

Responsible governance builds confidence in continued development

The market for Logistics properties is experiencing continued strong development. This is reflected in the increasing interest in the segment among several players. Continued globalisation, urban densification, changing consumption patterns, including strongly growing e-commerce, affect goods flows in society. This applies to all consumer goods, in particular, including FMCG products, such as food and health and well-being products. Today, the FMCG segment accounts for almost half of the cargo flows handled at our facilities. These new consumption patterns have also moved some of the tasks of traditional retail – storage, packing and delivery of goods – back along the supply chain.

At Catena, we observed this trend at an early stage and positioned ourselves, following careful studies, at selected logistics locations that we are continuing to make our logistics positions. There, as in new, identified locations, Catena develops and manages modern logistics facilities. Our ambitions to contribute to a sustainable society with reduced transports, a lower environmental load, as well as improved accessibility in cleaner cities, generate significant values for our stakeholders. One of our initiatives provides a good example: Urban Services Sweden AB, in which Catena, as a partner, contributes expertise on logistics, receives and distributes the products and goods from various suppliers, demanded and consumed by Arenastaden's 4,000 residents, 30,000 workplaces and more than one million visitors monthly. Uniquely, in connection with delivery, returned goods and waste are collected to be transported in the other direction. In this way, the transports are optimised. Catena generates values for society, for customers of course, for all of our other stakeholders and ultimately for our shareholders.

A well-functioning Board of Directors

The Company, and ultimately the Board of Directors, must foster and increase value by developing the operations responsibly. Catena has a Board of Directors that is well-suited to its task – competent in all areas of crucial importance for the operations, and well-balanced in terms of both age and gender. The Board of Directors, which consists of three women and four men between the ages of 33 and 75, has broad expertise in areas ranging from logistics to transactions, property management and social media. It ensures that different perspectives on our operations are taken into account. Within the framework of beneficial cooperation with management, the Board can thus assess the investments and other strategic decisions needing to be made to maintain and develop the Company's leading position. Accordingly, the risks associated with all business operations can be minimised and balanced against the business opportunities offered by the market. The composition of the Board and the skills of its various members are also evaluated regularly, taking the Company's current challenges and needs into consideration. I am pleased to confirm that the Board, with two new members elected at the ordinary Annual General Meeting, was able to perform its duties in an exceptional manner also in 2018. The new members replaced Catarina

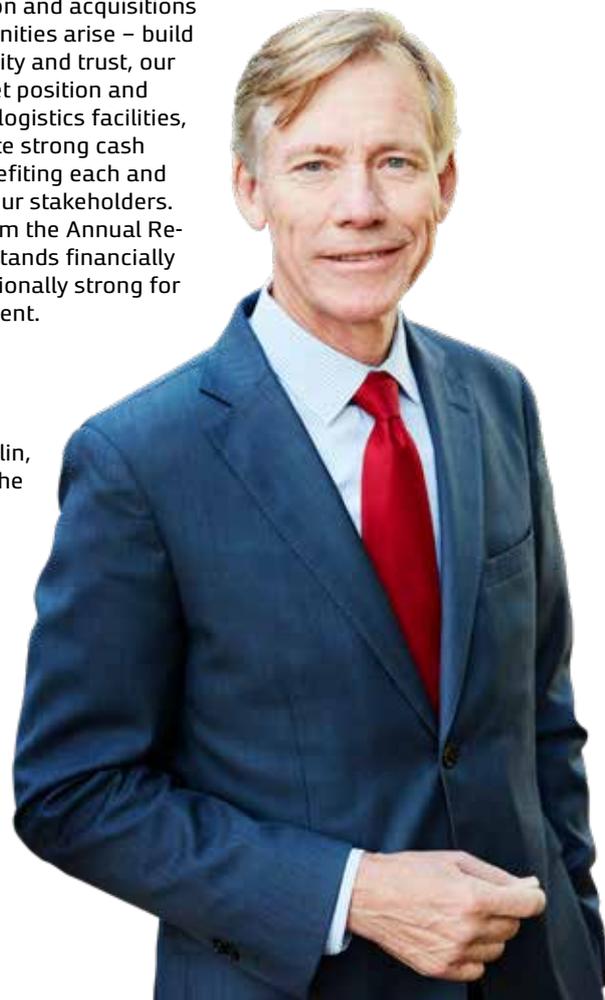
Elmsäter-Svärd, who left the Board having been recruited to a new position that was difficult to combine with her assignment on the Board. They also replaced our largest and most creative shareholder, Erik Paulsson, whose significance cannot be overestimated, particularly in connection with the inception of the modern Catena. Erik's choice to leave the Board was entirely justified by his advancing years. My gratitude and that of the Board for their eminent efforts, which we expressed at the Annual General Meeting, deserves to be repeated here.

Stakeholders' confidence

The controlled exchange of Board members is characteristic of the responsible corporate governance that we apply. This governance allows us to be transparent and to gain the confidence of our customers, our employees and our owners. As well as that of the financial market, society and all of our other stakeholders. Among other things, this confidence is manifested in all of the business proposals we receive and the interest expressed in our aggressive new share issues. The latest of these was implemented in July in connection with the acquisition of Apotea's distribution centre outside Uppsala. The confidence of our stakeholders has laid the foundation for the successes reaped by Catena to date. The Company's continued development and growth, – driven primarily by continued project development, new production and acquisitions when opportunities arise – build on responsibility and trust, our leading market position and our attractive logistics facilities, which generate strong cash flows. All benefiting each and every one of our stakeholders. As evident from the Annual Report, Catena stands financially and organisationally strong for this development.

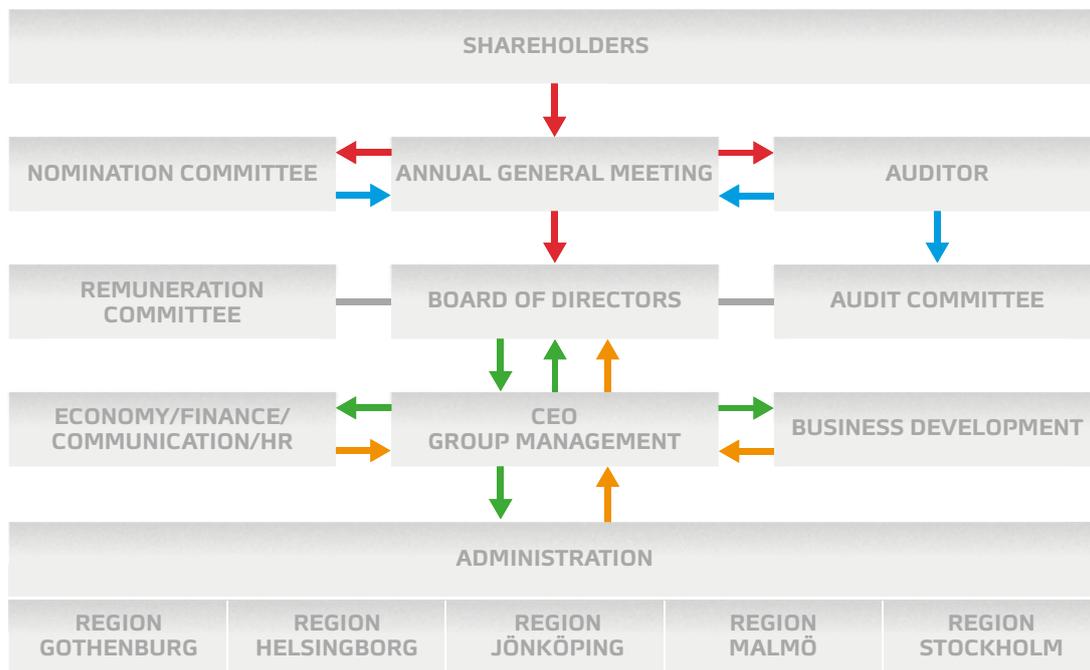
Helsingborg,
March 2019

Gustaf Hermelin,
Chairman of the
Board



Corporate governance

Through transparency and availability, shareholders and other stakeholders are afforded insight into decision paths, responsibility, powers and control systems. All business decisions at Catena must be justifiable from a financial and ethical perspective. 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

Regulations

External rules

- Swedish Companies Act
- Annual Accounts Act
- Other applicable legislation
- IFRS
- Nasdaq’s Rule Book for Issuers
- Swedish Code of Corporate Governance

Internal rules

- Articles of Association
- The Board’s formal work plan
- Position instructions
- Values
- Code of Conduct
- Financial policy
- Personnel policy
- 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 Development functions and divided into five regions. Added to these are the Group’s Economy/ Finance and Communications/HR functions. 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 2018.

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 2018, following the new share issue implemented during the year, the share capital in Catena AB totalled SEK 165,874,953.20 distributed between 37,698,853 ordinary shares.

The largest shareholder per 28 February 2019 is the Backahill Group with 29.8 percent (30.0) of the capital and Endicott Sweden AB with 10.5 percent (10.6). 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 38–39.

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

Ownership structure, 28 February 2019

	No. of shares, 000s	Votes, %
Backahill	11,221	29.8
Endicott Sweden AB (CLS Holding plc)	3,971	10.5
Länsförsäkringar fondförvaltning AB	2,391	6.3
Cohen & Steers, Inc.	1,872	5.0
Kilen 134 Strängnäs AB	1,678	4.5
SFU Sverige AB	1,560	4.1
SEB Investment Management	950	2.5
Citi Switz AG AS Agent For Clients	921	2.4
Nordea Investment Funds	686	1.8
BNP Paribas Sec Serv Luxembourg, W8IMY	635	1.7
UBS Switzerland AB, NQI	547	1.4
UBS Switzerland AB, W8IMY	513	1.4
BNY Mellon NA (former Mellon), W9	437	1.2
Other shareholders	10,317	27.4
Total	37,699	100.0

Ownership, distribution by size of shareholding at 28 February 2019

	Number	Owners Share, %
1-500	13,514	94.2
501-1,000	418	2.9
1,001-5,000	252	1.8
5,001-10,000	44	0.3
10,001-15,000	19	0.1
15,001-20,000	19	0.1
20,001-	84	0.6
Total	14,350	100.0



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

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.

Annual General Meeting, 26 April 2018

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 4.50 per share. The record date was set as 30 April.

The AGM resolved that the number of Board Members elected by the Annual General Meeting should be seven ordinary members with no deputies. The AGM approved the Nomination Committee's proposal that Board members Bo Forsén, Gustaf Hermelin, Henry Klotz, Katarina Wallin and Hélène Briggert (formerly Hélène Nathhorst Spångberg) be re-elected, that Tomas Andersson and Ingela Bendrot be newly elected as ordinary members, and that Gustaf Hermelin be re-elected as 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 2017 financial year.

The AGM approved the Nomination Committee's proposal for remuneration of SEK 300,000 (previously SEK 250,000) for the Chairman of the Board and SEK 150,000 (previously SEK 125,000) 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 AGM resolved to amend the Articles of Association changing the domicile of the Board of Directors, adjusting the limits of the share capital and the number of shares, changing the location of the AGM and the record day provision in accordance with the proposal by the Board of Directors, which had been included in its entirety in the Notice to attend the AGM.

The complete minutes can be found at www.catena-fastigheter.se/om-oss/bolagsstyrning/arsstamma/

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 AGM on 26 April 2018 decided to appoint a Nomination Committee consisting of representatives of the four largest shareholders, as per the start of October, and the Chairman. In accordance with the decision, the following Nomination Committee was formed, as announced in a press release on 16 October 2018:

Name	Appointed by
Fredrik Widlund	Endicott Sweden AB (CLS Holdings plc)
Anders Nelson	Backahill Kil AB
Johannes Wingborg	Länsförsäkringar fondförvaltning AB
Gustaf Hermelin	Chairman, SFU Sverige AB

The chairman of the Nomination Committee is Anders Nelson, while the Committee is convened by Chairman of the Board, Gustaf Hermelin. Combined, the four owner representatives held slightly more than 52 percent of the votes in Catena as at 1 October 2018. 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

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 26 April 2018. For further information on the members of the Board of Directors, see the presentation of the Board and Management on pages 116–117.

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 2018, ten minuted Board meetings were held, one of which was statutory. The members' attendance is shown in the Board Presentation on pages 116–117.

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 15 February 2018 and 9 July 2018.

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

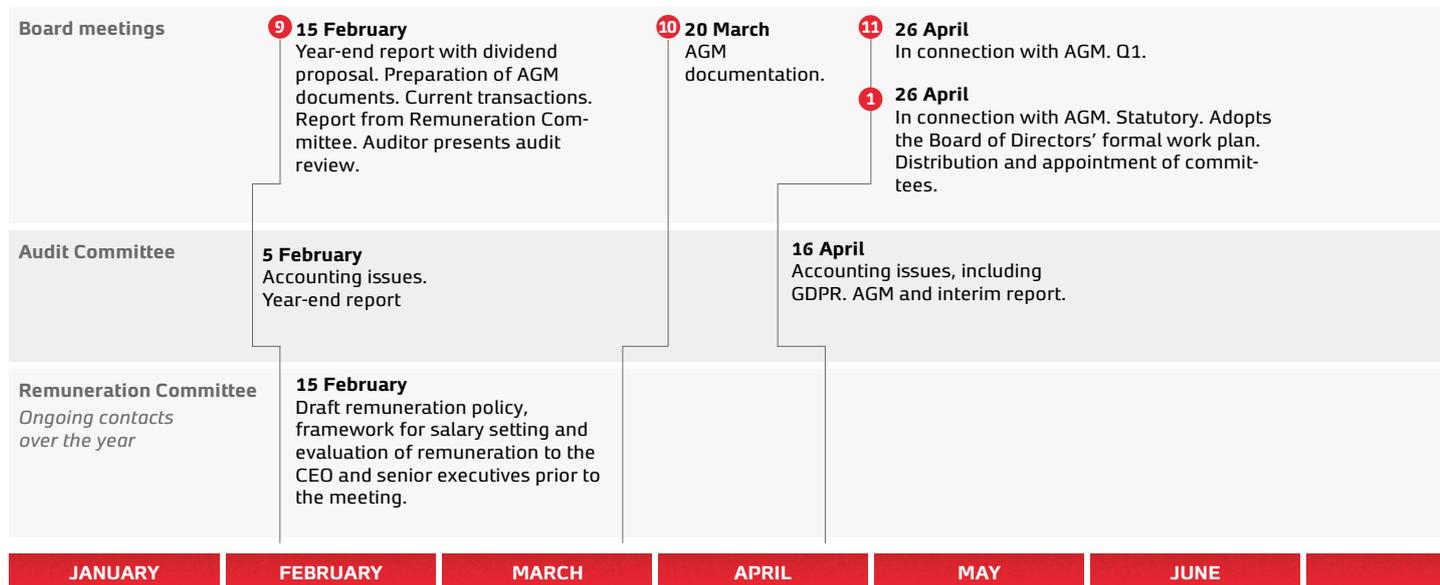
Swedish Companies Act and Catena's Articles of Association and is reviewed annually. The Board appoints the CEO and assesses his/her work. The CEO does not attend this assessment. The Board is responsible for continuously monitoring and controlling Catena's operations. Consequently, it is the duty of 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 Board's new Chairman 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

Board meetings in 2018



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 is 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 task of the Remuneration Committee is to prepare matters concerning remuneration and other conditions of employment for the CEO. The CEO, on the basis of principles established by the Board, determines remuneration of senior executives. In 2018, the Remuneration Committee consisted of Bo Forsén (Chairman), Henry Klotz and Katarina Wallin.

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 2018 the Committee consisted of Henry Klotz (chairman), Hélène Briggert and Ingela Bendrot. Peter Andersson (CFO), Anders Holmqvist (Chief Accountant) and Carl Fogelberg (Auditor, PwC) 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 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.



Mats Åkerlund, Auditor PwC
 mats.akerlund@pwc.com

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

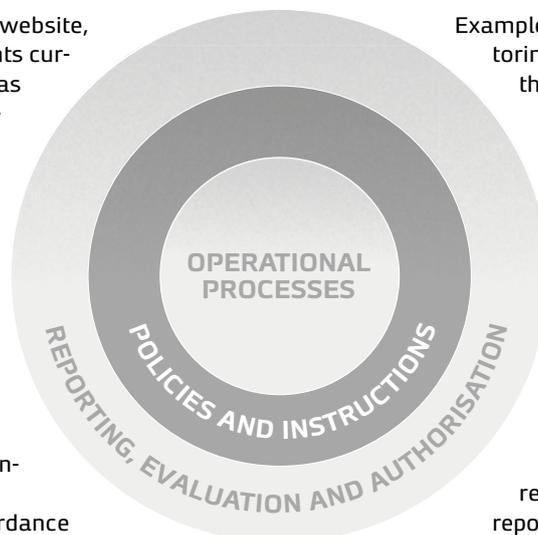


the entire financial year. Catena's website, www.catenafastigheter.se, presents current information on Catena, such as press releases and financial statements. Shareholders can download financial information from the Company via the website. This information can also be ordered directly from Catena by telephone or by 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 programs, 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.

In order 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 106, deviations from the Swedish Code of Corporate Governance.

Helsingborg, March 2019

Board of Directors



Contacts Gustaf Hermelin, Chairman of the Board
gustaf.hermelin@catenafastigheter.se



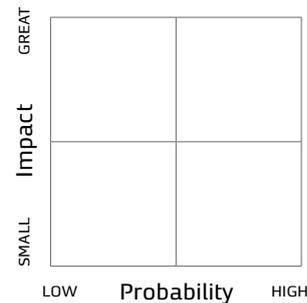
Risks and opportunities

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.

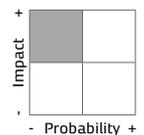
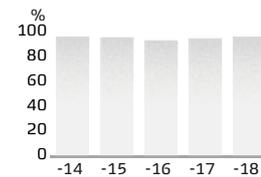
After a tenant vacates a property, there is a risk pertaining to the length of time that elapses before a new tenant is in place. The risk of substantial changes in vacancies and rental income increases in line with the number of individual major tenants a property company has.

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

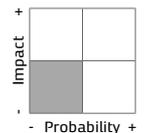
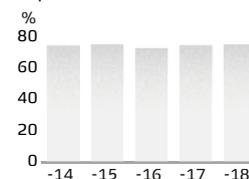
Earnings can be impacted if increases in operating and maintenance costs outpace growth in compensation to Catena in the form of contractual rents. Unforeseen and extensive renovation needs can also have an impact.

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

Surplus ratio



Over the last few years, no company in the Catena Group has had any significant insurance claim. The exception was 2014, when the Company suffered two fires, and 2016, when there was one fire. The insurance company compensated Catena for the damage.

RISK	MANAGEMENT	EXPOSURE	ASSESSMENT												
<p>Property management and portfolio, cont.</p> <p>Increased ground rent Ground rents for leaseholds are renegotiated periodically. In each renegotiation, there is no guarantee that the ground rent for the leasehold will not increase, which can negatively impact Catena's earnings.</p>	<p>Catena has freehold ownership of most of its properties. Increases in ground rents are generally offset through indexation in the lease contract or through renegotiation of the lease.</p>	<p>Proportion of freehold properties</p> <table border="1"> <caption>Proportion of freehold properties</caption> <thead> <tr> <th>Year</th> <th>Proportion (%)</th> </tr> </thead> <tbody> <tr> <td>-14</td> <td>80</td> </tr> <tr> <td>-15</td> <td>82</td> </tr> <tr> <td>-16</td> <td>85</td> </tr> <tr> <td>-17</td> <td>88</td> </tr> <tr> <td>-18</td> <td>85</td> </tr> </tbody> </table>	Year	Proportion (%)	-14	80	-15	82	-16	85	-17	88	-18	85	
Year	Proportion (%)														
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<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>Transactions and investments</p> <p>Acquisitions Catena acquires some properties in the form of companies. In 2018, four 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.</p>	<p>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.</p>														
<p>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 three properties being divested during the year at a value of SEK 46.5 million.</p>	<p>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.</p>														
<p>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).</p>	<p>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.</p>	<p>Investments in project development</p> <table border="1"> <caption>Investments in project development</caption> <thead> <tr> <th>Year</th> <th>Investment (SEK M)</th> </tr> </thead> <tbody> <tr> <td>-14</td> <td>150</td> </tr> <tr> <td>-15</td> <td>100</td> </tr> <tr> <td>-16</td> <td>500</td> </tr> <tr> <td>-17</td> <td>450</td> </tr> <tr> <td>-18</td> <td>650</td> </tr> </tbody> </table>	Year	Investment (SEK M)	-14	150	-15	100	-16	500	-17	450	-18	650	
Year	Investment (SEK M)														
-14	150														
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-16	500														
-17	450														
-18	650														
<p>Employees</p> <p>Personal injury Catena could, through negligence for example, cause personal injury. This also includes psychosocial harm/issues.</p>	<p>Risks of personal injury are handled via procedures in Catena's work environment policy. For contractors and consultants, construction and liability insurance exists.</p>	<p><i>Over the past few years, no company in the Catena Group has incurred any significant personal injuries.</i></p>													

RISK	MANAGEMENT	EXPOSURE	ASSESSMENT
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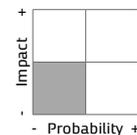
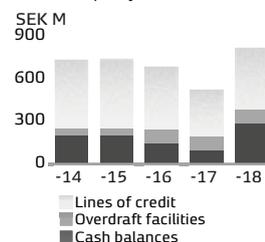
Financial risks, cont.

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 539.8 million and a cash balance of SEK 281.2 million.

Available liquidity



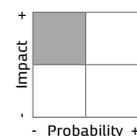
Refinancing

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 2018, existing loan frameworks entailed capital being tied up for a period of 1.4 years.

Capital tied-up

Year	Contract volume, SEK M	Utilised, SEK M	Unutilised, SEK M
2019	2,733.6	2,293.8	439.8
2020	3,772.8	3,772.8	-
2021	2,489.0	2,389.0	100.0
>2023	61.2	61.2	-
Total	9,056.6	8,516.8	539.8

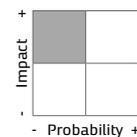
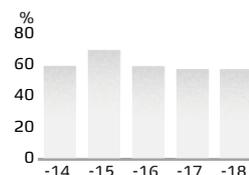


Loan-to-value ratio

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

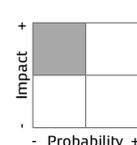
Catena's single largest cost item is interest, which can vary over time.

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 64 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, %
2019	3,145.2	1.4	36.9
2020	843.0	0.8	9.9
2021	762.7	4.9	8.9
2022	500.0	3.8	5.9
2023	500.0	3.2	5.9
2024	500.0	2.9	5.9
2025	1,122.0	3.8	13.2
2026	1,143.9	4.2	13.4
Total	8,516.8	2.7	100.0



1) Refers to the current average interest rate per 31 December 2018. The margin is distributed evenly across the fixed-interest period.

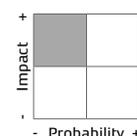
External, environmental and other risks

Economic cycle and impact on 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.

The shift in interest towards increased sustainability has been in progress for some time and is deepening as consumers' knowledge and society's requirements increase. The sustainability aspect encompasses both opportunities and challenges.

Catena performs continuous analyses and studies and performs active business intelligence to protect its interests and those of its customers.



Board



	Gustaf Hermelin	Tomas Andersson	Ingela Bendrot
Born	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 Södertälje Science Park.	
Terminated assignments	CEO and Board Member of Klövern 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 2018	1,562,400 shares via companies and related parties.	–	200 shares.
Dependent in relation to: the Company major shareholders	Yes Yes	No No	No No
Attendance at Board meetings	10/10	8/10	8/10
Attendance, audit committee			2/4
Attendance, remuneration committee			

Company management



	Benny Thögerson	Peter Andersson	Sofie Bennsten
Born	1966	1966	1969
Position	CEO	Deputy CEO and CFO	HR Manager
Employee since	15 November 2016.	1 October 2013.	1 October 2013.
Training	Halmstad University	M.Sc. in Business Administration.	Business Administration studies.
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 2018	1,600 shares.	500 shares.	200 shares.

Auditor's statement regarding the Corporate Governance Report

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

Assignments and responsibilities

The Board of Directors is responsible for the Corporate Governance Report for 2018 on pages 105-115 and for it being prepared in accordance with the Annual Accounts Act.

Focus and scope of the review

Our examination has been conducted in accordance with FAR's auditing standard RevU 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



Hélène Briggert	Bo Forsén	Henry Klotz	Katarina Wallin
1985	1948	1944	1970
Member	Member	Member	Member
2017	2012	2007	2013
Business administration studies, Lund University.	Business administration studies, Lund University.	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 (buys, sells and manages properties).	Board work.	Executive Chairman of CLS Holdings plc.	Strategy Consultant and Partner at Evidensgruppen.
Board Member of companies in the HEG Group.	Chairman of the Board of Scandinavian Resort AB. Board Member of Backahill AB.	Board Member of a large number of companies in the CLS Group.	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.	Deputy CEO of the Trelleborg Group. CEO of the Wihlborgs Group. Various board assignments	Chairman of the Board of COOD Investments AB. Board Member of 24 Media Network AB, Fielden House Investment Ltd and Note AB.	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.	1,000 shares via companies.	-	-
No	No	No	No
No	No	Yes	No
10/10	10/10	7/10	10/10
4/4		4/4	
	1/1	1/1	1/1



Jörgen Eriksson	Maths Carreman	Johan Franzén	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.
B. 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.
-	1,000 shares.	-	-

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

in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance report has been prepared. Disclosures in accordance with Chapter 6, Section 6, second paragraph, points 2-6 of the Annual Accounts Act and Chapter 7, Section 31, second paragraph of the same act are consistent

with the annual and consolidated accounts and are in accordance with the Annual Accounts Act.

Malmö, 20 March 2019
PricewaterhouseCoopers AB

Mats Åkerlund
Authorised Public Accountant