-7	Governance	67-69, 83-84, 128
403-9	Work-related injuries	68-69, 128
GRI 404: EDUCATION (2016)		
103-1, 103-2, 103-3	Governance	67-70
404-1	Training for employees	69
404-3	Development interviews	68
GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES (2016)		
103-1, 103-2, 103-3	Governance	67-70
405-1	Composition of the Company	80
GRI 406: NON-DISCRIMINATION (2016)		
103-1, 103-2, 103-3	Governance	67-70
406-1	Number of cases of discrimination	No cases
CRE: PRODUCT RESPONSIBILITY (2016)		
103-1, 103-2, 103-3	Governance	61-63, 71
CRE8	Sustainability certifications for new construction, remodelling and extensions	63, 79

Boundaries

All of the sustainability aspects Catena has deemed to be significant in various ways have an impact on the Company's operations and employees. Catena strives for comparability in historical data. Some of Catena's sustainability aspects may also have an impact outside the Company's legal framework, such as at customers and suppliers. In those cases, impact and delimitations of Catena's responsibilities are described in connection with the reporting of governance and indicators.

Background data and complementary indicators

In this section, Catena presents the methods, assumptions and conversion factors used to prepare the Company's EPRA key performance indicators and GRI indicators. Supplemental information is also presented.

Supplier evaluation

The Company is evaluating appropriate indicators to measure and follow up suppliers' performance in a relevant and cost-effective manner. Catena currently measures none of the GRI indicators for the disclosure of supplier evaluation of the environmental impact, despite this having been identified as material. In 2020, Catena continued working on updating its supplier assessment, see more on page 64.

Energy use and greenhouse gas emissions

Catena reports energy use for 85 percent of the total lettable area – the remaining 15 percent is not included in the figures because Catena lacks access to tenants' meter readings.

To ease understanding, Catena presents all energy consumption in MWh or kWh. To convert energy consumption from MWh to GJ, use the conversion factor 3.6. Catena measures and monitors greenhouse gas emissions annually in accordance with the Greenhouse Gas Protocol (GHG Protocol). Catena has measured and reported greenhouse gas emissions divided into Scope 1 and 2 and parts of Scope 3 since 2018. 2018 thus represents Catena's base year for the calculations and the Company's target follow-up. Adjustments of greenhouse gas emissions for 2018 and 2019 have been made due to the following: the calculations are more complete (emissions from refrigerant leakage have been added, for example), improved accuracy in how energy consumption is distributed between different scopes based on the cases where it has been passed on to tenants based

on actual consumption and improved information on which electricity contracts apply to each property, both in Sweden and Denmark, which has made it possible to update emission factors, making them more specific. Information on usage and conversion factors is obtained from sources in accordance with the table on page 62.

The conversion factors are reviewed and updated once a year in connection with the preparation of the Sustainability Report.

As far as possible, Catena uses conversion factors that include all relevant greenhouse gases, that is CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃. The Company does not perform its own conversions from other greenhouse gases to CO₂e and therefore has no overall value for Global Warming Potential (GWP). Combustion of renewable fuels, just like fossil fuels, gives rise to greenhouse gas emissions. The conversion factors relating to the use of renewable fuels consist of the part of the fuel that is fossil, for example, the approximately 15 percent of E85 fuel that consists of petroleum. Catena does not report renewable fuels as they represent a very small share of Catena's emissions and are therefore considered irrelevant.

Governance, health and safety

Catena's management system for health and safety applies to all employees and is based on identified risks and overarching legal requirements. Health and safety issues are dealt with on an ongoing basis at management meetings, personnel conferences and through contact with the occupational health service. Although the management team is responsible for the annual follow-up of work environment matters, all employees are able to submit cases or, if they so wish, to participate in management meetings when specific agenda items are addressed. Information regarding Catena's policies and manuals is available to all employees via Catena's internal IT platform. The Work Environment Policy contains instructions and forms for the reporting of incidents and accidents and for how these are to be investigated. From time to time, an appointed group shall ensure that no employees are subject to reprisals. There is a total ban on reprisals against anyone who raises deviations in the workplace. Incidents are followed up by the management team and a health and safety officer if one has been appointed. The position of health and safety officer is currently vacant and all incidents must therefore be reported to the CEO.

An annual review of the work environment is conducted in the form of safety rounds at each department and regional office. Catena also conducts an annual risk assessment, with action plans and follow-up of the systematic work environment efforts being prepared. Based on annual checks, assessments are made regarding what needs to be changed in the work environment.

Occupational health

Catena has signed an agreement on occupational health-care for all locations where Catena's employees are posted. Health checks and specific interviews on preventive measures are conducted with all employees every two years to identify, minimise and eliminate health risks. The health checks are performed by an external and independent occupational health care provider.

Employees may also contact the occupational health service directly when the need arises. This should first be approved by the manager responsible or HR.

Catena offers all employees an annual wellness subsidy. Involvement in various events is encouraged as employees can participate in various health runs and other events together. All employees also have the opportunity to take out private health insurance, a benefit that is voluntary for the employee and taxable.



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Nattskiftet 11, Stockholm.

Auditor's review report on the sustainability reporting and opinion on the Statutory Sustainability Report

To the Annual General Meeting of Catena AB (publ),
Corporate Registration Number: 556294-1715

Introduction

We have been assigned by the management of Catena AB (publ) ("Catena") to review the 2020 Sustainability Report. Our review covers the Sustainability Report on pages 56-84 of the Annual Report, which also constitutes the Statutory Sustainability Report.

Responsibility of the Board of Directors and management for the Sustainability Report

The Board of Directors and Company management are responsible for preparing the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act. The criteria are stated on page 71 of the Annual Report and consist of the parts of the GRI Standards that are applicable to the Sustainability Report, as well as the Company's own reporting and calculation principles. This responsibility also includes the internal control deemed necessary to prepare a sustainability report free of material errors, whether due to irregularities or mistakes.

Auditors' responsibility

Our responsibility is to express a conclusion on the Sustainability Report based on our review and to submit an opinion regarding the Statutory Sustainability Report. Our assignment is limited to the historical information presented and thus does not include future-oriented data.

We conducted our review in accordance with ISAE 3000 Certification assignments other than audits and reviews of historical financial information. A review consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical review and undertaking other review procedures. We conducted our review of the Statutory Sustainability Report in accordance with FAR's recommendation RevR 12 Auditor's opinion on the Statutory Sustainability Report. A summary review and a review in accordance with RevR 12 has a different focus and is substantially less in scope than the focus and scope of an audit in accordance

with the International Standards on Auditing and generally accepted auditing standards in Sweden.

The auditing firm applies ISQC 1 (International Standard on Quality Control) and thus has a comprehensive quality control system that includes documented guidelines and procedures regarding compliance with professional ethical requirements, standards of professional practice and applicable requirements in laws and regulations. We are independent in relation to Catena in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethics responsibility in accordance with these requirements.

The procedures performed in a review do not enable us to obtain a level of assurance such that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Our review is based on the criteria selected by the Board of Directors and Company management, as defined above. We believe these criteria are appropriate for the preparation of the Sustainability Report.

We believe that the evidence we obtained during our review is sufficient and appropriate for the purpose of providing a basis for our statement below.

Opinion

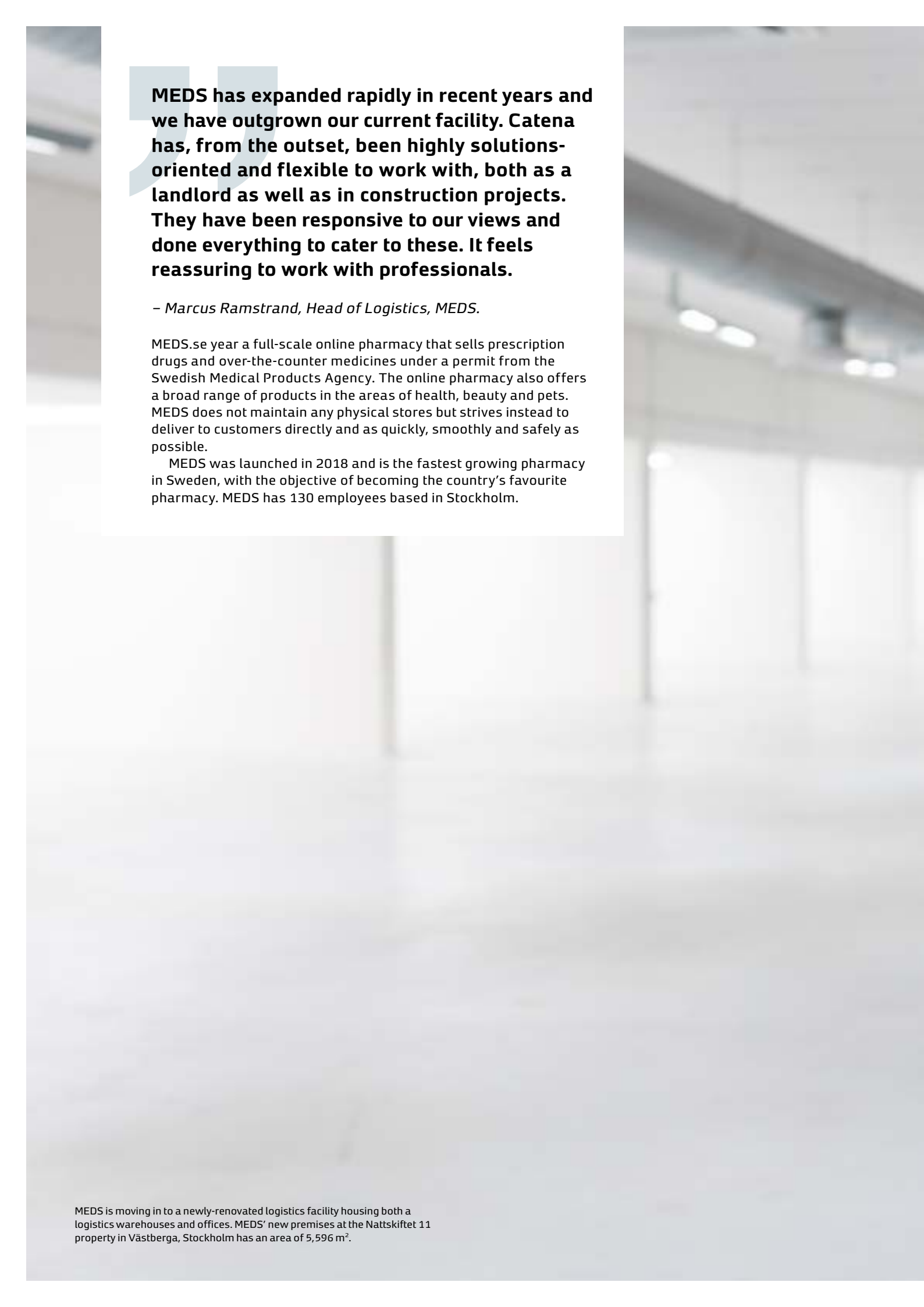
Based on our review, nothing has come to our attention that causes us to believe that the Sustainability Report has not, in all material respects, been prepared in accordance with the above-stated criteria selected by the Board of Directors and Company management.

A statutory Sustainability Report has been prepared.

Malmö, 24 March 2021
PricewaterhouseCoopers AB

Mats Åkerlund
Authorized Public
Accountant

Frida Sidnäs
Sustainability Specialist,
member of FAR



MEDS has expanded rapidly in recent years and we have outgrown our current facility. Catena has, from the outset, been highly solutions-oriented and flexible to work with, both as a landlord as well as in construction projects. They have been responsive to our views and done everything to cater to these. It feels reassuring to work with professionals.

– Marcus Ramstrand, Head of Logistics, MEDS.

MEDS.se year a full-scale online pharmacy that sells prescription drugs and over-the-counter medicines under a permit from the Swedish Medical Products Agency. The online pharmacy also offers a broad range of products in the areas of health, beauty and pets. MEDS does not maintain any physical stores but strives instead to deliver to customers directly and as quickly, smoothly and safely as possible.

MEDS was launched in 2018 and is the fastest growing pharmacy in Sweden, with the objective of becoming the country's favourite pharmacy. MEDS has 130 employees based in Stockholm.



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Consolidated financial Statements

Consolidated Statement of Comprehensive Income			
SEK M	Note	1 Jan 2020	1 Jan 2019
	3	-31 Dec 2020	-31 Dec 2019
Rental income	4	1,263.9	1,182.9
Property expenses	5	-260.1	-280.1
Net operating surplus		1,003.8	902.8
Central administration	5,6,7,8	-35.2	-34.1
Other operating income		3.7	4.5
Other operating expenses		-2.0	-0.4
Participations in profit of associated companies	14	-4.4	-11.5
Financial income	9	2.1	3.4
Financial expenses	9	-239.5	-228.2
Financial expenses for right-of-use assets	7	-9.9	-9.7
Profit from property management		718.6	626.8
Realised changes in value of investment properties	12	8.0	75.2
Unrealised changes in value of investment properties	12	1,158.8	791.2
Changes in values of derivatives	20	38.1	29.3
Profit before tax		1,923.5	1,522.5
Current tax	10	-38.9	-21.8
Deferred tax	10	-357.5	-276.9
Profit for the year	19	1,527.1	1,223.8
Other comprehensive income			
Translation difference		-9.7	2.2
Comprehensive income for the year		1,517.4	1,226.0
Attributable to:			
Parent Company's shareholders	19	1,517.4	1,226.0
Non-controlling interests		-	-
Earnings per share			
Earnings per share, SEK	19	40.51	32.46
Dividend per share, SEK		7.50 ¹⁾	6.50

1) The Board's proposed dividend.

Consolidated Statement of Financial Position			
SEK M	Note	31 Dec 2020	31 Dec 2019
ASSETS			
Non-current assets			
Goodwill	11	503.0	503.0
Investment properties	12	18,612.4	16,270.5
Tangible fixed assets	13	1.5	4.0
Right-of-use asset ground rent	7	334.5	330.2
Participations in associated companies	14	71.6	75.9
Deferred tax assets	10	75.0	85.1
Other non-current receivables	15,20,21	100.5	94.1
Total non-current assets		19,698.5	17,362.8
Current assets			
Accounts receivable	16	14.3	16.6
Other receivables	17	199.1	191.4
Prepaid expenses and accrued income	18	75.6	68.1
Cash and cash equivalents	20	411.1	131.2
Total current assets		700.1	407.3
TOTAL ASSETS	21	20,398.6	17,770.1
EQUITY AND LIABILITIES			
Share capital		165.9	165.9
Other capital contributions		2,161.3	2,161.3
Profit brought forward		5,263.2	3,990.8
Shareholders' equity attributable to Parent Company shareholders		7,590.4	6,318.0
Non-controlling interests		-	-
Total equity	19	7,590.4	6,318.0
Interest-bearing liabilities	20,21,22	6,090.4	4,784.7
Deferred tax liability	10	1,884.0	1,537.0
Lease liability	21	332.0	327.8
Other non-current liabilities	20	347.4	384.3
Total non-current liabilities	21	8,653.8	7,033.8
Interest-bearing liabilities	20,21,22	3,644.6	3,999.9
Accounts payable		124.2	125.5
Current tax liabilities		50.5	19.6
Liabilities to associated companies	20	28.4	-
Other liabilities		94.9	74.5
Accrued expenses and deferred income	23	211.8	198.8
Total current liabilities	21	4,154.4	4,418.3
TOTAL EQUITY AND LIABILITIES		20,398.6	17,770.1

Consolidated changes in shareholders' equity

SEK M	Share capital	Other capital contributions	Profit brought forward	Total Parent Company shareholders	Non-controlling interests	Total equity
Equity brought forward 1 Jan 2019	165.9	2,161.3	2,981.6	5,308.8	-	5,308.8
Comprehensive income for the year	-	-	1,226.0	1,226.0	-	1,226.0
Dividend	-	-	-216.8	-216.8	-	-216.8
Equity carried forward 31 Dec 2019	165.9	2,161.3	3,990.8	6,318.0	-	6,318.0
SEK M	Share capital	Other capital contributions	Profit brought forward	Total Parent Company shareholders	Non-controlling interests	Total equity
Equity brought forward 1 Jan 2020	165.9	2,161.3	3,990.8	6,318.0	-	6,318.0
Comprehensive income for the year	-	-	1,517.4	1,517.4	-	1,517.4
Dividend	-	-	-245.0	-245.0	-	-245.0
Equity carried forward 31 Dec 2020	165.9	2,161.3	5,263.2	7,590.4	-	7,590.4

Consolidated cash-flow analysis

SEK M	Note 26	1 Jan 2020 -31 Dec 2020	1 Jan 2019 -31 Dec 2019
Operating activities			
Profit before tax		1,923.5	1,522.5
Adjustments for non-cash items		-1,197.0	-894.9
Tax paid		-13.8	-15.1
Cash flow before changes in working capital		712.7	612.5
Changes in working capital			
Change in operating receivables		-13.2	-87.1
Change in operating liabilities		44.8	88.3
Cash flow from operating activities		744.3	613.7
Investing activities			
Acquisition of assets via subsidiaries		-172.4	-18.7
Acquisition of assets via subsidiaries		-	7.6
Investments in investment properties		-969.1	-752.6
Divestment of investment properties		157.0	0.2
Investments in property, plant and equipment		-0.4	-3.2
Disposals of non-current assets		0.6	-
Acquisitions of other financial assets		-16.6	-75.1
Divestments of financial assets		-	16.3
Cash flow from investing activities		-1,000.9	-825.5
Financing activities			
Borrowings		6,679.8	2,822.7
Amortisation of loans		-5,898.1	-2,545.0
Dividend paid		-245.0	-216.8
Cash flow from financing activities		536.7	60.9
Cash flow for the year		280.1	-150.9
Opening cash and cash equivalents		131.2	281.2
Exchange rate difference in cash and cash equivalents		-0.2	0.9
Closing cash and cash equivalents		411.1	131.2

Notes – Group

Note 1. General information

Catena AB (publ), corporate registration number 556294-1715, has its registered office in Helsingborg, in the County of Skåne, Sweden. The Company is the Parent Company of a Group of companies including subsidiaries. The address of the Company's headquarters is PO Box 5003, SE-250 05 Helsingborg, Sweden and the visiting address is Landskronavägen 23A in Helsingborg.

Catena's shall actively manage, enhance and pro-actively develop its property portfolio by identifying and conducting value-enhancing programmes that raise the attractiveness of the properties and their yield, with due consideration of risk. Catena also sells properties when the opportunity to create further growth is deemed to be limited.

Operations in the Parent Company Catena AB are comprised exclusively of inter-Group activities and the assets mainly consist of shares and participations in subsidiaries which, in their turn, own properties or shares in property companies.

The Parent Company is listed on NASDAQ Stockholm, Large Cap.

The Annual Report and the consolidated accounts were approved for publication by the Board of Directors and the CEO on 24 March 2021 and will be presented to the Annual General Meeting on 29 April 2021.

In accordance with Chapter 6 of the Annual Accounts Act, Catena's Board of Directors has submitted a sustainability report that can be found on pages 56-85 in this report. The Sustainability Report pertains to Catena AB and all wholly owned subsidiaries for the calendar year 2020 and has undergone a review by the auditor. Catena's Sustainability Report has been prepared in accordance with GRI Standards, level Core. Catena has also complied with the EPRA Sustainability Best Practices Recommendations Guidelines.

Note 2. Accounting and valuation principles

Amounts in SEK M unless otherwise specified.

Compliance with standards and legal requirements

The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act, the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretation statements issued by the International Financial Reporting Interpretations Committee (IFRIC) as approved by the European Commission for application in the EU. The Group also applies the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary accounting rules for groups.

The Parent Company applies the Swedish Financial Reporting Board's recommendation RFR 2 (Accounting for Legal Entities), which entails the same accounting policies as for the Group except in the cases provided for in Note 1 to the Parent Company's accounts. Those deviations that occur between the Parent Company's and the Group's policies are caused by limitations in the possibilities for applying IFRS in the Parent Company as a consequence of the Swedish Annual Accounts Act and, in some cases, for tax reasons.

Preconditions for the preparation of the Parent Company's and the Group's financial statements

The functional currency of the Parent Company is SEK and this is also the reporting currency of the Parent Company and the Group. This means that the financial statements are presented in SEK. All amounts, unless otherwise stated, are stated in SEK million. Assets and liabilities are recognised at historical cost, except for investment properties and certain financial assets and liabilities, which are recognised at fair value. Financial assets and liabilities recognised at fair value comprise derivative instruments.

Preparing the financial statements in accordance with IFRS requires that senior management makes assessments, estimates and assumptions that affect the application of accounting policies and the recognised amounts of assets, liabilities, income and expenses. The estimates and the assumptions are based on historical experience and on a number of other factors that seem reasonable under the prevailing circumstances. The result of these estimates and assumptions is then used to assess the carrying amounts for assets and liabilities that are otherwise not clearly specified from other sources. The actual outcome may deviate from these estimates and assessments.

Those assessments made by the senior management on application of IFRS that have a material impact on the financial statements and estimates made that can entail material adjustment of ensuing years' financial statements are described in the note for the item that could be subject to such adjustment. This applies in particular to the note regarding investment properties.

The accounting principles presented below for the Group have been applied consistently for all periods presented in the consolidated financial statements, unless otherwise stated below. The Group's accounting principles have been applied consistently in the reporting and consolidation of the Parent Company, subsidiaries and associated companies.

New and amended standards applied by the Group

The following amendments to standards are applied for the first time by the Group for financial years commencing 1 January 2020 or later:

Amendments to IFRS16 Leases, amendments to IFRS3 Business Combinations, amendments to IAS1 and IAS8, as well as amendments to IFRS9, IAS39 and IFRS7. None of these changes has had any significant impact on the Group.

New standards and interpretations yet to be adopted by the Group

A number of new standards and interpretations will come into effect for financial years commencing after 1 January 2020 and have not been applied in the preparation of this financial report. None of these are expected to have a material impact on the consolidated financial statements except.

None of the other IFRS or IFRIC interpretations that have not yet entered into force are expected to have a significant impact on the Group.

Segment reporting

Operating segments are recognised in a manner that corresponds to the internal reporting submitted to the Chief Operating Decision Maker (CODM). The CODM is the function that is responsible for allocating resources and assessing the performance of the operating segments. At Catena, this function is identified as the CEO and senior management, that is, the unit at Catena that makes strategic decisions.

Classification

Non-current assets and non-current liabilities, essentially, consist of amounts expected to be recovered or paid after more than 12 months of the balance-sheet date. Current assets and current liabilities, essentially, consist only of amounts expected to be recovered or paid within 12 months of the balance-sheet date.

Consolidation principles

Subsidiary

Subsidiaries are all companies (including structured companies) over which the Group has decisive control. The Group controls a company when it is exposed to, or is entitled to, variable returns from its holdings in that company and has the opportunity to affect the return through its influence over the Company. A controlling influence implies directly or indirectly a right to determine a company's financial and operational strategies in order to gain financial benefits, which is the general rule with a

shareholding of 50 percent or more of the voting rights. In assessing the existence of a controlling influence, potential voting shares that can be utilised or converted promptly are taken into consideration.

Subsidiaries are recognised in accordance with the acquisition method if the acquisition of a subsidiary meant the acquisition of a business and not solely of assets and liabilities. This method entails that the acquisition of a subsidiary is treated as a transaction through which the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The consolidated cost is established through an acquisition analysis in conjunction with the acquisition of operations. The analysis establishes the cost of the participation rights or the business, the fair value of the identifiable assets acquired and the liabilities and contingent liabilities assumed. The acquisition value of the shares in the subsidiary or business comprises the fair values as of the day of transfer for assets, liabilities arising or assumed and issued equity instruments paid in consideration for the net assets acquired. The acquisition value includes the fair value of all assets and liabilities resulting from an agreed conditional purchase price. Acquisition-related costs are capitalised. Identifiable assets and liabilities assumed in a business combination are initially measured at fair value on the acquisition date. For each acquisition, the Group determines if the non-controlling interest in the acquired company should be recognised at fair value or at the holding's proportional share of the acquired company's net assets.

If the cost exceeds the fair value of the identifiable assets acquired and the liabilities and contingent liabilities assumed, this difference is recognised as goodwill. If the cost is less than the fair value of the identifiable net assets acquired and the contingent liabilities, this difference is recognised in profit or loss.

When the acquisition of subsidiaries means the acquisition of investment properties that are not part of a business, the cost is allocated over the individually identifiable assets and liabilities based on their relative fair values at the acquisition date. All acquisitions of subsidiaries in 2019 and 2020 were recognised as asset acquisitions.

The financial statements of subsidiaries are incorporated in the consolidated financial statements from the moment controlling influence arises until the date the controlling influence ceases. Intra-Group receivables and liabilities, income or expenses and unrealised gains or losses arising from intra-Group transactions among Group companies are entirely eliminated in the preparation of the consolidated financial statements.

Associated companies and joint ventures

A company is reported as an Associated company when Catena holds at least 20 percent of the votes, or at most 50 percent, or otherwise has a significant, but non-controlling influence over its operational and financial control. A joint venture is a collaborative arrangement through which the parties with a shared controlling influence over the operations are entitled to the venture's net assets. From the point at which a significant influence is obtained, and until it ceases, the holdings are reported in the consolidated accounts in accordance with the equity method. The equity method means that the Group's carrying amounts for shares in associated companies and joint ventures correspond to the Group's share of the companies' equity as well as consolidated goodwill and any other remaining values of consolidated surplus and deficit values. In the Consolidated Income Statement the Group's share of the companies' net earnings after taxes adjusted for any depreciation, amortisation, impairment losses or reversals of acquired surplus and deficit values is reported as participations in the earnings of associated companies. Dividends received from associated companies reduce the carrying amounts of the investment. "Participations in the earnings of associated companies" are reported as part of profit from property management

Where the Group's share of losses reported by the associated company exceeds the reported value of the Group's holdings, the value of the holdings is reduced to zero. The equity method is applied until the time the significant influence ceases. Unrealised gains that arise from transactions with associated companies and jointly controlled companies are eliminated to an extent

that corresponds with the Group's participation in the Company. Unrealised losses are eliminated in the same manner as unrealised gains, but only to the extent that no indication of a need for impairment exists.

Holding in shared operation

A holding in a shared operation is a collaborative arrangement through which the parties with a shared controlling influence over the operations are entitled to the assets and have obligations regarding the liabilities arising from the operations. The shared controlling influence is regulated in agreements and is exerted only when the parties sharing the controlling influence must give their consent to the relevant operations. For shared operations, Catena recognises its share of assets, liabilities, income and costs, as well as its share of shared assets, liabilities, revenues and expenses item by item in the consolidated financial statements. Transactions and other interactions with shared operations are eliminated in the consolidated financial statements.

Transactions with holdings without controlling influence

The Group treats transactions with non-controlling interests as transactions with the Group's shareholders. In the case of acquisitions from non-controlling interests, the difference between the price paid and the actual share acquired of the carrying amount of the subsidiary's net assets is recognised in equity. Gains and losses on divestments to non-controlling interests are also recognised in equity.

Divestment of a controlling influence, significant influence and shared influence, respectively

When the Group no longer exercises a controlling influence, significant influence or shared influence, each remaining holding is re-measured at fair value and the change recognised in profit or loss. The fair value is used as the first carrying amount and comprises the basis for continued reporting of the remaining holding in the associated company, joint venture or financial asset. All amounts pertaining to the divested operations that were previously recognised in other comprehensive income are recognised as if the Group had directly divested the attributable assets or liabilities. This means that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Translation of foreign currencies

Items included in the financial statements for the various units in the Group are valued in the currency used in the economic environment in which the respective company is primarily active (functional currency). In the consolidated financial statements, the Swedish krona (SEK) is used, which is the Parent Company's functional currency and the Group's reporting currency.

Transactions and balance-sheet items in foreign currencies

Transactions in foreign currencies are translated into the functional currency at the exchange rate in force on the transaction date or the date that the items were revalued. Exchange gains and losses that arise in the payment of such transactions and in the translation of monetary assets and liabilities in foreign currencies at the closing day rate are recognised in profit or loss.

Group-external transactions with countries outside of Sweden only arise in exceptional cases.

Group companies

Earnings and financial position for Group companies, which have a different functional currency than the reporting currency are translated to the reporting currency according to the following:

- assets and liabilities for each of the balance sheets are translated at the closing day rate,
- revenues and expenses for each of the income statements are translated at the average exchange rate, and
- all exchange differences that arise are recognised in other comprehensive income.

Goodwill and fair value adjustments that arise on acquisition of a foreign business are treated as assets and liabilities of this business and translated at the closing day rate. ▶

Operating income

Income is recognised in profit or loss when the control of a product or service has been transferred to the counterparty. If any material uncertainty exists regarding payment, attached costs or risk and if seller retains an involvement in the day-to-day management such as would usually be associated with ownership, the payment is not taken up as income. Income is recognised at the fair value of what has been received or is expected to be received after deductions for any discounts given.

Rental income

Income from property and rental discounts are recognised on a straight-line basis in profit or loss, based on the terms and conditions of the lease. Advance rents are recognised as prepaid rental revenue. Revenues from early redemption of leases are reported, in cases where no further performance is required from Catena, as revenue in the period in which compensation was received. Included in rental income are expenses invoiced on to customers, consisting primarily of property tax and media, since these are directly linked to the lease agreements. In all material respects, onward invoicing is deemed to correspond to performance commitments that, like rent, are settled over time and reported as revenue in the corresponding period.

Income from property sales

Catena recognises income and costs from the acquisition and sale of property at the date on which control transferred to the purchaser, which normally coincides with the occupancy date.

Any agreement between the parties pertaining to risks and benefits, and involvement in the day-to-day operations is taken into account when assessing the moment in time for recognising income. Furthermore, any circumstances that could impact the outcome of the transaction which are outside the seller's and/or the buyer's control are taken into account.

Criteria for income recognition are applied individually for each transaction.

Operating expenses and financial income and expenses

Central administration

This includes the cost at overall Group level for items including Group management, personnel administration, IT, investor relations, audits, financial statements and listing costs.

Financial income and expenses

Financial income and expenses comprise interest income on bank account funds and receivables, interest expenses on loans, dividend income and exchange gains and losses.

Interest income on receivables and interest expenses on liabilities are calculated using the effective interest method. Effective interest is the interest-rate at which the present value of all future incoming and outgoing payments during the fixed-interest term is equal to the carrying amount of the receivable or liability.

Interest income and interest expense respectively include amounts distributed over time for transaction expenses and any discounts, premiums and other differences between the initial carrying amount of the receivable or liability and the amount settled when the item falls due for payment.

Dividend income is recognised when the right to receive payment has been established.

Profit from property management

Catena's operations focus on growth in cash flow from on-going property management operations. Catena has elected to present a single performance measure called "profit from property management", which essentially reflects the cash flow generated from its on-going property management operations. Changes in the value of investment properties and derivative instruments are not included in cash flow from on-going property management operations and are therefore not included in this performance measure.

Tax

Income taxes consist of current tax and deferred tax. Income taxes are recognised in profit or loss unless the underlying transaction is recognised directly in equity, whereby the associated

tax effect is recognised in equity. Current tax is the tax payable or receivable for the current year, which includes adjustment of current tax attributable to preceding periods.

Deferred tax is calculated in accordance with the balance-sheet method, based on temporary differences between the accounting and tax values of assets and liabilities. The following temporary differences are not taken into consideration: temporary differences arising on initial recognition of goodwill, the initial reporting of assets and liabilities that are not business combinations and that, at the transaction date, do not impact the carrying amount or the taxable earnings. Nor are temporary differences attributable to participations in subsidiaries and associated companies that are not expected to be reversed within the foreseeable future taken into account. The valuation of deferred tax is based on how the carrying amounts of assets or liabilities are expected to be realised or settled.

Deferred tax assets pertaining to deductible temporary differences and loss carry-forwards are recognised only insofar as they are likely to result in lower tax payments in the future.

Deferred tax is calculated by applying the tax rates and tax rules that have been decided or were, for all practical purposes, decided at the balance-sheet date.

In legal entities, untaxed reserves are recognised including the deferred tax liability. However, in the consolidated financial statements untaxed reserves are divided into deferred tax liabilities and equity.

Financial instruments

Financial instruments recognised in the Balance Sheet include assets such as cash and cash equivalents, accounts receivable, loan receivables and derivatives. Equity and liabilities include financial instruments in the form of accounts payable, borrowings and derivatives.

A financial asset or liability is recognised in the Balance Sheet when the Company becomes a party to the commercial terms and conditions of the instrument. Accounts receivable including rent claims, termed accounts receivable in the Annual Report, are recognised when the invoice has been sent. A liability is recognised when the counterparty has performed and a contractual obligation to pay exists, even if an invoice has not yet been received. Accounts payable are recognised when invoices are received. A financial asset is removed from the Balance Sheet when the rights inherent in the agreement are realised or expire or if the Company loses control over them. This applies equally for part of a financial asset. A financial liability is removed from the Balance Sheet when the obligation arising from the agreement has been met or has otherwise been extinguished. This applies equally for part of a financial liability.

Acquisitions and disposals of financial assets are recognised on the transaction date, which is the date on which the Company agrees to acquire or dispose of the asset.

On initial recognition, financial instruments are classified based on the type of asset and, for debt instruments, based on the business model. Financial instruments are initially recognised at a cost corresponding to the instrument's fair value with an addition for transaction expenses. Exceptions are those categorised as financial assets recognised at fair value through profit or loss, which are recognised at fair value excluding transaction expenses. Subsequent reporting depends on how the financial instruments are classified in accordance with what is outlined below. For further information, please refer to the Impairment section below.

Financial assets measured at fair value via profit or loss

The category includes derivatives for which hedge accounting is not applied.

Financial assets reported at amortised cost

Loan receivables and accounts receivable are financial assets held for the purpose of collecting contractual cash flows. The receivables arise on cash lending and when Catena provides services directly to the credit recipient without intending to trade in the receivables. This category also includes acquired receivables. Receivables are measured at amortised cost. Amortised cost is determined on the basis of the effective interest rate cal-

culated at the time of acquisition. This means that surplus and deficit values and direct transaction expenses are accrued over the term of the instrument. Accounts receivable are reported at the amount expected to be received, less deductions for loss risk reserves. The expected maturity of accounts receivable is short and, accordingly, amounts are recognised at the nominal amount without discounting. The reserve for expected credit losses is calculated based on the loss risk for the entire maturity of the claim and is recognised on initial reporting of the claim. The size of the provision comprises the difference between the asset's carrying amount and the present value of future cash flows. An impairment of accounts receivable is recognised in profit or loss as a reduction in operating income and impairment of a loan receivable is recognised under the item, financial expenses.

Financial liabilities measured at fair value via profit or loss

This category consists of derivatives for which hedge accounting is not applied. Liabilities in this category are measured at fair value on an on-going basis and any value changes are recognised in profit or loss.

Financial liabilities measured at amortised cost

Loans and other financial liabilities, such as accounts payable, are included in this category. Financial liabilities are initially valued at fair value, net after transaction expenses. Thereafter, financial liabilities are measured at amortised cost and any difference between amounts received (net after transaction expenses) and the repayment amount is recognised in profit or loss allocated over the term of the loan using the effective interest method. On premature redemption of loans without new loans being secured, interest compensation is reported in profit or loss on the date of redemption. Non-current liabilities have an expected maturity exceeding one year, while current liabilities have a maturity of less than one year. Accounts payable and other operating liabilities with short expected maturities are therefore normally recognised at nominal value. Dividends paid are recognised as a liability from the moment the AGM adopts the dividend.

Derivative and hedge accounting

Catena does not apply hedge accounting. All derivatives are reported in the categories: "Financial assets measured at fair value via profit or loss" and "Financial liabilities measured at fair value via profit or loss."

Fair value of financial instruments

The fair value of loans and interest-rate swaps is determined by discounting future cash flows by the quoted market interest rate for each maturity. Values of interest-rate cap agreements are determined using the option pricing model. The Company's own credit risk is taken into account in the fair value valuation of the loans. The fair value of forward exchange contracts is determined as the present value of future cash flows based on exchange rate forward rates on the balance-sheet date. In all cases level 2 is applied under IFRS 13.

Set-off of financial assets and liabilities

Financial assets and liabilities are offset and the net amounts recognised in the Statement of Financial Position only when the following criteria are met:

There is a legal right to offset the recognised amounts and the Company intends to settle the items with a net amount or to realise the assets and liabilities at the same time.

Financial income and expenses are offset in profit or loss when they are connected to the offset financial assets and liabilities.

More information is available about accounting policies and financial risk management in Note 20, Financial instruments and financial risk management.

Cash and cash equivalents

Cash and cash equivalents include liquid funds and immediately available balances at banks and equivalent institutions as well as current liquid investments with maturities of less than three

months from the acquisition date that are exposed to only insignificant risk of changes in value.

Property, plant and equipment

Property, plant and equipment is recognised as an asset in the Balance Sheet if it is likely that future economic benefit will accrue to the Company, and the cost of the assets can be reliably determined.

Property, plant and equipment are recognised in the Group at cost after the deduction of accumulated depreciation and any impairment. The cost includes the purchase price and expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended.

Where property, plant and equipment comprise components with significant differences in useful life, these are treated as separate components of property, plant and equipment.

The recognised amount of an item of property, plant and equipment is derecognised from the Balance Sheet on disposal or sale or when no future economic benefits can be expected from its use. Gains or losses from the disposal or scrapping of an asset consist of the difference between the selling price of the asset and its carrying amount less direct selling expenses. Gains or losses are recognised as other operating income/expenses.

Additional expenses

Additional expenses are added to the cost only if it is likely that the future economic benefits associated with the asset will accrue to the Company, and that the cost can be reliably determined. All other additional expenses are recognised as a cost in the period they arise. Any undepreciated carrying amounts for exchanged components or parts of components are scrapped and expensed in conjunction with the exchange. Repairs are expensed on an on-going basis.

Depreciation methods for property, plant and equipment

Depreciation is performed on a straight-line basis over the estimated useful life of the asset. Equipment, fixtures and fittings are depreciated over 5–20 years. The applied depreciation methods and the residual value and useful lives of the assets are reassessed at the end of each year.

Investment properties

Investment properties are those held with the purpose of generating rental income, value appreciation or a combination of the two. Investment properties are initially recognised at cost in the Balance Sheet, which includes expenses directly attributable to the acquisition. Investment properties are subsequently recognised at fair value in the Balance Sheet. If the Group begins refurbishing an existing investment property for continued use as an investment property, during the renovation, the property is recognised as an investment property. Reassessments of fair value over the course of the year take place through an internal valuation model, which is described in more detail in Note 12. The valuation model entails a present value estimate of assessed future payment flows. If, during the current year, any significant value changes exist for individual properties, revaluation is carried out in conjunction with the quarterly reports. Quality assurance is carried out of any internal valuations performed on a sample of properties, which are then valued externally each year, after which a reconciliation of the internal and external valuations is performed. Investment properties are at level 3 in the valuation hierarchy.

Both unrealised and realised value changes are recognised in profit or loss. Realised value changes pertain to changes in value over the past quarterly reporting period for properties sold. Unrealised changes in value pertain to other value changes. In connection with acquisitions of properties or companies, the transaction is usually recorded per the date on which Catena gains access, since control of the item is normally transferred on that date. Rental income and income from property sales are recognised in accordance with the principles described in the section on operating income.

Additional expenses

Additional expenses are added to carrying amounts. Additional expenses are added to the carrying amounts only if it is likely that the future financial benefits associated with the asset will accrue to the Company and the cost can be estimated in a reliable manner. All other subsequent expenses are expensed in the period they arise. Repairs are expensed as expenditures are incurred.

Borrowing costs that are directly attributable to purchases, construction or production for larger new builds, extensions and conversions of assets that take considerable time to complete for the intended use or sale are included in the cost of the asset. Capitalisation of borrowing costs is carried out on the condition that it is likely that these will lead to future financial benefits and that the costs can be reliably measured.

Assets held for sale

Non-current assets are classified as held for sale when their carrying amounts will mainly be recovered through a sale transaction and a sale is considered highly likely. They are recognised at the carrying amount or at fair value less selling expenses, whichever is lower.

Impairment

The carrying amounts for the Group's assets are reviewed on each balance-sheet date to ascertain whether any need for impairment exists. IAS 36 is applied for testing the need for impairment of assets other than financial assets, which are tested under IFRS 9, investment properties carried at fair value, which are tested under IAS 40 and deferred tax assets. The valuation of the excepted assets as noted above is tested in accordance with the applicable standard.

Impairment testing of tangible assets and participations in subsidiaries, associated companies, joint ventures, etc.

If an indication of a need for impairment exists, the recoverable amount of the asset is estimated under IAS 36 as the higher of the asset's value in use and fair value less selling expenses. When calculating the value in use, future cash flows are discounted at an interest rate before tax that takes into account the market's assessment of the risk-free interest rate and the risk associated with the specific asset. If it is not possible to establish substantially independent cash flows to individual assets, the assets are grouped for impairment testing at the lowest level where substantially independent cash flows can be identified (known as a cash-generating unit). Impairments are recognised when the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Impairment losses are expensed in profit or loss.

Impairment testing of non-financial assets

Goodwill and intangible assets that have an indefinite useful life or intangible assets that are not ready for use, are not amortised, but rather impairment tested annually or upon an indication of a value decrease. An impairment loss is recognised in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less selling expenses and value in use. When assessing impairment requirements, assets are grouped at the lowest level at which there are essentially independent cash flows (cash-generating units). For assets (other than goodwill) that were previously impaired, a test for reversal is done every closing date.

Impairment tests for financial assets

Catena values the future expected credit losses associated with investments in debt instruments reported at amortised cost and at fair value with changes via other comprehensive income on the basis of forward-looking information. The Group selects a reservation method based on whether or not there has been a significant increase in credit risk.

In accordance with the rules under IFRS 9, Catena applies a simplified method for impairment testing of accounts receivable. The simplification entails the reserve for expected credit losses

being calculated based on the loss risk for the entire maturity of the claim and being recognised on initial reporting of the claim.

Reversal of impairments

Impairments are reversed if indications exist that the impairment need no longer exists and a change has occurred in the underlying assumptions for the calculation of the recoverable amount. A reversal is only carried out to the extent that the asset's carrying amount does not exceed the carrying amount that would have been reported after any applicable deduction for depreciation, if no impairment had been carried out. Adjustments of amounts for expected credit losses relating to loans, leases and accounts receivable are reported as an impairment gain loss or loss in profit or loss.

Cash-flow Statement

The Cash-flow Statement is prepared in accordance with the indirect method. The recognised cash flow only comprises transactions that entail payments in or out. Cash and cash equivalents in the Cash-flow Statement correspond to the definition of cash and cash equivalents in the Balance Sheet.

Share capital

Buyback of Catena shares

Holdings of treasury shares and other equity instruments are recognised as a reduction in equity. The acquisition of such instruments is reported as a deduction from equity. Proceeds from disposals of equity instruments are recognised as an increase in equity. Transaction expenses directly attributable to the issue of new shares or warrants are recognised, net of tax, in equity as a deduction from the issue proceeds.

Earnings per share

Calculation of earnings per share is based on consolidated profit for the year attributable to the Parent Company's shareholders and the number of shares outstanding at year-end.

Employee benefits

Short-term employee benefits in the form of salaries, holiday pay, paid sick leave, etc. as well as social security contributions are recognised as these are earned.

Pensions

Catena has various pension plans. Generally, the pension plans are funded through payments to insurance companies or nominee registered funds, where payments are determined by periodic actuarial calculations. Agreements regarding pensions and other compensation paid after termination of employment are classified as defined-contribution or defined-benefit pension plans. A defined-contribution pension plan is a pension plan, whereby Catena pays defined premiums to a separate legal entity. Catena has no legal or informal obligations to make further payments if the legal entity has insufficient assets to discharge all payments of employee benefits relating to employee service in current or prior periods. A defined-benefit pension plan is a pension plan without defined contributions. Instead, defined-benefit plans specify an amount that the employee will receive as a pension benefit following retirement. This is normally based on several factors including age, length of service and salary. Catena has defined-contribution pension plans and commitments for pensions under the so-called ITP plan which, according to a statement issued by the Swedish Financial Reporting Board RFR 6, is a multi-employer defined-benefit plan.

The Company has not been provided with information for the 2004-2020 financial years that would allow the reporting of its commitments under the ITP plan as a defined-benefit plan. Accordingly, commitments under the ITP plan, which are secured through insurance with Alecta, are reported as a defined-contribution plan. The year's fees for pension insurance contracted with Alecta amounted to SEK 3.7 million (3.4). For 2021, the Company is expected to pay about SEK 3.6 million to Alecta. Alecta's surplus can be distributed to the policy owners and/or insured parties. At the end of 2020, Alecta's surplus in the form

of the collective consolidation level was 148 percent (148). The collective consolidation level comprises the market value of Aleccta's assets as a percentage of the insurance obligation calculated in line with Aleccta's actuarial assumptions, which do not comply with IAS 19. The Company's share of the total savings premiums for ITP 2 in Aleccta amount to 0.00788 percent and the Company's share of the total number of active insured parties amounts to 0.00651 percent.

Commitments as regards fees for defined-contribution plans are recognised as an expense in profit or loss as they arise.

Termination benefits

Termination benefits are payable when employment is terminated by Catena in advance of the normal retirement date or if an employee accepts leaving service voluntarily to receive such benefits. Catena recognises termination benefits when the Group is demonstrably required to terminate employees according to a detailed formal plan without possibility of withdrawal. Benefits that fall due more than 12 months after the balance-sheet date are discounted to present value.

Provisions

A provision is recognised in the Balance Sheet when the Group has an existing legal or informal commitment due to an event that has occurred and it is likely that an outflow of resources will be required to settle the commitment, and a reliable estimate of the amount can be made. A present value calculation is made to take into account significant time values for future payments.

Contingent liability

A contingency is recognised when there is a potential commitment that stems from events that have occurred and whose existence is confirmed only if one or more uncertain future events, which are outside of the Company's control, occur or do not occur, or when there is a commitment that stems from events that have occurred, but which is not recognised as a liability or provision because it is unlikely that an outflow of resources will be required to settle the commitment or because the amount cannot be reliably calculated.

Leasing – lessee

As of 1 January 2019, the leasing agreements are reported as right-of-use assets and corresponding liabilities from the date on which the leased asset is available for use by the Group. Assets and liabilities arising from lease agreements are initially recognised at present value. Payments included in the present value pertain to fixed fees. Leaseholds are judged to have an almost perpetual time horizon, so payments that are expected to be paid after the current contract period are also included in the calculation of the present value. Ground rents are discounted at a 3 percent rent rate and vehicle leasing at the implicit contract rate. The Group is exposed to future adjustments in ground rents. When such adjustments take effect, the lease liability is revalued and adjusted against the right-of-use assets. Leasing payments for vehicles are broken down into amortisation of the liability and interest. Since leaseholds are considered to have a perpetual useful life, the entire payment is reported as interest. The interest is recognised in profit or loss over the lease period in a manner that results in a fixed interest rate for the lease liability reported in each period.

The right-of-use assets are valued at cost and include the amount at which the lease liability was originally valued, plus leasing fees paid on or before the commencement date. Right-of-use assets pertaining to vehicles are depreciated on a straight-line basis over period of use. Since leaseholds are considered to have an almost eternal time horizon, these right-of-use assets are not subject to amortisation.

Leasing – lessor

The Group enters into operational leases with customers in its capacity as landlord, see Note 4. Accounting policies for the recognition of rental income are stated above. Catena is also a lessor of automation equipment to a limited extent. These

leases are reported in the consolidated financial statements as financial receivables with the income as interest income in net financial items.

Central administration and eliminations		Total	
2020	2019	2020	2019
-	-	1,263.9	1,182.9
-	-	(119.2)	(117.9)
-	-	-260.1	-280.1
-	-	1,003.8	902.8
-35.2	-34.1	-35.2	-34.1
3.7	4.5	3.7	4.5
-2.0	-0.4	-2.0	-0.4
-4.4	-11.5	-4.4	-11.5
-11.6	-8.5	2.1	3.4
5.5	11.5	-249.4	-237.9
-44.0	-38.5	718.6	626.8
-	-	8.0	75.2
-	-	1,158.8	791.2
38.1	29.3	38.1	29.3
-5.9	-9.2	1,923.5	1,522.5
		-396.4	-298.7
		1,527.1	1,223.8
Central administration and eliminations		Total	
2020	2019	2020	2019
-	-	503.0	503.0
-	-	18,612.4	16,270.5
-	-	388.8	82.1
0.5	0.2	969.6	752.6
-0.6	-0.6	-0.6	-0.6
68.8	79.1	75.0	85.1

Note 4. Rental income

Duration of leases as per 31 December 2020

Information on operating leases – the Group as lessor.

Year of maturity	Number of contracts	Contractual annual rent, SEK M	Contractual annual rent, %
2021	184	112.2	8.4
2022	88	144.3	10.8
2023	69	178.9	13.4
2024	48	183.6	13.7
2025	29	146.5	11.0
2026	21	161.3	12.1
2027+	45	408.5	30.6
Total	484	1,335.3	100.0

Contracted rental income by contract size, SEK M

	Number of contracts	Contractual rental income, %
>10.0	39	53.8
5.0–10.0	39	22.2
3.0–5.0	37	10.9
2.0–3.0	23	4.3
1.0–2.0	36	4.0
0.5–1.0	45	2.5
<0.5	265	2.3
Total	484	100.0

Note 5. Property expenses and central administration

Property expenses	2020	2019
Operating expenses	79.8	87.2
Repair and maintenance	49.3	67.5
Property maintenance and technical inspection	27.7	27.5
Property tax	35.0	33.9
Other external expenses	25.6	24.4
Property administration	42.7	39.6
Total	260.1	280.1

Central administration	2020	2019
Personnel expenses	17.0	15.9
Services purchased	17.6	17.6
Depreciation of property, plant and equipment	0.6	0.6
Total	35.2	34.1

Within the Group, part of the Parent Company's costs are invoiced on to subsidiaries and classified at subsidiaries and the Group respectively as property expenses.

Note 6. Fees and expenses to auditors

	2020	2019
Audit engagement	1.8	1.6
Audit activities in addition to the audit engagement	0.1	–
Tax consultancy	0.2	0.3
Other services	0.4	–
Total	2.5	1.9

Fees for audit engagements pertain to fees for the statutory audit, that is, all work necessary to prepare the auditors' report, as well as audit advice provided in conjunction with the audit engagement.

Audit activities in addition to the audit engagement pertain to fees for various types of quality assurance services.

Other services pertain to activities not included in the audit engagement, audit activities or tax consultancy services.

Note 7. Leasing

In the Group's capacity as lessee

	2020	2019
Cash outflow	11.1	10.9
Total	11.1	10.9

Of the cash outflow, SEK 9.9 million (9.7) was reported as interest expenses.

Future undiscounted cash flows for contracted periods mature for payment:

	2020	2019
Within one year	11.1	10.9
Between one and five years	41.8	40.0
Longer than five years	334.2	344.0
Total	387.1	394.9

The Group's leases consist primarily of leaseholds and to a lesser extent car leases. Leaseholds are deemed to have a perpetual term and no depreciation is therefore applied. Ground rent may be changed, resulting in a change in the value of the right-of-use asset and the lease liability.

Right-of-use assets recognised per 1 January 2019

Additional right-of-use assets, leaseholds	4.4
Additional right-of-use assets, vehicles	1.2
Changed ground rent in existing right-of-use assets	-26.9
Depreciation, vehicles	-1.2

Right-of-use assets recognised as per 31 December 2019

Additional right-of-use assets, vehicles	1.2
Changed ground rent in existing right-of-use assets	4.3
Depreciation, vehicles	-1.2

Right-of-use assets recognised as per 31 December 2020

	334.5
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Of the total value for right-of-use assets, SEK 331.0 million comprises leaseholds and SEK 3.5 million comprise car leases.

The year's expense for short-term leases amounts to SEK 1.6 million and is reported as property expenses. The year's expense for leases where the underlying asset is of low value is less than SEK 0.1 million and is reported as central administration.

Note 8. Employee and personnel expenses

Average number of employees	of whom		of whom	
	2020	men	2019	men
Employees in Sweden	42	66%	42	72%

Gender distribution	2020		2019	
	Men	Women	Men	Women
Board of Directors	57%	43%	57%	43%
Management	67%	33%	86%	14%

Salaries, fees, benefits and other remuneration

	2020	2019
Chairman of the Board	0.3	0.3
Other Board Members	1.1	1.0
Chief Executive Officer (Benny Thöggersen Jan-Oct 2020)		
Base salary	2.0	2.2
Other remuneration	0.4	0.5
Chief Executive Officer (Jörgen Eriksson Nov-Dec 2020)		
Base salary	0.6	–
Other remuneration	0.1	–
Other senior executives (2 and 6 individuals respectively)		
Base salary	4.3	6.8
Other remuneration	1.0	1.7
Other employees	26.8	22.2
Total	36.6	34.7

Pension expenses

	2020	2019
Chief Executive Officer (Benny Thöggersen Jan-Oct 2020)	1.2	1.4
Chief Executive Officer (Jörgen Eriksson Nov-Dec 2020)	0.2	–
Other senior executives (2 and 6 individuals respectively)	2.0	2.6
Other employees	5.0	3.7
Total	8.4	7.7

Statutory social security contributions incl. payroll tax

	2020	2019
Chairman of the Board	0.1	0.1
Other Board members	0.4	0.3
Chief Executive Officer (Benny Thöggersen Jan-Oct 2020)	1.2	1.4
Chief Executive Officer (Jörgen Eriksson Nov-Dec 2020)	0.3	–
Other senior executives (2 and 6 individuals respectively)	2.0	3.1
Other employees	8.7	7.5
Total	12.7	12.4
Total	57.7	54.8

Fees, Board Member, SEK thousands (annual Board fee determined by the Annual General Meeting in April 2020 and April 2019 respectively)	2020		2019	
	Board fee	of which, for committee work	Board fee	of which, for committee work
Gustaf Hermelin	350	–	330	–
Henry Klotz	–	–	225	60
Ceasar Åfors	225	50	–	–
Hélène Briggert	200	25	190	25
Katarina Wallin	215	40	185	20
Tomas Andersson	195	20	165	–
Ingela Bendrot	–	–	190	25
Vesna Jovic	200	25	–	–
Magnus Swärdh	195	20	175	10
Total	1,580	180	1,460	140

Remuneration to the Board and CEO pertains to the Board and CEO of the Parent Company. At the 2020 Annual General Meeting, it was decided that compensation for participation in the Remuneration Committee should be paid in the amount of SEK 40 thousand to the chairman of the Remuneration Committee and SEK 20 thousand each to the other two members. Fees are also paid to the chairman of the Audit Committee in the amount of SEK 50,000 and of SEK 25,000 each to the other two members.

Directors' fees and terms of employment and dismissal for senior executives

Policies

Remuneration paid to the CEO and other senior executives comprises base salary, other remuneration (which comprises bonus and mileage allowance) and pension. The term senior executives refers to the two individuals at Catena (six) who, at the end of the year and together with the Chief Executive Officer, comprise the senior management. For the composition of management, see page 141.

Pension benefits and other remuneration paid to the CEO and other senior executives are paid as part of total remuneration.

Fees are paid to the Board fees in accordance with a decision by the Annual General Meeting. For 2020, fees totalled SEK 1.6 million (1.5), of which the Chairman received SEK 0.4 million (0.3).

Market-based compensation of SEK 40 thousand (80) for services rendered as a conference moderator, was paid to companies owned by Board member Katarina Wallin. The amount is not included in the above table.

Bonus

Bonuses to the CEO can amount to a maximum of 50 percent of annual fixed salary. Bonus decisions are made on an annual basis and do not imply any entitlement to bonuses in coming years. The bonuses are pensionable. In addition, senior executives can receive a bonus in addition to their fixed salaries. Other senior executives can receive a maximum bonus of 25 percent of their fixed annual salary. Bonuses should primarily be based on the operational targets set for each manager's area of operations and based on profit from property management and the development of the project portfolio in accordance with the adopted financial statements for the year concerned.

The main principle in the Group is fixed monthly salary. For other company employees, when extraordinary work has been performed or extraordinary results have been achieved, a bonus may be paid corresponding to a maximum of one month's salary. Bonus decisions are made annually in arrears by the Remuneration Committee.

The bonus target for 2020 was that profit from property

management result should exceed the adjusted budget by 1.5 percent.

The Remuneration Committee considers the matter of the Company's obligations and provisions have been made for bonus of SEK 4.1 million (4.2) for 2020, including social security contributions.

The bonus system covers only one year at a time, currently only 2020. The Remuneration Committee is responsible for the evaluation and outcome of the system.

Pensions

Pension premiums paid for the Company's CEO, Deputy CEO and other senior executives follow the ITP plan, but correspond to at least 30 percent of basic salary and bonus. Pensionable salary is calculated according to the ITP plan's rules. In addition, all other personnel are also covered by the ITP agreement.

The pension expense corresponds to expenses for defined-benefit plans under IAS19.

Severance pay

Upon termination by the Company, the CEO shall be paid during a 12 months notice period. No severance pay is paid. Should the CEO secure other employment or start his own operations, his salary during the termination period is offset by income from the new employer. In the event of notice being provided by the CEO, the notice period is six months.

The employment contracts with the Deputy CEO can be terminated by Catena with a notice period of 12 months, of which the Deputy CEO is required to work for six months. In the event of resignation by a senior executive, a notice period of three months applies in accordance with collective agreements.

No severance payment was made to senior executives whose employment ended.

Preparation and decision-making process

During the year the Remuneration Committee provided the Board with recommendations for policies for remuneration to senior executives. The recommendations included the proportions between fixed and variable remuneration and the amount of any pay increases. The Remuneration Committee appointed by the Board prepares, negotiates and submits proposals to the Board regarding the terms for the CEO. Following proposals from the CEO, the Remuneration Committee determines remuneration to other senior executives. The Remuneration Committee also decides whether any bonus is payable and then evaluates the system and the outcome.

All decisions taken by the Remuneration Committee are reported back to the Board.

The Remuneration Committee met on one occasion in 2020.

Note 9. Financial income and expenses

Financial income	2020	2019
Interest income ¹⁾	2.1	2.4
Exchange gains	-	1.0
Total	2.1	3.4

Financial expenses	2020	2019
Interest expenses	-224.0	-216.0
Exchange losses	-4.6	-
Other financial expenses	-10.9	-12.2
Financial expenses for lease assets	-9.9	-9.7
Total	-249.4	-237.9

Net financial items	2020	2019
	-247.3	-234.5

1) All interest income refers to assets valued at amortised cost.

Note 10 Tax

Recognised in the Statement of Comprehensive Income	2020	2019
<i>Current tax</i>		
Tax for the year	-38.9	-21.8
Total	-38.9	-21.8
<i>Deferred tax</i>		
Investment properties	-312.8	-247.1
Derivatives	-7.8	-6.1
Tax loss carry-forwards	-0.5	-0.7
Untaxed reserves	-36.7	-23.2
Other deferred taxes	0.3	0.2
Total	-357.5	-276.9
Total recognised tax	-396.4	-298.7

Reconciliation of effective tax	2020	2019
Profit before tax	1,923.5	1,522.5
Tax according to applicable tax rate; 21.4%	-411.6	-325.8
Effect of changed tax rate and tax in countries other than Sweden	15.3	11.2
Non-deductible expenses, incl. interest deduction limitation	-0.5	-1.2
Tax attributable to preceding years	1.0	0.3
Non-taxable sales of companies	-	17.6
Tax on participations in profit of associated companies	-0.9	-2.4
Other	0.3	1.6
Recognised effective tax	-396.4	-298.7

The recognised effective tax rate in percent totalled 20.6 (19.6).

Deferred tax recognised in the financial statements	2019					2020		
	OB 2019	Recognised in profit or loss	Recognised in equity	Acquisitions/ Disposals of companies	CB 2019	Recognised in profit or loss	Recognised in equity	CB 2020
Deferred tax assets								
Investment properties	7.3	-4.7	-0.5	-	2.1	-2.1	-	0.0
Tax loss carry-forwards	4.6	-0.7	-	-	3.9	-0.5	-	3.4
Derivatives	84.6	-6.1	-	-	78.5	-7.8	-	70.7
Pension provisions	0.4	0.2	-	-	0.6	0.3	-	0.9
Total deferred tax assets	96.9	-11.3	-0.5	-	85.1	-10.1	-	75.0
Deferred tax liability								
Investment properties	1,213.7	242.4	-0.1	-0.1	1,455.9	310.7	-0.4	1,766.2
Untaxed reserves	57.9	23.2	-	-	81.1	36.7	-	117.8
Total deferred tax liabilities	1,271.6	265.6	-0.1	-0.1	1,537.0	347.4	-0.4	1,884.0

In addition to the above tax loss carry-forwards, there are no material unused tax losses for which deferred tax assets have not been recognised.

Note 11. Goodwill

Goodwill	2020	2019
Opening cost	503.0	503.0
Closing cost	503.0	503.0

The acquisition of Tribona in 2016 constituted a business combination and is recognised in accordance with IFRS 3 Business Combinations. Unlike in the case of an acquisition of assets, this entails that deferred tax should be taken into account in all temporary differences. The remaining reported goodwill of SEK 503.0 million on the balance-sheet date is, in full, an effect of the reporting in full of nominally deferred tax relating to temporary differences between fair value and taxation value. The item will change as properties including goodwill are sold or revalued at less than cost.

Note 12. Investment properties

Investment properties are recognised at fair value.

Change for the year	2020	2019
Opening balance	16,270.5	14,721.1
Acquisitions	388.8	82.1
New builds, extensions and conversions ¹⁾	969.1	752.6
Sales	-149.0	-82.6
Translation differences, etc.	-25.8	6.1
Unrealised changes in value	1,158.8	791.2
Carrying amount	18,612.4	16,270.5

Taxable values	2020	2019
Taxable values, buildings	4,105.6	3,980.0
Taxable value, land (of which leaseholds, SEK 117.3 million)	1,751.9	1,699.4
Total	5,857.5	5,679.4

Impact on profit for the year	31 Dec 2020	31 Dec 2019
Rental income	1,263.9	1,182.9
Property expenses before property management for investment properties that generate rental income	217.4	240.5

1) Borrowing costs are expensed to earnings in the period to which they pertain except for the interest expense under the production time pertaining to larger new builds, extensions and conversions that take considerable time to complete. These are organised as their own companies where all borrowing pertains to these new builds, extensions and conversions, which means that interest expense attributable loans in these companies is capitalised. The capitalised interest expense was SEK 9.8 million (7.5).

Investment properties by region	Number of Properties	Lettable area, m ² thousands	Fair value, SEK M
Gothenburg	15	231.7	2,339.6
Helsingborg	23	450.9	3,807.6
Jönköping	12	222.2	1,312.7
Malmö	19	265.9	3,393.5
Stockholm	44	776.8	7,759.0
Total	113	1,947.5	18,612.4

Fair value

Fair value is established based on an internal valuation model that is updated every quarter. The calculation of fair value for each individual property is performed using a six-year cash flow model.

Valuation categories for investment properties

All of the Group's properties are assessed as being at level 3 in the valuation hierarchy. The Group's properties comprise pri-

marily logistics properties, which have similar risk profiles and valuation methods. The Group also has significant component of projects. The assessed value of projects in progress is based on the value of the development rights where the flow in progress is also taken into account.

Yield and real growth

The most significant variables in the model, which are decisive for assessed fair value, are the yield requirement and the inflation assumption. Other key variables are long-term operating surpluses, rent levels, vacancy levels and geographic location.

Among other items, the applicable market risk-related interest rate for property investments is used to establish the yield requirement. This is based on a number of factors including market interest rates, debt/equity ratio, inflation forecasts and the required return on paid-in capital. However, property-specific conditions also affect the yield requirement. The yield requirement is the property's net operating surplus in relation to its fair value.

The approved yield is used as the discount rate with a supplement for annual inflation. The level of annual future inflation is assessed as being 2 percent.

Net operating surplus and vacancy rate

Net operating surplus is the difference between income from property and operating and maintenance costs (property expenses before property administration costs).

The starting point is the current forecast for net operating surplus based on the previous year's outcome. However, income and operating and maintenance costs for an individual year can be impacted by factors that are not regularly recurring under the long life of the property. If this should prove to be the case for the actual forecast values, the amounts for the individual year are normalised.

Income can be normalised if the estimated rent trend over the six-year period is assessed as deviating from the initial forecast. In which case, this is performed based on expected changes in rental income based on the individual contract's current rent versus the assessed market rent at the contract maturity date and changes in long-term vacancy rates.

In addition, operation and maintenance costs can be the subject of normalisation, based on an analysis of historical as well as current costs with respect to the tenant's and the landlord's obligations under the lease.

Development rights

The fair value recognised in the Balance Sheet with regard to development rights represents the estimated values of planned development rights on each property. The valuation method applied for the development rights is based on the location price method whereby the value has been assessed relative to each location. Following an assessment whereby the locations of Catena's development rights have been weighed in, deductions are made for estimated costs for demolition, planning, etc. Deductions have also been made for waiting times and assessed risk associated with development rights.

Calculation

When all variables have been established based on the above description, a calculation of the present value is carried out for the next five years' net operating surplus in the cash-flow model. In addition, the present value of the residual value is based on the net operating surplus from year six in this model. Thereafter, any adjustment for the value of on-going projects and land with unutilised development rights is carried out.

The total of these values comprises the estimated fair value. A certain discrepancy is, however, permitted between the calculated value and the carrying amount prior to adjustment of the carrying amount. The discrepancy should be within a range controlled by a permitted discrepancy from the established direct yield requirement of +/-0.25 percent. Only when the discrepancy exceeds or falls below this range is the carrying amount adjusted. This discrepancy is accepted since there is always an element of uncertainty in the estimated value.

Compilation of outcomes for significant variables used in the internal valuation model:

For definitions, see pages 148-149.

	Actual outcome					Total
	Gothenburg	Helsingborg	Jönköping	Malmö	Stockholm	
Rental value, SEK M	174.1	273.3	126.0	238.8	576.3	1,388.5
Economic letting ratio, %	97.8	96.2	96.3	97.4	95.2	96.2
Contractual annual rent, SEK M	170.3	262.8	121.3	232.5	548.4	1,335.3
Operating surplus before property administration, SEK M	146.1	181.3	82.2	160.7	479.5	1,049.8
Property yield before property administration costs, %	6.2	4.8	6.3	4.7	6.2	5.6
Surplus ratio before property admin. %	88.0	80.8	76.5	73.8	86.9	82.8

The fair market value can first be established when it is sold. The fair value calculations under the above model include various assessment factors that contain an element of uncertainty.

To ensure the accuracy of the internal valuation, external valuations are conducted of a selection of the portfolio, with Cushman & Wakefield valuing about 59.3 percent of the portfolio, corresponding to a value of SEK 11.0 billion during 2020.

Number of properties valued	2020	2019
No. of properties	74	61
External valuation, SEK M	11,379.0	9,887.1
Corresponding internal valuation, SEK M	11,041.5	9,566.8
Deviation, SEK M	337.5	320.3
Deviation in %	3.1	3.3
Carrying amount	18,612.4	16,270.5
Proportion valued externally, %	59.3	58.8

Valuation

Since all property valuations contain assessment factors with varying degrees of uncertainty, normally, a specific uncertainty interval is stated for the estimated values. Accordingly, on comparison of the internally calculated values and the external valuations, a deviation interval of +/-10 percent between these values is accepted before the internal values are subjected to any retesting. Comparison is made at the total level for the externally valued portfolio.

Sensitivity analysis

The parameters that significantly impact the value of a property are the discount rate and the rental value. Assumptions including interest rates, debt/equity ratio, inflation assumptions, the required return on paid-in capital, property location, tenant structure, etc. are included in the discount rate. Rental value reflects the market's view of what tenants are willing to pay for property space.

To illustrate how a change of +/-1 percent in these parameters impacts the estimated fair value, the following sensitivity analysis can be carried out:

Change	Impact	
	+1%	-1%
Discount rate, SEK M	-2,795	3,764
Rental value, SEK M	857	-968

Note 13. Tangible fixed assets

Equipment	2020	2019
Opening cost	8.0	5.0
Acquisitions	0.5	3.1
Sales and disposals	-2.5	-0.1
Closing cost	6.0	8.0
Opening depreciation	-4.0	-3.5
Sales and disposals	0.1	0.1
Depreciation for the year	-0.6	-0.6
Closing depreciation	-4.5	-4.0
Carrying amount	1.5	4.0

Depreciation is distributed over the following items in profit or loss

	2020	2019
Central administration	0.6	0.6

Note 14. Participations in associated companies and collaborative arrangements

The following table shows the ownership share and the consolidated carrying amount for associated companies and joint ventures, SEK M.

2020	Classification	Corp. Reg. No.	Registered office	Participation	Carrying amount
Foodhills Fastighet AB	Associated companies	559122-6617	Bjuv	45.0%	11.3
Södertuna utveckling AB	Joint Venture	559184-0367	Södertälje	50.0%	50.1
Törsjö Logistik AB	Associated companies	559014-0272	Örebro	34.0%	9.2
Urban Services Sweden AB	Associated companies	559108-8397	Solna	25.0%	1.0
Total					71.6

2019	Classification	Corp. Reg. No.	Registered office	Participation	Carrying amount
Foodhills Fastighet AB	Associated companies	559122-6617	Bjuv	45.0%	15.6
Södertuna utveckling AB	Joint Venture	559184-0367	Södertälje	50.0%	50.0
Törsjö Logistik AB	Associated companies	559014-0272	Örebro	34.0%	9.3
Urban Services Sweden AB	Associated companies	559108-8397	Solna	25.0%	1.0
Total					75.9

Pertains to the percentage of share capital, which corresponds to the proportion of voting rights.

Total assets, liabilities, income and expenses for the above holdings, which are not individually significant, are presented in the following tables.

Associated companies' summary income statements and balance sheets, SEK M (100%)

	31 Dec 2020	31 Dec 2019
Income statement		
Rental income	49.7	36.6
Net operating surplus	5.2	-14.6
Profit for the year	-14.9	-29.8

	31 Dec 2020	31 Dec 2019
Balance sheet		
Fixed assets	374.0	306.8
Current assets	48.6	27.1
Total assets	422.6	333.9
Shareholders' equity	9.2	24.1
Provisions	0.1	-
Other liabilities	413.3	309.8
Total shareholders' equity and liabilities	422.6	333.9

Joint ventures' summary income statements and balance sheets, SEK M (100%)

	31 Dec 2020	31 Dec 2019
Income statement		
Rental income	0.1	-
Net operating surplus	-	-
Profit for the year	0.0	0.0

	31 Dec 2020	31 Dec 2019
Balance Sheet		
Fixed assets	7.0	1.5
Current assets	0.3	-
Total assets	7.3	1.5
Shareholders' equity	1.5	1.5
Provisions	-	-
Other liabilities	5.8	-
Total shareholders' equity and liabilities	7.3	1.5

Associated companies

Törsjö Logistik AB owns land and is developing a logistics position in Örebro. Catena owns 34 percent of the Company together with Örebroporten Förvaltning AB with 33 percent and AB Lokarhusman i Örebro 2 with 33 percent.

Urban Services Sweden AB is owned by Catena as an associated company together with Fabege, Ragnsells and Servistik, with 25 percent each. The Company will develop and coordinate logistics for the transport of products and goods into and out of Arenastaden in Solna.

Foodhills Fastighet AB owns and manage three properties in Bjuv. The Company is owned by Catena and Backahill AB, with 45 percent each, and by Foodhills AB with a holding of 10 percent.

	2020	2019
Accumulated cost		
Opening balance	25.9	27.4
Shareholder contributions	-	10.0
The year's participation in profit after tax	-4.4	-11.5
Carrying amount at year-end	21.5	25.9

Joint ventures

In 2019, Catena acquired 50 percent of the newly formed company Södertuna utveckling AB. The remaining 50 percent of the Company, the purpose of which is to develop 1,000,000 square metres of land for logistics purposes, is owned by Gerstaberghård AB.

	2020	2019
<i>Accumulated cost</i>		
Opening balance	50.0	–
Acquisitions	–	50.0
The year's participation in profit after tax	0.1	–
Carrying amount at year-end	50.1	50.0

Shared operation

The Group has one material shared operation. Catena conducts financial operations in an associated company, SFF Holding AB (referred to below as SFF), through the subsidiary Svensk FastighetsFinansiering AB (publ), which entail raising loans on the capital market through the issuance of bonds (MTN-Medium Term Notes), and conducting lending operations by providing cash loans. The Company is owned by Catena AB, Diös Fastigheter AB, Fabege AB, Platzer Fastigheter Holding AB and Wihlborgs Fastigheter AB – each with a holding of 20 percent. For these operations, Catena recognises its share of joint assets, liabilities, revenues and expenses item by item in the consolidated financial statements. Transactions and other interactions with the shared operations have been eliminated in the consolidated financial statements. Assets and liabilities of the Group, attributable to the operations of SFF, mainly comprise bond loans and the Group's share of short-term investments. As of 31 December, Catena had outstanding bonds through the SFF totalling SEK 1,605 million (1,386), which are described in more detail in the financing section on pages 49-51 of the Annual Report. On 31 December, current investments amounted to SEK 78.7 million (66.8).

Note 15. Other non-current receivables

	31 Dec 2020	31 Dec 2019
Receivables from associated companies	42.0	37.5
Down payment, conditional land acquisition	31.5	31.5
Security deposit	18.6	18.6
Endowment insurance	3.8	2.8
Prepaid credit fees	4.6	3.7
Total	100.5	94.1

Note 16. Accounts receivable

Maturity structure, accounts receivable	31 Dec 2020	31 Dec 2019
<30 days	1.3	1.1
31-60 days	1.9	1.2
61-90 days	1.9	0.5
>91 days	7.7	3.5
Total	12.8	6.3
Not yet due	9.5	13.3
Total	22.3	19.6

Impaired receivables	31 Dec 2020	31 Dec 2019
Opening provision	-3.0	-1.5
Provision for probable losses	-5.1	-3.6
Confirmed losses	0.1	2.1
Closing provision	-8.0	-3.0
Total accounts receivable	14.3	16.6

The Group applies the simplified method for calculating expected credit losses. The method is based on the application of expected losses across the entire the maturity of the claim.

To calculate expected credit losses, accounts receivable have been grouped based on their credit characteristics and the number of days by which they are overdue. Historical loss data are used together with current and forward-looking data that

can affect customers' ability to pay the claim. Delayed payments constitute a presumption that a heightened credit risk prevails.

Note 17. Other receivables

	31 Dec 2020	31 Dec 2019
Receivables from associated companies	–	34.9
VAT and other tax receivables	68.6	76.9
Short-term investments	78.7	66.8
Down payment, property acquisition	33.6	–
Other receivables	18.2	12.8
Total	199.1	191.4

Note 18. Prepaid expenses and accrued income

	31 Dec 2020	31 Dec 2019
Administration and property expenses	5.2	5.2
Prepaid fee for credit facility	4.2	3.2
Prepaid project expenses	21.4	12.1
Prepaid insurance premiums	9.7	9.4
Periodised rent discounts	29.4	30.7
Accrued income	5.7	7.5
Total	75.6	68.1

Note 19. Equity and earnings per share

		Number of shares	Total number of shares
Number of registered shares			
New share issue	17 May 1999	490,754	11,555,662
Bonus issue	9 March 2006	8,838	11,564,500
Private placement	18 October 2013	13,630,952	25,195,452
Private placement	10 Mar 2014	446,469	25,641,921
Private placement	22 Jan 2016	7,246,971	32,888,892
Private placement	15 Feb 2016	346,614	33,235,506
Private placement	11 Oct 2016	2,500,000	35,735,506
Private placement	19 Dec 2017	1,678,017	37,413,523
Private placement	9 Jul 2018	285,330	37,698,853
Number of registered shares			37,698,853
Earnings per share, calculated on earnings attributable to the Parent Company's shareholders during the year, (expressed in SEK per share)		2020	2019
<i>Earnings per share</i>			
Profit for the year		1,527.1	1,223.8
Ordinary shares outstanding		37,698,853	37,698,853
Weighted average of ordinary shares outstanding		37,698,853	37,698,853
Earnings per share, SEK		40.51	32.46

(There is no dilution effect, as no potential shares exist.)

Note 20. Financial instruments and financial risk management

Financial policy Catena is exposed to financial risks and Catena AB's central financial management bears the operational responsibility for the implementation of the financial operations. The Board of Directors of Catena AB reviews the financial policy annually and determines its contents, regulating the mandate of the financial management and determining the financial risks to which the Group is exposed and how these are to be managed. The overall objectives of the financial operations can be summarised in four parts, i) safeguarding the Group's capital requirements in the short and long term, ii) minimising the Group's financial expenses within the framework and guidelines of the financial policy, iii) ensuring that the Group has access to liquidity of a satisfactory level and that its payment capacity is secured in the short and long term and iv) ensuring that the financial operations are conducted with good internal control.

Financial targets	Target 2020	Outcome 2020
In the long-term, dividends should amount to 50% of profit from property management less standard rate tax.	SEK >282.4 million	286.7
Average debt maturity	>2 years	2.2 years
Credit providers	> 5	10
Interest coverage ratio	>1.75 multiple	4.0 multiple
Equity/assets ratio	>30%	37.2%

Financing

Interest-bearing liabilities in Catena consist primarily of traditional loans from credit institutions but also of bonds and commercial papers. On 31 December 2020, interest-bearing liabilities amounted to SEK 9,735.0 million (8,784.6), of which SEK 78.2 million (75.3) under existing agreements will be amortised in 2021. The financing is secured entirely through property mortgages, directly or indirectly through collateral in the form of reverse receivables from subsidiaries with attached collateral. In some cases, the subsidiaries' shares are also pledged and guarantees are provided by the Parent company. The collateral in the loan agreements is usually supplemented with guarantee clauses on financial commitments, meaning that the loan-to-value ratio may not exceed 60-75 percent, that the interest coverage ratio may not be less than a multiple of 1.5-2.0 and that the equity ratio may not be less than 25 percent. Were the Company to violate any of these commitments, this could result in the loan or loans being terminated, with payment being required immediately or the relevant creditor claiming the secured assets.

Liquidity risk

A liquidity risk prevails if Catena is unable to meet its payment commitments due to a shortage of cash and cash equivalents or these can only be met by borrowing funds at a significantly higher cost than normal or by the assets having to be sold at a price below market level. Catena monitors cash flow developments closely to ensure adequate cash and cash equivalents at all times. In addition, Catena renegotiates confirmed loan commitments further safeguarding capital needs in the short term. As at 31 December 2020, lines of credit totalling SEK 11,135.0 million (9,209.6) were available, of which SEK 1,400.0 million (425.0) had been unutilised.

The table below shows when the financial assets and liabilities fall due taking contractual amortisation into account.

Maturity structure of financial assets and liabilities, 31 December 2020

	Financial liabilities					Payment flows		
	Financial assets	Loans	Supplier	Associated companies	Accrued	Unutilised lines of credit	Interest on loans ¹⁾	Interest on derivatives ¹⁾
0-3 months	431.2	1,168.7	124.2	28.4	62.3	-	24.6	23.8
3-12 months	31.2	2,436.8	-	-	-	100.0	89.3	64.2
1-2 years	91.1	1,211.1	-	-	-	-	59.9	67.6
2-5 years	20.0	4,652.8	-	-	-	1,300.0	38.7	152.3
More than 5 years	62.1	265.6	-	-	-	-	1.0	78.4
Total	635.6	9,735.0	124.2	28.4	62.3	1,400.0	213.5	386.3

1) At current interest rates.

Maturity structure of financial assets and liabilities, 31 December 2019

	Financial liabilities					Payment flows		
	Financial assets	Loans	Supplier	Associated companies	Accrued	Unutilised lines of credit	Interest on loans ¹⁾	Interest on derivatives ¹⁾
0-3 months	155.3	1,660.7	125.5	-	68.0	-	27.4	28.0
3-12 months	100.1	2,339.1	-	-	-	100.0	57.6	84.0
1-2 years	72.7	3,641.1	-	-	-	325.0	42.3	104.2
2-5 years	7.6	1,143.6	-	-	-	-	40.0	82.1
More than 5 years	21.3	-	-	-	-	-	-	179.8
Total	357.0	8,784.6	125.5	-	68.0	425.0	167.3	478.1

1) At current interest rates.

Loan maturity structure

Year of maturity	2020	2019
2020	-	3,960.0
2021	3,605.5	2,690.8
2022	1,211.1	978.6
2023	3,036.3	1,155.2
>2024	1,882.1	-
Total	9,735.0	8,784.6

Maturity structure for recognised long-term interest-bearing liabilities

	31 Dec 2020	31 Dec 2019
Maturity, 1-5 years from balance-sheet date	5,824.8	4,784.7
Maturity later than five years from balance-sheet date	265.6	-
Total	6,090.4	4,784.7

Loan terms, interest and maturity structure

	Nominal amount		Average interest rate	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Interest-bearing liabilities	9,735.0	8,784.6	2.3%	2.6%

The average interest rate takes interest-rate derivatives into consideration. The margin is distributed evenly across the term to interest rate maturity.

For interest-rate swaps, the total volume outstanding amounted to SEK 5,714.6 million (4,521.7).

Financing and refinancing risk

Refers to the risk that financing of investments or renegotiated financing cannot be obtained or that these can only be obtained under terms that are unfavourable for the Group. To safeguard financing today and in the future and to minimise the cost of

borrowing, Catena uses several sources of financing with varying debt maturities. In addition, Catena's finance policy states that the Company must at all times maintain certain levels in terms of loan-to-value ratio, equity ratio and interest-coverage ratio to ensure a high credit rating.

Interest-rate risk

The interest-rate risk refers to the risk of changes in market interest rates and/or credit margins impacting net financial items or the fair value of financial assets and liabilities. When and how such a change takes effect depends on the choice of capital and fixed-interest maturity. Most of the Group's interest-bearing liabilities have an interest maturity of less than a year, and Catena mainly uses fixed-rate loans and interest rate derivatives to adjust the aggregate interest maturity in its loan portfolio. Including the effect of interest rate derivatives on the balance-sheet date, the average fixed-interest maturity was 3.1 years (2.3) and the interest rate was 2.3 percent (2.6). Interest rates on variable loans are typically based on the 3-month Stibor or 6-month Cibor with the addition of a credit margin.

Interest rate maturity structure

Year	SEK M	Effective interest rate, % ¹⁾	Share in %
2021	4,095.5	1.7	42.1
2022	500.0	3.7	5.1
2023	908.0	2.7	9.3
2024	500.0	2.8	5.1
2025	711.8	3.1	7.3
2026	686.7	3.5	7.0
2027	600.0	1.6	6.2
2028	600.0	1.5	6.2
2029	561.0	2.9	5.8
2030	572.0	3.2	5.9
Total	9,735.0	2.3	100.0

1) Refers to the current average interest rate per 31 December 2020. The margin is distributed evenly across the fixed-interest period.

	Nominal value		Fair value (excl. accrued interest)		Carrying amount	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Interest-rate swap contracts (receive floating, pay fixed interest)	5,714.6	4,521.7	-343.0	-381.1	-343.0	-381.1

Of the carrying amount, SEK -343.0 million (-381.1) pertains to the non-current portion.

The above table shows that the fair values and carrying amounts of the Group's derivatives do not differ. The fair values of other contracted financial assets and liabilities in the Group and the Parent Company also correspond to their carrying amounts as per 31 December 2020.

Net profit/loss on financial instruments recognised in profit or loss

Net profit/loss comprises earnings attributable to financial instruments excluding interest. For information about interest income and interest expense, refer to Note 9 Financial income and expenses.

2020	Net profit/loss in the income statement
Loan receivables and accounts receivable	-5.1
Financial assets and liabilities measured at fair value via profit or loss	38.1
2019	Net profit/loss in the income statement
Loan receivables and accounts receivable	-3.0
Financial assets and liabilities measured at fair value via profit or loss	29.3

Credit and counterparty risk

Credit and counterparty risk refers to the risk that tenants and suppliers are unable to meet their obligations to Catena and partly to the risk that Catena is unable to meet its commitments, which can greatly reduce the Company's creditworthiness. In the first case, the credit risk can mainly be attributed to outstanding accounts receivable, although it may nonetheless mean that major suppliers, such as banks and/or contractors fail to meet their commitments. In this regard, the credit risk is considered low as, at the aggregate level, Catena's customers and suppliers have a high creditworthiness. Credit checks are normally performed regarding customers and, in the event of any uncertainty, Catena often requires a bank guarantee or guarantee commitment. In the second case, Catena guarantees its own creditworthiness by maintaining a stable cash flow, satisfactory liquidity and secure levels in its key performance indicators with regard to loan-to-value ratio, equity ratio and interest coverage ratio. To limit the counterparty risk linked to liabilities and derivatives, Catena requires a high credit rating, corresponding at least to "investment grade".

Credit risk exposure	31 Dec 2020	31 Dec 2019
Cash and cash equivalents	411.1	131.2
Accounts receivable	14.3	16.6
Other current receivables	199.1	191.4
Other non-current receivables	100.5	94.1
Total	725.0	433.3

Note 21. Classification of financial instruments

2020	Measurement categories			
	Measured at fair value via profit or loss	Measured at fair value via other comprehensive income	Measured at amortised cost	Carrying amount
Financial assets				
Other non-current receivables	-	-	92.1	92.1
Accounts receivable	-	-	14.3	14.3
Other current receivables	-	-	112.3	112.3
Accrued income	-	-	5.8	5.8
Cash and cash equivalents	-	-	411.1	411.1
Total	-	-	635.6	635.6
Non-financial assets				19,763.0
Total				20,398.6
Financial liabilities				
Long-term interest-bearing liabilities	-	-	-6,090.4	-6,090.4
Lease liability	-	-	-332.0	-332.0
Interest-rate derivatives	-343.0	-	-	-343.0
Current interest-bearing liabilities	-	-	-3,644.6	-3,644.6
Accounts payable	-	-	-124.2	-124.2
Other current liabilities	-	-	-28.4	-28.4
Accrued expenses	-	-	-62.3	-62.3
Total	-343.0	-	-10,281.9	-10,624.9
Non-financial liabilities				-2,183.3
Total				-12,808.2

Carrying amounts correspond, to all intents and purposes, to fair values for all balance-sheet items.
During the year, Catena has renegotiated financing agreements with a total framework of approximately SEK 6.1 billion.

2019	Measurement categories			
	Measured at fair value via profit or loss	Measured at fair value via other comprehensive income	Measured at amortised cost	Carrying amount
Financial assets				
Other non-current receivables	-	-	90.3	90.3
Accounts receivable	-	-	16.6	16.6
Other current receivables	-	-	111.4	111.4
Accrued income	-	-	7.5	7.5
Cash and cash equivalents	-	-	131.2	131.2
Total	-	-	357.0	357.0
Non-financial assets				17,413.1
Total				17,770.1
Financial liabilities				
Long-term interest-bearing liabilities	-	-	-4,784.7	-4,784.7
Lease liability	-	-	-327.8	-327.8
Interest-rate derivatives	-381.1	-	-	-381.1
Current interest-bearing liabilities	-	-	-3,999.9	-3,999.9
Accounts payable	-	-	-125.5	-125.5
Other current liabilities	-	-	-24.5	-24.5
Accrued expenses	-	-	-68.0	-68.0
Total	-381.1	-	-9,330.4	-9,711.5
Non-financial liabilities				-1,740.6
Total				-11,452.1

Carrying amounts correspond, to all intents and purposes, to fair values for all balance-sheet items.

Note 22. Pledged assets and contingent liabilities

Pledged assets	31 Dec 2020	31 Dec 2019
Property mortgages for liabilities to credit institutions	10,592.2	9,745.8
Shares for liabilities to credit institutions ¹⁾	6,760.6	5,831.9
Guarantee obligations	-	-
Total	17,352.8	15,577.7

1) Pertains to shares in Group companies.

Contingent liabilities

Responsibility for Group companies' liabilities (HB/KB)	386.5	355.4
Guarantees given for Group companies	8,430.2	8,104.3
Guarantee obligations for the benefit of associated companies	76.7	110.7
Other contingent liabilities	21.2	48.1
Total	8,914.6	8,618.5

Note 23. Accrued expenses and deferred income

	31 Dec 2020	31 Dec 2019
Advance payment of rents	145.6	135.2
Accrued operating expenses	13.7	11.8
Prepaid media expenses	0.2	0.1
Accrued interest expenses	28.3	28.8
Accrued salary-related expenses	15.7	15.1
Accrued selling expenses	3.9	3.9
Other items	4.4	3.9
Total	211.8	198.8

Note 24. Related parties**Related-party transactions**

The Group is under a significant influence from Erik Paulsson, with his family and companies. At 31 December 2020, his holding amounted to 29.8 percent (29.8) of the voting rights in the Group's Parent Company. Erik Paulsson's influence means that the Group has related-party transactions with Erik Paulsson's wholly owned company, Hansan AB. Related-party transactions have also occurred with a company owned by Board Member Katarina Wallin.

In addition to the above related-party transactions, Catena AB itself or via Group companies, has holdings in the following associated companies: Törsjö Logistik AB, Urban Services Sweden AB, Södertuna utveckling AB, Foodhills Fastighet AB and shared operations in the form of a holding in SFF Holding AB. Transactions in the form of shareholder contributions, loans and interest with SFF have been eliminated in the consolidated accounts. Reported instead is Catena's share of SFF's external involvement in the consolidated financial reports. See Note 14 Participations in associated companies and shared operations.

In 2020, no Board Member or senior executives in Catena AB or its subsidiaries have themselves, via companies or related parties, had any direct involvement in business transactions carried out by Catena that were or are unusual in their nature or their terms and conditions. See Note 8 Employee and personnel expenses.

In one case, Catena has given guarantees for Group companies' associated companies, see Note 22 Pledged assets and contingent liabilities.

	2020	2019
Transactions with the Group's associated companies		
Sales	0.5	0.4
Interest income	1.9	1.4
Current receivables	-	34.9
Non-current receivables	42.0	37.5
Interest-bearing liabilities	28.4	0.0
Guarantees given	76.7	76.7
Transactions with other related parties		
Purchases	0.2	0.2

Other information

Liabilities and receivables with related parties pertain to the settlement account, to which interest is charged.

Transactions with related parties are priced at market rates.

Note 25. Significant events after the end of the financial year

On 14 January, Catena signed an agreement to acquire the Morgongåva 15:33 property in the Morgongåva business park, which is located approximately 40 kilometres west of Uppsala. Catena is to construct a 38,000 m² logistics facility at the site, investing SEK 300 million. A 12-year lease has been signed with Babyland, which intends to conduct its e-commerce deliveries from the facility. The new logistics facility will be environmentally certified in accordance with the Miljöbyggnad Silver standard, with its strict requirements in terms of energy, the indoor environment and choice of materials – solar cells will be installed on the roof. The overall investment is expected to generate a net operating surplus of approximately SEK 17.8 million.

On 22 February, Catena AB signed an agreement for Catena to acquire five properties in Denmark and one in Sweden (Borås) at an underlying property value of approximately SEK 815 million after deduction for deferred taxes. The net operating surplus for all of the properties is estimated at about SEK 45 million. The properties will be acquired through corporate acquisitions, with the purchase consideration for the shares provisionally amounting to about SEK 457 million after deductions for deferred taxes. The acquisition encompasses a total lettable area of approximately 93,270 m², a rental value of SEK 49 million and an average remaining lease duration exceeding ten years. Development rights for a total of about 40,000 m² are also associated with the properties, offering opportunities for future expansion. Part of the purchase consideration will be paid by Catena issuing a promissory which, according to the agreement, the vendor submits as payment for newly issued shares in Catena. The issue, which is partly being conducted to finance the acquisition, was directed towards the vendor and will be subscribed and paid for through the completion of the acquisition on Catena gaining possession of the properties.

On account of Catena AB and Danish company H5 Properties A/S signing an agreement on 22 February 2021 that Catena would acquire six logistics properties in Denmark and Sweden, payment has been made in part through a promissory note for SEK 200 million issued by Catena, which the vendor then submitted as payment for newly issued shares in Catena in connection with the transfer of the properties on 1 March 2021. The new share issue has been approved by the Board of Directors of Catena, supported by the authorisation granted to the Board of Directors by the 2020 Annual General Meeting of the Company and entailing a capital contribution of SEK 200 million, in accordance with what was stated above. The subscription price for the issue of approximately SEK 379 per Catena share was based on the average share price over the past 10 trading days, meaning that H5 Properties holds 527,911 new shares in Catena, corresponding to 1.38 percent of the total number of shares following the issue.

The Nomination Committee has submitted a proposal regarding the composition of the Board of Directors to the Annual General Meeting to be held on 29 April 2021. It is proposed that Magnus Swärth, Katarina Wallin, Hélène Briggert, Vesna Jovic and Caesar Åfors be re-elected and that Gustaf Hermelin be re-elected as the Chairman of the Board. It is also proposed that Lennart Mauritzson be newly elected as Tomas Andersson has declined re-election.

No other significant events affecting the Group's financial position have taken place following the balance-sheet date.

Note 26. Cash-flow Statement

Supplementary disclosures to the Cash-flow Statement	1 Jan 2020 -31 Dec 2020	1 Jan 2019 -31 Dec 2019
Interest paid and dividends received		
Interest received	2.1	2.4
Interest paid	-244.2	-237.9
Adjustments for non-cash items		
Amortisation, depreciation and impairment of assets	0.6	0.6
Change in value of investment properties	-1,158.8	-791.2
Change in value of derivatives	-38.1	-29.3
Participations in the profits/losses of associated companies	4.4	11.5
Net capital loss from the divestment of non-current assets	-7.1	-74.5
Net capital loss from the divestment of operations	-	-13.1
Other non-cash profit/loss items	2.0	1.1
	-1,197.0	-894.9
Acquisition of assets via subsidiaries		
All acquisitions during the year have been classified as asset acquisitions with net proceeds comprised of the following items:		
<i>Assets acquired and liabilities assumed:</i>		
Investment properties	388.8	82.1
Operating receivables	1.8	0.7
Cash and cash equivalents	3.8	0.6
Loans	-209.2	-63.4
Operating liabilities	-8.9	-0.7
Total net assets	176.3	19.3
Purchase consideration paid	176.2	19.3
Total	176.2	19.3
Less: Cash and cash equivalents in the acquisition	-3.8	-0.6
Impact on cash and cash equivalents	172.4	18.7
Divestment of operations		
<i>Divested assets and liabilities:</i>		
Investment properties	-	82.5
Operating receivables	-	-0.1
Loans	-	-75.4
Capital gain	-	0.6
Total	-	7.6
Purchase consideration received	-	7.6
Total	-	7.6
Less: Cash and cash equivalents in the acquisition	-	-
Impact on cash and cash equivalents	-	7.6
Acquisitions of other financial assets		
Investments in associated companies	-0.1	-60.0
Changes in interest-bearing items	-16.5	-15.1
Total investments in financial assets	-16.6	-75.1
Divestment of financial assets		
Settlement of financial receivables	-	16.3
Total divestment of financial assets	-	16.3

Reconciliation of net debt	Cash and cash equivalents	Liability to associated companies	Property loans	Total
Net debt as at 31 December 2019	131.2	-	-8,784.6	-8,653.4
Cash flow	280.1	-28.4	-753.4	-501.7
Acquisitions	-	-	-209.2	-209.2
Exchange rate differences	-0.2	-	12.2	12.0
Net debt as at 31 December 2020	411.1	-28.4	-9,735.0	-9,352.3

Note 27. Reconciliation of alternative performance measures

			31 Dec 2020	31 Dec 2019
	Reference	Formula reference		
<i>Property-related</i>				
Surplus ratio, %				
Net operating surplus	IS	A	1,003.8	902.8
Rental income	IS	B	1,263.9	1,182.9
Surplus ratio = A/B			79.4%	76.3%
Loan-to-value ratio, %				
Long-term interest-bearing liabilities	BS	A	6,090.4	4,784.7
Current interest-bearing liabilities	BS	B	3,644.6	3,999.9
Investment properties	BS	C	18,612.4	16,270.5
Loan-to-value ratio = (A+B)/C			52.3%	54.0%
<i>Financial</i>				
Return on equity, %				
Profit for the year	IS	A	1,527.1	1,223.8
Total equity at beginning of the year	BS	B	6,318.0	5,308.8
Total equity at end of the year	BS	C	7,590.4	6,318.0
Return on equity = A/((B+C)/2)			22.0%	21.1%
Return on total capital, %				
Profit before tax	IS	A	1,923.5	1,522.5
Reversal of financial expenses	IS	B	239.5	228.2
Reversal of unrealised changes in value of derivatives	IS	C	-38.1	-29.3
Total assets at beginning of year	BS	D	17,770.1	15,905.9
Total assets at end of year	BS	E	20,398.6	17,770.1
Return on total capital = A+B+C/((D+E)/2)			11.1%	10.2%
Interest-coverage ratio, multiple				
Profit before tax	IS	A	1,923.5	1,522.5
Reversal of financial expenses	IS	B	239.5	228.2
Reversal of unrealised changes in value of investment properties	IS	C	-1,158.8	-791.2
Reversal of changes in value of goodwill	IS	D	-	-
Reversal of changes in value of derivatives	IS	E	-38.1	-29.3
Interest coverage ratio = (A+B+C+D+E)/B			4.0	4.1
Average interest rate, %				
See Interest rate maturity structure in	Note 20		2.3	2.6
Interest maturity, years				
See Interest rate maturity structure in	Note 20		3.1	2.3
Interest-bearing liabilities concerning properties, SEK M				
Long-term interest-bearing liabilities	BS	A	6,090.4	4,784.7
Current interest-bearing liabilities	BS	B	3,644.6	3,999.9
Interest-bearing liabilities concerning properties =A+B			9,735.0	8,784.6
Capital tied-up, years				
See loan agreement maturity structure in	Note 20		2.2	1.3
Debt/equity ratio, multiple				
Interest-bearing liabilities concerning properties, SEK M		A	9,735.0	8,784.6
Total equity at end of the year	BS	B	7,590.4	6,318.0
Debt/equity ratio = A/B			1.3	1.4
Equity ratio, %				
Total equity at end of the year	BS	A	7,590.4	6,318.0
Total assets at end of year	BS	B	20,398.6	17,770.1
Equity ratio =A/B			37.2%	35.6%
Equity/assets ratio, excluding goodwill and right-of-use assets, %				
Total equity at end of the year	BS	A	7,590.4	6,318.0
Total assets at end of year	BS	B	20,398.6	17,770.1
Deductions, goodwill	BS	C	503.0	503.0
Less right-of-use assets for leaseholds	BS	D	334.5	330.2
Equity ratio excl. goodwill = A/(B-C-D)			38.8%	37.3%

			31 Dec 2020	31 Dec 2019
	Reference	Formula reference		
<i>Share-related</i>				
Dividend yield, %				
Dividend per share, SEK		A	7.50	6.50
Share price at year-end		B	385.00	413.50
Dividend yield = A/B			1.9%	1.6%
Total return on the share, %				
Dividend per share, SEK		A	6.50	5.75
Property portfolio at beginning of year		B	413.50	220.50
Share price at year-end		C	385.00	413.50
Total return on the share = (C-B+A)/B			-5.3%	90.1%
Equity per share, SEK				
Equity attributable to Parent Company shareholders, SEK M	BS	A	7,590.4	6,318.0
Number of shares outstanding at year-end		B	37,698,853	37,698,853
Equity per share = A/B			201.34	167.59
Profit from property management per share, SEK				
Profit from property management, SEK M	IS	A	718.6	626.8
Total No. of shares outstanding		B	37,698,853	37,698,853
Profit from property management per share = A/B			19.06	16.63
P/E ratio				
Earnings per share, SEK		A	40.51	32.46
Share price at year-end		B	385.00	413.50
P/E ratio = B/A			10	13
Cash flow before change in working capital per share, SEK				
Cash flow before change in working capital, SEK M	CFS	A	712.7	612.5
Total No. of shares outstanding		B	37,698,853	37,698,853
Cash flow before change in working capital per share, SEK			18.91	16.25

BS=Consolidated Statement of Financial Position.
CFS=Consolidated Cash-flow Statement.
IS=Consolidated Statement of Comprehensive Income.

Net asset value

Long-term net asset value, EPRA NRV, assumes Equity with the fair values of derivatives, deferred tax and goodwill being reversed. The current net asset value, EPRA NTA, is the same as the long-term net asset value albeit with goodwill not attributable to deferred tax not being considered to represent an asset, and that deferred tax shall be marked to taking into account how the Company has actually conducted property transactions in recent years. The disposal value, EPRA NDV, comprises equity in accordance with the Balance Sheet and adjusted for goodwill.

	31 Dec 2020		31 Dec 2019	
	SEK M	SEK/share	SEK M	SEK/share
Equity as per Balance Sheet	7,590.4	201.34	6,318.0	167.59
Reversal:				
Fair value of derivatives	343.0		381.1	
Goodwill associated with deferred tax	-503.0		-503.0	
Deferred tax as per Balance Sheet	1,809.0		1,451.9	
Long-term net asset value, EPRA NRV	9,239.4	245.08	7,648.0	202.87
Forwards:				
The real deferred tax rate is estimated at 3.5% *	-399.4		-334.9	
Current net asset value EPRA NTA	8,840.0	234.49	7,313.1	193.99
Reversal:				
Fair value of derivatives	-343.0		-381.1	
Deferred tax its entirety	-1,409.6		-1,117.0	
Disposals EPRA NDV	7,087.4	188.00	5,815.0	154.25

* The estimated real deferred tax liability has been calculated at 3.5 percent, based on a discount rate of 3 percent. It has been assumed that the value of the properties is depreciated over a 50-year period and that 10 percent of transactions are conducted as property transactions and that 90 percent are sold indirectly through companies where the buyer's tax deduction is 5.15 percent.

Financial statements – Parent Company

Parent Company Income Statement			
SEK M	Note	1 Jan 2020 -31 Dec 2020	1 Jan 2019 -31 Dec 2019
Net sales	4	55.5	50.6
Cost of services performed	5,6,7,8	-88.2	-85.0
Operating profit/loss		-32.7	-34.4
Financial income and expenses	9		
Interest income and similar profit/loss items		240.6	241.7
Profit from participations in Group companies		85.8	58.1
Interest expense and similar profit/loss items		-144.9	-138.6
Profit before tax		148.8	126.8
Appropriations		-	-
Tax on profit for the year	10	-59.5	-37.0
Comprehensive income for the year		89.3	89.8

No items in the Parent Company are recognised in other comprehensive income and total comprehensive income is therefore consistent with profit for the year.

Balance Sheet, Parent Company			
SEK M	Note	31 Dec 2020	31 Dec 2019
ASSETS			
Fixed assets			
Tangible fixed assets			
Equipment	11	0.9	1.0
Financial non-current assets			
Participations in Group companies	12	3,235.2	3,235.2
Participations in associated companies	13	1.0	1.0
Deferred tax assets	10	71.4	78.9
Receivables from associated companies		20.0	20.0
Other non-current receivables		6.4	5.4
Total financial fixed assets		3,334.0	3,340.5
Total non-current assets		3,334.9	3,341.5
Current assets			
Current receivables			
Accounts receivable	14	–	–
Receivables from Group companies	15	4,164.0	3,728.5
Receivables from associated companies		–	34.9
Other receivables		–	18.3
Prepaid expenses and accrued income	16	7.9	6.4
Total current receivables		4,171.9	3,788.1
Cash and bank balances		403.8	90.0
Total current assets		4,575.7	3,878.1
TOTAL ASSETS	22	7,910.6	7,219.6
EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted equity			
Share capital		165.9	165.9
Statutory reserve		10.0	10.0
Total restricted equity		175.9	175.9
Unrestricted equity			
Share premium reserve		1,996.6	1,996.6
Profit brought forward		489.9	645.2
Comprehensive income for the year		89.3	89.8
Total unrestricted equity		2,575.8	2,731.6
Total equity		2,751.7	2,907.5
Untaxed reserves			
Excess depreciation		0.1	0.1
Tax allocation reserve		24.0	24.0
Total untaxed reserves		24.1	24.1
Provisions			
Other provisions	18	3.2	2.1
Total provisions		3.2	2.1
Liabilities			
Long-term liabilities			
Interest-bearing liabilities	15,20	1,298.8	674.3
Interest-rate derivatives	15	343.0	381.1
Total non-current liabilities		1,641.8	1,055.4
Current liabilities			
Interest-bearing liabilities	15,20	–	–
Accounts payable		4.3	3.6
Liabilities to Group companies	15	3,421.4	3,194.0
Liabilities to associated companies		28.4	–
Other liabilities		2.9	2.4
Tax liability		–	–
Accrued expenses and deferred income	19	32.8	30.5
Total current liabilities		3,489.8	3,230.5
Total liabilities	22	5,131.6	4,285.9
TOTAL EQUITY AND LIABILITIES		7,910.6	7,219.6

Parent Company changes in shareholders' equity

SEK M	Restricted equity		Unrestricted equity			Total equity
	Share capital	Statutory reserve	Share premium reserve	Accumulated profit	Comprehensive income for the year	
Equity brought forward 1 Jan 2019	165.9	10.0	1,996.6	-161.9	1,023.8	3,034.4
Transfer comprehensive income	-	-	-	1,023.8	-1,023.8	-
Comprehensive income for the year	-	-	-	-	89.8	89.8
Dividend	-	-	-	-216.8	-	-216.8
Equity carried forward 31 Dec 2019	165.9	10.0	1,996.6	645.2	89.8	2,907.5
Equity brought forward 1 Jan 2020	165.9	10.0	1,996.6	645.2	89.8	2,907.5
Transfer comprehensive income	-	-	-	89.8	-89.8	-
Comprehensive income for the year	-	-	-	-	89.3	89.3
Dividend	-	-	-	-245.0	-	-245.0
Equity carried forward 31 Dec 2020	165.9	10.0	1,996.6	489.9	89.3	2,751.7

Parent Company Cash Flow Analysis

SEK M	Note 21	1 Jan 2020 -31 Dec 2020	1 Jan 2019 -31 Dec 2019
Operating activities			
Profit before tax		148.8	126.8
Adjustments for non-cash items		-36.3	-27.6
Tax paid		-7.4	-11.3
Cash flow before changes in working capital		105.1	87.9
Changes in working capital			
Change in operating receivables		6.4	-10.3
Change in operating liabilities		3.4	2.7
Cash flow from operating activities		114.9	80.3
Investing activities			
Acquisitions of property, plant and equipment		-0.5	-0.2
Acquisitions of financial assets		-208.5	-
Sales and net amortisation of financial assets		-	255.3
Cash flow from investing activities		-209.0	255.1
Financing activities			
Borrowings		1,253.7	134.9
Amortisation of loans		-600.8	-359.2
Dividend		-245.0	-216.8
Cash flow from financing activities		407.9	-441.1
Cash flow for the year		313.8	-105.7
Opening cash and cash equivalents		90.0	195.7
Closing cash and cash equivalents		403.8	90.0

Notes – Parent Company

Note 1. Accounting policies

Amounts in SEK million unless otherwise specified.

Catena AB (publ), 556294-1715, is the Parent Company of a Group comprising companies that own and operate properties or run property-related projects. All inter-Group functions are centralised to the Parent Company.

The Parent Company has prepared its Annual Report in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation no. RFR 2 Accounting for legal entities, which entails that the Parent Company in its annual report for the legal entity applies all of the EU-approved IFRS and statements, to the fullest extent possible, within the framework of the Annual Accounts Act, and taking into consideration the connection between accounting and taxation. Recommendations indicate the exceptions and the supplements to be made to the IFRS.

The Parent Company applies the same accounting policies as the Group, detailed in Note 2 Accounting Principles for the Group, except in the cases stated below.

Differences between the Group's and the Parent Company's accounting policies

The following accounting policies for the Parent Company have been applied consistently for all periods presented in the Parent Company's financial reports, unless specifically stated otherwise.

Financial instruments

In the Parent Company, IFRS 9 shall also to be applied to intra-Group receivables and liabilities. Since the market value of the underlying assets in the subsidiaries to a significant extent exceeds the carrying amount, no loss risk reserve has been made on intra-Group transactions. This assessment is updated for each new accounting period and is set in relation to the prevailing market situation.

Subsidiaries, associated companies and joint ventures

Participations in subsidiaries, associated companies and joint ventures are recognised in the Parent Company under the cost method.

Shareholder contributions and Group contributions

Shareholder contributions are recognised directly in equity by the recipient and capitalised in shares and participations by the payer. Group contributions paid to subsidiaries are recognised as an increase in the shares in the subsidiary and, thereafter, tested to identify whether any impairment need exists. The tax effect is recognised in profit or loss. Group contributions received from subsidiaries are treated as dividends and are recognised as financial income in profit or loss. The tax effect is recognised in profit or loss.

Presentation of Income Statement and Balance Sheet

The Parent Company follows the presentation format in the Swedish Annual Accounts Act for the Income Statement and Balance Sheet, which means that a different presentation format for equity and that other provisions are reported as a separate item in the Balance Sheet.

Note 2. Financial risk management

The Group applies common risk management for all units. Consequently, the description included in Note 20 Financial instruments and financial risk management is, to all intents and purposes, also applicable to the Parent Company.

Note 3. Significant estimates and assumptions for accounting purposes

Estimates and assessments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For accounting purposes, the Group's descriptions of key estimates and assessments are also applicable to the Parent Company.

Note 4. Net sales

Turnover primarily comprises intra-Group administration fees.

Note 5. Cost of services performed

	2020	2019
Personnel expenses	58.2	55.9
Other external expenses	29.4	28.5
Depreciation of property, plant and equipment	0.6	0.6
Total	88.2	85.0

Note 6. Employee and personnel expenses

Average number of employees	of whom		of whom	
	2020	men	2019	men
Employees in Sweden	42	66%	42	72%

	2020	2019	2020	2019
Gender balance of senior management	Board of Directors		Senior executives	
Men	57%	57%	67%	86%
Women	43%	43%	33%	14%

	2020	2019
Salaries, fees, benefits and other remuneration		
Chairman of the Board	0.3	0.3
Other Board Members	1.1	1.0
Chief Executive Officer (Benny Thöggersen Jan-Oct 2020)		
Base salary	2.0	2.2
Other remuneration	0.4	0.5
Chief Executive Officer (Jörgen Eriksson Nov-Dec 2020)		
Base salary	0.6	–
Other remuneration	0.1	–
Other senior executives 2 (6) persons		
Base salary	4.3	6.8
Other remuneration	1.0	1.7
Other employees	26.8	22.2
Total	36.6	34.7

	2020	2019
Pension expenses		
Chief Executive Officer (Benny Thøgersen Jan-Oct 2020)	1.2	1.4
Chief Executive Officer (Jörgen Eriksson Nov-Dec 2020)	0.2	-
Other senior executives 2 (6) individuals	2.0	2.6
Other employees	5.0	3.7
Total	8.4	7.7
Statutory social security contributions incl. payroll tax		
Chairman of the Board	0.1	0.1
Other Board members	0.4	0.3
Chief Executive Officer (Benny Thøgersen Jan-Oct 2020)	1.2	1.4
Chief Executive Officer (Jörgen Eriksson Nov-Dec 2020)	0.3	-
Other senior executives 2 (6) individuals	2.0	3.1
Other employees	8.7	7.5
Total	12.7	12.4
Total	57.7	54.8

For information about directors' fees, the terms and conditions governing the employment and dismissal of senior executives, remuneration of related parties, bonuses, pensions, severance pay, etc. please refer to Note 8 for the Group: Employee and personnel expenses.

Note 7. Fees and expenses to auditors

	2020	2019
Audit engagement	1.7	1.5
Audit activities in addition to the audit engagement	0.1	-
Tax consultancy	0.2	0.3
Other services	0.4	-
Total	2.4	1.8

Fees for audit engagements pertain to fees for the statutory audit, that is all work necessary to prepare the auditors' report, as well as audit advice provided in conjunction with the audit engagement.

Audit activities in addition to the audit engagement pertain to fees for various types of quality assurance services.

Other services pertain to activities not included in the audit engagement, audit activities or tax consultancy services.

Costs for audits and other assignments from PwC pertaining to all subsidiaries were charged to the Parent Company.

Note 8. Leasing

Catena AB mainly has use of cars through leasing agreements. The cost is recognised on a straight-line basis over the lease period.

	2020	2019
Leasing cost	1.6	1.6

Future undiscounted cash outflows related to the lease agreements are distributed as follows:

	2020	2019
Within one year	1.3	1.2
Between one and five years	0.7	0.5
Total	2.0	1.7

Note 9. Financial income and expenses

Interest income and similar profit/loss items	2020	2019
Interest income, Group companies	200.0	205.6
Interest income, other	1.5	1.2
Interest-rate derivatives, changes in value	38.1	29.3
Exchange gain	1.0	5.6
Total	240.6	241.7

Profit from participations in Group companies	2020	2019
Group contributions received	276.3	172.5
Impairment of shares in subsidiaries	-190.5	-114.4
Total	85.8	58.1

Interest expense and similar profit/loss items	2020	2019
Interest expenses, Group companies	-15.7	-15.9
Interest expenses, other	-118.6	-113.3
Other financial expenses	-10.6	-9.4
Total	-144.9	-138.6

Net financial items	2020	2019
	181.5	161.2

Note 10 Tax

Recognised in profit or loss	2020	2019
<i>Current tax</i>		
Tax for the year	-52.0	-31.1
<i>Deferred tax</i>		
Deferred tax regarding temporary differences	-7.5	-5.9
Total recognised tax	-59.5	-37.0

Reconciliation of effective tax	2020	2019
Profit before tax	148.8	126.8
Tax according to current rate: 21.4%	-31.8	-27.1
Effect of changed tax rate	0.3	0.4
Offsetting of net interest	13.1	14.7
Non-deductible expenses	-41.1	-25.0
Recognised effective tax	-59.5	-37.0

The recognised effective tax rate in percent totalled 40.0 (29.2).

Deferred tax assets	Recognised in profit or loss 2019			Recognised in profit or loss 2020	
	OB 2019		CB 2019		CB 2020
Pension provisions	0.2	0.2	0.4	0.3	0.7
Derivative instruments	84.6	-6.1	78.5	-7.8	70.7
Total deferred tax assets	84.8	-5.9	78.9	-7.5	71.4

Note 11. Tangible fixed assets

Equipment	2020	2019
Opening cost	5.0	5.0
Acquisitions	0.5	0.1
Sales and disposals	-0.1	-0.1
Closing cost	5.4	5.0
Opening depreciation	-4.0	-3.5
Sales and disposals	0.1	0.1
Depreciation for the year	-0.6	-0.6
Closing depreciation	-4.5	-4.0
Carrying amount	0.9	1.0

Depreciation is distributed over the following items in profit or loss

	2020	2019
Cost of services performed	0.6	0.6

Note 12. Participations in Group companies

	31 Dec 2020	31 Dec 2019
<i>Accumulated cost</i>		
Opening balance	3,984.5	3,870.1
Group contributions paid ¹⁾	190.5	114.4
Capital contribution made	-	-
Closing balance	4,175.0	3,984.5
<i>Accumulated write-downs</i>		
Opening balance	-749.3	-634.9
Impairment for the year ²⁾	-190.5	-114.4
Closing balance	-939.8	-749.3
Carrying amount at year-end	3,235.2	3,235.2

1) Group contributions paid to subsidiaries are recognised as an increase in the shares in the subsidiary and, thereafter, tested to identify whether any impairment need exists. Group contributions received from subsidiaries are treated as dividends and are recognised as financial income in profit or loss.

2) Impairment for the year is included under the profit/loss item "Profit from participations in Group companies", see Note 9 Financial income and expenses.

Specification of Parent Company's direct holdings of shares in subsidiaries					31 Dec 2020	31 Dec 2019
Subsidiary	Corp. No.	Registered office	Number of shares	Holding in % ¹⁾	Carrying amount	Carrying amount
Catena Logistik AB	556922-7365	Helsingborg	1,000	100.0	1,154.8	1,154.8
Catena Fastigheter AB	556754-0843	Helsingborg	1,000	100.0	0.1	0.1
Catena Obl. Holding AB	556984-8467	Helsingborg	1,000	100.0	15.1	15.1
Tribona AB	556870-4646	Helsingborg	48,657,051	100.0	2,065.2	2,065.2
Total					3,235.2	3,235.2

1) Pertains to the percentage of share capital, which corresponds to the proportion of voting rights.

Specification of indirectly owned subsidiaries

Name	Corp. Reg. No.	Registered office	Name	Corp. Reg. No.	Registered office
Catena Adaptern 1 AB	556606-3631	Helsingborg	Catena Magneteten 6 AB	559090-1715	Helsingborg
Catena Backa 23:5 KB	916624-0797	Helsingborg	Catena Mappen 4 AB	559100-3776	Helsingborg
Catena Backa 23:9 AB	556822-2433	Helsingborg	Catena Misteln AB	559011-1307	Helsingborg
Catena Backa 97:10 AB	556595-0002	Helsingborg	Catena Morup 5 AB	556632-3621	Helsingborg
Catena Backa Invest AB	556758-6838	Helsingborg	Catena Mosås AB	556710-4459	Helsingborg
Catena Backanet AB	556720-9035	Helsingborg	Catena Målås 4:4 AB	559083-7133	Helsingborg
Catena Basfiolen AB	556697-7129	Helsingborg	Catena Mölnlycke AB	556990-3379	Helsingborg
Catena Batteriet AB	559083-7182	Helsingborg	Catena Obl. AB	556984-8426	Helsingborg
Catena Björröd AB	559106-8829	Helsingborg	Catena Obl. AB	556824-7570	Helsingborg
Catena B-Kråkebo 1:56 AB	559016-9198	Helsingborg	Catena Projekt AB	556972-7547	Helsingborg
Catena Borlänge AB	556605-0620	Helsingborg	Catena Rollsbo AB	559053-0266	Helsingborg
Catena Borås Tre AB	556691-3223	Helsingborg	Catena Rosersberg 11:81 AB	559130-9629	Helsingborg
Catena Borås Två AB	556537-6141	Helsingborg	Catena Rosersberg 11:116 AB	556893-9325	Helsingborg
Catena Broby AB	559246-1015	Helsingborg	Catena Service AB	556750-7917	Helsingborg
Catena Bronsringen AB	556702-8153	Helsingborg	Catena Skogskojan 1 AB	556972-7547	Helsingborg
Catena Bråta AB	559211-4259	Helsingborg	Catena Slottshagen 2:1 AB	556703-2809	Helsingborg
Catena Bröndby AS	DK 30926080	Gentofte	Catena Slätthög 1 AB	556929-6873	Helsingborg
Catena Bulten 1 AB	556968-2478	Helsingborg	Catena Slätthög 4 AB	556872-7639	Helsingborg
Catena Bunkagården M 1 AB	556445-0087	Helsingborg	Catena Slätthög 6 AB	556929-6881	Helsingborg
Catena Bunkagården M 2 AB	556912-0339	Helsingborg	Catena Smeden 1 AB	556950-7584	Helsingborg
Catena Burlöv AB	556605-0992	Helsingborg	Catena Snesholm 1:16 AB	559043-5995	Helsingborg
Catena Dansered AB	556537-6166	Helsingborg	Catena Sockret 4 AB	559025-6698	Helsingborg
Catena Drivremmen 1 AB	559083-7117	Helsingborg	Catena Sockret 7 AB	559029-1208	Helsingborg
Catena Däcket 1 AB	559083-7166	Helsingborg	Catena Staren AB	559130-9637	Helsingborg
Catena Ekeby 2:2 AB	559081-1880	Helsingborg	Catena Stenvreten AB	556791-3982	Helsingborg
Catena Fosie 4 AB	556775-7819	Helsingborg	Catena Stockholm AB	556519-4148	Helsingborg
Catena Fräsaren 12 AB	556987-6773	Helsingborg	Catena Storheden 2:1 AB	559197-0149	Helsingborg
Catena Fröträdet 1 AB	556605-2139	Helsingborg	Catena Sundsvall AB	556605-0596	Helsingborg
Catena Fördelaren 1 AB	556605-2097	Helsingborg	Catena Sunnanå 5:16 AB	559071-0090	Helsingborg
Catena Förmannen AB	556667-7299	Helsingborg	Catena Sunnanå AB	556699-7788	Helsingborg
Catena Generatoren 11 AB	556720-9043	Helsingborg	Catena Sunnanå Tre AB	556809-9955	Helsingborg
Catena Godsvagnen AB	556740-8801	Helsingborg	Catena Sunnanå Två AB	559023-3911	Helsingborg
Catena Gävle AB	556697-7194	Helsingborg	Catena Södertälje AB	556524-7433	Helsingborg
Catena Haninge AB	556660-1596	Helsingborg	Catena Söderåsen Fastighets AB	556634-8776	Helsingborg
Catena Holding 6 AB	556877-4250	Helsingborg	Catena Tahe AB	556102-5304	Helsingborg
Catena Holding 9 AB	556912-0313	Helsingborg	Catena Tankbilen 9 AB	556956-0690	Helsingborg
Catena Holding I AB	556707-7580	Helsingborg	Catena Terminal AB	559081-1948	Helsingborg
Catena Hästhagen AB	556252-1616	Helsingborg	Catena Terminalen 1 AB	556312-0236	Helsingborg
Catena Invest AB	556649-9108	Helsingborg	Catena Tostarp AB	556667-8784	Helsingborg
Catena Jakobsberg AB	556607-0925	Helsingborg	Catena Tostarp Tre AB	559211-5124	Helsingborg
Catena Jordbromalm 4:41 AB	556731-8554	Helsingborg	Catena Tostarp Två AB	559025-2259	Helsingborg
Catena Järfälla AB	556605-0737	Helsingborg	Catena Transportstaden Örebro AB	556591-2309	Helsingborg
Catena Jönköping AB	556536-7587	Helsingborg	Catena Tågarp 16:22 AB	559018-0880	Helsingborg
Catena Jönköping Två AB	556691-3215	Helsingborg	Catena Umeå AB	556605-0562	Helsingborg
Catena Karlstad AB	556605-0695	Helsingborg	Catena Umeå Två AB	556708-3422	Helsingborg
Catena Klarinetten 1 AB	556720-9050	Helsingborg	Catena Vanda AB	556672-1402	Helsingborg
Catena Klippan AB	556536-7579	Helsingborg	Catena Varalöv AB	556663-0025	Helsingborg
Catena Klippan Mega AB	556594-2603	Helsingborg	Catena Vasslan AB	556697-7137	Helsingborg
Catena Loketvej ApS	DK 39610809	Gentofte	Catena Vindtunneln 2 AB	556685-3064	Helsingborg
Catena Konen AB	556802-4771	Helsingborg	Catena Vissol AB	556140-0135	Helsingborg
Catena Kopparverket AB	556700-1275	Helsingborg	Catena Vissol Två AB	556717-7653	Helsingborg
Catena Korsberga 1 AB	556834-6539	Helsingborg	Catena Vångagärdet AB	559086-8021	Helsingborg
Catena Kristianstad AB	556697-7202	Helsingborg	Catena Välingen KB	969728-6160	Helsingborg
Catena Kungsbacka AB	556969-5439	Helsingborg	Catena Vårdshuset AB	556697-7145	Helsingborg
Catena Källstalöt AB	556499-4076	Helsingborg	Catena Värnamo AB	556950-7592	Helsingborg
Catena Köpingegården HB	916626-8806	Helsingborg	Catena Växjö Ett AB	556222-2595	Helsingborg
Catena Lagret 1 AB	556660-1539	Helsingborg	Catena Årsta AB	556605-0760	Helsingborg
Catena Lagret 4 AB	559007-5544	Helsingborg	Catena Ätthögen AB	556659-9360	Helsingborg
Catena Linköping AB	556605-0471	Helsingborg	Catena Örebro AB	556636-3270	Helsingborg
Catena Logistikposition Helsingborg AB	556688-6635	Helsingborg	Catena Östanvinden AB	556697-7111	Helsingborg
Catena Lokesvej ApS	DK 39605260	Gentofte	Hallsbergs Kombiterminal AB	556643-8023	Helsingborg
Catena M.P. Allerups Vej 61 ApS	DK 40895108	Gentofte	Hallsbergs Terminal AB	556317-5966	Helsingborg
Catena Magasinet 3 AB	559002-1126	Helsingborg	Logistikposition Karlshamn AB	556752-6040	Karlshamn
Catena Magneteten 3 AB	556857-4098	Helsingborg	Logistikposition Katrineholm AB	556692-4147	Katrineholm
			Queenswall AB	559001-6696	Helsingborg
			Queenswall Två AB	559164-2979	Helsingborg

Note 13. Participations in associated companies

Associated companies	31 Dec 2020	31 Dec 2019
<i>Accumulated cost</i>		
Opening balance	1.0	1.0
Carrying amount at year-end	1.0	1.0

Pertains to the percentage of share capital, which corresponds to the proportion of voting rights.

Urban Services Sweden AB is owned by Catena as an associated company together with Fabege, Ragnsells and Servistik, with 25 percent each. The Company will develop and coordinate logistics for the transport of products and goods into and out of Arenastaden in Solna.

In addition to the proportion of ownership and the Parent Company's recognised values, the following table displays the associated companies' summary income statements and balance sheets, SEK million (100 percent).

2020

Joint ventures/ Associated companies	Corp. Reg. No.	Registered office	Participation	Assets	Liabilities	Income	Profit	Carrying amount
Urban Services Sweden AB	559108-8397	Solna	25.0%	6.0	1.7	12.9	1.2	1.0
Total				6.0	1.7	12.9	1.2	1.0

2019

Joint ventures/ Associated companies	Corp. Reg. No.	Registered office	Participation	Assets	Liabilities	Income	Profit	Carrying amount
Urban Services Sweden AB	559108-8397	Solna	25.0%	5.2	2.0	16.0	0.7	1.0
Total				5.2	2.0	16.0	0.7	1.0

For more information, see Group Note 14, Participations in associated companies and collaborative arrangements.

Note 14. Accounts receivable

The Parent Company's accounts receivable amounted to SEK 0.0 million (0.0). Of these, SEK 0.0 M (0.0) have fallen due. No bad debt losses arose for the Parent Company during the year.

Note 15. Financial instruments and financial risk management

Financial policy

The Parent Company's assumption of financial risk is governed by the risk mandate set by Catena's Board. The policy and targets are detailed in Group Note 20 Financial instruments and financial risk management.

Financing and financing risks

Loan terms, interest and maturity structure

	Nominal amount in original currency		Average interest rate	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Commercial papers*	598.8	674.3	1.0%	0.9%
Liabilities to credit institutions	700.0	–	1.5%	–
Liabilities to Group companies	3,421.4	3,194.0	0.5%	0.5%
Liabilities to associated companies	28.4	–	0.5%	0.5%

* The average interest rate is stated with regard to the cost of the backup facility.

The Group's interest-rate risk is hedged in the Parent Company. All carrying amounts in the Parent Company correspond to fair values. The carrying amounts on the closing date are shown in the following table.

	Nominal value		Carrying amount	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Interest-rate swap contracts	5,714.6	4,521.7	-343.0	-381.1

A one percentage-point rise in the interest rate for interest-bearing liabilities, assuming unchanged loan volumes and fixed-interest terms in line with valid derivative agreements, would have a positive impact on earnings of SEK 2.6 million (6.6).

Note 16. Prepaid expenses and accrued income

	31 Dec 2020	31 Dec 2019
Prepaid fee for credit facility	4.2	3.2
Prepaid rent	0.7	0.7
Other prepaid expenses	3.0	2.5
Total	7.9	6.4

Note 17. Shareholders' equity**Number of shares in issue at 31 December 2020**

Class of shares	Number of registered shares	Quotient value per share, SEK	Total value per share, SEK	Number of votes per share	Total votes
Ordinary shares	37,698,853	SEK 4.40	SEK 165,874,953.20	1	37,698,853

All shares confer equal rights to participate in the Company's assets and earnings.

Development of share capital

Year	Transaction	Increase in share capital, SEK	Total share capital, SEK	Increase in number of registered shares	Total number of registered shares	Total number of shares outstanding
1999	New share issue	49,075,400	50,000,000	490,754	11,555,662	11,555,662
2006	Bonus issue	883,800	50,883,800	8,838	11,564,500	11,564,500
2013	Private placement	59,976,189	110,859,989	13,630,952	25,195,452	25,195,452
2014	Private placement	1,964,464	112,824,452	446,469	25,641,921	25,641,921
2016	Private placement	31,886,672	144,711,124	7,246,971	32,888,892	32,888,892
2016	Private placement	1,525,102	146,236,226	346,614	33,235,506	33,235,506
2016	Private placement	11,000,000	157,236,226	2,500,000	35,735,506	35,735,506
2017	Private placement	7,383,275	164,619,501	1,678,017	37,413,523	37,413,523
2018	Private placement	1,255,452	165,874,953	285,330	37,698,853	37,698,853

The dividends adopted by the Annual General Meeting and disbursed in 2020 were SEK 6.50 per share or a total of SEK 245.0 million. For 2020, the Board proposes an ordinary dividend of SEK 7.50 per share. Based on the number of shares outstanding entitled to receive a dividend for the 2020 financial year, including an implemented private placement of 527,911 shares, the

proposal entails a total dividend amount of SEK 286.7 million. The dividend amount corresponds to 101.5 percent of the dividend target in Catena's financial targets, SEK 282.4 million.

The Parent Company's target for asset management and its financial targets corresponds to those of the Group's and are detailed in Note 20 Financial instruments and financial risk management for the Group.

Note 18. Other provisions

	2020	2019
Pension commitments	2.6	1.7
Special payroll tax	0.6	0.4
Total other provisions	3.2	2.1

Payments

	2020	2019
Amount for which a provision is expected to be paid after more than 12 months	3.2	2.1

	2020	2019
Opening balance	2.1	1.0
New provision	1.1	1.2
Settled commitments	0.0	-0.1
Closing balance	3.2	2.1

Note 19. Accrued expenses and deferred income

	31 Dec 2020	31 Dec 2019
Accrued salary-related expenses	14.0	15.1
Accrued interest expenses	14.6	11.9
Other accrued expenses	4.2	3.5
Total	32.8	30.5

Note 20. Pledged assets and contingent liabilities

Pledged assets	31 Dec 2020	31 Dec 2019
Guarantee obligations	-	-
Total	-	-

Contingent liabilities	31 Dec 2020	31 Dec 2019
Guarantees given for Group companies	8,430.2	8,104.3
Guarantees given for associated companies	76.7	110.7
Total	8,506.9	8,215.0

Note 21. Cash-flow Statement

Supplementary disclosures	1 Jan 2020 -31 Dec 2020	1 Jan 2019 -31 Dec 2019
Interest paid and dividends received		
Interest received	201.5	206.8
Interest paid	-126.9	-130.3
Adjustments for non-cash items		
Amortisation, depreciation and impairment of assets	0.6	0.6
Change in value of derivatives	-38.1	-29.3
Other non-cash profit/loss items	1.2	1.1
Total	-36.3	-27.6

Reconciliation of changes in net debt	Cash and cash equivalents	Liabilities to associated companies	Interest-bearing liabilities	Total
Net debt as at 31 December 2019	90.0	-	-674.3	-584.3
Cash flow	313.8	-28.4	-624.5	-339.1
Net debt as at 31 December 2020	403.8	-28.4	-1,298.8	-923.4

Note 22. Classification of financial instruments

2020	Measurement categories			Carrying amount
	Measured at fair value via profit or loss	Measured at fair value via other comprehensive income	Measured at amortised cost	
Financial assets				
Other current receivables	-	-	4,164.0	4,164.0
Cash and cash equivalents	-	-	403.8	403.8
Total	-	-	4,567.8	4,567.8
Non-financial assets				3,342.8
Total				7,910.6
Financial liabilities				
Commercial papers	-	-	-598.8	-598.8
Liabilities to credit institutions	-	-	-700.0	-700.0
Interest-rate derivatives	-343.0	-	-	-343.0
Accounts payable	-	-	-4.3	-4.3
Other current liabilities	-	-	-3,452.7	-3,452.7
Accrued expenses	-	-	-32.8	-32.8
Total	-343.0	-	-4 788,4	-5 131,4
Non-financial liabilities				-3.4
Total				-5,134.8

Carrying amounts correspond, to all intents and purposes, to fair values for all balance-sheet items.

2019	Measurement categories			
	Measured at fair value via profit or loss	Measured at fair value via other comprehensive income	Measured at amortised cost	Carrying amount
Financial assets				
Other non-current receivables	-	-	1.7	1.7
Other current receivables	-	-	3,763.4	3,763.4
Cash and cash equivalents	-	-	90.0	90.0
Total	-	-	3,855.1	3,855.1
Non-financial assets				3,364.5
Total				7,219.6
Financial liabilities				
Commercial papers	-	-	-674.3	-674.3
Interest-rate derivatives	-381.1	-	-	-381.1
Accounts payable	-	-	-3.6	-3.6
Other current liabilities	-	-	-3,194.0	-3,194.0
Accrued expenses	-	-	-30.5	-30.5
Total	-381.1	-	-3,902.4	-4,283.5
Non-financial liabilities				-4.5
Total				-4,288.0

Carrying amounts correspond, to all intents and purposes, to fair values for all balance-sheet items.

Note 23. Significant events after the end of the financial year

On 22 February 2021, Catena AB and Danish company H5 Properties A/S signed an agreement for Catena to acquire six logistics properties in Denmark and Sweden at a value of SEK 815 million after deduction of deferred taxes. The purchase consideration for the shares amounts provisionally to about SEK 457 million after deductions for deferred taxes. The transaction is being conducted as a corporate acquisition and through an issue of new shares in Catena. In accordance with the agreement, payment has been effectuated through a promissory note for SEK 200 million issued by Catena, transferred by the vendor as payment for newly issued shares in Catena in connection with Catena gaining possession of the properties, which occurred on 1 March 2021. The new share issue has been approved by the Board of Directors of Catena, supported by the authorisation granted to the Board of Directors by the 2020 Annual General Meeting of the Company and entailing a capital contribution of SEK 200 million, in accordance with what was stated above. The subscription price for the issue of approximately SEK 379 per Catena share is based on the average share price over the past 10 trading days, meaning that H5 Properties holds slightly more than 527,911 new shares in Catena, corresponding to 1.38 percent of the total number of shares following the issue.

The Nomination Committee has submitted a proposal regarding the composition of the Board of Directors to the Annual General Meeting to be held on 29 April 2021. It is proposed that Magnus Swärdh, Katarina Wallin, Hélène Briggert, Vesna Jovic and Caesar Åfors be re-elected and that Gustaf Hermelin be re-elected as the Chairman of the Board. It is also proposed that Lennart Mauritzson be newly elected as Tomas Andersson has declined re-election.

No significant events affecting Catena's financial position have taken place following the balance-sheet date.

Note 24. Related parties

Related-party transactions

In addition to the related parties detailed for the Group in Note 24, the Parent Company exercises controlling influence over its subsidiaries, see Note 12 Participations in Group companies.

	2020	2019
Transactions with subsidiaries		
Purchases	2.7	2.8
Sales	53.1	49.0
Interest income	200.1	205.6
Interest expenses	15.7	15.9
Dividends received	-	-
Group contributions received are reported as dividends	276.3	172.4
Group contributions paid	149.8	89.1
Current receivables	4,164.0	3,728.5
Interest-bearing liabilities	3,421.4	3,194.0
Guarantees given	8,430.2	8,104.3
Transactions with the Group's associated companies		
Sales	0.5	0.4
Interest income	1.9	1.4
Current receivables	-	34.9
Non-current receivables	42.0	37.5
Interest-bearing liabilities	28.4	0.0
Guarantees given	76.7	76.7
Transactions with other related parties		
Purchases	0.2	0.2

Other information

Liabilities and receivables with related parties pertain to the settlement account, to which interest is charged.

Transactions with related parties are priced at market rates.

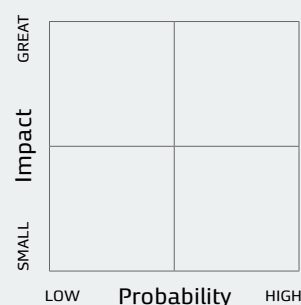
Catena's risk management

Successful business operations are built on the responsible and controlled management of risks. Well managed, risks can generate value, while risks that are not managed properly can lead to damage and losses. Accordingly, risk management is an important part of the governance and control of Catena's business operations.

The overall responsibility for Catena's risk management lies with the Board of Directors, while the operational responsibility is delegated to CEO.

For identified risks that may arise in the operations and from behaviours that could affect the Company's brand and reputation, there are developed policies, instructions and mandates that are continuously reviewed.

Risks based on events beyond the Company's control and which could disrupt business are evaluated on an ongoing basis. To reduce potentially harmful effects, the Company takes out carefully considered insurance coverage. The risk of personal injury or harm to property that could be incurred as a consequence of Catena's actions is treated in the same way.



RISK	MANAGEMENT	EXPOSURE	ASSESSMENT
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PROPERTY MANAGEMENT AND PORTFOLIO

Vacancies

The letting ratio is influenced by factors including general economic conditions, the pace of production for new properties, infrastructure changes as well as population growth and employment. Changes in these factors can impact vacancy rates and rent levels.

There are no seasonal effects affecting income.

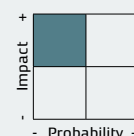
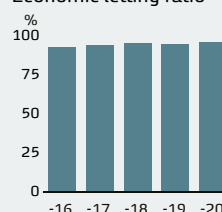
After a tenant vacates a property, there is a risk pertaining to the length of time that elapses before a new tenant is in place. The risk of substantial changes in vacancies and rental income increases in line with the number of individual major tenants a property company has.

Catena's lease portfolio is long term. The majority of the Company's properties are also modern and located at key logistic hubs by ports and along the major European motorways adjacent to population centres. This makes Catena less sensitive to market fluctuations and their impact on the overall letting ratio.

New leases are generally signed for a term of more than five years. Local asset management in close collaboration with tenants reduces the risk of unexpected termination of leases.

Catena monitors vacancies and terminated contracts. An increase in the vacancy rate by 5 percent is defined as a risk.

Economic letting ratio



Increasing operating and maintenance costs

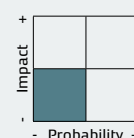
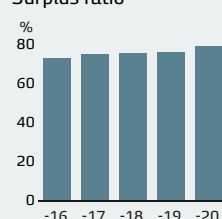
Earnings can be impacted if increases in operating and maintenance costs outpace growth in compensation to Catena in the form of contractual rents. Unforeseen and extensive renovation needs can also have an impact.

Property belonging to Catena can be destroyed by fire, theft or other damage. Similarly, through, for example, negligence Catena can cause injury to another person or another person's property.

Changes in regulations can have a major impact. Leases for logistics properties are normally linked to the Consumer Price Index (CPI). Catena also works continuously to identify cost-efficient solutions, particularly in the area of energy.

Unforeseen renovation needs arise primarily when damage has been incurred, for which Catena has secured insurance policies. Insurance has been contracted to cover any liability or property damage claims. The properties are covered by unlimited buildings insurance.

Surplus ratio



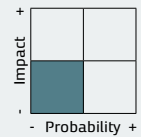
RISK	MANAGEMENT	EXPOSURE	ASSESSMENT
<p>Properties – changes in value Catena reports its property portfolio at its assessed market value. This means that changed market values as a result of changed rent levels and vacancy rates, changed yield requirements and detailed development plan processes, etc., impacts Catena’s financial statements.</p>	<p>Payment of reasonable acquisition prices and a thorough analysis based on extensive experience reduces the risk of impaired property values, which is also balanced by the favourable earnings potential. Each quarter, Catena performs an internal valuation of its properties. External valuations and completed transactions confirm Catena’s internal valuations.</p>		<p>Impact: + Probability: +</p>

TRANSACTIONS AND INVESTMENTS

Acquisitions

Catena acquires some properties in the form of companies. In 2020, six properties were acquired through companies. Historical decisions and actions, as well as the future financial performance of the acquired companies could affect Catena’s earnings.

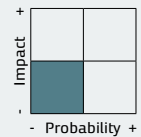
Ahead of each acquisition, thorough due diligence is performed. In addition to a thorough financial examination, this also includes a number of other areas, including customer relationships, commitments and the environment.



Sales

New consumption patterns, cargo flows and other factors mean that, as time passes, logistics properties become better suited to other purposes. Catena disposes of such properties to a responsible buyer. Other disposals are driven by individual customers’ wishes to own the property in which they operate. In total, this resulted in one property at a carrying amount of SEK 149.0 million being divested during the year.

In addition to a well-thought-out sales process, under which the properties are sold to responsible buyers, the focus is on risk description and management enabling the guarantees provided to be covered in connection with sales.

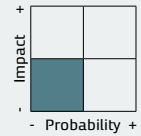
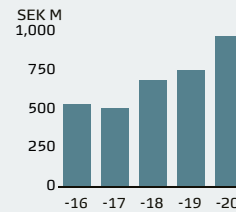


Projects

Catena pursues active project development, through both new development and remodelling, which is important for the Company’s continued growth. Investments are often made several years before to the completed property can be put into operation. Project development risks include weather conditions during the construction period, shortages of skills/continuity with regard to project managers and construction workers, official decisions that are delayed or fail to pass (planning approval, for example).

Cost control and follow-up of calculations are important instruments in identifying and managing the risks. Development rights and options represent a capital-efficient method for safeguarding a project portfolio that can be activated when the time is right and the customer is in place.

Investments in project development



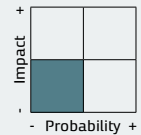
EMPLOYEES AND SUPPLIERS

Personal injury

Catena could, through negligence for example, cause personal injury. This applies to employees, tenants and consultants/suppliers and also includes psychosocial injuries/issues.

Risks of personal injury are handled via procedures in Catena’s work environment policy and Catena’s Code of Conduct for suppliers. Contractors and consultants are responsible for safety during the construction phase, with construction and liability insurance also in place. Once the tenant has moved in, the tenant is responsible for its employees and reports any faults as necessary. Catena maintains a close dialogue with tenants to safeguard the security of the properties.

Over the past few years, no company in the Catena Group has incurred any significant personal injuries.

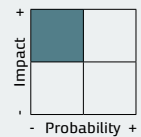
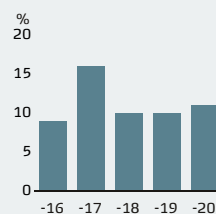


Shortage of skills

Catena’s future development depends extensively on the knowledge, experience and commitment of a limited number of individuals in senior management and other key individuals.

Catena’s executives all have comprehensive knowledge of property development and management. On-going dialogues and development together with market terms and Group-wide core values contribute to low employee turnover. The Company also actively applies an order of succession for key individuals.

Personnel turnover



RISK	MANAGEMENT	EXPOSURE	ASSESSMENT
<p>Violations of working environment regulations, corruption and human rights violations</p> <p>The Company may suffer harm as a result of criminal or irresponsible behaviour by the its employees or other representatives. Catena's projects extend over long periods of time and include numerous sub-contractors and other stakeholders. Despite the Company's zero tolerance policy, applicable to all involved, regarding unsound business practices, whether these involve working conditions, corruption and restraint of competition, there is always the risk that an individual operator fails to live up to Catena's requirements.</p>	<p>The Company has procedures for how executives should be bound to the Company and duties should be delegated. Clear policies and instructions are in place regarding how all processes should be implemented. Well-developed internal control monitors operations continuously. In the event that damage nonetheless occurs, the Company is insured. Subcontractors are checked so that any financial discrepancies are discovered as soon as possible. Partnerships are assessed on an ongoing basis and suppliers are encouraged to check their subcontractors.</p> <p>Suspected deviations are investigated promptly. Catena works systematically with the working environment, anti-corruption and human rights. All employees make themselves familiar with the Ethics Policy, whistleblower programme and Sustainability Policy.</p>	<p><i>Over the past ten years, the Company has not suffered any damage attributable to criminal or irresponsible behaviour.</i></p>	<p>Impact + - Probability +</p>

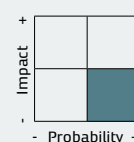
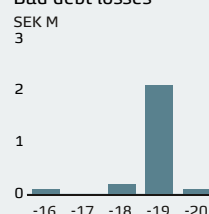
FINANCIAL RISKS

Bad debt losses

Commercial tenants are not always able to discharge their obligations.

Risk decreases through a solid understanding of customers. In certain leases, tenants' obligations are guaranteed by a parent company or by way of bank guarantees. Accordingly, Catena's bad debt losses have been minor over the past five years.

Bad debt losses

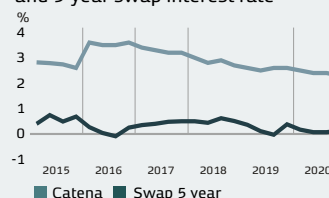


Financial instruments

As part of managing interest-rate risk, Catena utilises financial instruments in the form of interest-rate derivatives, primarily interest-rate swaps.

Inefficient hedging exists where interest rate swaps do not have STIBOR floors while the loans do.

Catena's average interest rate and 5-year swap interest rate

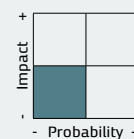
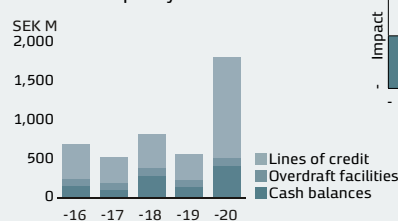


Liquidity risks

Insufficient access to the liquid funds or credit facilities necessary to meet payment obligations could negatively impact Catena's earnings and financial position.

On the balance-sheet date, Catena had unutilised lines of credit and overdraft facilities of SEK 1,400.0 million and a cash balance of SEK 411.1 million.

Available liquidity



Refinancing

The properties owned by Catena are financed by a combination of loans and equity. There are no guarantees that existing credit providers will renew loans when they fall due.

The Group's financial policy stipulates how funding and liquidity is to be secured through a diversified spread of loan agreements, banks and strong owners. Catena targets a minimum period for which capital is tied up of at least two years. As per 31 December 2020, existing loan frameworks entailed capital being tied up for a period of 2.2 years.

Capital tied-up

Year	Contract volume, SEK M	Utilised, SEK M	Unutilised, SEK M
2021	3,705.5	3,605.5	100.0
2022	1,211.1	1,211.1	0.0
2023	4,336.3	3,036.3	1,300.0
2024	1,616.5	1,616.5	0.0
2025	0.0	0.0	0.0
>2026	265.6	265.6	0.0
Total	11,135.0	9,735.0	1,400.0

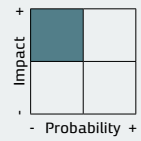
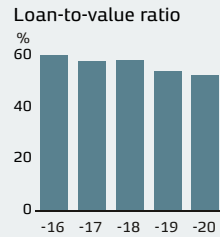


RISK MANAGEMENT EXPOSURE ASSESSMENT

Loan-to-value ratio

The balance between interest-bearing liabilities (relating to properties) and carrying amounts for properties is of importance from a risk perspective. Most of Catena's financing consists of bank loans.

Catena maintains a historically low loan-to-value ratio. When property values decline, this allows the Company to minimise the risk of contravening the covenants on its loan agreements and, as a consequence, having to repay those loans.

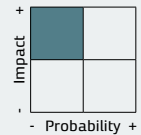


Interest

Catena's single largest cost item is interest, which can vary over time. These changes can substantially impact Catena's earnings. Property values are also impacted by raised interest rate levels.

Catena's properties have been financed at market interest rates and financing costs are secured through fixed-rate loans and derivatives equivalent to 66 percent of the Group's liabilities. The Company expects to be able to maintain a low interest rate level that follows changes in the market with a time lag.

Fixed interest, years			
Year	SEK M	Interest rate, % ¹⁾	Share, %
2021	4,095.5	1.7	42.1
2022	500.0	3.7	5.1
2023	908.0	2.7	9.3
2024	500.0	2.8	5.2
2025	711.8	3.1	7.3
>2026	3,019.7	2.6	31.0
Total	9,735.0	2.3	100.0

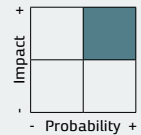


1) Refers to the current average interest rate per 31 December 2020. The margin is distributed evenly across the fixed-interest period.

Increased financial focus on sustainability issues

As climate changes in our environment increase, risks from climate effects both on our assets and the transition to a CO₂-free economy increase. We expect that the financial market will increasingly price in climate risks, with the risk that investors find the Catena share less attractive relative to other investments. In addition, borrowing can become more expensive and insurance premiums could increase.

Through systematic sustainability work and through the implementation of TCFD, the risks can be turned into competitive advantages. Catena maintains close contact with investors and other stakeholders.

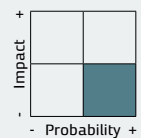
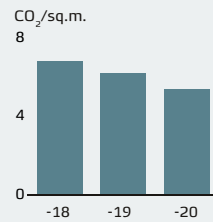


ENVIRONMENTAL RISKS

Operational environmental risks

Globally and nationally, requirements are expected to increase for companies to reduce their greenhouse gas emissions. The transition to a CO₂-free society can lead to increased expenses for consumption of natural resources, for example through CO₂ taxation, higher material expenses, water consumption, waste management and rising energy prices – particularly from fossil sources.

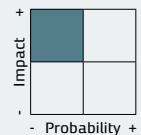
Catena is actively working to reduce greenhouse gas emissions, through environmental certification, for example, and increasing the energy-efficiency of our properties, as well as purchasing renewable electricity and increasing the proportion of renewable electricity generated in-house. Catena's targets for reducing greenhouse gas emissions are approved by SBTi. Water consumption and waste quantities at customer facilities are reported in accordance with GRI and EPRA.



Physical risks linked to climate change

Major variations in the physical environment due to climate change are considered to be global risks that could potentially increase in the long term. For Catena, climate change poses a company risk with damage/impact on properties caused by extreme heat and cold, large amounts of precipitation with a risk of leakage/flooding, higher water levels and with an increasing need for cooling and snow removal, for example. In addition, Catena operates in a larger context where the activities of many tenants also affect the climate.

Protecting assets from damage that could be caused by climate change is conducted both strategically and operationally. New buildings are environmentally certified in accordance with the Miljöbyggnad Silver standard. Catena has initiated an extensive TCFD process in which all employees are involved. Operational risk management involves insurance cover and advance planning with effective procurement of snow removal, etc. Catena's customer-oriented property management means that new needs can quickly be identified and remedied.



RISK	MANAGEMENT	EXPOSURE	ASSESSMENT
<p>Contamination</p> <p>According to the Swedish Environmental Code, those who conduct operations that contribute to contamination are responsible for the ensuing treatment and remediation thereof. If the party that has conducted such operations cannot carry out or defray the cost of subsequent treatment and remediation, then the party that acquired the property – and who at the time of acquisition was aware of or should have been aware of the contamination – is liable.</p>	<p>Prior to each acquisition, Catena conducts a thorough analysis and risk assessment.</p>	<p>Despite in-depth analyses, no complete investigation of possible, hitherto unknown environmental contamination in the property portfolio has been carried out. It cannot be precluded that environmental contamination exists that could result in costs and/or claims for compensation on Catena.</p>	
OTHER RISKS			
<p>Economic trend and demand</p> <p>Global trade conflicts or other political tensions around the world are examples of societal changes that can affect trade routes and trade patterns. This can, in turn, affect the conditions for Catena's operations.</p>	<p>Catena performs continuous analyses and studies and performs active business intelligence to protect its interests and those of its customers.</p>		
<p>Infrastructure changes</p> <p>Catena's customers are dependent on proximity and secured access to Scandinavia's cargo flows. These cargo flows can be impacted by altered conditions with regard to motorways, railways, ports and airports due to inadequate maintenance, severe damage or political decisions.</p>	<p>Catena performs continuous analyses and studies and performs active business intelligence to protect its interests and those of its customers. An important aspect in evaluating current and future logistics locations involves the diversity in the modes of transport accommodated as this improves the spread of risk, both financially and from an environmental perspective.</p>		
<p>Taxes</p> <p>Changes in tax legislation have occurred or have been proposed in recent years, mainly in terms of limits on interest deductions and so-called packaging in connection with acquisitions. There is a risk of further changes in legislation.</p>	<p>Catena maintains a high level of preparedness and monitors developments closely.</p>	<p>Tax expenses</p>	
<p>Disputes</p> <p>It cannot be excluded that Catena may become involved in a legal dispute or arbitration proceedings that have significant impact on Catena's earnings or financial position.</p>	<p>The risk is reduced through diligently prepared contracts and agreement.</p>	<p>Over the past five years, Catena has not had any significant disputes over the last six years, nor does it currently have any.</p>	
<p>IT disruptions</p> <p>Interruptions or targeted attacks (overload attacks, ransomware or the like) can affect Catena's operational security as well as IT security.</p>	<p>Continuous monitoring of the IT environment, ongoing checks with our IT provider to ensure a relevant and updated level of security.</p>	<p>No incidents were reported to the Swedish Data Protection Authority in 2020.</p>	

Sensitivity analysis

The table presents the theoretical effect on pre-tax profit of Catena's annual earnings capacity after financial items with full disclosure of an isolated change in each variable. The sensitivity analysis applies to all risks covered in this section.

Factor	Change, %	Impact on earnings, SEK M
Contractual rental income	+/- 1.0	12.6
Economic letting ratio	+/- 1.0 percentage point	13.9
Interest rate level for interest-bearing liabilities with regard to swaps	+/- 1.0 percentage point	-26.2/-36.7
Property expenses	+/- 1.0	2.6
Changes in value of investment properties	+/- 1.0	186.1

Confidence in our continued development builds on responsible governance

Despite the considerable drama of the pandemic, the market for logistics properties developed strongly in 2020. It is extremely satisfying to see how the Catena team was able to drive this vigorous growth in parallel with caring for our tenants amidst a global crisis.

Catena reported its strongest year to date with regard to several of its most important key figures. A substantial proportion of this development was attributable to the substantial growth in e-commerce and its need for steadily improving logistics solutions and optimised locations.

At Catena, we observed this development at an early stage and positioned ourselves in selected logistics locations. Alongside strong logistics positions, including Sunnanå, Tostarp and Jönköping, we have added expanding new positions, such as E-city, Morgongåva and Landvetter. Looking ahead, our land reserve is of considerable importance, with sites such as Stockholm Syd and Järna serving as important areas for expansion near the capital that are now being defined and planned, similarly to our expansion on the Danish side of the Sound, where we have been able to grow alongside our customers.

Responsive Board of Directors, experienced management

I am pleased to confirm that the Board, with two new members, was able to perform its duties in an exceptional manner during the turbulence of 2020. Caesar Åfors, with his solid expertise in properties, and Vesna Jovic, who brings a societal and sustainability perspective, provide an excellent complement to an already broad Board of Directors. They replaced Ingela Bendrot and Henry Klotz, who, given his advancing years, justifiably stepped down from Catena's Board of Directors, on which he had served loyally since 2007.

There was also change of CEO, with Benny Thøgersen choosing to leave, after having contributed actively to Catena's strong development in recent years. In assessing the candidates for the position of CEO, it was particularly satisfying to find the best solution through the internal recruitment of Jörgen Eriksson. This very natural line of succession was a stabilising factor in a challenging year and provided optimum conditions for strong leadership and the continued generation of value in the upcoming years.

The sustainable perspective

The Company, and ultimately the Board of Directors, must foster and increase value by developing the operations responsibly. Catena continuously assesses new business opportunities and every year manages major investments, for which we apply sturdy processes to mitigate and manage all of the risks and to optimise the return.



An increasingly important part of the Board of Directors' corporate governance work involves increasing our focus on sustainability. We must sensitively assess current opportunities in light of the perpetual horizon that we apply to our property investments and customer relationships. Catena's task in developing environmentally optimal buildings and green energy solutions on its own behalf is equally as important as its task in helping our customers minimise their climate impact. With well-defined environmental goals, including certifying all new construction in accordance with the Miljöbyggnad Silver environmental building standard, we take great steps forward. Catena is also at the fore in expanding our solar cell facilities and, in various ways, applying other new technologies. In the near future, for example, we want to be able to offer hydrogen as a fuel and heating option at our facilities. Our focus on sustainability is now being further integrated into Catena's business operations.

A strong position for the future

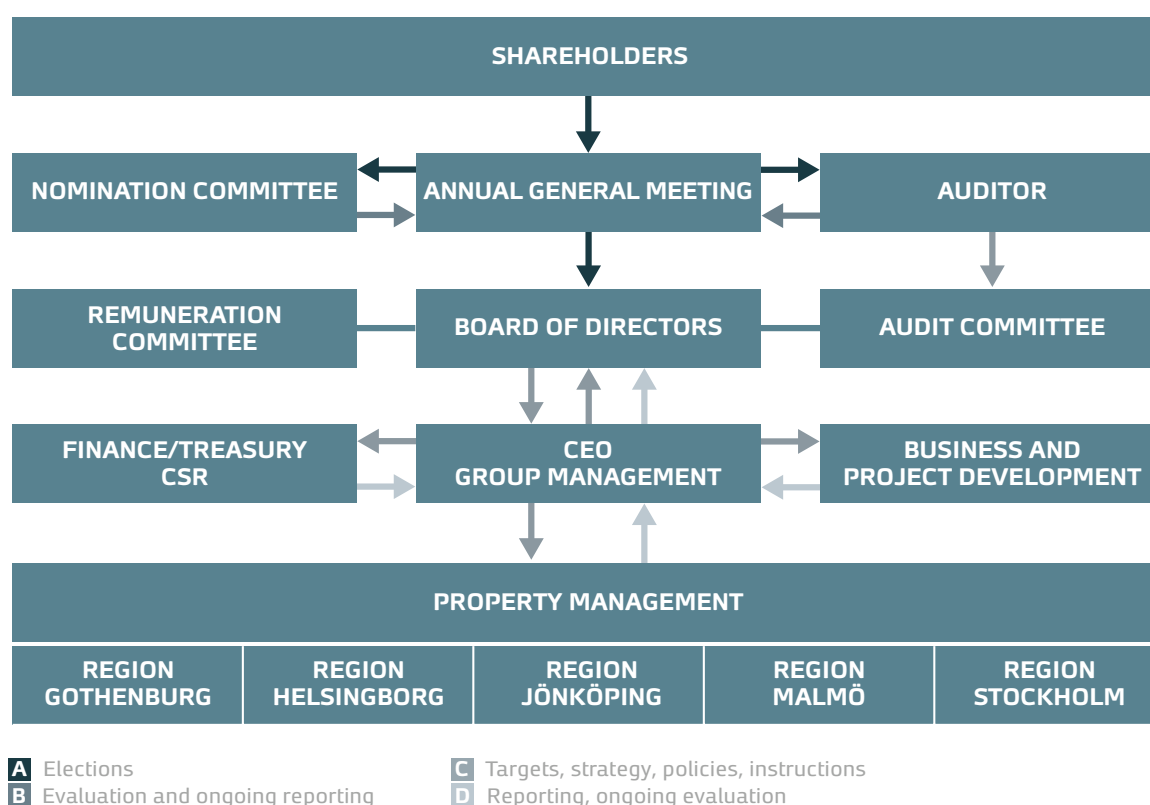
Responsible corporate governance allows us to be transparent and to gain the confidence of our customers, our employees and our owners. This confidence, our leading market position and our attractive logistics positions are also effects of our proven capacity for generating strong cash flow from our operating activities, as well as profitable growth.

With a financially strong and well-run company, with a well-established corporate culture, in which we seek to surpass our customers' expectations with knowledge, commitment and a sustainable approach, we have all of the prerequisites required to continue developing the Catena Group.

Helsingborg, March 2021
Gustaf Hermelin, Chairman of the Board

Corporate governance report

The trust that is so crucial for Catena’s continued success builds on well-defined corporate governance. All business decisions at Catena must be justifiable from a financial and ethical perspective. Through transparency and availability, shareholders and other stakeholders are afforded insight into decision paths, responsibility, powers and control systems.



External rules

Swedish Companies Act
Annual Accounts Act
Other applicable legislation
IFRS
Nasdaq’s Rule Book for Issuers
Swedish Code of Corporate Governance
Global Compact
EU Market Abuse Regulation (MAR)

Internal rules

Articles of Association
The Board’s formal work plan
Instructions to Executives
Core Values
Code of Conduct
Finance Policy
Personnel Policy
Sustainability Policy
Information Policy
Ethics Policy
Insider Policy
Other policies and instructions

Catena’s organisation is based on a customer-oriented management structure, consisting primarily of the enterprise-driven Property Management and Business and Project Development functions and divided into five regions. There are also Group-wide functions for Finance/Treasury and CSR, which encompasses HR, IR, Communications and Sustainability.

Group management has the overall responsibility for development, financial management, earnings follow-up and communication with all of the Company’s stakeholders. Finance/Treasury is responsible for the continuous reporting that is based on international standards and the Group’s financing. The functions are also responsible, alongside the CEO, for the Group’s profiling and its communications with the financial markets and society.

Corporate governance

Catena is a Swedish public limited liability company listed on NASDAQ Stockholm. The applicable regulations for governance and control of the Group are primarily the Articles of Association, the Swedish Companies Act, the Swedish Annual Accounts Act, Nasdaq Stockholm's Regulations for Issuers, the Swedish Code of Corporate Governance, internal guidelines and policies, as well as other applicable laws and regulations. Catena's Board and executive management endeavour to ensure that Catena complies with the requirements imposed by the stock exchange, shareholders and other stakeholders. The Swedish Code of Corporate Governance, the "Code", available at www.bolagsstyrning.se, is aimed at ensuring favourable conditions for active and responsible ownership. It is based on the principle of comply or explain. Deviations from the Code must be justified and explained. This Corporate Governance Report describes how Catena applied the Code in 2020.

Deviations from the Swedish Code of Corporate Governance

The Company follows the Swedish Code of Corporate Governance with the following exceptions: the Company has no separate internal audit function. The Board

assesses the need for such a function annually and has determined that ongoing internal control efforts, which should preferably be performed by management, constitute a sufficient audit function in terms of the Company's business and size.

Shareholders

At 31 December 2020, the share capital in Catena AB totalled SEK 165,874,953.20 distributed between 37,698,853 ordinary shares.

The largest shareholder, as per 28 February 2021, is the Backahill Group with 29.8 percent (29.8) of the capital. No other shareholders held 10 percent or more of the shares outstanding. Each share confers one vote and each person entitled to vote at the General Meeting of shareholders may vote for the full number of shares held and represented.

► Read more about Catena's shares and shareholders on pages 52-53.

Annual General Meeting

The Annual General Meeting (AGM) is the Company's highest decision-making body. At the AGM, all shareholders are provided with the opportunity, not subject to limitation, to exercise influence over the Company corresponding to their respective share-holdings. The Company applies no special arrangements concerning the function of the AGM – neither based on any provisions in the Articles of Association or, insofar as the Company is aware, any agreements between shareholders. The AGM

Ownership structure, 28 February 2021

	No. of shares, thousands	Votes, %
Backahill	11,221	29.8
PGGM Pensioenfonds	3,422	9.1
Länsförsäkringar Fonder	1,981	5.3
SFU Sverige	1,310	3.5
Fjärde AP-Fonden (AP4)	1,087	2.9
Vanguard	910	2.4
SEB Fonder	787	2.1
Norges Bank	640	1.7
Cohen & Steers	632	1.7
BlackRock	527	1.4
Aberdeen Standard Investments	526	1.4
BMO Global Asset Management	461	1.2
Duff & Phelps Investment Management	324	0.9
Swedbank Robur Fonder	318	0.8
Other shareholders	13,553	35.8
Total	37,699	100.0

Source: Monitor (Modular Finance)

Shareholder distribution by holding, as of 28 February 2021

	Shareholder Number	Holding, %
1-500	13,735	95.5
501-1,000	348	2.4
1,001-5,000	191	1.3
5,001-10,000	26	0.2
10,001-15,000	20	0.1
15,001-20,000	24	0.2
20,001-	48	0.3
Total	14,392	100.0

Source: Euroclear



Catena continuously provides information through a number of activities to investors, lenders and shareholders.

appoints the Board and auditors and adopts principles for the remuneration of the Board, auditors and Group management. When necessary, the AGM also makes decisions regarding amendments to the Articles of Association, dividends and changes in share capital. At the AGM, which must be held within six months of the close of the financial year, resolutions must be passed on the adoption of the Balance Sheets and Income Statements, the appropriation of Catena's profit or loss and the discharge of responsibility of the Board and the CEO.

Nomination Committee

Catena's Annual General Meeting on 29 April 2020 decided to appoint a Nomination Committee consisting of representatives of the four largest shareholders and the Chairman. If any one of the four largest shareholders declines to appoint a representative, the Chairman shall urge the next-largest shareholder to appoint a shareholder representative. In accordance with the decision, the members of the Nomination Committee and the shareholders they represent shall be announced as soon as they have been appointed. Since one of the major shareholders has declined participation, the Nomination Committee now has the following composition.

Name	Appointed by
Anders Nelson	Backahill Inter AB
Johannes Wingborg	Länsförsäkringar Fondförvaltning AB
Gustaf Hermelin	Chairman of the Board, appointed by SFU Sverige AB
Olof Nyström	Fjärde AP-Fonden (AP4)

The Chairman of the Nomination Committee is Anders Nelson, while the Chairman of the Board, Gustaf Hermelin, convenes the Committee. Combined, the four shareholder representatives hold approximately 44 percent of the votes in Catena as of 1 October 2020.

In accordance with applicable decisions, new shareholder representatives are to be appointed when ownership changes.



Anders Nelson,
Chairman of the Nomination Committee
nelson@backahill.se

ANNUAL GENERAL MEETING, 29 APRIL 2020

Following the adoption of the Balance Sheet and Income Statement in the Annual Report, the Meeting resolved, in accordance with the Board's proposal, to approve payment of a dividend of SEK 6.50 per share. The record date was set as 4 May 2020 and the dividend was expected to be paid on 7 May 2020.

The Annual General Meeting resolved that the number of Board Members elected by the Annual General Meeting should be seven ordinary members with no deputies. The Annual General Meeting adopted the Nomination Committee's proposal that Gustaf Hermelin, Katarina Wallin, Hélène Briggert, Tomas Andersson and Magnus Swärdh be re-elected as ordinary Board Members, that Caesar Åfors and Vesna Jovic be newly elected as ordinary Board Members, and that Gustaf Hermelin be re-elected as the Chairman of the Board. The auditing firm, PricewaterhouseCoopers AB was appointed auditor, with authorised public accountant Mats Åkerlund as the principal auditor. The Annual General Meeting discharged the Board Members and CEO from liability for the 2019 financial year.

The Annual General Meeting adopted the Nomination Committee's proposal that fees be paid to the Board of Directors in the amount to SEK 350,000 (previously SEK 330,000) to the Chairman and SEK 175,000 (previously SEK 165,000) to each of the other Board members who are not employed by the Company. For work on the Remuneration Committee, additional remuneration of SEK 80,000 (SEK 40,000) is to be paid, to be distributed in the amount of SEK 40,000 (SEK 20,000) to the chairman of the Committee and SEK 20,000 (SEK 10,000) to each of the other two members; for the Audit Committee,

remuneration of SEK 100,000 (SEK 100,000) is to be paid, to be distributed in the amount of SEK 50,000 (SEK 50,000) to the chairman of the Committee and SEK 25,000 (SEK 25,000) to each of the other two members.

It was resolved that fees to the auditors be paid according to customary standards and approved invoicing. In addition, the Board of Directors' proposal regarding updated guidelines for remunerations to senior executives was adopted. The Annual General Meeting resolved that no changes be made to the instructions for, or the composition of, the Nomination Committee and that fees should not be paid to the members of the Nomination Committee.

In accordance with the proposal presented, the Annual General Meeting authorised the Board to acquire and divest treasury shares. Acquisitions and divestments may not exceed one-tenth of the Company's total shares and decisions may be made on one or several occasions. The Annual General Meeting also authorised the Board to decide on a new share issue not exceeding one-tenth of the total number of shares outstanding and decisions may be made on one or several occasions. Authorisations to implement acquisitions and new share issues are to be limited so that the number of shares acquired by the Company itself and the number of new shares issued in accordance with a decision by the Board of Directors, as authorised by the Annual General Meeting would, combined, correspond to at most 1/10 of all shares outstanding in the Company.

The complete minutes can be found at catena-fastigheter.se/om-oss/bolagsstyrning/arsstamma/tidigare-arsstammor/.

All members of the Nomination Committee have thoroughly considered whether there is any conflict of interest in accepting the assignment as a member of Catena's Nomination Committee. The Nomination Committee has addressed the issues incumbent on it to address in accordance with the Swedish Code of Corporate Governance and has, among other topics, discussed:

- The size of the Board of Directors
- Areas of expertise that the Board of Directors should embody
- How the current Board of Directors meets the requirements that will be imposed with regard to Catena's future development
- The composition of the Board of Directors, taking experience, gender and background into account, as well as the regeneration of the Board of Directors and any conflicts of interest in its work
- Election of auditors and their remuneration
- Decision on principles for the appointment of the Nomination Committee

The Nomination Committee has strived to achieve an even gender distribution, versatility and a broad expertise in Catena's Board of Directors. In the view of Catena's Nomination Committee, the members of the Board are highly skilled and experienced in the areas of property, logistics and sustainability. The area of sustainability concerns not only the direct environmental issues, such as energy use and choice of materials, but also the major socio-economic areas, including infrastructure, the final part of a transport, the location of logistics properties, etc.

Board of Directors

The Board's overriding task is to manage Catena's and the Group's activities on behalf of the owners in a way that best secures the owners' interest in a favourable long-term return on capital. The members are elected annually at the AGM for the period up to the end of the following AGM.

The Board's work is carried out in compliance with statutory provisions, regulations, the Articles of As-

sociation and the formal work plan. The formal work plan is discussed at the statutory Board meeting and is set annually. The composition of the Board shall include expertise and experience from the areas that are of major importance as part of efforts to support, monitor and control operations in a property company. Within the Board there is expertise in properties, the real estate market, financing, digital trade and business. In accordance with the Articles of Association, Catena's Board is to comprise not fewer than five and not more than nine members with no deputies. Catena's Board comprises seven members who were elected at the AGM on 29 April 2020. For further information on the members of the Board of Directors, see the presentation of the Board and Management on pages 140-141.

The work of the Board

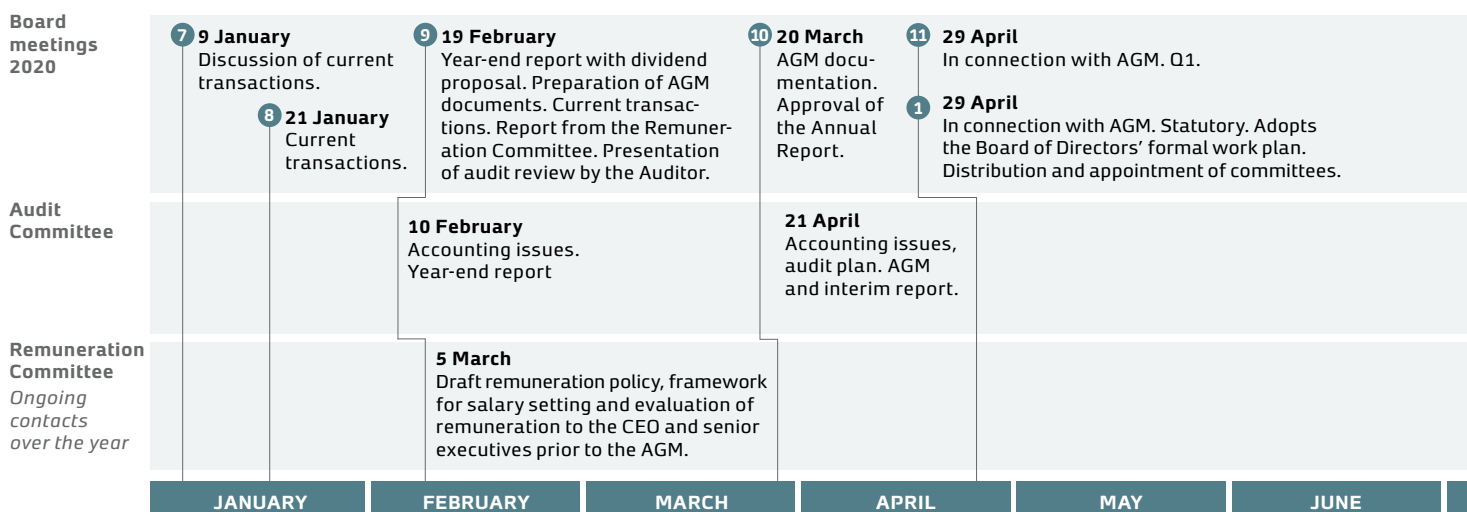
The Chairman of the Board is responsible for leading the work of the Board in an efficient and appropriate manner. In addition to leading the work, the Chairman monitors the Group's development on an on-going basis through contact with the CEO on strategic issues. During 2020, ten minuted Board meetings were held, one of which was statutory. The members' attendance is shown in the Board Presentation on page 140.

During the year, the CFO acted as the secretary of the Board. The Head of Treasury has also been co-opted to the Board of Directors. In addition to the above items, Board meetings have addressed market issues, plans and strategies for the Group's development and the on-going follow-up of results and position, valuations of the Group's properties, liquidity and financing as well as investment decisions. Catena's principal auditor Mats Åkerlund, PwC, was co-opted to the Board meeting on 19 February 2020 by Carl Fogelberg.

Most of the Board's meetings over the year were held digitally because of Covid-19.

Formal work plan

The Board of Catena works in accordance with a formal work plan consisting of instructions in respect of the division of duties and financial reporting. The formal work plan represents a complement to the provisions of



the Swedish Companies Act and Catena's Articles of Association and is reviewed annually. The Board appoints the CEO and assesses his/her work. The CEO does not attend this assessment. The Board is responsible for continuously monitoring and controlling Catena's operations. Consequently, it is the duty of the Board to ensure there is a functioning reporting system. The systems, which were evaluated during the year, and have proven appropriate and effective. Regular reports concerning Catena's and the Group's economic and financial position, current market issues, project reporting, and, in certain cases, underlying information for investment decisions and property sales, are presented at Board meetings.

In addition to being responsible for Catena's organisation and administration, the Board's key task is to make decisions on strategic issues. Each year, the Board sets the overall goals for the Group's operations and decides on strategies to attain these goals. The CEO's instructions and internal policy documents are also reviewed annually.

Assessment of the work of the Board

Each year, the Chairman of Catena's Board has performed an evaluation of the Board's ability to perform its duties, its working methods and composition in relation to the direction and challenges facing the Company. This is a process that the Chairman of the Board continued and developed over the year. The individual Board Members' competence, commitment and suitability (from a variety of perspectives) are tested by means of a small number of open questions that each member is required to respond to. Questions that also concern the composition of the Board, its function, including its structure and processes, as well as collaboration with Management. That is, questions that assess the Board's function and capacity to make correct decisions and manage the Company responsibly. These considerations form the basis of a private dialogue between the Chairman, the Nomination Committee and the individual member, based on the Company's planning and the expectations of the member as well as the member's expectations on the Board. Based on its assessment

of the Board, the Nomination Committee, which also has discussions with the Company's CEO and auditor, proposes to the Annual General Meeting, among other things, a Board of Directors for the coming financial year. This process has proven to work well, taking the balanced composition of the Board into account, with regard primarily to expertise, but also gender and age.

Board Committees

Remuneration Committee

The Remuneration Committees shall address issues regarding, for example, remuneration and other terms of employment for the CEO and senior executives, as well as remuneration frameworks for other employees and questions regarding any variable remuneration programmes within the Group. In 2020, the Remuneration Committee consisted of Katarina Wallin (Chairman), Tomas Andersson and Magnus Swärdh.

Audit Committee

The task of the Audit Committee is to maintain and add to efficiency in contacts with the Group's auditor and to supervise the procedures for auditing and financial reporting. The Committee also evaluates the work of the auditor and monitors how accounting principles and requirements are progressing.

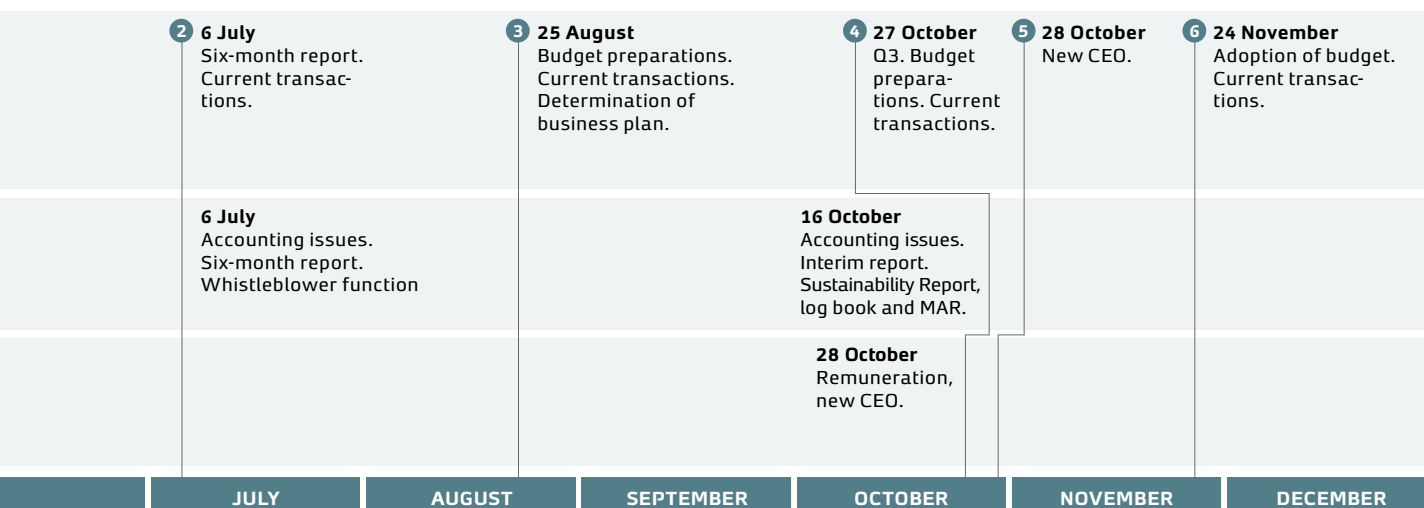
During 2020 the Committee consisted of Caesar Åfors (chairman), Hélène Briggert and Vesna Jovic. Sofie Bennsten (CFO), Peter Andersson (Head of Treasury), Anders Holmqvist (Chief Accountant), Martin Dellbratt (Chief Accountant from 12 October 2020), Mats Åkerlund (principal auditor, PwC) and Karin Wannfors (auditor, PwC) have also participated in the Committee's meetings.

Auditor

The auditor reports the results of his examination to the shareholders in the auditor's report. This is presented at the AGM. In addition, the auditor presents a detailed report to the Board twice annually. In conjunc-



Mats Åkerlund, Auditor PwC
mats.akerlund@pwc.com



tion with this report, a discussion is also held concerning the observations of the audit. In addition to auditing, PwC has also provided services in the areas of taxes and accounting.

CEO

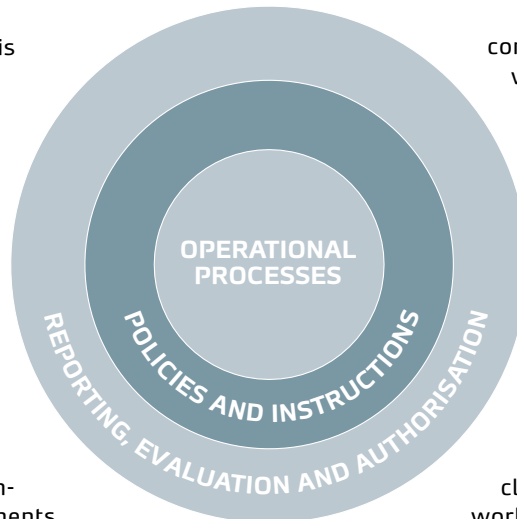
The CEO leads operations on the basis of the CEO's instructions drawn up by the Board. According to the instructions, the CEO is tasked with ensuring that the Board Members receive regular information and reports on Catena's progress to enable them to make sound assessments and well-founded decisions. The CEO must also ensure that Catena observes the obligations regarding information and so forth that arise from the listing agreement with NASDAQ Stockholm. The CEO's duties also include supervising compliance with the goals, policy and strategic plans established by the Board and ensure that they are submitted to the Board for updating or review whenever necessary.

Stock market information

Catena submits prompt, simultaneous, correct and reliable information to existing and potential shareholders and other stakeholders. The Company submits quarterly interim reports, a year-end report and an Annual Report for the entire financial year. Catena's website, catenafastigheter.se, presents current information on Catena, such as press releases and financial statements. Shareholders can download financial information from the Company via the website. This information can also be ordered directly from Catena by telephone or by email.

Internal control

The Board is responsible for internal control pursuant to the Swedish Companies Act and the Swedish Code of Corporate Governance. This Corporate Governance Report has been prepared in accordance with Chapter 6, Section 6 of the Swedish Annual Accounts Act and Item 10 in the Swedish Code of Corporate Governance, and is thus limited to internal control and risk management related to financial reporting. The basis of internal



control is the control environment in which the work of the Board and executive management is set. The Board has adopted a number of important policies and basic guidelines for internal control programmes, such as a financial policy, an ethics and crisis management policy and information policies.

The CEO presents regular reports to the Board on the basis of established routines and documents. Catena's internal control structure is based on a clear division of responsibility and work between the Board and CEO, as well as within operational activities. Operational activities include business control and business planning processes. Examples of these include tools for monitoring operations, preparations ahead of the purchase and sale of properties/companies, and underlying data for property valuations. Control activities are conducted at both the property level and the regional level through continuous performance monitoring. Key performance indicators are also analysed within the legal Group structure.

To prevent and detect errors and deviations, there are, for example, systems for attestation rights, reconciliations and reporting of business transactions, reporting templates as well as accounting and valuation policies. These systems are continuously updated. Internal information and external communication are regulated at the overall level by means of the information policy. Internal information is disseminated through regular information meetings.

► See also page 134, deviations from the Swedish Code of Corporate governance.

Helsingborg, March 2021

Board of Directors



Contacts Gustaf Hermelin, Chairman of the Board
gustaf.hermelin@catenafastigheter.se

Appropriation of earnings

The Board assesses that the financial status of the Company and the Group is sufficiently sound to both develop the operations and propose a cash dividend in accordance with the Company's dividend policy.

Appropriation of earnings

The Board of Directors' statement pursuant to Chapter 18, Section 4 of the Companies Act.

Proposed appropriation of accumulated profit

The following amounts are at the disposal of the Annual General Meeting:

	SEK
Profit brought forward	2,486,565,038
Profit for the year	89,267,214
Total	2,575,832,252

The Board of Directors and CEO propose that the available profit be distributed in the following manner:

	SEK
To be distributed to shareholders: SEK 7.50 per share	286,700,730
To be carried forward	2,289,131,522
Total	2,575,832,252

The Board of Directors' proposal

In the proposed appropriation of earnings, the Board of Directors proposes to the 2021 Annual General Meeting that Catena pay a dividend of SEK 7.50 per share for the 2020 financial year, entailing a total dividend payment of SEK 286,700,730 (245,042,544.50), taking into account

the private placement involving 527,911 new shares implemented on 1 March 2021. From the annual accounts it can be seen that Catena's consolidated equity ratio amounts to 37.2 percent. Following the deduction of the proposed dividend, the Group's equity ratio amounts to approximately 36.3 percent. One of Catena's financial targets is that the consolidated equity ratio should be a minimum of 30 percent.

Explanatory statement by the Board

In light of the aforementioned, the Board believes that the proposed dividend to shareholders is warranted considering the stipulations in Chapter 17, Section 3, Paragraph 2 and 3 of the Swedish Companies Act. The Board is of the opinion that there is full cover for the Company's restricted equity following the proposed dividend. After the proposed dividend, the Board believes that the Company's and Group's equity and liquidity will be sufficient considering the nature, scope and risk of the operations. The Board is of the opinion that the proposed dividend will not affect Catena's capacity to meet its short or long-term commitments. Moreover, the Board believes that the investments required for the Company's operations will not be adversely impacted. As regards the Company's earnings and overall financial position in other regards, please refer to the financial statements in this report and the notes to the financial statements on pages 88–126.

Market outlook

Over time, the market for logistics properties is driven by increased cargo flows and growing retail trade, particularly in e-commerce. Extensive structural changes and technological innovation are enabling a transition to digitally driven trade. Increased delivery methods are driving demand for increased space for logistics purposes, and Catena believes that the market and society are currently in a phase of adjustment and development. In 2020, development was partially hampered by the corona virus pandemic, mainly due to processes having been halted, although, at the same time, the sustained effect has been to increase the need and demand for smart and sustainable logistics solutions.

The combination of limited access to developable land and modern, strategically located logistics premises favouring growth in new production in the long term and, in certain locations, also at a higher rent level. In

Catena's assessment growth is favourable in segments such as e-commerce, parcel deliveries and refrigerated goods.

Since the corona virus took the world off-guard in early 2020, the transaction market for logistics properties and the capital market in general have been relatively strong and resilient. In addition to the world's collective effort to curb the pandemic, record-breaking monetary and fiscal stimulus measures have contributed to the stability.

Catena's strong financial position and stable cash flows provide ample room for continued growth while building a secure platform for the Company's creditors. However, the long-term consequences of the corona virus pandemic are difficult to predict, Catena is monitoring the situation closely and preparing for effects that may arise in the longer term.

Board of Directors



From left to right.

VESNA JOVIC

Board Member.

Born, year: 1961. **Year elected:** 2020.

Education: Graduate social worker.

Principal occupation: Municipal director, Municipality of J rf lla.

Other assignments: Board member of Statens Servicecenter (central government service centre) and Coronakommissionen.

Shareholding: No shares.

Dependency: Independent in relation to the Company and executive management. Independent in relation to major shareholders.

Attendance at Board meetings: 7/11*

Attendance, Audit Committee: 2/4*

MAGNUS SW RDH

Board Member.

Born, year: 1968. **Year elected:** 2019.

Education: M.Sc. in Business Administration.

Principal occupation: CFO Backahill AB.

Other assignments: Chairman of the Boards of Gram Group AB and Lima Timmerhus AB. Member of the Boards of R gle BK and Foodhills Fastigheter AB.

Shareholding: 800 shares.

Dependency: Independent in relation to the Company and executive management. Dependent in relation to major shareholders.

Attendance at Board meetings: 8/11

Attendance, Remuneration Committee: 2/2

H L NE BRIGGERT

Board Member.

Born, year: 1985. **Year elected:** 2017.

Education: Economist, Lund University.

Principal occupation: Partner in The Active Brands Group Scandinavia AB and HEG Invest AB.

Other assignments: Board Member of companies in the HEG Group.

Shareholding: 800 shares.

Dependency: Independent in relation to the Company and executive management. Independent in relation to major shareholders.

Attendance at Board meetings: 11/11

Attendance, Audit Committee: 4/4

KATARINA WALLIN

Board Member.

Born, year: 1970. **Year elected:** 2013.

Education: M.Sc. in Engineering from KTH, the Royal Institute of Technology. Behavioural Science and Business Administration from Stockholm University.

Principal occupation: Strategy Consultant and Partner at Evidensgruppen.

Other assignments: Chairman of the Boards of Belatchew Arkitekt AB, Evimetrix AB, Bernow Lindqvist Wallin AB and Au Point AB. Member of the Board of Evidens blv AB and Sveafastigheter Utveckling AB, Kavaljer AB and Nordisk Byggsdag.

Shareholding: No shares.

Dependency: Independent in relation to the Company and executive management. Independent in relation to major shareholders.

Attendance at Board meetings: 11/11

Attendance, Remuneration Committee: 2/2

TOMAS ANDERSSON

Board Member.

Born, year: 1956. **Year elected:** 2018.

Education: Economist, Stockholm University, law studies.

Principal occupation: Own company.

Other assignments: Member of the Board of Scandinavian Mountains Airport.

Shareholding: No shares.

Dependency: Independent in relation to the Company and executive management. Dependent in relation to major shareholders.

Attendance at Board meetings: 11/11

Attendance, Remuneration Committee: 2/2

GUSTAF HERMELIN

Chairman of the Board.

Born, year: 1956. **Year elected:** 2013.

Education: Business Administration at Stockholm School of Economics.

Principal occupation: Own operations in agriculture and forestry, as well as property development.

Other assignments: Member of the Board of Vectura Fastigheter AB.

Shareholding: 1,309,996 shares (through companies).

Dependency: Dependent in relation to the Company and executive management. Dependent in relation to major shareholders.

Attendance at Board meetings: 11/11

CAESAR  FORS

Board Member.

Born, year: 1959. **Year elected:** 2020.

Education: Forest Officer degree.

Principal occupation: Proprietary operations at Vir  Bruk.

Other assignments: Chairman of the Board of L nsf rs kringar AB and L nsf rs kringar S dermanland AB and member of the Boards of Intea Fastigheter AB, Lansa AB and CRK Forest Management AB.

Shareholding: No shares.

Dependency: Independent in relation to the Company and executive management. Independent in relation to major shareholders.

Attendance at Board meetings: 6/11*

Attendance, Audit Committee: 2/4*

* Elected to the Board of Directors in April 2020.

Management Team



From left to right.

JÖRGEN ERIKSSON

Position: CEO.

Born, year: 1972.

Employee since: 2016.

Education: BSc. in Business Administration and Economics.

Previous positions: Head of Business and Property, and Regional Manager at Catena Finance Manager at Helsingborgs Storbildsbolag AB.

Shareholding: 2,000 shares.



SOFIE BENNSTEN

Position: Deputy CEO and CFO.

Acting Head of Business Support.

Born, year: 1969.

Employed since: 2013.

Education: Economics.

Previous positions: Group controller and HR Manager at Catena. Administrative Manager and Chief Accountant at Brinova Fastigheter AB.

Shareholding: 300 shares.



PETER ANDERSSON

Position: Head of Treasury.

Born, year: 1966.

Employed since: 2013.

Education: M.Sc. in Business Administration and Economics.

Previous positions: Deputy CEO and CFO at Catena. CFO at Brinova Fastigheter AB and CFO at Fastighets AB Skånehus.

Shareholding: 500 shares.

Signing of the Annual Report

The Board of Directors and the CEO certify that the Annual Report has been prepared in accordance with generally accepted accounting standards in Sweden and that the consolidated accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July, 2002 on the application of international accounting standards. The annual accounts and consolidated financial statements provide a true and fair view of the financial position and performance of the Parent Company and Group.

The Administration Report provides a true and fair view of the development of the Group's operations, financial position and performance and describes significant risks and uncertainty factors facing the Group.

The annual accounts and consolidated financial statements were approved for release by the Board on 24 March 2021. The Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position and the Parent Company's Income Statement and Balance Sheet are subject to the approval of the Annual General Meeting on 29 April 2021.

Helsingborg, 24 March 2021

Gustaf Hermelin
Chairman of the Board

Tomas Andersson
Board Member

Hélène Briggert
Board Member

Vesna Jovic
Board Member

Magnus Swärdh
Board Member

Katarina Wallin
Board Member

Caesar Åfors
Board Member

Jörgen Eriksson
Chief Executive Officer

Our auditors' report was submitted on 24 March 2021

PricewaterhouseCoopers AB

Mats Åkerlund
Authorised Public Accountant

Audit Report

To the Annual General Meeting of Catena AB (publ), Corporate Registration Number: 556294-1715

Report on the annual accounts and consolidated financial statements

Statements

We have conducted an audit of the annual and consolidated accounts of Catena AB (publ) for the year 2020 with the exception of the Corporate Governance Report on pages 133-138.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present, in all material respects, a fair portrayal of the financial position of the Parent Company as of 31 December 2020 and its financial performance and its cash flows for the year in accordance with the Annual Accounts Act, and that the consolidated financial statements have been prepared in accordance with the Annual Accounts Act and provide, in all significant respects, a true and fair representation of the Group's financial position at 31 December 2020 and of its earnings and cash flows for the year pursuant to International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the Corporate Governance Report on pages 133-138. The Board of Directors' report is consistent with the other parts of the annual accounts and the consolidated accounts.

We therefore recommend that the General Meeting adopt the consolidated income statement and balance sheet and the income statement and balance sheet of the Parent Company.

Our statements in this report on the annual and consolidated accounts are consistent with the content of the supplementary report that has been submitted to the Parent Company and the Group's Audit Committee in accordance with Article 11 of the Auditors' Regulation (537/2014).

Basis for the statements

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibility according to these standards is described in more detail in the section on Auditors' responsibility. We are independent in relation to the Parent Company and Group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethics responsibility according to these requirements. This means that, based on our best knowledge and belief, no prohibited services referred to in Article 5.1 of the Auditors' Regulation (537/2014) have been provided to the audited company or, as the case may be, its parent company or any company under its control within the EU.

We believe that the audit evidence we have gathered is sufficient and appropriate as a basis for our statements.

Our audit approach

Overview

Audit focus and scope

We structured our audit by determining the materiality level and assessing the risk of material misstatements in the financial statements. We paid particular attention to the areas where the CEO and Board made subjective judgements, such as important accounting estimates made based on assumptions and forecasts of future events, which are uncertain by nature. As in all audits, we also took into account the risk that the Board and the CEO neglect internal control, and among other things have considered if there is evidence of systematic deviations that have given rise to a risk of material misstatements as a result of improprieties.

We adapted our audit to carry out an appropriate review with the aim of being able to express an opinion on the financial statements as a whole, considering the Group's structure, accounting processes and controls and the industry within which the Group is active. Catena's property portfolio consists primarily of logistics properties with a concentration on Stockholm, Gothenburg and the Öresund region. For various reasons, Catena is structured and legally organised into a number of legal entities. In practice, however, Catena is considered to be a single company that owns properties in various locations in Sweden. All accounting and consolidation is performed centrally at the headquarters. Based on this, in the audit, we have viewed the Group as a single company and have included all properties and companies in the population from which we select our sample. In addition, the Group team has performed the audit of the Parent Company, the consolidation, the Annual Report and significant assumptions and assessments. Based on the review measures mentioned above, it is our view that we have obtained sufficient audit evidence to be able to express our opinion on the financial statements as a whole.

Materiality

The scope and focus of the audit was influenced by our assessment of materiality. An audit is structured to achieve a reasonable degree of certainty as to whether or not the financial statements contain any material misstatements. Misstatements can arise as a result of fraud or error. They are viewed as material if they individually or together can reasonably be expected to affect the financial decisions the users make based on the financial statements.

Based on professional judgement, we determined quantitative materiality figures for the financial statements as a whole. Using these and qualitative considerations, we determined the audit's focus and our audit measures' nature, timing and scope. The quantitative materiality figures are also used to assess the effect of any misstatements, individually or together, on the financial statements as a whole.

Particularly significant areas

Areas of particular significance to the audit are those that in our professional opinion were the most significant to the audit of the annual accounts and consolidated financial statements for the period in question. These

areas are addressed within the scope of the audit of, and in our opinion on, the annual accounts and consolidated financial statements as a whole, but we make no separate statements regarding these areas.

AREA OF PARTICULAR SIGNIFICANCE

HOW OUR AUDIT TOOK THE AREA OF PARTICULAR SIGNIFICANCE INTO ACCOUNT

Valuation of properties

See page 39 in the Administration Report and Notes 2 (Accounting and valuation policies) and 12 (Investment properties).

The Group recognised SEK 18.6 billion related to investment properties. In 2020, the Group recognised SEK 1,158.8 million in positive value changes on properties. The Group's property portfolio primarily consists of logistics properties with a concentration to Stockholm, Gothenburg and the Öresund region.

The Group makes quarterly appraisals of all properties using a consistently applied model. The Group also has Newsec and Cushman & Wakefield make appraisals according to a rolling schedule. In 2020, a total of 59 percent of the properties were appraised at some time by external appraisers. Every quarter, the internal appraisal and the external appraisals are compared and any differences to the internal values are explained or corrected for.

In recent years, the required rate of return has steadily declined, which has had a large positive impact on the property values.

An appraisal is associated with material assessments and estimates. The most significant are assumptions of required rate of returns and future rental income. The Group has also a principle of solely focusing on logistics properties, which is why assumptions of the average vacancy rate are also material assumptions.

With the help of our specialists in property appraisal, we assessed the Group's process and method for internal appraisal. We studied the external appraisals and compared them with appraisals done by Catena and checked that no material differences are unexplained or unadjusted.

We challenged the management team regarding the explanations they have for differences for which they have not corrected.

We compared material assumptions, such as required return and future growth in rental income, with external transactions and industry data.

We assessed the independence, expertise and integrity of the external appraisers. We also studied the assignment contract with the appraiser to assess if it may contain conditions, such as fee terms, that may cause the independence and integrity to be questioned.

We spot-checked data used regarding investments, rental income and operating costs against the budgets established or presented to the Board.

We did not note any material deviations in connection with the examination that was made.

Acquisitions and sales of properties

See Note 2 (Accounting policies) and Note 12 (Investment properties).

Purchases and sales of properties are a natural part of Catena's business and it is therefore not unusual that such transactions include complex contractual terms that may demand an assessment and analysis regarding the time of acquisition, acquisition price or if the transaction shall be recognised as a business or asset acquisition.

We studied the management's analysis of transactions made and assessed the accuracy of the accounts of transactions made.

We studied agreements entered and read through them to identify any terms that could lead to a different recognition.

We checked disclosures in the annual accounts on transactions made during the year to assess completeness and accuracy in material disclosures.

We studied acquisition analyses and checked correct recognition of the acquisitions and sales.

We did not note any material deviations in connection with the examination that was made.

Information other than the annual accounts and consolidated financial statements

This document also contains information other than the annual accounts and consolidated financial statements and can be found on pages 1-19, 54-87 and 147-150. It is the Board and the CEO who have the responsibility for this other information.

Our statement regarding the annual accounts and consolidated financial statements does not comprise this information and we make no statement confirming this other information.

In connection with our audit of the annual accounts and consolidated financial statements, it is our responsibility to read the information identified above and consider if the information to a material extent is inconsistent with the annual accounts and consolidated financial statements. In this review, we also take into account the information we collected otherwise during the audit and assess if the information otherwise appears to contain material misstatements.

If we draw the conclusion based on the work done regarding this information that the other information contains a material misstatement, we are obliged to report it. We have nothing to report in this respect.

Responsibility of the Board of Directors and the CEO

It is the Board of Directors and the CEO who are responsible for the preparation of the Annual Report and consolidated accounts and that they provide a fair view according to the Annual Accounts Act and, with regard to the consolidated accounts, in accordance with IFRS as adopted by the EU, and the Annual Accounts Act. The Board of Directors and the CEO are also responsible for the internal control that they deem necessary in preparing annual and consolidated accounts that do not contain any material misstatement, whether due to error or impropriety.

In preparing the annual accounts and consolidated financial statements, the Board and CEO are responsible for the assessment of the Company's and the Group's ability to continue the operations. They provide information, when appropriate, concerning conditions that may affect the ability to continue operations and to use the going concern assumption. The going concern assumption is not, however, applied if the Board and CEO intend to liquidate the Company, cease operations or have no realistic alternative than to do either.

The Board's Audit Committee shall, without it affecting the Board's responsibility and duties otherwise, monitor the Company's financial reporting, among other things.

Auditors' responsibility

Our objective is to achieve a reasonable degree of certainty whether or not the annual and consolidated accounts, as a whole, contain any material misstatements, whether due to error or impropriety, and to provide an Audit Report containing our statements. Reasonable certainty is a high degree of certainty, but is no guarantee that an audit done according to ISA and generally accepted auditing standards in Sweden will always discover a material misstatement if such exists. Misstatements can arise due to impropriety or error and are considered to be material if they individually or together can reasonably be expected to affect financial decisions that users make based on the annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated financial statements is available on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description is a part of the audit report.

Report on other legal and regulatory requirements

Statements

In addition to our audit of the annual accounts and consolidated financial statements, we have also examined the proposed appropriations of the Company's profit or loss and the administration of the Board and CEO of Catena AB (publ) for 2020.

We recommend that the General Meeting appropriate Company's profit or loss in accordance with the proposal presented in the Administration Report (Board of Directors' Report) and that the directors and the CEO be discharged from liability for the financial year.

Basis for the statements

We have conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibility according to these is described in more detail in the section on Auditors' responsibility. We are independent in relation to the Parent Company and Group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethics responsibility according to these requirements.

We believe that the audit evidence we have gathered is sufficient and appropriate as a basis for our statements.

Responsibility of the Board of Directors and the CEO

The Board of Directors has the responsibility for the proposal on the appropriation of the Company's profit or loss. In the event of a proposed dividend, this includes an assessment of whether the dividend is justifiable considering the requirements set by the Company's and Group's nature of operations, scope and risks on the size of the Parent Company's and the Group's equity, consolidation requirements, liquidity and position otherwise.

The Board is responsible for the Company's organisation and the management of its affairs. This includes continuously assessing the Company's and Group's financial situation, and ensuring that the Company's organisation is structured so that accounting, asset management and the Company's financial affairs otherwise are controlled in a satisfactory manner. The CEO shall take care of the operating management according to the Board's guidelines and instructions and take the actions necessary for the Company's bookkeeping to be performed in accordance with law and for asset management to be managed in a satisfactory manner.

Auditors' responsibility

Our objective regarding the audit of the management, and thereby our statement regarding discharge from liability, is to collect audit evidence to be able to assess with a reasonable degree of certainty if any Board Member or the CEO to any material respect:

- took any action or committed any negligence that may lead to a liability to pay damages to the Company, or
- in any way acted counter to the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective regarding the audit of the proposed appropriation of the Company's profit or loss, and thereby our statement regarding this, is to assess with a reasonable degree of certainty if the proposal is consistent with the Swedish Companies Act.

Reasonable certainty is a high degree of certainty, but no guarantee that an audit done in accordance with generally accepted auditing practices in Sweden will always discover actions or negligence that can lead to liability to pay damages to the Company, or that a proposed appropriation of the Company's profit or loss is not consistent with the Swedish Companies Act.

A further description of our responsibility for the audit of the management is available on the website of the Supervisory Board of Public Accountants: www.revisorsinspektionen.se/revisornsansvar. This description is a part of the audit report.

Auditor's review of the Corporate Governance Report

The Board of Directors is responsible for the Corporate Governance Report on pages 133-138 and for it being prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our review of the Corporate Governance Report, as required by law, has another focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing practices in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance report has been prepared. Disclosures in accordance with chapter 6, Section 6, second paragraph, items 2-6 of the Annual Accounts Act and Chapter 7, Section 31, second paragraph of the same Act are consistent with the other parts of the Annual Report and consolidated accounts and are in accordance with the Annual Accounts Act.

PricewaterhouseCoopers AB, Anna Lindhs plats 4, SE-203 11 Malmö, Sweden, was elected as the Auditor for Catena AB (publ) by the Annual General Meeting of 29 April 2020 and has been the Company's Auditor since 26 April 2012.

Malmö, 24 March 2021
PricewaterhouseCoopers AB

Mats Åkerlund, Authorised Public Accountant

Multi-year overview

Alternative performance measures

In the report, the Company presents certain financial measures beyond those defined in accordance with IFRS. The Company believes that these measures provide valuable additional information to investors and management as they enable assessment of the Company's performance. Since not

all companies calculate financial measurements in the same way, these are not always comparable with measurements that are used by other companies.

► Calculation of alternative performance measures can be found in Note 27 Alternative performance measures.

Key financial figures for the Group

	2020	2019	2018	2017	2016
KEY PERFORMANCE INDICATORS ACCORDING TO IFRS					
Rental income, SEK M	1,263.9	1,182.9	1,090.7	892.0	786.6
Net operating surplus, SEK M	1,003.8	902.8	827.6	671.2	578.1
Profit from property management, SEK M	718.6	626.8	571.3	440.1	316.0
Pre-tax profit, SEK M	1,923.5	1,522.5	940.1	758.6	386.6
Profit for the year, SEK M	1,527.1	1,223.8	823.4	634.7	338.4
Earnings per share, SEK ¹⁾	40.51	32.46	21.93	16.08	10.20
Cash flow before change in working capital, SEK M	712.7	612.5	550.8	418.7	294.3
Fair value of the properties, SEK M	18,612.4	16,270.5	14,721.1	13,131.1	10,786.4
Total assets, SEK M	20,398.6	17,770.1	15,905.9	14,246.6	12,344.9
Number of shares outstanding, millions	37.7	37.7	37.7	37.4	35.7
Average number of shares outstanding, millions	37.7	37.7	37.5	35.8	33.2
ALTERNATIVE PERFORMANCE MEASURES					
Property-related					
Surplus ratio, %	79.4	76.3	75.9	75.2	73.5
Loan-to-value ratio, %	52.3	54.0	57.9	57.6	59.9
Financial					
Return on equity, %	22.0	21.1	16.6	14.9	10.6
Return on total capital, %	11.1	10.2	7.6	7.1	6.9
Interest-coverage ratio, multiple	4.0	4.1	3.4	3.5	2.3
Average interest rate, %	2.3	2.6	2.7	3.2	3.6
Fixed interest, years	3.1	2.3	3.0	4.1	3.5
Interest-bearing liabilities, SEK M	9,735.0	8,784.6	8,516.8	7,568.2	6,457.2
Capital tied-up, years	2.2	1.3	1.4	1.9	1.5
Debt/equity ratio, multiple	1.3	1.4	1.6	1.6	1.7
Equity ratio, %	37.2	35.6	33.4	32.3	31.6
Equity ratio, excluding goodwill, %	38.8	37.3	34.5	33.4	33.3
Share-related					
Dividend yield, %	1.9 ²⁾	1.6	2.6	2.9	2.7
Total return on the share, %	-5.3	90.1	44.7	23.7	14.3
Equity per share, SEK	201.34	167.59	140.82	122.86	109.13
Profit from property management per share, SEK ¹⁾	19.06	16.63	15.21	12.30	9.53
P/E ratio	10	13	10	10	13
Cash flow before change in working capital per share, SEK ¹⁾	18.91	16.25	14.67	11.70	8.87
Long-term net asset value per share, EPRA NRV, SEK	245.08	202.87	169.53	149.85	135.80
Current net asset value EPRA NTA, per share, SEK	234.49	193.99	161.86	141.91	128.24
Disposal value EPRA NDV, per share, SEK	188.00	154.25	127.48	109.41	95.06
OTHER KEY PERFORMANCE INDICATORS					
Property-related					
No. of properties	113	109	107	109	94
Lettable area, thousand m ²	1,947.5	1,842.7	1,792.5	1,661.6	1,490.9
Rental value, SEK M	1,388.5	1,264.8	1,216.1	1,109.9	925.7
Economic letting ratio, %	96.2	95.0	95.9	94.7	93.0
Share-related					
Share price, SEK	385.00	413.50	220.50	155.50	128.50
Market capitalisation, SEK M	14,514	15,588	8,313	5,818	4,592
Highest price paid during the year, SEK	446.00	421.50	224.50	158.50	145.00
Lowest price paid during the year, SEK	213.50	213.00	148.00	128.50	109.25
Dividend per share, SEK	7.50 ²⁾	6.50	5.75	4.50	3.50
Employees					
No. of employees	46	42	38	38	33

Calculation of alternative performance measures can be found in Note 27 Alternative performance measures.

1) Prior to and after dilution. 2) Board proposal.

Definitions

Multi-year overview, definitions

Average interest rate

Average interest on the loan portfolio with derivatives being taken into account.

Average number of shares outstanding

Weighted average number of shares.

Cash flow before change in working capital

Cash flow for the year before change in working capital according to the Cash-flow Statement.

Current net asset value EPRA NTA, per share

Shareholders' equity with reversal of the fair value of derivatives and goodwill, adjusted for estimated deferred tax, calculated per share.

Debt/equity ratio, multiple

Interest-bearing liabilities divided by equity at year-end.

Debt maturity

The average remaining period of fixed interest in the loan portfolio.

Disposal value EPRA NDV, per share

Shareholders' equity with goodwill reversed and interest-bearing liabilities adjusted to fair value.

Dividend per share

Dividend for the financial year in relation to the number of shares outstanding on the record date.

Dividend yield

Proposed dividend in relation to the share price at year-end.

Earnings per share

Profit for the year attributable to the Parent Company's shareholders in relation to the weighted average number of shares outstanding.

Economic letting ratio

Contractual rents under valid leases at year-end as a percentage of rental value.

Equity/assets ratio

Equity including non-controlling interests as a percentage of total assets.

Equity/assets ratio, excluding goodwill

Equity including non-controlling interests as a percentage of total assets less goodwill.

Equity per share

Equity attributable to Parent Company shareholders in relation to the number of shares outstanding at year-end.

Fixed interest, years

Average remaining period of fixed interest on the loan portfolio with derivatives being taken into account.

Interest-coverage ratio, multiple

Pre-tax profit before reversal of financial expenses and unrealised changes in value in relation to financial expenses.

Lettable area

Total area available for letting.

Loan-to-value ratio

Interest-bearing liabilities attributable to the properties as a percentage of the carrying value of the properties at the end of the year.

Long-term net asset value per share, EPRA NRV

Shareholders' equity per share with reversal of the fair value of derivatives, deferred taxes and goodwill associated with the deferred tax, calculated per share.

Market capitalisation

The number of shares outstanding multiplied by the latest price paid on the specified day.

Net operating surplus

Rental income less operating and maintenance costs, property tax, ground rents and property administration costs.

Number of shares outstanding

Number of shares on the balance-sheet date.

P/E ratio

Share price at year-end in relation to earnings per share for the year.

Profit before tax

Profit before tax in accordance with Statement of Comprehensive Income.

Profit for the year

Profit for the year in accordance with Statement of Comprehensive Income.

Profit from property management

Pre-tax profit with reversal of changes in value.

Profit from property management per share

Profit from property management in relation to the average number of shares outstanding at year-end.

Return on equity

Net profit for the year as a percentage of average equity.

Return on assets

Pre-tax profit plus financial expenses as a percentage of average total assets.

Rental income

Rental income according to Statement of Comprehensive Income.

Glossary

Rental value

Contractual rents on an annual basis plus a supplement for assessed market rents for vacant space.

Surplus ratio

Net operating surplus as a percentage of income from rental income.

Total return on the share

The change in share price change over the year plus dividends paid in relation to the share price at the beginning of the year.

Sustainability, definitions

Carbon dioxide equivalents

Common unit of measurement for greenhouse gas emissions. Used to calculate the total greenhouse effect of different greenhouse gas emissions.

Energy intensity, kWh/m²

Total energy use from property electricity, business electricity and heating divided by the average calculated lettable area (LOA).

Miljöbyggnad

A Swedish certification system based on three areas: energy, indoor environment and materials.

Miljöbyggnad iDrift

Swedish certification system for existing properties that create environmental and climate benefits through measures based on the operation and management of buildings.

Fossil-free energy

Energy that is not produced directly from fossil fuels such as oil, coal or gas. Fossil-free energy derives from nuclear power, etc. and renewable energy sources (hydro, solar, wind). Nuclear power is fossil-free, but not renewable.

Net emissions

The difference between the greenhouse gas emissions you actually cause and what you do to reduce emissions, ie either by reducing actual emissions or by capturing emissions through other measures (climate compensation).

Normal year adjusted heat

Actual heat consumption is recalculated to take into account temperature and outdoor climate. This enables a fairer comparison of values between years, without deviating weather conditions affecting the calculations.

City logistics

What is referred to as city logistics involves distribution centres specially designed and well situated for frequent, fast and short-distance transports of fast-moving consumer goods to retailers or directly to consumers.

Distribution centre

A property with goods that are stored for a shorter period to then be transported onward.

Logistics properties

Property constructed with a terminal and/or warehouse intended for goods handling and distribution for logistics companies' customers.

Logistics warehouses

Property intended for finished goods warehouses where goods are placed waiting to be sold.

Logistics location

Generally recognised locations considered well suited for logistics in view of, for example, freight flows, infrastructure, proximity to consumer markets and skills.

Logistics Position

Particularly prominent hub in Catena's property network.

Omni warehouse

Facility including multiple logistics features.

Terminal

A terminal is a property that is primarily suited to reloading. This type of property includes container terminals, where possibilities of moving goods from one mode of transport to another are optimised.

Catena through the year

Catena seeks to facilitate the market's valuation of the Company by providing clear information. Catena works for fast and transparent reporting to shareholders, financial markets and other stakeholders. Information is published in accordance with current legislation, Nasdaq's regulations, the Swedish Code of Corporate Governance and the Company's insider policy.

Annual General Meeting

Shareholders are cordially invited to attend the Annual General Meeting on 29 April 2021. The announcement of the Annual General Meeting was published on 26 March 2021 and is available at www.catenafastigheter.se – see also information on the inside cover.

Important dates

29 April 2021	Interim Report, January – March 2021
29 April 2021	2021 Annual General Meeting
6 July 2021	Interim Report, January – June 2021
28 October 2021	Interim Report, January – September 2021
22 February 2022	Year-end Report 2021
28 April 2022	2022 Annual General Meeting

Capital market information

Catena continuously issues information regarding its operations, current events and changes that occur by regularly meeting analysts, investors, shareholders and financiers. Catena plans its own, individual meetings with investors and banks, for example, and participates in contexts such as stock partner meetings, capital market days and meetings arranged by banks.

In connection with the publication of the interim reports, a presentation of the interim financial statements is broadcast via the Internet.

At the forefront

Catena leads development in both the field of logistics area and in the property sector by partnering in innovation and development in various ways and in different forums. The Company arranges the annual LogistikTrender seminar – a much-appreciated meeting place for new knowledge and inspiration.

Follow Catena

The Company's website, www.catenafastigheter.se, presents up-to-date information on the operations, the property portfolio, project development, financial Statements, key performance indicators, share data and much more. The information on the website is also available in English. To receive information on an ongoing basis, a subscription service on the company's website can be used. The financial information can also be ordered directly from Catena by telephone or email.

By following Catena on LinkedIn, Facebook, Twitter or Instagram, additional information about what is happening within the Company can be obtained.



Press releases

Selection of press releases from 2020

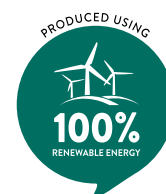
- 18 Dec 2020 Catena constructs logistics facility in Luleå for Kyl- och Frysexpressen Nord
- 9 Dec 2020 Sale of property in Örebro
- 30 Nov 2020 Catena and NELLY collaborate on automation
- 29 Oct 2020 The Board of Directors of Catena appointed Jörgen Eriksson as the company's new CEO
- 28 Sep 2020 Catena acquires a logistics property in Borås for SEK 272 million
- 14 Sep 2020 MEDS establishes operations at Catena's premises in Stockholm
- 10 Sep 2020 Catena leases premises to Instabox in both Umeå and Sundsvall
- 8 Sep 2020 Catena leases to Bring in Västberga, Stockholm
- 3 Sep 2020 Ulf Stanley, New project developer at Catena
- 25 Aug 2020 Attractive locations at Logistics Position Sunnanå outside Malmö
– Catena welcomes more tenants
- 1 Jul 2020 Attractive business location adjacent to Helsingborg's southern approaches
– Catena leases office premises to Ecolean
- 9 Jun 2020 Jonas Arvidsson, New Regional Manager at Catena
- 26 May 2020 Catena invests SEK 147 million and signs lease with Seafrigo
- 14 Apr 2020 Fredrik Renå, New Regional Manager at Catena
- 8 Apr 2020 Catena signs agreement to acquire land in Jönköping
- 3 Apr 2020 Catena to postpone further negotiations with Coop
- 31 Mar 2020 Catena switches to Miljöbyggnad Silver to achieve sustainability targets
- 17 Feb 2020 Catena signs agreement on additional acquisition in Järna, south of Stockholm
- 10 Jan 2020 Catena in final negotiations with Coop for a new automated warehouse
- 9 Jan 2020 Catena shifts up a gear in Denmark – acquiring three strategically located logistics properties for SEK 235 million

An English version will be available at www.catenafastigheter.se from 30 March 2021.

Catena AB is a Swedish public limited-liability company. The company is incorporated and registered under Swedish law with the company name Catena AB (publ) and the corporate registration number 556294-1715. The Company has its registered office in Helsingborg, Sweden. Catena's Annual Report is available in Swedish and English with the Swedish version as the official version. The Annual Report is published on the Company's website www.catenafastigheter.se from 30 March 2021. Printed copies are distributed to shareholders and other stakeholders on demand. The Administration Report comprises pages 20–53 and 88–142. The financial reports comprise the pages 88-126 and were prepared in accordance with IFRS. All amounts are stated in SEK million unless otherwise specified. The figures in parenthesis pertain to 2019 unless otherwise stated.

Market information is based on Catena's assessment unless another source is specified. Assessments are based on the highest quality of data available at the time of preparing the Annual Report. This report also contains forward-looking statements. Even if Catena's management assess these statements as reasonable, no guarantees can be provided that these expectations will prove correct. Consequently, actual future outcomes may vary compared with what appears in the future-oriented information depending on, among other things, changed conditions regarding the economy, market and competition, changes in legal requirements and other policy measures, variations in exchange rates and other factors. For financial and operational definitions, please refer to pages 148-149.

This Annual Report was produced in collaboration with RHR Corporate Communication in Malmö. It was printed by DanagårdLitho on environmentally certified paper, with vegetable-based pigments based on renewable raw materials and using 100-percent renewable energy.



CATENA

Catena is a listed property company that, through collaboration sustainably develops, owns and manages efficient logistics facilities. Its strategically located properties supply the Scandinavian metropolitan areas and are adapted for both current and future goods flows. The overall objective is to generate strong cash flow, enabling stable development and providing shareholders a favourable total return in the long term. Catena's shares are traded on NASDAQ Stockholm, Large Cap.

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