

Active and transparent corporate governance lays the foundation for continued value creation

Since its inception, Catena has demonstrated its capacity to generate strong cash flow from its continuing operations and to combine this with profitable growth. As we further consolidated our position as the leading player in logistics properties, 2019 proved to be no exception. This was largely a result of the year's active project development efforts, with significant new leases taking effect at Logistics Positions Sunnanå and Tostarp, among others. In addition, the forward-looking land acquisition agreements signed in Järna and Stockholm Syd also grant Catena the opportunity to become a leading player at the southern approach routes to Stockholm.

The market for logistics properties continues to show strong development, which is reflected in the high level of activity among investors and the capital markets. An important driving force is the singularisation we are now seeing even more clearly in our customers' cargo flows and those of their customers. Where pallets were previously handled, deliveries are now measured in terms of parcels and individual consignments. The underlying factor is the powerful transformation that e-commerce has entailed, where the same warehouse will both serve larger deliveries to shops, as well as deliveries direct to consumers, while demands for faster and cheaper deliveries further increase the need for efficient logistics. Not only does Catena provide properties in optimum locations, the Company has considerable and long-term experience in all aspects of customising logistics facilities. We act as a speaking partner and, increasingly, also as a facilitator of collaboration between different areas of expertise in logistics to achieve the optimum solution for the customer – with regard to automation, for example, which is increasingly an important component.

With growth-driven operations like Catena's comes a responsibility to safeguard value-generating growth. Accordingly, an important aspect of the work of the Board of Directors, is to keep an eye on long-term trends, to maintain a favourable balance between the Group's business

opportunities and to identify and manage the risks that a complex and dynamic external environment entails. For this reason, Catena's corporate governance includes a clear structure with overall objectives, instructions and guidelines for the Company's ongoing work, but also well-balanced restrictions that set the framework for the operations and ensure that the Company is managed in the most focused, efficient, ethical and sustainable manner possible.

I am therefore pleased with the momentum and strong focus embodied in Catena's sustainability work. In addition to value-creating energy efficiency improvements and environmental certifications, I perceive opportunities in our ability to help our customers with those critical last-mile deliveries. With optimal logistics locations and customised facilities, Catena is able to improve flows, ensure that customers' vehicles are as completely loaded as possible, thereby reducing the environmental impact.

All of this rests on an established corporate culture and core values. We want to be able to exceed our customers' often complex demands by means of our knowledge, commitment and a sustainable approach that is of benefit to all. Catena's strength lies in our ability to combine and utilise our local property management and knowledge of the market with a coordination of the Group's business-critical processes.

Following a few years with a controlled rejuvenation process, Catena has a well-balanced Board of Directors with the skills, experience and qualities to cover all of the key areas of operations. With three women and four men and a breadth of life experience, we gain a balance and different perspectives assuring well-informed decisions. The work of the Board of Directors is constantly evolving and new for this year are the processes and work devoted to the remuneration to senior executives. Over the year, we also engaged external consultants to assess the Board of Directors and its work. I am pleased with the excellent manner in which the Board of Directors was deemed to have conducted its duties in 2019, while, at the same time, we continue to define new value-creating processes developing this work.

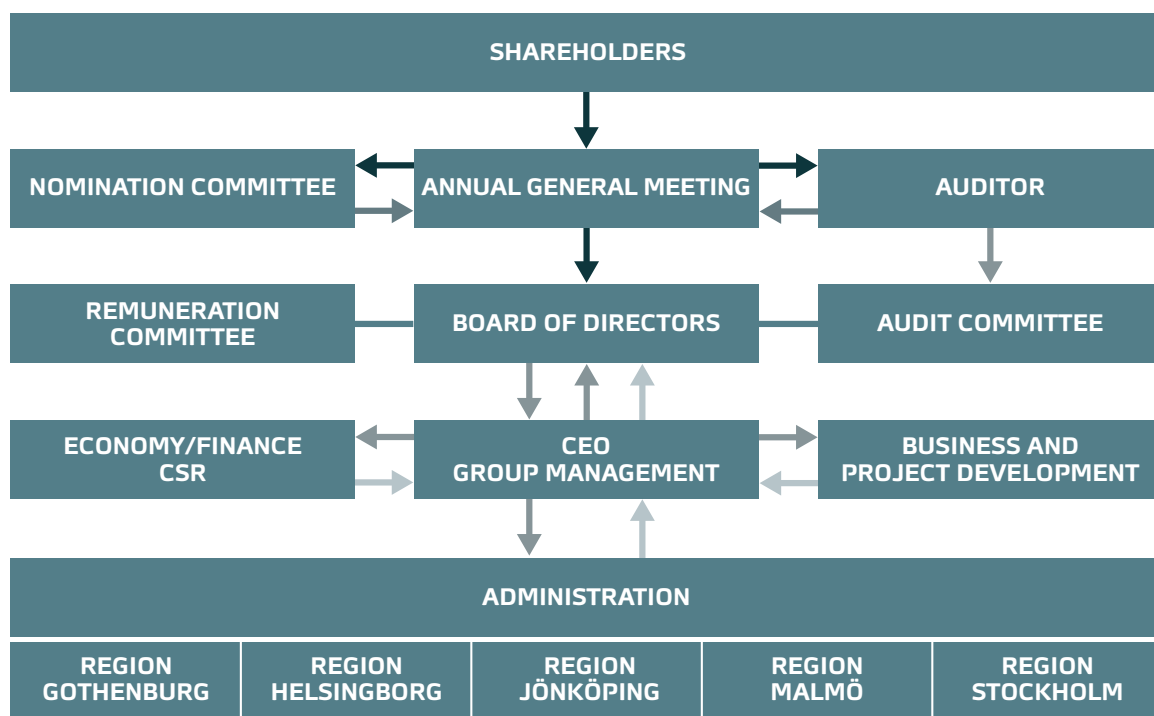
Responsible corporate governance is a cornerstone of Catena's efforts to build confidence with, not only customers, employees and shareholders, but with all stakeholders. This confidence is a prerequisite for our continued success as we now, with both financial and organisational capacity, continue to consolidate our position as a leader in logistics properties.

Helsingborg, March 2020
Gustaf Hermelin,
Chairman of the Board



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. In this way, the confidence is generated that is central to Catena’s continued successes.



- A** Elections
- B** Evaluation and ongoing reporting
- C** Targets, strategy, policies, instructions
- D** Reporting, ongoing evaluation

External rules	Internal rules
Swedish Companies Act	Articles of Association
Annual Accounts Act	The Board’s formal work plan
Other applicable legislation	Position instructions
IFRS	Values
Nasdaq’s Rule Book for Issuers	Code of Conduct
Swedish Code of Corporate Governance	Financial policy
Global Compact	Personnel policy
EU Market Abuse Regulation (MAR)	Environmental policy
	Information 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 Economy/Finance 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. Economy/Finance 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 2019.

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 2019, the share capital in Catena AB totalled SEK 165,874,953.20 distributed between 37,698,853 ordinary shares.

The largest shareholder, as per 29 February 2020, 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 44-45.

Ownership structure, 29 February 2020

	No. of shares, thousands	Votes, %
Backahill	11,221	29.8
PGGM Pensioenfonds	3,531	9.4
Länsförsäkringar Fonder	3,100	8.2
Gustaf Hermelin	1,310	3.5
Fjärde AP-Fonden (AP4)	977	2.6
Vanguard	831	2.2
BlackRock	704	1.9
SEB Fonder	575	1.5
Cohen & Steers	568	1.5
Norges Bank	541	1.4
BMO Global Asset Management	433	1.2
Swedbank Robur Fonder	347	0.9
Degroof Peterkam	344	0.9
Other shareholders	13,217	35.0
Total	37,699	100.0

Source: Monitor (Modular Finance)

Shareholder distribution by holding, as of 29 February 2020

	Number	Owners Share, %
1-500	13,523	94.5
501-1,000	365	2.6
1,001-5,000	230	1.6
5,001-10,000	48	0.3
10,001-15,000	26	0.2
15,001-20,000	20	0.1
20,001-	96	0.7
Total	14,308	100

Source: Euroclear



Catena continuously provides information through a number of activities to investors, lenders and shareholders.

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 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

The Nomination Committee is tasked with preparing and submitting proposals for the Board, Chairman of the

Board, directors' fees, policies for appointing the Nomination Committee, the Chairman at the AGM and, when applicable, auditors and auditors' fees. Catena's Annual General Meeting on 25 April 2019 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. Since two of the major shareholders have declined participation, the Nomination Committee was constituted, in accordance with a press release issued on 28 October 2019. Due to changes in Catena's shareholder composition when Kilen 134 Strängnäs AB, represented by Jan Persson, reduced its shareholding in February, the Nomination Committee has the following composition, in accordance with a press release issued on 9 March 2020.

Name	Appointed by
Anders Nelson	Backahill Kil AB
Johannes Wingborg	Länsförsäkringar Fondförvaltning AB
Olof Nyström	Fjärde AP-Fonden (AP4)
Gustaf Hermelin	Chairman, SFU Sverige AB

ANNUAL GENERAL MEETING, 25 APRIL 2019

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 5.75 per share. The record date was set as 29 May 2019 and the dividend was expected to be paid on 3 May 2019.

The AGM resolved that the number of Board Members elected by the Annual General Meeting should be seven ordinary members with no deputies. The Meeting adopted Nomination Committee's proposal that Henry Klotz, Gustaf Hermelin, Katarina Wallin, Héléne Briggert, Tomas Andersson and Ingela Bendrot be re-elected as ordinary Board Members, that Magnus Swärdh be newly elected as ordinary Board Member, 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 AGM discharged the Board members and CEO from liability for the 2018 financial year.

The AGM approved the Nomination Committee's proposal for remuneration of SEK 330,000 (previously SEK 300,000) for the Chairman of the Board and SEK 165,000 (previously SEK 150,000) for each of the other Board members not employed by the Company. The AGM resolved that remuneration for work in the Remuneration Committee would be added in the

amount of SEK 40,000 (previously SEK 40,000), to be distributed with SEK 20,000 being paid to the chairman of the committee and SEK 10,000 each being paid to the other two members; that remuneration for work in the Audit Committee would be added in the amount of SEK 100,000 (previously SEK 100,000), to be distributed with SEK 50,000 being paid to the chairman of the committee and SEK 25,000 each being paid to the other two members. It was resolved that fees to the auditors be paid according to customary standards and approved invoicing. The Board's proposal for remuneration principles for senior executives was also approved. 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. The AGM also authorised the Board to decide on a new share issue not exceeding one-tenth of the total number of shares outstanding.

The complete minutes can be found at www.catenafastigheter.com/about-us/corporate-governance/general-meetings/.



Anders Nelson,
Chairman of the Nomination Committee
nelson@backahill.se

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 hold approximately 44 percent of the votes in Catena as of 29 February 2020.

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.

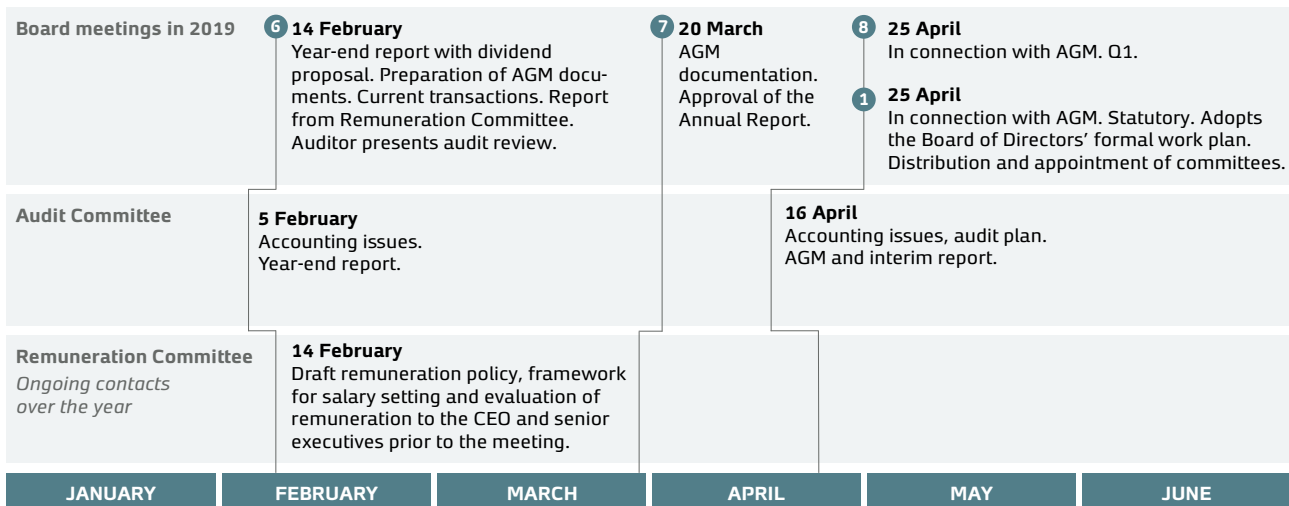
The Board's work is carried out in compliance with statutory provisions, regulations, the Articles of Association and the formal work plan. The formal work plan is discussed at the statutory Board meeting and is set annually. The composition of the Board includes expertise and experience from the areas that are of major importance as part of efforts to support, monitor and control operations in a property company. Board Members have expertise in properties, the real estate market, and financing, digital trade and business development, for example.

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 25 April 2019. For further information on the members of the Board of Directors, see the presentation of the Board and Management on pages 134-135.

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 2019, eight minuted Board meetings were held, one of which was statutory. The members' attendance is shown in the Board Presentation on pages 134-135.

During the year, the CFO acted as the secretary of the Board. 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 auditor in charge, Mats Åkerlund, PwC, was co-opted to attend Board meetings on 14 February 2019 and 5 July 2019.



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 an 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 Board of Catena has established a 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 2019, the Remuneration Committee consisted of Katarina Wallin (Chairman), Henry Klotz and Magnus Swärdh.

Audit Committee

Catena's Board has established an 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 2019 the Committee consisted of Henry Klotz (chairman), Héléne Briggert and Ingela Bendrot. Peter Andersson (CFO), Anders Holmqvist (Chief Accountant) and Carl Fogelberg (Auditor, PwC) also participated in the Committee's meetings.



Mats Åkerlund, Auditor PwC
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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 conjunction 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

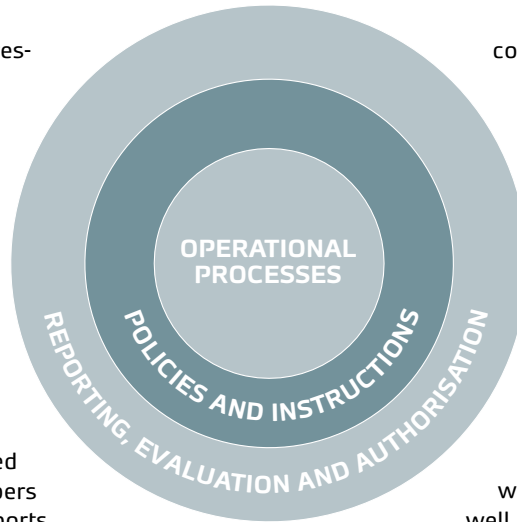
The CEO leads operations on the basis of the CEO's instructions drawn up by the Board. According to the instructions, the CEO is tasked with ensuring that the Board Members receive regular information and reports on Catena's progress to enable them to make sound assessments and well-founded decisions. 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, www.catenafastigheter.com, 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 post.

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 in disseminated through regular information meetings.

► See also page 124, deviations from the Swedish Code of Corporate governance.

Helsingborg, March 2020

Board of Directors



Contacts

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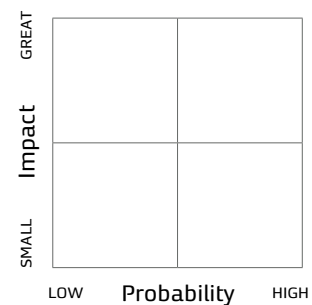
Catena's risk management

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.

Responsibility for Catena's risk management lies with the Board. The ongoing management and monitoring of risk management has been delegated to the CEO and regional managers.

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.

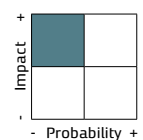
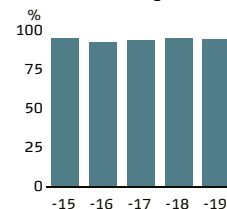
After a tenant vacates a property, there is a risk pertaining to the length of time that elapses before a new tenant is in place. The risk of substantial changes in vacancies and rental income increases in line with the number of individual major tenants a property company has.

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

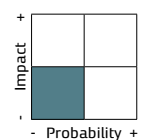
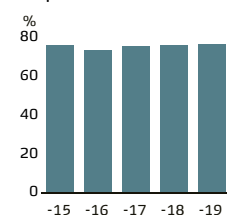
Earnings can be impacted if increases in operating and maintenance costs outpace growth in compensation to Catena in the form of contractual rents. Unforeseen and extensive renovation needs can also have an impact.

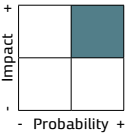
Property belonging to Catena can be destroyed by fire, theft or other damage. Similarly, through, for example, negligence Catena can cause injury to another person or another person's property.

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 liability or property damage claims. The properties are covered by unlimited buildings insurance.

Surplus ratio



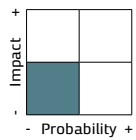
RISK	MANAGEMENT	EXPOSURE	ASSESSMENT
<p>Properties – changes in value Catena reports its property portfolio at its assessed market value. This means that changed market values as a result of changed rent levels and vacancy rates, changed yield requirements and detailed development plan processes, etc., 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>		

TRANSACTIONS AND INVESTMENTS

Acquisitions

Catena acquires some properties in the form of companies. In 2019, three 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.

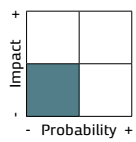
Ahead of each acquisition, thorough due diligence is performed. In addition to a thorough financial examination, this also includes a number of other areas, including customer relationships, commitments and the environment.



Sales

New consumption patterns, cargo flows and other factors mean that, as time passes, logistics properties become better suited to other purposes. Catena disposes these properties to responsible buyers. Other disposals are driven by individual customers’ wishes to own the property in which they operate. This resulted in a total of one property being divested during the year at a value of SEK 82.6 million.

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.

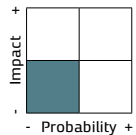
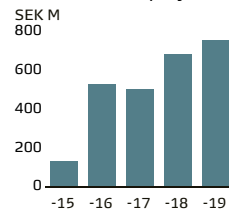


Project

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



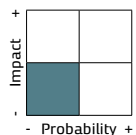
EMPLOYEES

Personal injury

Catena could, through negligence for example, cause personal injury. This also includes psychosocial harm/issues.

Risks of personal injury are handled via procedures in Catena’s work environment policy. For contractors and consultants, construction and liability insurance exists.

Over the past few years, no company in the Catena Group has incurred any significant personal injuries.

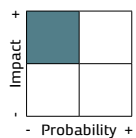
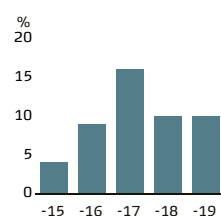


Shortage of skills

Catena’s future development depends extensively on the knowledge, experience and commitment of a limited number of individuals in senior management and other key persons.

Catena’s executives all have comprehensive knowledge of property development and management. On-going dialogues and development together with market terms also contribute to low employee turnover. The Company also actively applies an order of succession for key individuals.

Personnel turnover



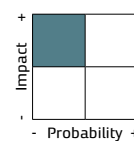
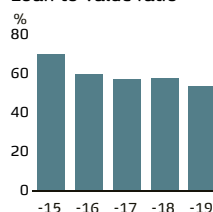
RISK MANAGEMENT EXPOSURE ASSESSMENT

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.

Loan-to-value ratio



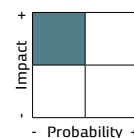
Interest

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 61 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. The derivatives are specified in the comments on the Consolidated Statement of Comprehensive Income.

Fixed interest, years

Year	SEK M	Interest rate, % ¹⁾	Share, %
2020	4,263.0	1.1	48.5
2021	755.7	5.0	8.6
2022	500.0	3.9	5.7
2023	500.0	3.3	5.7
2024	500.0	3.0	5.7
2025	1,122.0	3.9	12.8
2026	1,143.9	4.3	13.0
Total	8,784.6	2.6	100.0



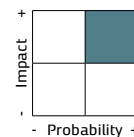
1) Refers to the current average interest rate per 31 December 2019. The margin is distributed evenly across the fixed-interest period.

CLIMATE-RELATED RISKS

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.

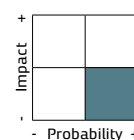
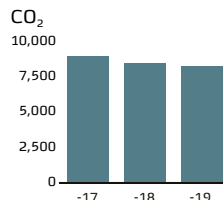
Through systematic sustainability efforts, the risks can be turned into competitive advantages.



Sharpening of political control signals

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 example through CO₂ taxation, higher material expenses and rising energy prices – particularly from fossil sources.

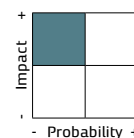
Catena is actively working to reduce greenhouse gas emissions, through environmental certification, for example, and increasing the energy-efficiency of our properties, as well as purchasing renewable electricity and increasing the proportion of renewable electricity generated in-house.

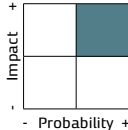
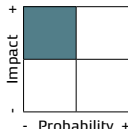
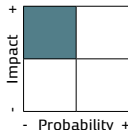
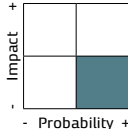
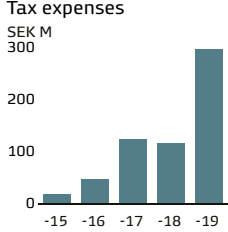
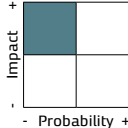
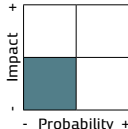
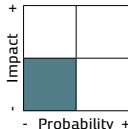


Physical risks

Greater variations in weather, with extremes of heat and cold, large amounts of precipitation with the risk of leaks/flooding also entail increased needs for cooling and snow removal, for example.

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 Miljöbyggnad Silver, imposing, among other things, requirements on the choice and documentation of building materials and inspections by moisture experts. Operational risk management involves insurance cover and advance planning with effective procurement of snow removal, etc. Catena's customer-oriented property management also means that new needs can quickly be identified, thereby avoiding problems.



RISK	MANAGEMENT	EXPOSURE	ASSESSMENT																		
<p>Indirect CO₂ emissions Catena operates in a context that unequivocally impacts the climate as our tenants' operations consist extensively of transport.</p>	<p>Offering strategically located logistics positions makes us an attractive landlord who helps reduce fuel costs while reducing emissions from fossil fuels. Catena also participates in the development of new concepts for peri-urban logistics, such as at Arenastaden, with more efficient handling of both goods deliveries and waste management.</p>																				
OTHER RISKS																					
<p>Economic trend and demand 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 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>Contamination 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><i>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.</i></p>																			
<p>Taxes 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 SEK M</p> 																			
<p>Disputes 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><i>Over the past five years, Catena has not had any significant disputes over the last six years, nor does it currently have any.</i></p>																			
<p>IT disruptions 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>Three incidents reported to the Swedish Data Protection Authority in 2019, all of a less serious nature.</p>																			
<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.</p>	<table border="1"> <thead> <tr> <th>Factor</th> <th>Change, %</th> <th>Impact on earnings, SEK M</th> </tr> </thead> <tbody> <tr> <td>Contractual rental income</td> <td>+/- 1.0</td> <td>12.0</td> </tr> <tr> <td>Economic letting ratio</td> <td>+/- 1.0 percentage point</td> <td>12.6</td> </tr> <tr> <td>Interest rate level for interest-bearing liabilities with regard to swaps</td> <td>+/- 1.0 percentage point</td> <td>-27.5 / -24.1</td> </tr> <tr> <td>Property expenses</td> <td>+/- 1.0</td> <td>2.8</td> </tr> <tr> <td>Changes in value of investment properties</td> <td>+/- 1.0</td> <td>162.7</td> </tr> </tbody> </table>	Factor	Change, %	Impact on earnings, SEK M	Contractual rental income	+/- 1.0	12.0	Economic letting ratio	+/- 1.0 percentage point	12.6	Interest rate level for interest-bearing liabilities with regard to swaps	+/- 1.0 percentage point	-27.5 / -24.1	Property expenses	+/- 1.0	2.8	Changes in value of investment properties	+/- 1.0	162.7		
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Board of Directors







	Gustaf Hermelin	Tomas Andersson	Ingela Bendrot
Born, year	1956	1956	1962
Position on the board	Chairman	Member	Member
Year elected	2013	2018	2018
Training	Business administration studies, Stockholm School of Economics.	Business administration studies, Stockholm University. Law studies.	Chemical engineer.
Principal occupation	Board work.	Own company.	CEO Nya Ostkustbanan. CEO Bendrot Kommunikation AB.
Other assignments	Board Member of a large number of subsidiaries within, or related to, the Catena Group. Board Member of Vectura Fastigheter AB and companies wholly or partly owned by SFU Sverige AB.	Board Member of Tuve Bygg.	
Terminated assignments	CEO and Board Member of Klöver AB, Brinova Fastigheter AB. Board Member of AMF Fastigheter AB, Diös Fastigheter AB, Fabege AB and Platzer Fastigheter Holding AB (publ).		
Own shareholdings and shareholdings of related parties in 2019	1,312,400 shares via companies and related parties.	–	200 shares.
Dependent in relation to: the Company major shareholders	Yes Yes	No Yes	No No
Attendance at Board meetings	8/8	8/8	8/8
Attendance, audit committee			3/4
Attendance, remuneration committee			

Company management



	Benny Thögerson	Peter Andersson	Sofie Bennsten
Born, year	1966	1966	1969
Position	CEO	CFO and Deputy CEO	HR Manager
Employee since	15 November 2016	1 October 2013.	1 October 2013.
Training	Halmstad University	M.Sc. in Business Administration.	M.Sc. Economics.
Previous positions	CEO of Knapp AB and several assignments at, e.g. Consafe, Ica and Akzo Nobel.	CFO at Brinova Fastigheter AB and CFO at Fastighets AB Skånehus.	Head of Administration at Brinova Fastigheter AB. Former Head of Accounting at Brinova Fastigheter AB.
Own shareholdings and shareholdings of related parties in 2019	1,600 shares.	500 shares.	200 shares.

► Additional and updated information on assignments and holdings is available at www.catenafastigheter.com

			
Hélène Briggert	Magnus Swärth	Henry Klotz	Katarina Wallin
1985	1968	1944	1970
Member	Member	Member	Member
2017	2019	2007	2013
M.Sc. in Business Administration, Lund University.	M.Sc. in Business Administration.	Engineer in property engineering, M.Sc. Economics.	M.Sc. in Engineering, Royal Institute of Technology. Behavioural Science and Business Administration, Stockholm University.
Partner in HEG & Partners Fastigheter 5 AB and HEG Invest AB.	CFO Backahill AB.		Strategy Consultant and Partner at Evidensgruppen.
Board Member of companies in the HEG Group.	Chairman of the Boards of Destination Bjäre AB and Lima Timmerhus AB. Member of the Boards of Rögle BK and Foodhills Fastigheter AB.		Chairman of the Boards of Belatchew Arkitekter AB, Evimetrix AB, Bernow Lindqvist Wallin AB and Au Point AB. Board Member of Evidens blw AB and Sveafastigheter Utveckling AB, Kavaljer AB and Nordisk Byggdag.
Head of Marketing at Gymgrossiten Sweden AB. Management consultant at Business Sweden.			CEO Evidens blw AB. Chairman of the Board of REIM AB, Ekologigruppen AB and Evidens Fastighetsutveckling AB. Board Member of Temaplan AB and others.
800 shares.	800 shares.	-	-
No	No	No	No
No	Yes	No	No
8/8	6/8	6/8	8/8
4/4		4/4	
	1/1	1/1	1/1

			
Jörgen Eriksson	Maths Carreman	Johan Franzén¹⁾	Göran Jönsson
1972	1958	1978	1961
Regional Manager, Malmö	Regional Manager, Stockholm	Regional Manager, Gothenburg and Jönköping	Regional Manager, Helsingborg
15 August 2016.	1 October 2013.	1 October 2013.	1 October 2013.
M.Sc. in Business Administration, Örebro University.	Structural Engineer.	Business administration studies, School of Economics, Business and Law, Gothenburg University.	Structural Engineer.
Controller at Catena and Finance Manager at Helsingborgs storbildsbolag.	Regional Manager/Business Developer at Brinova Fastigheter AB, Unit Manager at Klövern and Works Manager/Purchasing Manager and Project Developer at Skanska.	Business Development at Brinova Fastigheter AB and District Manager at Jungheinrich Svenska AB.	Head of Business Area Residential/Commercial in Brinova Fastigheter AB and CEO of Maintech Forvaltning Syd.
-	500 shares.	-	-

1) Leaving the Company on 1 April 2020.