

ANNUAL REPORT 2023

# THE SUSTAINABLE LINK BETWEEN PROPERTY AND CAPITAL



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## SHARES AND SHAREHOLDERS

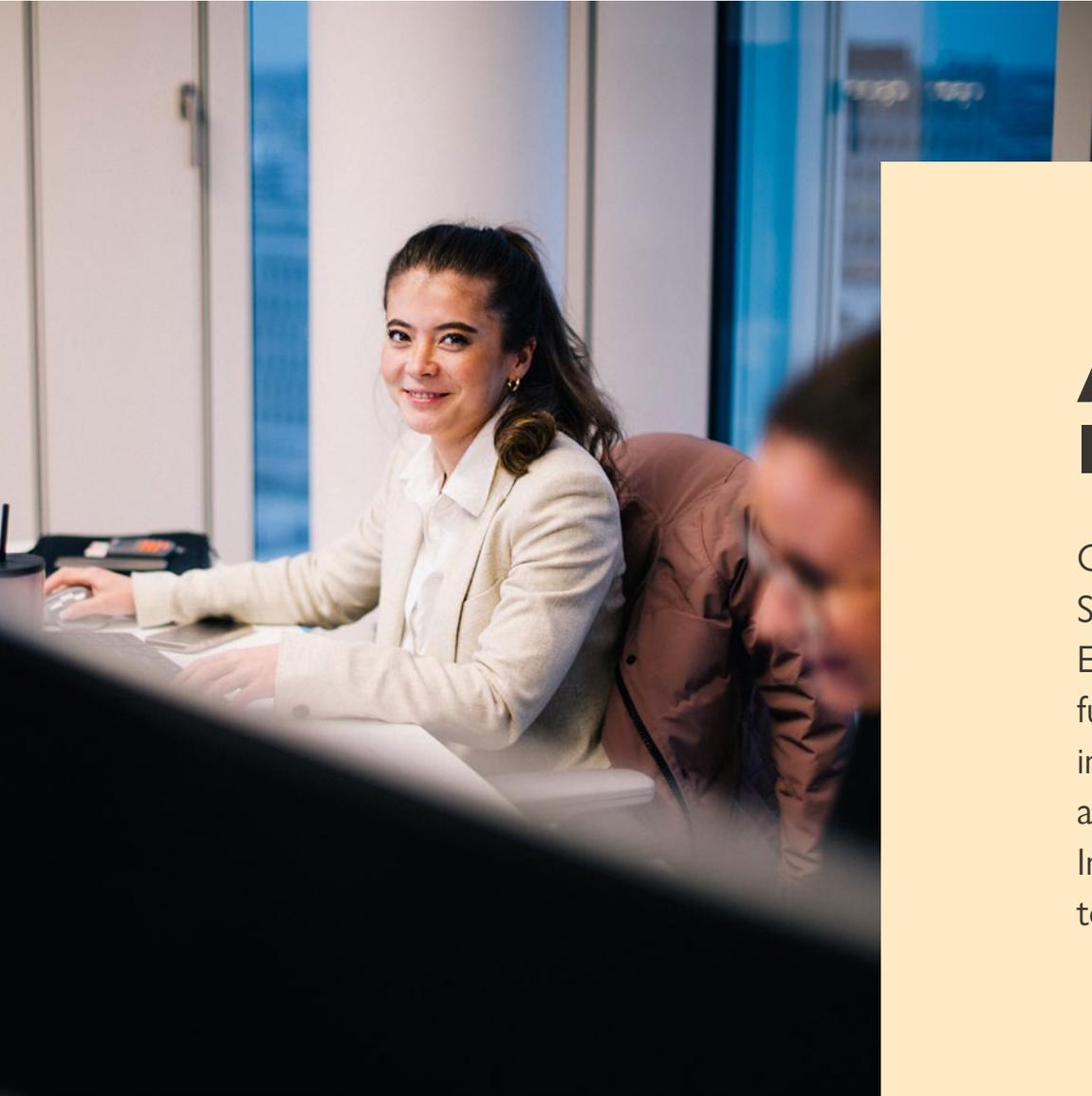
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## A SUSTAINABLE INVESTMENT PARTNER

Catella was founded in 1987 and the head office is located in Stockholm. With around 500 employees at over 25 offices in Europe, Catella offers professional advice, innovative property funds and management mandates, and completes proprietary investment projects. The business is run through three business areas: Corporate Finance, Investment Management and Principal Investments. Since 2020, Catella has shifted its strategic focus towards property.

## THE YEAR IN BRIEF

Catella operates in 12 countries and has a strong local presence with outstanding expertise on the markets in which the company does business. A majority of Catella's companies are part-owned by partners, which generates an entrepreneurial culture and profit-sharing incentives that correspond to Catella's overall financial targets. The organisational structure promotes synergies through collaboration within and between the business areas.

### Purpose →

**Adding value together**  
Combining entrepreneurial spirit with our European network and intelligence to deliver outstanding results for our clients

The structure provides an established platform where employees from different countries and business areas can exchange knowledge and client contacts, and coordinate activities. This enables Catella to create innovative offerings that attract both local and international investors. In 2023, Catella's sales totalled SEK 2.3 billion, with assets under management of SEK 152 billion and principal investments in development projects of SEK 1.7 billion at year-end.

### Events in the year

In 2023, Catella continued to deliver on the strategy adopted in 2020, which involves a sharp focus on properties and wider expansion in terms of our offering, property types and risk categories.

Investment Management returned continued growth on a weak market. Assets under management have increased more than fourfold since the foundation of this business area in 2015. During the year, Catella continued to develop attractive offerings in sustainable investments

### Market value

SEK Bn

# 2.9

As of 31 Dec. 2023  
-10.8% change on previous year

### Total income\*

SEK Bn

# 2.3

2023  
-11% change on previous year

### Number of full-time employees

# 512

2023  
-0% change on previous year

### Operating profit/loss\*

SEK M

# 145

2023  
-82% change on previous year

### Assets under management\*

SEK Bn

# 152

As of 31 Dec. 2023  
+8% change on previous year

## Our platform

A pan-European platform with a strong local presence in 12 countries and 25 cities



## Our expertise and our offering

- Focus on property investments in a broad range of risk classes
- Advanced advisory and capital market services
- A wide selection of active funds and management mandates with a sustainability focus
- Proprietary investments in development projects alongside partners



## How we create value for our customers

- A revenue model focused on the best interests and needs of the client
- Local teams with profound insight into each market
- Diversification through presence in different markets and a variety of products and assets
- Value chain based on capital, products and Group synergies
- Strategic investment of Catella's proprietary capital in development projects via Principal Investments

and mandates for green retrofitting. During the year, Catella completed the acquisition of Aquila Group, which contributed SEK 15 billion in assets under management and a management platform that provides synergies, in France and Group-wide. The acquisition also means that Catella is taking a step into the French private client market for savings in property funds, providing a new segment for access to capital.

In Principal Investments, Catella's proprietary investments totalled SEK 1.7 billion (1.2). Two development projects were completed and divested in the year, which contributed to the business area's profit of SEK 42 million. The business area continued to develop existing projects in the year. A majority of projects relate to investments in sustainable projects to satisfy demand resulting from under-supply in Europe. Just after year-end, Catella divested the final property in the partnership with Infrahubs, which has focused on developing modern logistics properties in Sweden. Since the start, the collaboration has generated SEK 225 million in profit after tax for Catella's shareholders. At year-end, the business area was engaged in ten development projects in six countries around Europe.

During the year, Corporate Finance continued to consolidate its strong market position in five countries, on a significantly weaker market. Compared to 2022, transaction volumes decreased by 46% which reduced business area operating profit by SEK 55 million to SEK -33 million.

- Launch of a new vision, purpose and values
- Re-vitalising Catella's internal network and the training platform Catella Academy
- New milestone of SEK 152 billion in assets under management
- Acquisition of Aquila Group, which establishes Catella on the French market for property funds and asset mandates

- Strengthened capital raisings organisation and development of next generation investment offering
- Divestments of development properties within Principal Investments and strong liquidity, which has enabled continued

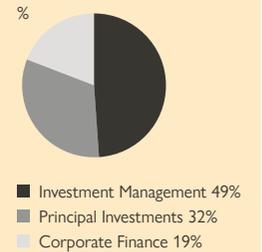
- investments in attractive development projects
- Profit before tax of SEK 42 million in a year with an exceptionally weak market climate



**Development of Assets under management**



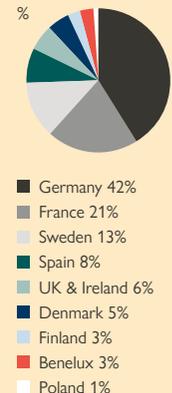
**Income distribution by Business Area**



**Development of operating profit and operating margin**



**Income by country**



CEO'S COMMENT

# STRENGTHENED POSITIONS ON EXISTING AND NEW MARKETS



Christoffer Abramson  
CEO and President

When summarizing 2023, I do so with cautious optimism for the future. Last year was characterized by a hesitant property market due to higher interest rates and increased geopolitical unrest, which contributed to reduced activity and higher required rates of return across Europe. The outlook brightened somewhat towards the end of the year as interest rate expectations fell and rents generally continued to rise, and our assessment is that most of the price adjustments are now probably behind us – although the precise timing of the turnaround remains uncertain. This suggests that the right conditions are in place for gradual market improvements from 2024 onwards, and thus also for us as a leading European operator. During the year, we continued to develop Catella and strengthen our position as a leading pan-European property manager, investor and advisor. The acquisition of Aquila Group of France was an important step in this direction.

The hesitant property market and growing economic uncertainty during 2023 resulted in significantly lower transaction volumes and higher required rates of return. Transaction volumes on the European property market fell by as much as 53 percent in 2023 in year-on-year terms, and are down 61 percent since the peak at the end of 2021. We need to go as far back as the global financial crisis of 2008/09 to see similar levels.

Naturally, market developments have affected us too, particularly the business areas Corporate Finance and Investment

Management. Although Catella's financial performance in 2023 was not as expected, we consider it a relative sign of strength that assets under management and fixed income increased, while we continued to generate strong liquidity and a solid investment portfolio, despite the weak market conditions. Now that both inflation and interest rates are starting to stabilise and then head down, the conditions are right for gradually increasing transaction activity over the coming year, which will benefit Catella, alongside continued opportunities to invest at new price levels.

### **Catella continues to strengthen position on European property market**

In 2023, we continued to develop the operations in line with our overarching growth strategy of building a strong pan-European platform that supports growth, profitability and increased synergies. This includes actively strengthening our position within our three business areas – Corporate Finance, Investment Management and Principal Investments – which operate in twelve European countries. As an organisation, we need to continuously adapt to changing markets and strengthen our position in areas where growth opportunities exist, while also ensuring an attractive offering, the right competencies and a relevant market presence. At the same time, we need to maintain a sharp focus on efficiency and costs throughout all cycles.

In 2023, the acquisition of Aquila Group in France was an important step on our growth journey. The acquisition complements our strong operations in Corporate Finance in France, and contributes to strengthening our pan-European offering. Aquila Asset Management is one of France's largest independent property managers, with over EUR 1.4 billion in assets under management. The acquisition was also strategically significant as, through Axipt Real Estate Partners, one of two legs within the Aquila Group, it established us in a new important segment in the market for private capital just as new funds are most attractive due to higher required rates of return. During the year, we established a Group-wide function for capital raising through the recruitment of a Head of Capital Raising. The recruitment creates a total offering aimed at attracting global customers and capital, and thus expanding our investor base. We now have an experienced and competent team in London which, in close collaboration with local experts, can design tailor-made strategies for property investors globally. This is an excellent example of how we benefit from our strong entrepreneurial culture and local presence in terms of our institutional pan-European offerings.

At the same time as we are advancing on attractive parts of the market, the changed market climate has led us to adapt other parts of the organisation. In order to ensure good cost control and efficiency, we have been required to reduce headcount by some 30 roles. Most of these

positions were terminated through natural attrition, or because previous positions were not replaced, but also as a result of an element of restructuring which incurred non-recurring costs of SEK 10 million in 2023. This kind of measure is always challenging for any organisation, but nevertheless necessary for long-term profitability.

Our shared culture lies close to my heart, and in 2023 we focused sharply on launching an updated Group-wide vision, purpose and values. It is critical for our continued growth that we move forward together and that each employee understands their role in ensuring our success – this is perhaps best put in combination with two of our core values: Winning Together and Entrepreneurial Spirit. Our updated vision better reflects the Catella today, after our organisational refocus: "Your sustainable investment partner – together building the link between property and capital".

### Continued ESG focus for sustainable growth

In recent years, we have accelerated our ESG work and taken further steps in the area of sustainability. The property sector and capital markets both have a significant responsibility to work towards sustainable development. For us, sustainability is a strategic priority that contributes to prepare society for future generations, but also to future-proofing our business and long-term growth. In order to further communicate this we have included it in

our vision, which now clearly signals what our customers can expect from us, and what we ourselves are striving for.

During the year, we continued to integrate sustainability throughout the organisation, where the highest priority was developing a product offering with a clear sustainability profile for our investors. Interest in sustainable investment remains high on the agenda, and sustainability aspects are a key feature of all our customer dialogues. We are developing a number of exciting projects from a social and environmental sustainability perspective, such as energy positive residential properties Gramercy Tower, Green Point in Copenhagen and the conversion of offices into housing outside Amsterdam, described in more detail in the Annual Report.

From a compliance perspective, the EU-directives are being tightened further and we are making preparations ahead of the new guidelines for listed companies, Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS). In 2023, we carried out a preparatory analysis that showed that we already satisfy several requirements, and have a good foundation for continued implementation of the new standards. In 2024, we are continuing the preparations and carrying out a double materiality analysis in order to identify risks and prioritise measures going forward.

### Growth in assets under management

In Investment Management, we continued to make advances and recorded good

underlying growth despite a weaker market climate. In 2023, assets under management increased by SEK 12 billion to SEK 152 billion, mainly driven by the capital inflow from the acquisition of Aquila Group, but also net inflows in other areas of the operations towards the end of the year. Since the foundation of the business area in 2015, assets under management have increased more than fourfold, with annual average growth of approximately 20 percent. This is largely because we have continued to develop an attractive fund offering and management mandates in sustainable investments, at the same time as delivering strong returns for our investors.

2023 was characterized by a hesitant transaction market and reduced investment appetite, which contributed to lower income and profit for Investment Management than the year before. This was mainly due to lower variable fees and some very positive performance-based income in 2022. Divestments in 2022 also provided excellent liquidity in several funds which, given the current market conditions, is extremely important both for operations and investments in a new market cycle. Even if profit growth has temporarily slowed as a result of more challenging market conditions, we continue to strengthen the underlying business and ensuring the conditions for future income and profit growth.

By offering property funds as well as management and development of properties through mandates, we have established a broad offering that can

withstand a range of market conditions and business cycles. The strong interest in products with a sustainability profile seen in recent years has increased further, and the gap between prime assets with a strong sustainability focus and other areas of the property market is widening, most clearly in the office premises segment to date. It is also clear that industrial and logistics properties have recovered faster in Europe compared to elsewhere as a result of changed supply chain management, e.g. nearshoring. In the residential segment, the gap between supply and demand for affordable and sustainable housing continues to widen. We believe that this is a major and growing problem in Europe that will require a sharp focus from private operators as well as political decisions. The limited supply, few development projects on the market, and stabilised construction costs create promising opportunities for Catella. Our strength lies in our local competencies and project management capacity, which pave the way for launching new products that meet these needs.

### Proprietary investments create long-term value

The core of Principal Investments is to identify opportunistic investments and to drive projects that generate high value growth alongside partners and external investors. The aim is projects that generate total returns which on average exceed 20 percent, while creating strategic advantages for Catella's other business areas, mainly in the form of new management mandates. The



We noted that the strong interest in products with a sustainability profile seen in recent years has increased further

collaboration with Investment Management and its existing and new investment partners through diversified co-investments in Catella's product strategies is set to become an increasingly important part of Principal Investments' strategy.

Against the background of the uncertain market conditions that characterized last year, we have chosen to optimize the pace of our projects where there is flexibility, and to focus on strengthening liquidity in the near future. We currently enjoy very good liquidity and preparedness for investing in existing and new projects, at the same time as demand is strong for development and conversion of properties in order to satisfy increased demands on energy performance and sustainability. In 2024, we expect several of the ongoing projects to be divested, raising further liquidity. We continuously evaluate new investment opportunities considered to have potential to satisfy our required rate of return and that can lead to new management mandates, which means that 2024 will be a promising year.

### Hesitant transaction market

Last year was characterized by a hesitant market with significantly fewer property transactions, which resulted in lower income for the Corporate Finance business area. We have focused our offering for advanced advisory services in property transactions to five countries. Catella has a strong local presence on these markets, while also offering European scope for all property-related transactions for different categories of property owner and investor. 2023 as a whole was a weak year for Corporate Finance. Towards the end of the year, we saw some glimmers of light in the form of a stronger position on the Finnish, French and Spanish markets, even if we are still a long way off normalised levels. We are seeing growing demand for advanced capital advisory services in connection with complex restructuring, an area where we have extended our scope and participated in several major transactions in the year. I would like to highlight our role as advisor to DNB in connection with the largest property transaction in Sweden in 2023, as well as our participation in the refinancing of the Blackstone-owned Kereby portfolio. This transaction was one of the largest in the Nordics in 2023. During the year, we also strengthened our Nordic organisation further through the recruitment of a new CEO of Corporate Finance in Sweden. This further increases the scope for developing our advanced capital advisory services in partnership with Investment Management.

### Priorities going forward

Looking ahead, our focus is on continuing Catella's development in various parts of the European property market, thus improving our prospects of achieving profitable growth in the coming years. We have previously identified four strategic areas to guide this work:

*1. Increasing the supply of products with a clear sustainability profile*

We shall continuously develop our offering with the aim of having a direct positive impact on the environment and society

*2. Broaden and adapt our product offerings*

We shall offer and launch strategies, mandates and services adapted to prevailing market conditions and investors in different economic climates.

*3. Strengthen synergies and develop pan-European investment strategies*

We shall utilize Catella's unique position with a broad presence and local expertise in Europe to offer investors attractive risk-adjusted returns.

*4. Strong financial position enables new business and expansion*

We selectively evaluate strategic investments that contribute to our growth and profitability.

### Catella is prepared for the future

When summarizing 2023, we can conclude that it was a historically weak year for the European property sector as a

whole. The changed economic conditions, with rising inflation and interest rates, contributed to a hesitant market. It is pleasing that, despite challenging conditions, we are continuing to strengthen our position as a leading pan-European property sector operator.

We are now looking to the future, as outlined above, with cautious optimism. We have a strong financial position, continuously launch new products based on a changed market, and will continue to reinvest in long-term value creation in 2024.

Catella's success is based on a unique combination of entrepreneurial spirit, strong local presence and expertise on a pan-European platform, and access to capital.

I am confident that with even clearer direction and vision, we will expand in the markets where we want to grow to deliver an even more diversified product offering, with increased profitability through intra-Group synergies.

To conclude, I would like to thank all of Catella's employees, and all our customers and shareholders for their continued confidence in the year. I look forward

to continuing our growth journey by creating new business opportunities and investments that contribute to long-term value creation that benefits customers, shareholders and society alike.

Christoffer Abramson  
CEO and President  
Stockholm, Sweden, 11 April 2024



## STRATEGY

# A SUSTAINABLE LINK

Since the start in 1987, Catella's strategy has been rooted in providing a broad range of services. The company offers advisory services for acquisitions and divestments, in combination with strong property funds and management mandates for investors within a broad spectrum of asset classes on all important European markets.

**S**ince 2020, Catella has shifted its strategic focus towards the property sector. Within the framework of this transformation, the scope of operations has been broadened by utilising Group equity. Catella creates returns, new collaborations and synergies in the Group through principal investments, co-investments with partners and direct investments. The Company's unique competencies and expertise in property management generate high risk-adjusted returns for the Company and its partners. For Catella's part, this entails limited capital risks combined with active development initiatives alongside partners.

### **Increased focus on value creation and opportunistic investment**

The last few years' market uncertainty has increased the potential for investments in development projects and opportunistic investments, which creates value over time. Catella can attract more international capital by gradually sharpening its focus on value-adding and opportunistic investments, and expanding the business in three dimensions: geographical markets, property types and risk categories.

## STRATEGY

Since the start more than 35 years ago, Catella has sought to be a natural and sustainable link between the property market and capital markets.

## BUSINESS MODEL

The business model is based on the capacity of the organisation to translate deep expertise into relevant advisory services that create value and economic growth by investing Catella's own and others' capital in property.

## VISION

Your sustainable investment partner – together building the link between property and capital

## PURPOSE

Adding value together – combining entrepreneurial spirit with our European network and intelligence to deliver outstanding results for our clients

## OUR VALUES

Winning Together  
Entrepreneurial Spirit  
Value Creation  
Empowerment  
Future-Focused

STRATEGY

# CATELLA ALIGNMENT – A STRATEGIC STEP FOR SUSTAINABLE GROWTH

In 2023, Catella utilised a hesitant market to adapt its values with the aim of strengthening the company from within. In recent years, Catella has undergone a major transformation. The shift towards a clear property focus has entailed investments, while the journey also involved difficult decisions relating to liquidations and divestments.

On this basis, and in order to facilitate the focusing of Catella into the company that it is today, and to continue to build on a sustainable foundation ahead of the

future, a large part of 2023 was dedicated to establishing Catella's updated vision, purpose and values – Catella Alignment.

Catella has a unique market position. Through local expertise on a pan-European platform, the company provides tailor-made solutions and advanced advisory services in property investments. Our customers trust us to deliver innovative, high-quality solutions and advisory services for their specific needs. This makes it even more important to clearly communicate our unique offering and values, both internally and externally.



Catella's ambition is to create conditions where perspectives can be exchanged and networking take place, regardless of role in the company.

The core of Catella's DNA lies in its strong entrepreneurial culture. In an accelerating market environment, and as a natural part of Catella's change process, the company has developed new strategies to further enhance the Group's unique synergies. Based on our strong entrepreneurship and local market expertise, the sharpened focus has enabled growth in terms of geographical expansion and asset classes.

Catella has more than 500 employees in 12 European countries. By utilising the overall intelligence and assets under management across national borders, we

create the conditions for exploring the opportunities and underlying values that exist in the company in order to ensure real long-term value creation for continued growth.

The initiative Catella Alignment emerged within this framework. A synchronised organisation creates even more opportunities to deliver results and add value for our customers and stakeholders. Catella wants all its employees to feel that they are part of something greater, and to really understand the value of the overall competencies and strengths present in

the company. The best ideas and solutions arise when the members of our teams work together. Together, we create even better prospects for success and future-proof Catella.

## STRATEGY

### Catella Academy

Investing in employee development is a key factor for Catella's continued success and growth. Accordingly, Catella has provided the networking and training platform Catella Academy for several years. Catella's transformation process included the opportunity to coordinate a renewed networking platform based on values and synergies. The aim of the platform is to nurture a shared culture, while providing staff with opportunities for personal development and for creating value within the organisation. From a social perspective, the platform is important for our talent management and our ability to attract, develop and retain employees, which ensures the success of individuals and the company alike.

In May 2023, we hosted the first updated Catella Academy in Stockholm, Sweden. Over four days, we gathered together more than 60 participants in two overlapping groups for training and competence development. In parallel with hosting the Academy, we also held the spring MD meeting with some 40 members of management and Heads of local Group companies. In total, 100 people took part in the launch of Catella Alignment, which was also the key theme.

During the launch of the updated platform in 2023, we also hosted another Academy in Paris, France, in November, combined with the autumn MD meeting. Catella's ambition is to create conditions where perspectives can be exchanged and networking take place, regardless of role in the company. This creates an open culture where ideas are actively exchanged silos broken down, in accordance with our value Winning Together.



### Catella Alignment tour

As a natural part of the work of setting out Catella's updated vision, purpose and renewed values, Group HR travelled to most of our European offices to present the background to the initiative and discuss the significance of Catella Alignment. In order

to achieve real change, understanding and commitment from all parts of the organisation needs to be ensured. In 2023, we laid the foundation for this and the implementation of the work, and took further steps to ensure that Catella Alignment remains a top priority in all of Catella's future processes as a sustainable employer.

#### OUR VALUES



Winning Together



Entrepreneurial Spirit



Value Creation



Empowerment



Future-focused

## OUR VALUE CHAIN

# OUR VALUE CHAIN

Catella's organisational structure has been designed to achieve direct synergies through expanded collaboration within and between the three business areas Investment Management, Principal Investments and Corporate Finance.



**B**y creating platforms where employees from different countries and business areas can exchange knowledge, create new business opportunities, and coordinate activities and customer contacts, Catella creates offerings for local and international investors.

### Investment Management

Catella is a specialist in property investment management with a presence on ten geographical markets in Europe. We offer institutional and other professional investors attractive, risk-adjusted return through regulated property funds and asset management services through two service areas: Property Funds and Asset Management. Property Funds offers specialised funds with various investment strategies in terms of risk and return, type of property and location. Through over 20 open specialised property funds, investors gain access to fund management and efficient allocation between different European markets. Catella's Asset Management business area provides asset management services to property funds, other institutions and family offices. Catella creates value in all phases of the process – from identifying and acquiring projects to financing, strategic management and, finally, divestment.

### Principal Investments

Through Principal Investments, Catella carries out principal property investments together with partners and external

investors. Catella currently invests in offices, residential units and logistics properties on six geographical markets in Europe. The business area invests through three strategic approaches: Development partnerships, co-investments alongside customers and direct investments through subsidiaries. The value chain stretches through these partnerships and investments to entrepreneurs who create the assets, and onwards to suppliers of construction materials and services.

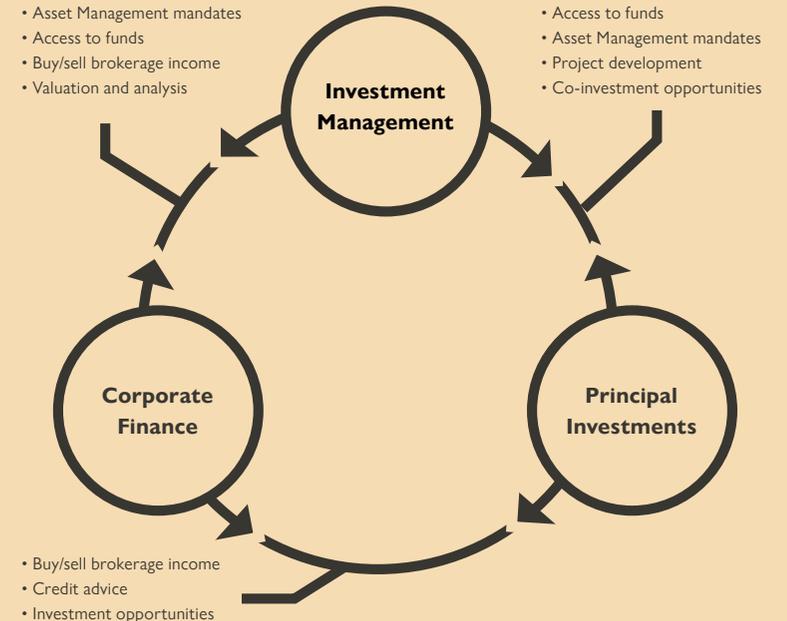
### Corporate Finance

Catella provides complex capital markets services to property owners and advisory services for all types of property-related transactions to various categories of property owners and investors. Corporate Finance offers property companies, financial institutions, property funds and other property owners strategic advice, capital markets-related services and advanced transaction advice. Operations are carried out on five markets and offer local expertise about the property markets in combination with European reach.

### Our synergies

- Asset Management mandates
- Access to funds
- Buy/sell brokerage income
- Valuation and analysis

- Access to funds
- Asset Management mandates
- Project development
- Co-investment opportunities



- Buy/sell brokerage income
- Credit advice
- Investment opportunities



## OPERATIONS AND MARKET

Catella is in prime position to create new opportunities on the European alternative investments market. Our business areas Corporate Finance, Property Investment Management and Principal Investments enable this. Over the years, Catella has built a stable European platform for continued strong growth in advisory services, asset and property management and principal investments.

## CORPORATE FINANCE

# A CALMER YEAR ON THE EUROPEAN TRANSACTION MARKET

Catella is a leading transaction advisor in the European property sector. The company is distinguished by offering qualified advisory services based on strong local market knowledge and a pan-European platform.

Catella Corporate Finance provides high-quality capital market services and creative strategic advisory services, specialising in large, complex transactions. The local teams' expertise and knowledge of their respective markets coupled with pan-European reach make Corporate Finance a highly appreciated transaction advisor.

## Progress in the year

During the year, our main focus has been on continuing to develop and extend our service offering within capital raisings, where our expertise has been in demand on an otherwise hesitant market.

We have also focused on strengthening local teams, succession planning and ensuring growth on the business area's

five national markets. Catella acted as advisor for property transactions worth a total of SEK 24 billion (45) in 2023. Total income for the year was SEK 445 million (542), with operating profit of SEK -33 million (22).

Catella's broad competencies in transaction advice and capital raisings secured several large mandates in debt financing and management of non-performing assets.

## Subdued transaction market

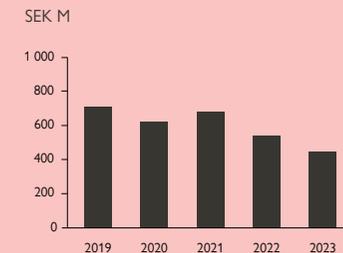
Transaction volumes decreased further in 2023 compared to 2022, reaching levels not seen since the global financial crisis 2008/09. The main underlying reasons are continued uncertainty relating to inflation and associated future funding costs.



## Profit development in summary

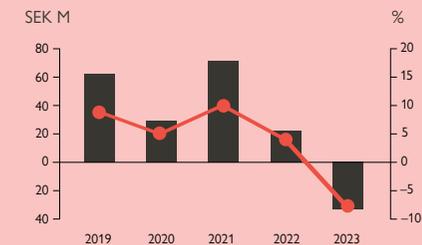
SEK M	2023	2022
Total income	445	542
Direct assignment costs and commission	-101	-78
Operating expenses	-377	-442
Operating profit	-33	22

## Progress total income



■ Income, SEK M

## Development of operating profit and operating margin



■ Operating profit/loss, SEK M

● Operating margin, %

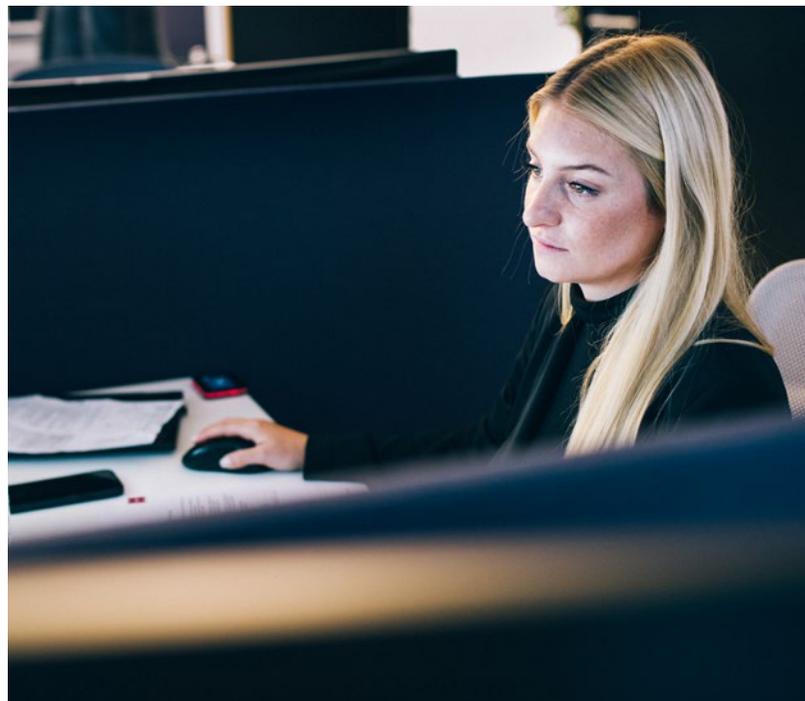
Consumer prices continued to rise at the start of the year, leading to interest rate hikes from Central Banks. In the second half of the year, inflation and interest rate expectations slowed, which brightened the prospects on the transaction market slightly, initially through more extensive and complex restructuring.

Total transaction volumes fell by approximately 53 percent, from EUR 285 billion to EUR 133 billion. In comparison, transaction volumes totalled EUR 343 billion in the record year 2021.

As the market outlook stabilises, and the gap between buyer and seller price expectations narrows, we expect the market to recover in 2024.

#### Forward-looking focus

With a strong offering and market position across all markets, Corporate Finance is in a good position to outgrow the market as it recovers. In addition, as a part of the Catella Group, the business area enjoys further potential for capitalising on synergies with other business areas as an in-demand internal advisor.



#### CASE

## Refinancing of Kereby

**C**atella Corporate Finance Denmark acted as advisor to a syndicate of lenders in connection with the refinancing of a new 5-year DKK 1.5 billion loan facility for Kereby, a portfolio company owned by Blackstone.

The loan facility was provided by Macquarie Capital and Viga RE Management. This was part of a broader refinancing totalling DKK 6.8 billion of the Kereby portfolio, comprising 154 apartments located in central Copenhagen.

The assignment provides a good example of Corporate Finance's successful broadening of its offering to satisfy increased demand for advanced capital advisory services. The growth of complex transactions for investors and owners, including a need for long-term debt and equity solutions, is becoming increasingly important and requires tailor-made solutions. Based on lengthy experience of and extensive expertise in international debt capital markets, Corporate Finance secures well-balanced solutions for investors and financiers through all economic cycles. ■



## INVESTMENT MANAGEMENT

# ACTIVE MANAGEMENT FOR ATTRACTIVE RETURNS

The Investment Management business area offers attractive, risk-weighted returns through property funds, as well as through property management and development via mandates.

**2023** was a subdued year for Investment Management, driven by an extremely quiet transaction market and a significant gap between buyer and seller price expectations. Despite low transaction activity, the business area continued to return growth and generate capital inflows. Over the past eight years, the business area's assets under management increased by approximately 20 percent annually, totalling close to SEK 152 billion at year-end.

Property Funds' assets under management increased slightly to SEK 107 billion (106). Once more, the highest capital inflow was seen in Catella's offering of funds with a clear sustainability profile. Interest remained strong in funds with

a clear sustainability focus, and it is in this type of investment that Catella has seen the highest capital inflow in recent years. Continuing to develop this type of product is also in line with Catella's goal and continued journey towards becoming a leading sustainable partner and the link between properties and capital.

### Stability through economic cycles

By offering property funds, as well as management and property development through mandates, Catella maintains a broad offering through the various phases of an economic cycle. When the economy is buoyant, there is a strong interest in investing in property funds, whereas in times of decline and uncertainty there is

The operations in Investment Management comprise two service areas:

Property Funds offers competitive, high-performing funds with different investment strategies in terms of risk and return, types of asset and geographical market.

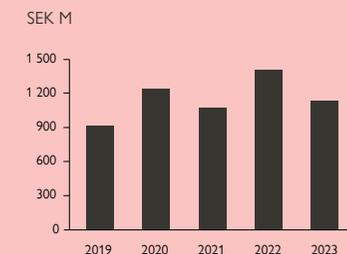
Asset Management offers new alternative investment opportunities and management in the property segment with services throughout the value chain.



### Profit development in summary

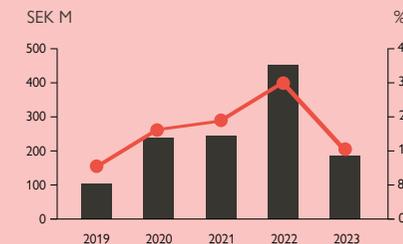
SEK M	2023	2022
Total income	1,138	1,408
Direct assignment costs and commission	-171	-166
Operating expenses	-782	-785
Operating profit	186	451

### Progress total income



■ Income, SEK M

### Development of operating profit and operating margin



■ Operating profit/loss, SEK M  
● Operating margin, %

keen interest in opportunistic investments and repositioning of properties through mandates. Due to its breadth, Catella can focus on different investor segments depending on the situation in the property market in question. In 2023, demand was higher for services in management and refinancing of underperforming assets, which also elicited mandates from 2024 onwards.

Growth in Asset Management's AUM was mainly derived from the acquisition of Aquila Group.

#### Forward-looking focus

With a broader offering in property funds, Catella can increase growth further with new products targeted at a larger investor base. New products are based on funds aimed at generating added value through property development, known as value-add investments, or opportunistic investments. Moreover, strong focus will

continue to be given to developing existing funds with a sustainability profile and launching new ones.

The business area also develops new strategies for meeting current market demand. One example is the launch of new funds and mandates focused on retrofitting older properties to make them more energy-efficient and sustainable,

Other investment strategies include investing in underperforming development projects in attractive locations with high potential return. On a market with high demand for sustainable and affordable housing, while new construction has simultaneously largely ground to a halt, Catella has an important role to play for fund investors, shareholders and society as a whole. In addition, the work to expand internal collaboration and capitalise on synergies continues, for example by an increased proportion of Property Funds' assets being managed by Property Asset Management.



#### CASE

## Green Point

There is a substantial shortage of rental apartments on the European housing market at the same time as demand for sustainable and affordable housing is increasing. Housing development represents a key strategic focus for Catella, particularly in the light of limited supply, stabilised construction costs, and halted development projects. A double focus on environmental and social needs in urban areas has long-term benefits for the environment, society, property development and investors.

One example of this is provided by the development of Green Point. 10 km outside of central Copenhagen, Catella Investment Management Denmark is currently developing a neighbourhood of 445 high-quality affordable rental apartments co-invested by Catella Principal Investments.

Green Point was awarded Platinum certification DGNB by Green Building Council, the highest rating and the first of its kind for a rental property in Copenhagen. The area is next to an existing underground station and a new tramline station.

Green Point focuses on the exterior environment and green spaces.

For example, the development has 10,000 square meters of green spaces that include a shared kitchen garden and greenhouses, while garage parking has been located underground.

Great emphasis has been placed on the social aspect of the development, supported by a range of spaces dedicated to socialising and associated functions, such as an activity hub for remote working, cooking and dining together, and shared external spaces and roof terraces.

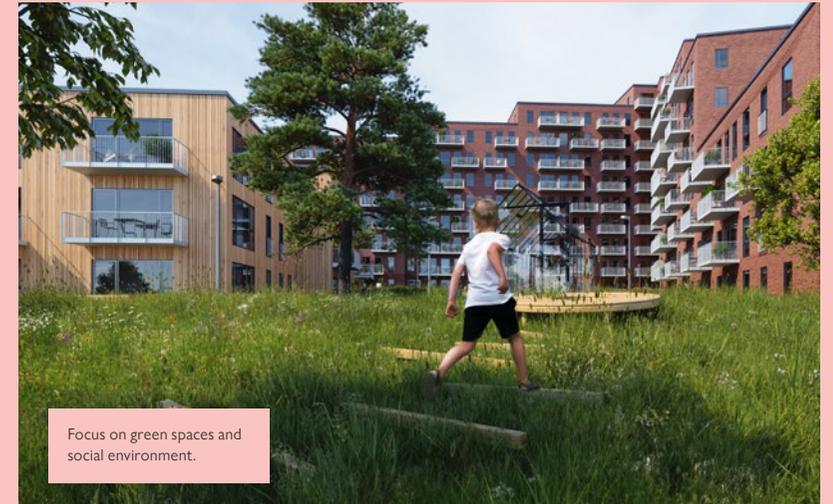
The apartments have wooden floors, underfloor heating, and access to a digital butler. The quarter also provides services such as bicycle wash, charging stations for

electric vehicles and a car-pool service accessible from the development's garage.

In addition to DGNB certification, the property was Denmark's first to be awarded WiredScore Platinum certification. The award recognises optimum broadband connection.

The first of six construction phases began in 2021, and the first letting phase started in December 2023.

Green Point is an excellent example of Catella's integration of ESG throughout the property development chain, combined with the company's expertise in project management, acquisitions, planning, construction, letting and, ultimately, sales.



## PRINCIPAL INVESTMENTS

# EQUITY CREATES SYNERGIES

Through the Principal Investments business area, Catella invests its own capital. The aim of the investments is to generate an average internal rate of return (IRR) of 20 percent. Principal investments also generate strategic advantages and promote development in Catella's other business areas.

**C**atella's proprietary investments within Principal Investments increased by SEK 0.5 billion on the previous year, totalling SEK 1.7 billion. During the year, development of existing projects continued according to plan, albeit at a slower pace. Just after the end of the year, Principal Investments divested the final property under the Infrahubs partnership. Since the start, the partnership has generated SEK 225 million in profit after tax for Catella's shareholders, with most assets divested before the start of the market downturn.

As a result of a cautious market climate, the number of projects (10) remained unchanged. The development projects comprise residential properties,

office properties and logistics properties in six European countries. Catella's Principal Investments take place through three strategies:

### Partnerships

Through partnerships, where Catella invests as a minority owner in joint ventures. These investments are made to create and build modern, sustainable properties that meet the demands and needs of the tenants and investors of tomorrow.

### Examples of projects:

- A new neighbourhood with housing, hotel and office premises outside Düsseldorf.

### Development projects

# 10

as of 31 Dec. 2023

### Principal investments

SEK Bn

# 1.7

As of 31 Dec. 2023

An increase of SEK 0.5 billion compared to 2022

### European countries where Catella has invested

# 6

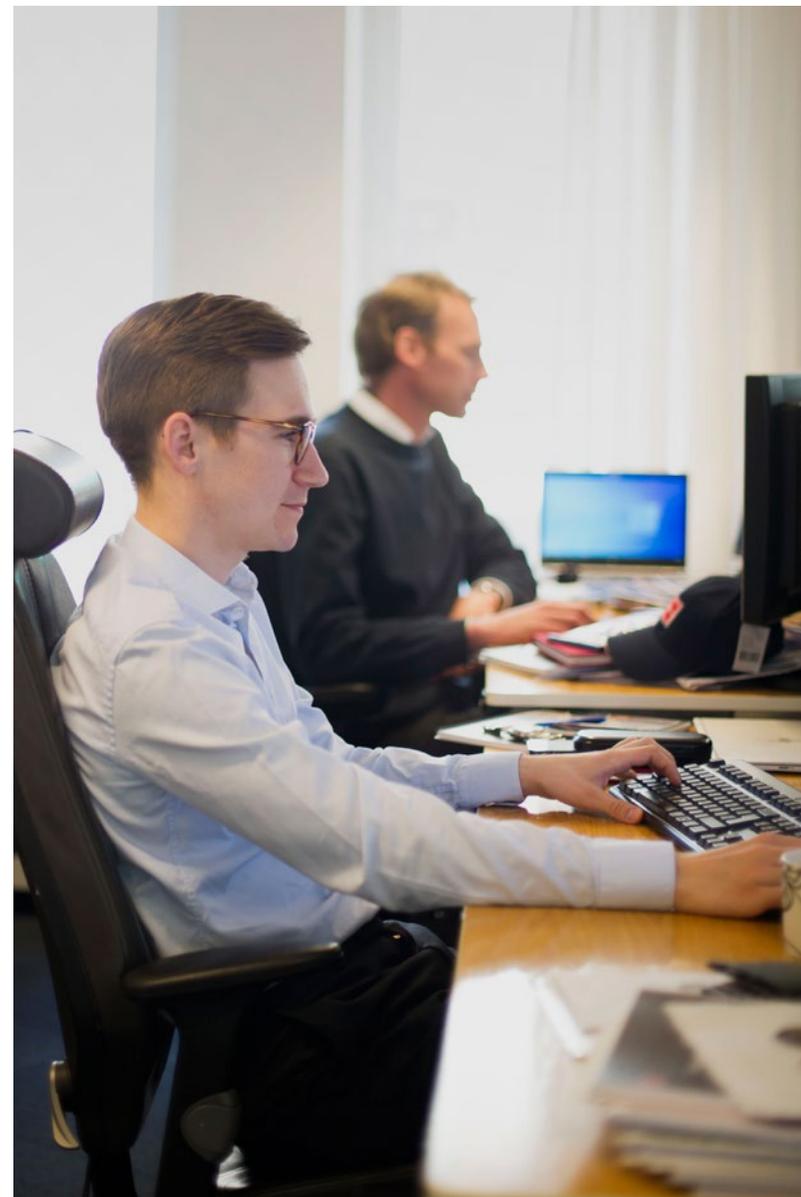
as of 31 Dec. 2023

- Rebuilding of an iconic skyscraper with a clear focus on energy-efficiency and contributing to urban sustainability in central Düsseldorf.

### Direct investments

Catella also makes direct investments and thereby takes on a majority share of the total investment cost. At the end of the year, Catella had made direct investments in three development projects:

- Kaktus Towers is being completed in one of Copenhagen's most development-intensive neighbourhoods as part of the larger urban development plan for Kalvebod Brygge. The first tenants moved into the two towers in the autumn of 2022. The housing



concept is aimed at young professionals requiring space-efficient housing with shared social spaces such as kitchen areas, lounges and workspaces. The project will be completed in 2024, when the final business operations are expected to take up occupancy in the property. In parallel with completion, this unique object will then be marketed for sale. Catella Asset Management in Denmark is responsible for the property development.

- The Maltings in Salisbury, UK, where Catella sees strong potential for developing housing and business activity. Catella APAM in the UK is responsible for development.
- The shopping centre the Mander Centre in Wolverhampton, UK. Catella perceives major opportunities for repositioning, which will add value to the property. Catella APAM is responsible for the property development here too.

### Co-investments and investments in funds

The aim of these investments is to invest a smaller proportion of a new corporate, fund or development project's initial capital requirement. By supporting investments at an early stage, Catella demonstrates that we believe in the project and that we are willing to share in the risk alongside other investors, thus also benefiting from the upside. At the same time,

investments alongside external investors also enable management mandates and growth in new funds and investment strategies pursued by Catella. At year-end, Principal Investments had invested SEK 299 million in the following co-investments and investments in funds:

- SEK 14 million in the development of industrial properties in Denmark with Catella Asset Management Denmark as project manager.
- SEK 10 million in the development of a Finnish industrial property with Catella Asset Management Finland as project manager.

### Forward-looking focus

In an uncertain market, opportunities may arise to invest in projects that generate value in the long term. There is strong demand for the development and green retrofitting of properties with more demanding requirements for energy performance and sustainability. Going forward, Principal Investments will focus on identifying these opportunities and investing Catella's equity in projects that meet the Company's profitability goals and generate other income, both for the business area and other parts of Catella.

## CASE

# Gramercy Tower

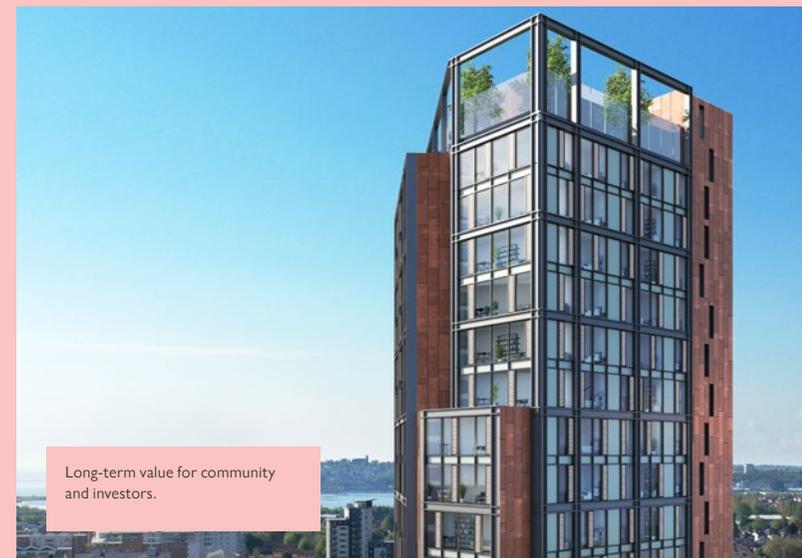
Catella's unique position on the market is enabled by the synergies and the combination of our business areas, products and local knowledge about the market. In Cardiff, UK, Catella is developing the property Gramercy Tower. The project is a cooperation between Catella Residential Investment Management (CRIM) and Catella APAM.

2019 CRIM launched the fund Catella Residential Fund III (CER III). The fund's objective is to create a sustainable responsible investment that delivers long-term value for its investors meanwhile it contributes to the local community and environment providing modern and affordable housing within different segments. The fund is classified as an Article 9 fund, the highest certification under the SFDR. CER III acquired Gramercy Tower in 2022 and marked the fund's first investment in the UK housing market and in line with the fund's investment strategy. Gramercy Tower is centrally located in the center of Cardiff, and part of the bigger development Central Quay. The area is currently developing several mixed-use projects with the ambition to create a social responsible

and vibrant city blocks with a mix of housing, offices, restaurants and a university campus. The building is specifically designed as a build-to-rent apartments and will provide the market 188 high quality 1-3 room apartments in a prime location. The building is designed to cater for the well-being of the tenants and actively promote a social environment. This includes common functions as co-working spaces, gym, roof terraces, bicycle storage and parking. The property is expected to be finalized during the second quarter of 2024.

The acquisition and development of Gramercy Tower is a good example of Catella's ability to maximize value creation by cooperation and utilizing synergies within the group. By pooling strengths and competencies, we work together for long-term value creation for investors and contribute to societal benefits for a sustainable future.

KöTower is a good example of Catella working alongside partners who share our commitment to the environment, social responsibility and good management in urban development projects.





# SUSTAINABILITY REPORT

Our sustainability strategy is designed to ensure regulatory compliance within the context of ambitious EU sustainability frameworks, while simultaneously building knowledge and competencies within the Group to support Catella's long-term strategy and goal of profitable growth. Following Catella's transformation into a real estate focused company, it is essential to update and refine our governance framework to align with our current identity.

Despite the numerous environmental, social, and governance (ESG) challenges that lie ahead, including socio-economic difficulties across Europe and increasingly stringent EU sustainability regulations, we are confident that our integrated strategy has placed us on the right track toward achieving our goal to drive profitable sustainable change at Catella.

## SUSTAINABILITY AT CATELLA

# CATELLAS ESG-STRATEGY

Our ESG strategy is designed to future-proof our business, address emerging risks and opportunities, and allocate resources effectively to tackle pressing sustainability concerns. Based on a robust materiality analysis conducted in 2021, we continually engage with internal stakeholders, monitor industry trends, and keep abreast of changing regulations to ensure the relevance of our strategy. To further enhance our approach, we will update our materiality analysis in 2024 to align with the Corporate Sustainability Reporting Directive (CSRD).

Harnessing existing knowledge and expertise within the Group, our ESG strategy fosters collaboration and learning to embed sustainability principles into daily operations. By doing so, we aim to enhance competitiveness, boost resilience, and strengthen our bottom line over time.

Our three ESG pillars serve as the foundation for our sustainability endeavours.

By pursuing these objectives, we intend to decrease potential negative impacts on society, the environment, and our business. Addressing ethical and governance standards, such as

anti-corruption measures, is crucial to maintaining a positive reputation and avoiding adverse consequences. Moreover, we recognize the importance of ensuring a sustainable supply chain and respecting human rights, health, safety, and environmental standards.

To facilitate effective implementation, we have established specific targets and actions connected to our sustainability strategy, enabling us to track progress and stay accountable. Although we are early in our ESG journey, we are dedicated to advancing our understanding of sustainability and setting achievable goals that align with our business evolution.

### Our ESG Pillars

## 1.

**Evolve our products for a better environment**

**We commit** to reducing our climate footprint in property development and asset management, while also promoting eco-friendly products and transactions.

## 2.

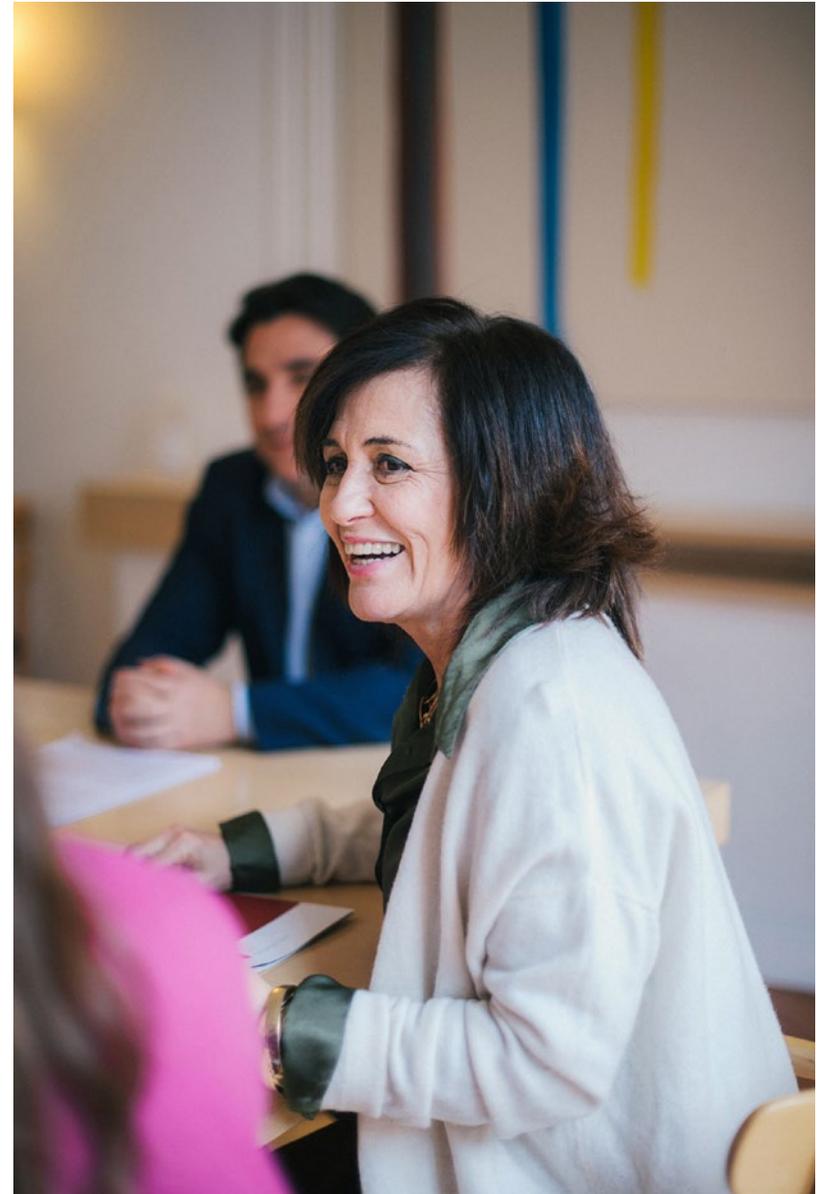
**Strengthen our employees and local communities**

**Strengthening** employee and community relationships lies at the heart of our social agenda, ensuring our business thrives while benefiting local societies.

## 3.

**Grow and integrate sustainability into our business offering**

**We strive** to incorporate environmental, social, and governance considerations into our products, services, and processes, driving innovative solutions that support sustainable growth.



## OUR ESG STRATEGY



### PILLAR 1

#### Evolve our products for a better environment

GOAL	TARGET	ADVANCEMENT
<b>Reduce</b> our climate impact and increase the energy efficiency of our property portfolio	<b>Assess</b> the potential for setting and committing to science-based targets <sup>1</sup>	<b>Assessed</b> Catella's current greenhouse gas emissions, the preconditions for collecting emission data and how data quality and comprehensiveness can be improved
<b>Adapt</b> our property portfolio to a changing climate	<b>Assess</b> the potential for increasing the energy efficiency in our property portfolio by end of 2024	<b>Conducted</b> an initial assessment to identify energy efficiency opportunities that can be seized and to avoid stranded assets
<b>Decrease</b> our environmental footprint; minimizing waste, material consumption, water consumption and biodiversity loss	<b>Analyse</b> our impact related to waste generation, material consumption and biodiversity and identify impact mitigation measures by end 2024	<b>Conducted</b> high-level assessments to understand Catella's impact and what Catella can do to manage that impact

<sup>1</sup> Science-based targets (SBT) are greenhouse gas emissions reduction targets that are in line with the level of decarbonization required to meet the goals of the Paris Agreement: to limit global warming to well-below 2°C above pre-industrial levels and pursue effects to limit warming to 1.5°C.



### PILLAR 2

#### Strengthen our employees and local communities

GOAL	TARGET	ADVANCEMENT
<b>Ensure</b> an inclusive, diverse and gender-equal workplace	<b>Catella is gender equal</b> (40%/60%) in senior management, management and employee level by 2030	<b>Reviewed</b> and update current HR policies and hold dialogues with employees to identify management's blind spots Diversity, Equality and Inclusion Policy adopted
	<b>No cases</b> of discrimination in the organisation (ongoing)	<b>Carried out</b> trainings on non-discrimination 1 reported case via the Ethics hotline. 0 number of confirmed cases of discrimination
<b>Secure</b> a good work-life balance and promote employee well-being	<b>No cases</b> of work-related ill-health among employees (ongoing)	<b>Implemented</b> an occupational health and safety management system or routine that sets the minimum standard for the Group
<b>Support</b> our employees' professional development within the organisation	<b>All employees</b> have annual performance and career development reviews (ongoing)	<b>Formalised</b> the process for performance and career development reviews
	<b>All employees</b> have an individual professional development plan	<b>Developed</b> an individual development plan for each employee
<b>Support</b> the local communities where we operate	<b>Analyse</b> our impact on the local communities where we provide affordable housing and important societal functions, and identify risk mitigation measures by end 2023	<b>Conducted</b> high-level assessments to understand Catella's impact on local communities and what Catella can do to manage that impact <b>Conducted</b> a human rights due diligence (HRDD) when entering complex markets <b>Conducted</b> Human Rights Impact Assessment (HRIA) conducted as part of the EU Taxonomy assessment



### PILLAR 3

#### Grow and integrate sustainability into our business offering

GOAL	TARGET	ADVANCEMENT
<b>Ensure</b> the integration of ESG perspectives in property management, conversion and transactions	<b>The share</b> of properties that are environmentally sustainable in accordance with the EU Taxonomy <sup>1</sup> to increase by 2030	<b>Conducted</b> a taxonomy assessment. Led to identify each property's performance on the criteria outlined in the Taxonomy Regulation, and implement measures to increase the taxonomy alignment in the property portfolio
	<b>By end of 2024</b> , identify the assets that cannot be transitioned to energy efficient assets	<b>Conducted</b> a TCFD2 analysis. Led to a better understanding of the potential for increasing the energy efficiency of assets under management in each portfolio throughout the Group
	<b>Sustainability</b> risks are taken into consideration in all of our advisory services and products by end of 2024	<b>Include</b> aspects in the current offering of Catella Corporate Finance. This involves: <ul style="list-style-type: none"> <li>• Capital raising and financing through green or sustainable finance solutions (e.g. green bonds)</li> <li>• Sustainability aspects in due diligence processes of acquisition and sales</li> <li>• Information and mapping of geographical sustainability factors in the market analysis</li> </ul>
<b>Counteract</b> corruption and protect customer privacy	<b>No cases</b> of corruption in business operations (ongoing)	<b>Carried out</b> trainings on anti-corruption and establish robust non-conformity reporting
	<b>No breaches</b> of customer privacy or data losses in business operations (ongoing)	<b>Appointed</b> a GDPR function, carry out trainings on data safety and establish robust non-conformity reporting
<b>Ensure</b> a sustainable supply chain	<b>All new suppliers</b> have signed the supplier Code of Conduct by end of 2024	<b>Included</b> our Supplier Code of Conduct in all supplier contracts

<sup>1</sup> To be classified as an environmentally sustainable property according to the EU Taxonomy, the property needs to be taxonomy-aligned. This means that the property needs to significantly contribute to one of the six environmental objectives put forth in the EU taxonomy, fulfil the Do-No-Significant-Harm criteria for all remaining environmental objectives and ensure that the minimum safeguards requirements are fulfilled.

<sup>2</sup> Taskforce on Climate-related Financial Disclosure.

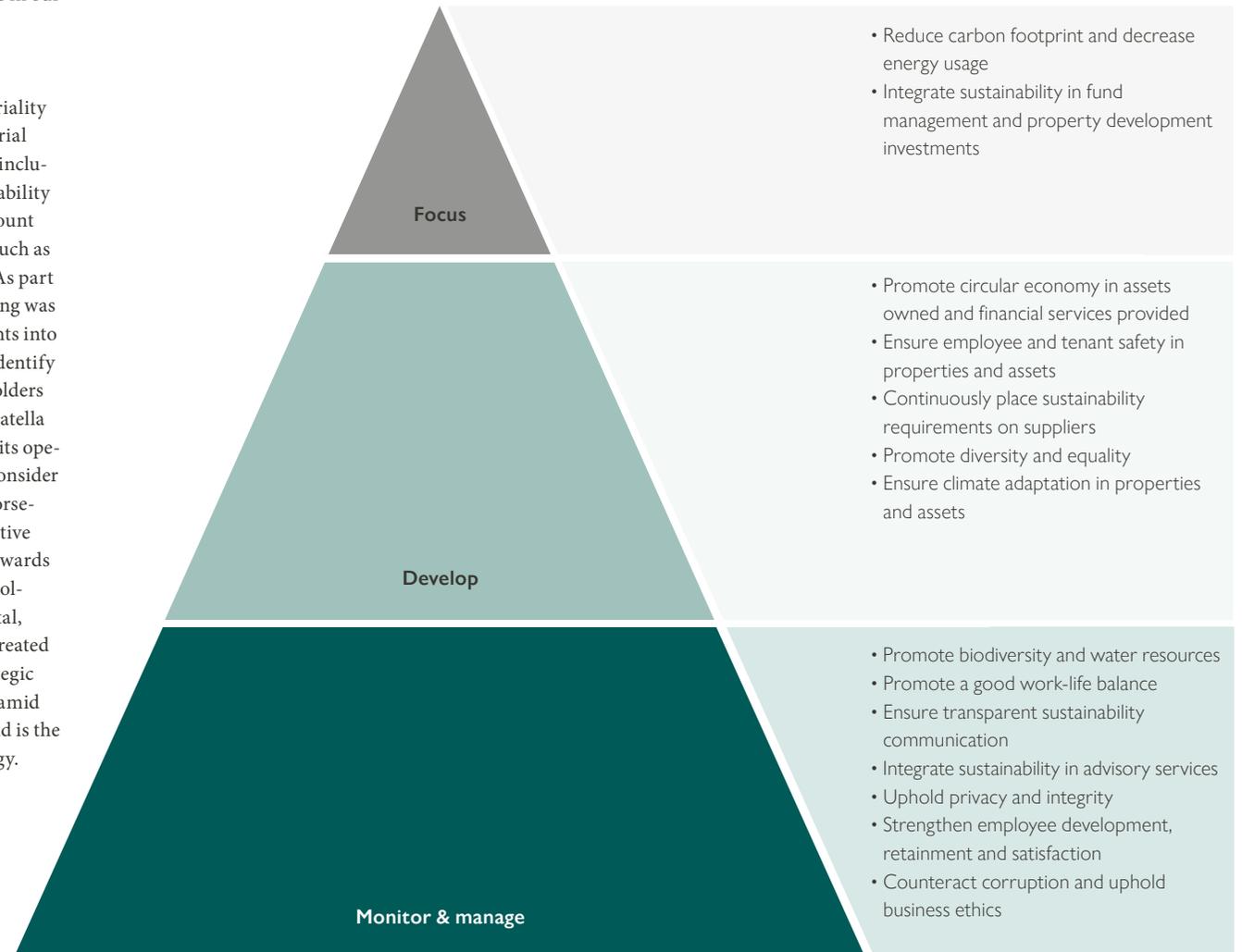
## ESG during the year

Catella's ESG strategy has been implemented throughout 2023 in our business areas. Within the Investment Management business area, an extensive ESG portfolio analysis was conducted at the beginning of 2023, for a total of 14 funds which provided a good basis for further steps. An ESG Roadmap taking into account regulatory requirements and economic and sustainability aspects was developed by Catella Real Estate AG (CREAG) to define specific measures for its funds and properties, this will be further expanded in the current year. The internal system for monitoring sustainability, used during the funds' acquisition and asset management process has been updated in 2023 to ensure a proper ESG rating of the properties. 2023 marked the emergence of Catella Residential Investment Management (CRIM)'s Epsilon Investment Market vision which represents a pivotal shift in the real estate sector. This vision points out the fact that non-ESG-compliant properties will suffer a 'brown discount' compared to those achieving a 'green premium' thanks to their sustainability credentials such as low energy consumption and reduced carbon emissions. This way Catella joins the broader transformation in the European residential investment sector and prioritizes sustainability. We are proud that our dedication to excellence in asset management has earned us the Scope Award for Best Asset Manager ESG Residential Real Estate 2023. The award recognizes our achievements in integrating

environmental, social, and governance (ESG) considerations into our residential real estate investment strategies. We look forward to continuing to set standards for sustainability and ethical practices in our industry in the years to come.

## Materiality analysis

In 2021, Catella conducted a materiality analysis to identify our most material sustainability topics. The analysis included both an assessment of sustainability risks and impacts, taking into account the priorities of key stakeholders such as employees, owners and partners. As part of the analysis, a peer benchmarking was conducted yielding valuable insights into best practices and allowing us to identify key sustainability aspects. Stakeholders expressed their expectation that Catella should prioritize sustainability in its operations. 90% of our stakeholders consider sustainability as crucial. This endorsement grants Catella a clear imperative to intensify its concerted efforts towards ESG objectives. By plotting stakeholder priorities against environmental, financial, and social impacts, we created a visual representation of our strategic focus areas. The prioritisation pyramid aggregates our material aspects and is the foundation of Catella's ESG strategy.



**PILLAR 1****ENVIRONMENT**

**A**t Catella, we know the significant role real estate plays in society and the environment. As a responsible real estate investor and an asset manager, we recognize our duty to minimize the negative environmental impact of our properties and contribute to their positive influence. We strive to achieve this by providing intelligent solutions, monitoring the progress of impact, and implementing measures to reduce energy consumption, water usage, waste production, and resource utilization.

We acknowledge that the real estate sector has a profound impact on the environment, and we are committed to decreasing our impact both through requirements put on the investments in our funds, by following specific environmental criteria when developing buildings within Principal Investments, and through incorporating ESG in our advising services. We place great importance on understanding the environmental consequences of our business operations, particularly regarding climate, waste, biodiversity and water resources. Our goal is to decrease the adverse environmental impact of property development, maintenance, and management, focusing on

making a difference in the supply chain and construction processes through collaboration with suppliers and contractors.

**Climate-related risks and opportunities**

Catella aims to address climate-related risks and opportunities through a comprehensive approach that integrates Environmental, Social, and Governance (ESG) considerations into its operations and value chain. Catella recognizes the impact of climate change on our business and wants to reduce exposure to climate-related risks, seize business opportunities related to climate change mitigation and adaptation, and align with the Paris Agreement's goal of limiting global warming to well below 2°C.

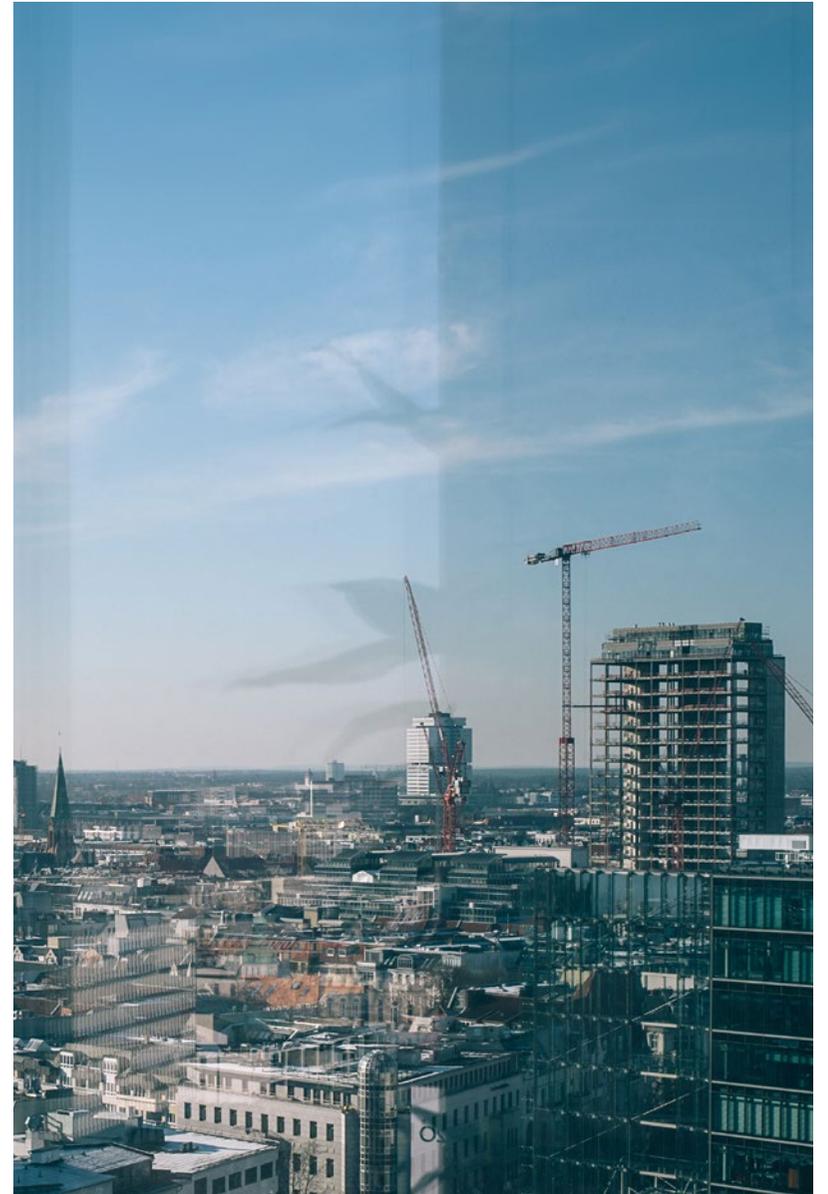
To achieve this, Catella conducted a climate risk assessment in 2022, using the Task Force on Climate-related Financial Disclosures (TCFD) framework. The assessment identified physical and transition risks, as well as opportunities for resource efficiency, energy sources, products and services, markets, and resilience. It further revealed that transition risks, such as increased or volatile prices, asset stranding, and unreliable electric grid

capacity, are more significant than physical risks in the short to medium term.

Catella also identified business opportunities related to climate change mitigation and adaptation, such as resource usage, energy efficiency, and the use of energy from renewable sources in asset management, brown-to-green conversion, and construction of new properties.

To address the identified risks and opportunities, Catella plans to integrate climate risk assessment into its current business processes, including due diligence processes, investment decisions, and risk management, and implement climate mitigation and adaptation actions throughout its property portfolios. This will help us increase competitiveness and strengthen our market position while supporting the transition to a low-carbon economy.

More information from the TCFD brief can be found at [catella.com](https://catella.com)



**CASE**

## Office conversion into affordable living

Converting older and outdated assets to new and more environmental friendly buildings is creating value in more than one aspect. Not only does it save the asset and increase its longevity, but it can also give it a new purpose. Close to Amsterdam in the Netherlands, Catella is converting the former Ceylenpoort office building into a residential building. The project is a cooperation between Catella Residential Investment Management (CRIM) that acquired the project for the fund Catella European Residential III (CER III) and Catella Investment Management Benelux (CIMB). The CER III fund is an Article 9 fund, the highest certification according to CSRD, and aims to create a sustainable and socially responsible investment for the environment and society. The project aligns with the principles of a circular economy and the EU's directive on the energy performance of buildings, which are aimed at achieving the EU's energy and climate goals. The former office building is transforming into 162 apartments, including studios and three-bedroom

units, expected to be available for rent in the fourth quarter of 2024. During the construction phase, the released amount of CO<sub>2</sub> is limited by reusing the existing concrete structure of the building. The residential complex aims to be energy-efficient, with energy consumption limited to 34 kWh/m<sup>2</sup>. The completed building will feature 148 solar panels and a geothermal heating system for heating and cooling, resulting in over 52% of energy derived from renewable sources. This will lead to significantly lower energy bills for the residents. Conversion of the office premises to housing will increase the availability of affordable and sustainable housing in the area and also means that the building contributes to developing social networks in the local community. The project's focus on sustainability and affordability is in line with the values of an increasingly conscious consumer base. As awareness of climate change and environmental issues grows, there is a growing demand for ethical and responsible investments. By prioritizing sustainability and affordability, Catella demonstrates its commitment to creating long-term value for both investors and society.



Conversion from office to residential building prioritizing sustainability and affordability for long term-value.

**CASE****Prisma – a sustainable property within our portfolio**

The Prisma building is a unique property that is designed to offer a perfect blend of sustainability, functionality, and comfort for both residential and commercial use. It is located in the Gostenhof neighbourhood in Nuremberg, Germany. It has excellent public transport connections and is within walking distance of the main train station.

The building is crafted with both form and function in mind. It features green outdoor areas such as children's and adult fitness playgrounds, providing residents and visitors with recreational spaces. Additionally, there are green walkways and roof areas that offer tenants with green spaces amid the bustling city. The building also ensures almost complete accessibility, making it possible for everyone to enjoy its amenities and living spaces.

The property uses district heating for efficient heat generation. Solar heat is harnessed via the winter garden during winter months, and in summer, solar protection and cooling are achieved through water features and green spaces. The indoor climate is also carefully regulated. Air exchange occurs

via a green inner courtyard and winter garden, which feature partially planted roof areas. Natural cooling is achieved via a fountain system and internal stream with a pond, helping to maintain a comfortable temperature without relying on conventional cooling technology. A sprinkler system in the basement, fed by a sprinkler cistern filled with rainwater provides fire safety. To further promote sustainability, the inner courtyard and winter garden are irrigated by a drip irrigation system that uses rainwater.

In conclusion, the Prisma building is an excellent example of one of the properties in Catella's asset management portfolio – modern, sustainable urban living, setting a new standard for functional, eco-friendly with innovative design.



Sustainable functionality and innovative solutions in the property Prisma.



### EU Taxonomy

In 2023, Catella made progress on its EU Taxonomy journey by focusing on project-level alignment and reporting within our Principal Investments division. We faced challenges in adapting existing projects to the new regulations but learned valuable lessons for future projects. We engaged positively with our suppliers chain, incorporating the EU Taxonomy's environmental technical screening criteria into contracts for construction works, waste management, and construction materials suppliers. In France, we successfully implemented the full technical screening criteria from the outset of a project, providing greater clarity on alignment.

Our framework for aligning with the taxonomy's first objective (Climate Change Mitigation) involves conducting Life Cycle Analyses and Global Warming Potential Analyses for multiple projects. These reports help us understand how the materials and logistics structure of building constructions contribute to CO<sub>2</sub> emissions throughout a building's lifecycle.

For the second objective (Climate Change Adaptation), we conducted Climate Risk and Vulnerability Assessments and Environmental Impact Assessments on several projects. These studies helped us identify potential acute and chronic climate risks and improve the water protection and management aspects of our projects.

We made strides in aligning our projects with the EU Taxonomy and will continue to do so next year, ensuring compliance with EU regulations. Our head start on alignment will give us an advantage, and we look forward to further integrating the Taxonomy framework into Catella's projects and operations.

More information about our EU Taxonomy assessment can be found at [catella.com](https://catella.com).

### EU Taxonomy Reporting Methodology

The EU Taxonomy is directly applicable to building projects within Catella Principal Investments, according to the following EU Taxonomy activities:

- 7.1 Construction of new building (NACE Code 41), and
- 7.7 Acquisition and ownership of buildings (NACE Code 68)

### ESG reporting processes

Catella is working on the automation of our ESG reporting processes through our partnership with Deepki, a SaaS platform supporting us with ESG data collection thus fostering our environmental transition towards net zero and sustainability as it helps us create tailored investment plans for our portfolio, ensuring that we are compliant with current standard and also well-positioned for future developments in the real estate sector.

PILLAR 2

# SOCIAL

Strengthen our employees and local communities

At Catella, we are dedicated to creating a workplace that upholds universal human and labour rights, abides by relevant laws and agreements, and provides fair compensation and working conditions. We support our employees' freedom to join associations and unions, and we engage in collective or individual bargaining. We strictly prohibit child labour and forced labour in our operations and supply chain.

Our team members are vital to our success, so we prioritize maintaining a safe, healthy, and motivating work environment. Additionally, we carefully select suppliers who share our dedication to ethical principles, as this positively impacts our reputation within local communities. Failure to prioritize employee well-being and human rights could lead to negative consequences for our company's finances and reputation.

Catella believes that embracing diversity and inclusivity creates a thriving work environment. Our updated HR policy and Diversity, Equality, and Inclusion (DE&I) policy demonstrate our commitment to fostering a culture that welcomes differences. We work together to create an inclusive culture where all employees,

regardless of differences, have a sense of belonging, feel welcome, and safe, and have equal opportunities to reach their full potential and we work actively to eliminate any unconscious barriers and biases, that limit the potential of a diverse workforce. During the year, we launched updated corporate values rooted in our vision that embraces the power of teamwork within the company.

For the fifth consecutive year, we conducted the Catella Engagement Survey, which like 2023 achieved an 80% participation rate from our employees. 83% of employees benefited from performance reviews and development talks. This high response rate underscores the engagement and willingness of our staff and their recognition of the importance of contributing to Catella's growth. The survey findings play a valuable role in shaping the company's strategic development.

As part of our employer engagement and appreciation of our employees' opinions, we offer the staff to vote for their choice in a selection of charity organisations Catella shall support with a donation. During 2023, the staff voted for the initiative Ocean Cleanup. Local team-building activities with both social

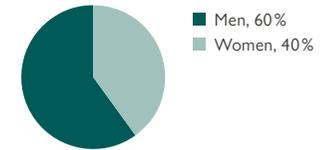


and environmental aspects were also performed, e.i. reforestation in the Grünauer Forst, a forest in Berlin being adapted to withstand climate change. Catella is dedicated to fostering the growth and success of our staff. We believe in empowering skills, knowledge, and resources they need to excel in their careers. During 2023 we launched the refined Catella Academy which offers career development opportunities designed to help our staff to grow within the company but also reach their full professional potential. Investing in our people is essential to driving long-term success. By supporting the growth and development of our staff, we not only

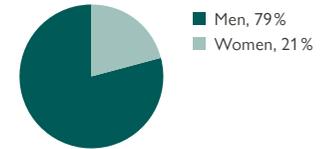
strengthen our organization but also contribute to the future success of our industry as a whole.

At Catella, we recognize the importance of achieving a positive work-life balance as a crucial aspect of maintaining a healthy lifestyle. Our colleagues have emphasized the significance of this issue through our materiality analysis. By promoting work-life balance, we aim to foster a supportive and fulfilling work environment that contributes to the well-being and satisfaction of our employees. This, in turn, helps to drive staff retention and engagement, ultimately benefiting our organizational performance.

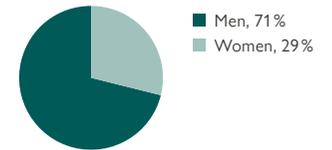
Gender balance among board of directors



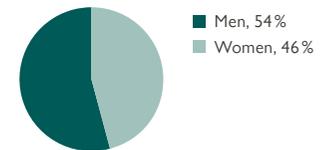
Gender balance among executive managers



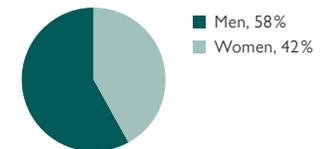
Gender balance among managers



Gender balance among employees



Gender balance across all employee categories



## Diversity and Inclusion

At Catella, we emphasize the significance of diversity, equity, and inclusion (D, E&I) in fostering a productive, innovative, and collaborative work environment. We believe that embracing uniqueness and individuality leads to better performance and decision-making, as it brings together a variety of skills, ideas, experiences, and perspectives. We are committed to creating a welcoming and inclusive atmosphere where everyone feels valued, respected, and safe. Catella is thus satisfied to report that there were zero incidents of discrimination during the reporting period.

To achieve this, we actively promote equality and provide equal opportunities, irrespective of gender, gender identity, ethnicity, religion, disability, sexual orientation, or age. We do not condone any form of discrimination in the workplace. Improving gender equality helps create lasting change. We have therefore set a target of 40/60 for both senior and employee levels by 2030. We are working toward that goal and must continue to put the right processes into place to promote better gender distribution across all levels.

## Human Rights

The importance of human rights in the real estate value chain cannot be overstated. Respecting human rights is essential for the long-term success and reputation of Catella. By integrating human rights considerations into our operations, we can create positive social and environmental impacts, enhance Catella's brand reputation, and contribute to sustainable and resilient communities. To meet Catella's

commitment to respect human rights, we are developing a human rights due diligence (HRDD) process, which will be further implemented in 2024 and beyond. As part of the HRDD implementation process, we conducted a human rights impact assessment (HRIA) in 2022, where we identified salient human rights risks associated with our investments, contractors, and sub-contractors. In 2023, we have built on the assessment by integrating

human rights into our Group policies. No instances of human rights violations were reported or confirmed.

More information about our management of human rights in Catella's Code of Conduct, Sustainability policy, and Supplier Code of Conduct at [catella.com](https://catella.com).



**PILLAR 3****GOVERNANCE**

Grow and integrate sustainability into our business offering

**C**atella is committed to conducting our business with the highest standards of ethics and integrity. We comply with laws and regulations and take a strong stance against corruption, bribery, and money laundering. Good corporate governance is essential for us to fully implement our company strategy and safeguard our interests, as well as in consideration of potential economic and reputational consequences for both the company and the communities in which we operate.

**Revision of our governance framework**

Our Code of Conduct and its policy framework serve as our guiding principles across the Group, and all Catella employees must adhere to these guidelines.

At Catella, we continuously update our policy framework to address emerging challenges and opportunities. The policy framework is prepared by senior

management approved by the Board of Directors. Our policies are accessible to all employees via our intranet, while select policies are also shared publicly on our website.

The governing document consist of policies, guidelines, and instructions. It is the responsibility of the local MD/CEO to ensure the implementation of the governance framework. Local governance documents are formulated based on Group policies, and deviations are only permitted if required by local laws. Each policy has a designated contact person for guidance regarding implementation.

**Catella governance framework:**

- Catella Group Code of Conduct
- Catella Group Insider Policy
- Catella Group Information and Communication Policy
- Catella Group Whistleblowing Policy
- Catella Group Anti-Bribery and Corruption Policy

- Catella Group Human Resource Policy
- Catella Group Anti-Money Laundering (AML) and Countering Terrorist Financing (CTF) Policy
- Catella AB Dividend Policy
- Catella Group Sustainability Policy
- Catella Group Principal Adverse Impact (PAI) Policy
- Catella Group Remuneration Policy
- Catella Group Responsible Investment Policy
- Catella Group Corporate Governance Policy

- Catella Group Diversity, Equality & Inclusion Policy
- Catella Group Financial Handbook
- Catella Group Treasury Policy
- Catella Group Policy on Third-Party Due Diligence
- Catella Group Policy on Related Party Transactions and Conflicts on Interest
- Catella Group Privacy Policy
- Catella Group IT Policy
- Catella Group Supplier Code of Conduct

Catella has implemented a third-party due diligence policy to ensure a structured review of potential partners. The process includes a pre-check, questionnaire, and additional due diligence if necessary. All employees must sign the Code of Conduct and receive basic training. The Board approves the ESG strategy and annual sustainability reports and receives regular updates on ESG progress.





### Integrating sustainability in investment processes

At Catella, we are devoted to integrating sustainability into our investment processes and ensuring that environmental and social impacts and risks are considered when investing in new properties. Catella has developed a Responsible Investment Policy applicable to all subsidiaries and affiliated companies of Catella AB. In addition to our group-wide policy, the subsidiaries are encouraged to set their targets, policies, and processes for managing ESG.

In 2021, Catella AB became a signatory of the UN Principles for Responsible Investment (PRI). The principles are a commitment to transparency and demonstrate how ESG issues are managed. In 2023, Catella conducted its first PRI report, which focused on how our two property fund companies, Catella Residential Investment Management (CRIM) and Catella Real Estate AG

(CREAG) integrate sustainability into their investment processes. The report is available at [catella.com](https://catella.com).

In addition to our commitment to the UN PRI, Catella also considers Principal Adverse Impact (PAI) on sustainability factors in its investments. By considering PAI, Catella proactively identifies, evaluates, and mitigates the potential negative impacts of its investments on social and environmental factors, thereby adopting a structured approach to responsibly managing its investment portfolio and promoting sustainable development. In 2023, Catella conducted its first PAI reporting, highlighting our impact and plans for improvement. CRIM and CREAG collaborated on data collection, providing a comprehensive view of our current status and future goals. We'll continue tracking PAI indicators to ensure our efforts are making a positive difference. Our PAI policy and PAI report for FY2022 is available at [catella.com](https://catella.com).

### Minimum social safeguards

To adhere to the EU Taxonomy's minimum social safeguards, Catella must guarantee that its practices align with laws and regulations regarding:

#### Human Rights

Catella works on developing strict methods and processes to assess human rights risks and avoid any human rights violations.

#### Corruption

Catella has implemented anti-corruption measures through its rigorous governance framework and an independent whistleblowing system. No instances of corruption have been confirmed or reported.

#### Taxation

Catella prioritizes tax governance and compliance, with clear guidelines in its financial handbook and external audits for review. As a publicly traded company, Catella abides by all applicable laws and regulations. It also has tax risk management strategies and processes in place, which are validated annually by external auditors. The local MD's oversees ensuring compliance with tax laws, and there have been no confirmed violations. External auditors are mandated to report any tax irregularities to the relevant authorities.

#### Fair Competition

Catella promotes fair competition by requiring all employees to read,

understand, and sign its Code of Conduct. There have been no known breaches of competition laws.

#### Responsible Business Conduct

Being a responsible business means respecting and supporting international standards on human rights, labour conditions, the environment, anti-corruption, and governance. Catella Group emphasizes the importance of its independent whistleblower function and encourages its use, which is accessible through various channels including the intranet. In 2023, no instances of corruption were reported or confirmed and the company did not receive any complaints regarding customer privacy from external parties or regulatory bodies.

We have chosen to follow several international declarations, conventions, standards, and guidelines. These include the United Nations' Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Principles on Responsible Investments (UNPRI), the OCED Guidelines for Multinational Enterprises, the UN Global Compact and the Fundamental Conventions of the International Labor Organization (ILO). Catella respects the principles concerning fundamental rights at work in the eight ILO conventions as set out in the Declaration on Fundamental Principles and Rights at Work. This includes freedom of association and the effective recognition of the right to collective

### Scope and boundaries

The sustainability report refers to the reporting period 1 January 2023 – 31 December 2023 and has been prepared under the Swedish Annual Accounts Act (ÅRL). The sustainability report is produced annually in conjunction with the financial annual report. There are no restatements from the previous reporting period.

Catella AB has reported the information cited in the following GRI index for the period from 1 January 2023 to 31 December 2023, with reference to the GRI Standards 2022.

Catella AB is a public Swedish limited liability company with its head office in Stockholm, Sweden. Catella's shares have been listed on the regulated market Nasdaq Stockholm, Mid Cap segment, since 2016. Catella has operations in 12 countries across Europe (Sweden, Finland, Denmark, Germany, France, Spain, United Kingdom, Ireland, Poland, Austria, Netherlands, and Luxemburg).

Further details about our governance structure, shares, shareholders, Board of Directors and their responsibilities as well as evaluation of the Board, nomination, audit, and remuneration committee, information about remuneration, auditing, conflict of interests, and internal control as well as monitoring and risk assessment can be found in the governance report (pp. 45-53).

The Catella Group ("Catella"), as stated in note 1 of the financial statements (p. 66), includes the Parent Company Catella AB (publ) (the "Parent Company") and several companies that conduct operations in three operating segments: Corporate Finance, Investment Management, and Principal Investments. The scope and boundaries of the sustainability data are defined by majority-owned companies with employees. Catella Hospitality Europe SAS and Infrabhus which were divested in 2023 as well as companies acquired in 2023 are excluded from the reporting. Il personnel data is expressed in FTE (Full-Time Equivalent). 2023 is the third year sustainability data is collected in a centrally structured way.

bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour, the elimination of discrimination in respect of employment and occupation, and a safe and healthy working environment.

### Supplier Code of Conduct

It is important for Catella to develop and maintain strong business relationships with partners and suppliers who are

committed to similar ethical standards. Therefore, this year, Catella adopted a Supplier Code of Conduct that sets clear standards and expectations and with which we expect all companies providing products and/or services to any Catella Group companies to comply. We expect our suppliers to respect and comply with recognized human and labour rights.

We do not accept human trafficking, forced, bonded, indentured labour, or

any labour linked to any form of threat or punishment. Work must be conducted solely voluntarily. Working weeks are not to exceed the maximum set out by local law. Compensation paid to workers shall comply with applicable wage laws, including minimum wage, overtime, and legally mandated benefits. Suppliers must respect workers' right to associate fairly and to communicate openly regarding working conditions without fear of reprisal, intimidation, and harassment. Workers shall have the right to join unions and seek representation following local laws.

## Way forward

### EU Taxonomy

In 2024, we remain committed to advancing the EU Taxonomy, further refining and augmenting its environmental standards while placing increased emphasis on social considerations. Simultaneously, we will persist in our endeavour to establish rigorous minimum social safeguards, ensuring that the Taxonomy's application upholds fundamental principles of equity. Additionally, we will continue to develop and refine technical screening criteria, guaranteeing that only initiatives that demonstrate sustainability potential and conform to stringent guidelines receive support. By doing so, we aim to foster a cohesive and inclusive transition towards a more resilient future,

where environmental, social, and economic considerations are harmoniously balanced.

### Preparing for CSRD

To be fully prepared for the Corporate Sustainability Reporting Directive and the European Sustainability Reporting Standards which will be mandatory for reporting companies to use for their reports, Catella conducted a gap analysis in 2023. The results showed that many disclosure requirements are partially covered by Catella and provide a good basis for alignment with the ESRS disclosures.

In 2024, Catella will continue preparing for CSRD by conducting a double materiality analysis according to the ESRS. A double materiality assessment refers to a process of evaluating the significance of both financial and sustainability-related factors in decision-making. Following this approach, Catella recognizes that we have a responsibility to manage our impact on society, the environment, and the economy, while also ensuring long-term financial success. The goal of a double materiality analysis is to identify issues that are simultaneously financially relevant and sustainability-related and to prioritize actions that address these issues. In practice, this means that we consider not only traditional financial metrics such as revenue growth and profit margins but also non-financial indicators like carbon emissions, water usage, employee well-being, and community engagement. By adopting a double materiality approach,

we want to demonstrate our commitment to responsible practices, foster trust among stakeholders, and contribute to a more resilient and equitable future.

### ESG Roadmap

The ESG Roadmap developed at the fund level by CREAG will be actively pursued in 2024 at the property level and the approach may also be applied to other Catella units to promote the best possible cooperation and synergies.

For questions please contact:

*Matilda Garstedt, Group Chief Accountant*  
[matilda.garstedt@catella.com](mailto:matilda.garstedt@catella.com)



## EU Taxonomy – Turnover

Economic activities	NACE Codes	Absolute turnover MSEK	Proportion of turnover %	Substantial contribution						Do-no-significant-harm						Minimum safeguards Y/N	Taxonomy aligned proportion of turnover 2023 Percent	Taxonomy aligned proportion of turnover 2022 Percent	Category (enabling activity) E	Category (transitional activity) T
				Climate change mitigation %	Climate change adaptation %	Water and marine re-sources %	Circular economy %	Pollution %	Biodiversity and ecosystems Y/N	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine re-sources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N					

## A. Taxonomy eligible activities

A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Construction of new buildings (Activity 7.1)	41	0	0	0	0	0	0	0	0	0	No	No	No	No	No	No	Yes	0	0	
Acquisition or ownership of the building (Activity 7.7)	68	0	0	0	0	0	0	0	0	0	No	No	No	No	No	No	Yes	0	0	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0	0	0	0	0	0	0											
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Construction of new buildings (Activity 7.1)		307	13																	
Acquisition or ownership of the building (Activity 7.7)		143	6																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		450	19																	
<b>Total (A.1+A.2)</b>		<b>450</b>	<b>19</b>																	

## (B) Taxonomy non-eligible activities

Turnover of taxonomy-non-eligible activities		1 882	81
<b>Total (A+B)</b>		<b>2 333</b>	<b>100</b>

## EU Taxonomy – CapEx

Economic activities	NACE Codes	Absolute CapEx MSEK	Proportion of CapEx %	Substantial contribution						Do-no-significant-harm						Minimum safeguards	Taxonomy aligned proportion of CapEx 2023 Percent	Taxonomy aligned proportion of CapEx 2022 Percent	Category (enabling activity) E	Category (transitional activity) T
				Climate change mitigation %	Climate change adaptation %	Water and marine re-sources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine re-sources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N					

## A. Taxonomy eligible activities

A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Construction of new buildings (Activity 7.1)	41	0	0	0	0	0	0	0	0	No	No	No	No	No	No	Yes	0	0		
Acquisition or ownership of the building (Activity 7.7)	68	0	0	0	0	0	0	0	0	No	No	No	No	No	No	Yes	0	0		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0	0	0	0	0	0	0											
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Construction of new buildings (Activity 7.1)		318	94																	
Acquisition or ownership of the building (Activity 7.7)		20	6																	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		339	100																	
<b>Total (A.1+A.2)</b>		<b>339</b>	<b>100</b>																	

## (B) Taxonomy non-eligible activities

CapEx of taxonomy-non-eligible activities		0	0,0
<b>Total (A+B)</b>		<b>339</b>	<b>100</b>

## EU Taxonomy – OpEx

Economic activities	NACE Codes	Absolute OpEx MSEK	Proportion of OpEx %	Substantial contribution						Do-no-significant-harm					Minimum safeguards Y/N	Taxonomy aligned proportion of OpEx 2023 Percent	Taxonomy aligned proportion of OpEx 2022 Percent	Category (enabling activity) E	Category (transitional activity) T
				Climate change mitigation %	Climate change adaptation %	Water and marine re-sources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine re-sources Y/N	Circular economy Y/N	Pollution Y/N					

## A. Taxonomy eligible activities

A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
Construction of new buildings (Activity 7.1)	41	0	0	0	0	0	0	0	0	0	No	No	No	No	No	No	Yes	0	0		
Acquisition or ownership of the building (Activity 7.7)	68	0	0	0	0	0	0	0	0	0	No	No	No	No	No	No	Yes	0	0		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0	0	0	0	0	0	0												
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
Construction of new buildings (Activity 7.1)		577	26																		
Acquisition or ownership of the building (Activity 7.7)		0	0																		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		577	26																		
<b>Total (A.1+A.2)</b>		<b>577</b>	<b>26</b>																		

## (B) Taxonomy non-eligible activities

OpEx of taxonomy-non-eligible activities		1 610	74
<b>Total (A+B)</b>		<b>2 187</b>	<b>100</b>

## SUSTAINABILITY DATA

### Environment

Table 1

SCOPE EMISSIONS				
Total Emissions (tCO <sub>2</sub> e)	2023	2022	2021	
Scope 1	114.3	102.1	23.5	
Scope 2 – Location-based	110.6	113.7	17.6	
Scope 3	372.4	277.0	87.5	
<b>Total (tCO<sub>2</sub>e)</b>	<b>597.3</b>	<b>492.8</b>	<b>128.6</b>	

- 1) Emissions of greenhouse gases have been calculated in line with the GHG Protocol. Sources for emission factors are e.g., DEFRA 2022, EPA 2022, IEA 2018, Energiföretagen 2022.
- 2) FY2021/2022 is the baseline for the Greenhouse gas inventory.
- 3) Scope 3 includes our business travel, waste and energy and fuel related activities.
- 4) The calculations include the following greenhouse gases: CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O.
- 5) Considerations related to baseline year (2021) – First year of reporting GHG data and data collection was limited and of a poorer quality.

Table 2

GHG INTENSITY			
Indicator	2023	2022	
GHG Intensity (tCO <sub>2</sub> e/employee FTE)	1.18	0.97	
GHG Intensity (tCO <sub>2</sub> e/mkr)	0.26	0.19	

Table 3

ENERGY CONSUMPTION (MWh)				
Energy type	2023	2022	2021	
Fuels *	500.8	477.8	70.8	
Electricity	553.2	583.0	382.1	
of which renewable**	291.0	282.3		
District heating	131.2	138.2	61.5	
of which renewable	131.1	44.8		
District cooling	37.6	51.3	43.2	
of which renewable	37.6	26.7		
<b>Total (MWh)</b>	<b>1222.9</b>	<b>1250.3</b>	<b>0.0</b>	

\* Includes fuels used for company owned vehicles and on-site operation. We currently does not have reliable information on how much fuel is from renewable and non-renewable sources.

\*\*for 2021 the amount of renewable electricity, district heating and district cooling was not reported.

Table 4

ENERGY INTENSITY			
Energy Intensity	2023	2022	
Energy Intensity (MWh/employee FTE)	2.41	2.45	
Energy Intensity (MWh/mkr)	0.52	0.48	

Table 5

WASTE GENERATED			
Waste generated, in metric tons	2023	2022	
Non-Hazardous waste	34.4	19.8	
Hazardous waste	0.0	0.0	
<b>Total*</b>	<b>34.4</b>	<b>19.8</b>	

\* Total based only on data reported by Catella Corporate Finance Stockholm AB, Catella property Consultants SAS, Catella Residential Partners SAS, Catella Valuation Advisors SAS, APAM Ltd, Catella Asset Management, Iberia S.L, Catella Real Estate AG.

Table 6

WATER WITHDRAWAL		
	2023	2022
Total water consumed	0.66	1.27
% freshwater	18 %	57 %
% sourced from third-party	18 %	70 %
% sourced from ground-water	82 %	30 %

\* We currently do not have water withdrawal from areas that can strictly be classified as waster stressed areas.



Green Point, Copenhagen

# Social

**Table 7**
**INFORMATION ON EMPLOYEES AND WORKERS**

	Men	Women	Total
<b>Employment contract</b>			
Permanent contract	197.3	292.75	490.05
Temporary contract	7.5	9	16.50
<b>Employment type</b>			
Full-time	173	288	461
Part-time	33.8	12.75	46.55
Non guaranteed-hours employees	0	1	1
<b>Total</b>			

The employee figures are disclosed in full-time equivalents (FTE).

Most of our workplaces were not able to report data on the number of workers who are not employees. The number of workers who are not employees is ten, but it is possible that the actual number is higher.

**Table 8**
**EMPLOYEES BY EMPLOYMENT CONTRACT AND REGION**

Region	Total employees	Permanent contract	Temporary contract	Full-time	Part-time	Non-guaranteed hours employees
Sweden	59.75	58.75	1	58	1.75	0
United Kingdom	55.5	49.5	6	51	4.5	0
France	80	80	0	78	2	0
Germany	178.55	171.05	7.5	151	27.55	0
Austria	3.75	3.75	0	3	0.75	0
Spain	29	29	0	29	0	0
Finland	40	38	0	38	1	1
Ireland	2	2	0	2	0	0
Denmark	18	18	0	15	3	0
Netherlands	25	23	2	19	6	0
Poland	17	17	0	17	0	0
<b>Total</b>	<b>490.05</b>	<b>16.50</b>	<b>461</b>	<b>46.55</b>	<b>1.00</b>	

**Table 9**
**NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER, BY GENDER, AGE, AND REGION (%)**

	New employee hires	New employee hires (%)	Employee turnover	Employee turnover (%)
<b>Divided by gender</b>				
Women	45.6	51%	46	58%
Men	44.5	49%	33	42%
<b>Divided by age</b>				
<30 år	37.5	41.6%	23.0	28.8%
30-50 år	43.6	48.4%	48.8	61.2%
> 50	9.0	10.0%	8.0	10.0%
<b>Divided by region</b>				
Sweden	6.0	6.66%	9.5	11.98%
United Kingdom	17.0	18.87%	19.0	23.96%
France	16.0	17.76%	10.0	12.61%
Germany	35.1	38.96%	23.8	30.01%
Austria	1.0	1.11%	0.0	0.00%
Spain	6.0	6.66%	8.0	10.09%
Finland	0.0	0.00%	3.0	3.78%
Ireland	0.0	0.00%	0.0	0.00%
Denmark	4.0	4.44%	4.0	5.04%
Netherlands	5.0	5.55%	2.0	2.52%
Poland	0.0	0.00%	0.0	0.00%
<b>Total</b>	<b>90</b>	<b>100%</b>	<b>79</b>	<b>100%</b>

The new hires and turnover rates are calculated as percentage of the total number of employees.

**Table 10**
**DIVERSITY BY GENDER AND AGE (%)**

Employment category	Men	Women	<30 Years	30-50 Years	> 50 Years
Executive Managers	79%	21%	2%	67%	31%
Managers	71%	29%	2%	72%	26%
Employees	54%	46%	24%	59%	16%

**Table 11**
**WORK-RELATED ILL-HEALTH**

	Employees	Workers
Fatalities due to work-related ill-health	0	0
Recordable cases of ill-health	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**Table 12**
**EMPLOYEES WHO RECEIVED REGULAR PERFORMANCE REVIEWS (%)**

Employment category	Total reviews	Percentage
Executive managers	20.00	48%
Managers	77.50	88%
Employees	289.50	77%

**Table 13**
**INCIDENTS OF DISCRIMINATION AND HARASSMENTS**

Status	Incidents
Incident reviewed by the organization;	0
Remediation plans being implemented;	0
Remediation plans that have been implemented, with results reviewed through routine internal management review processes;	0
Incident no longer subject to action.	0

# Governance

**Table 14**

**SOCIAL AND ENVIRONMENTAL SCREENING OF NEW SUPPLIERS (%)**

Total new suppliers in 2023	New suppliers that were screened using environmental criteria	New suppliers that were screened using social criteria
67	28%	3%

The percentage of new suppliers that were screened using both environmental and social criteria increased significantly during the 2023 reporting period compared to 2022.

**Table 15**

**CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN**

	Incidents in 2023	Incidents in 2022	Incidents in 2021
Total number and nature of confirmed incidents of corruption.	0	0	0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.	0	0	0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.	0	0	0
Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.	0	0	0

No confirmed cases of corruption in 2023, 2022 or 2021.

**Table 16**

**TYPE OF AND NUMBER OF SUBSTANTIATED COMPLAINTS REGARDING CUSTOMER PRIVACY**

	Incidents in 2023	Incidents in 2022	Incidents in 2021
Total number of substantiated complaints received concerning breaches of customer privacy	0	0	0
<i>of which complaints received from outside parties and substantiated by the organization;</i>	0	0	0
<i>of which complaints from regulatory bodies.</i>	0	0	0
<b>Total number of identified leaks, thefts, or losses of customer data.</b>	<b>0</b>	<b>0</b>	<b>0</b>



Kaktus Towers, Copenhagen

## GRI INDEX

GRI Standard 2021	Disclosure	Page
<b>General disclosure</b>		
<b>GRI 2: General Disclosures 2021</b>	2-1 Organisational details	12, 31
	2-2 Entities included in the organization's sustainability reporting	23, 31, 32
	2-3 Reporting period, frequency and contact point	31
	2-4 Restatements of information	31
	2-6 Activities, value chain and other business relationships	12
	2-7 Employees	22, 28, 37
	2-8 Workers who are not employees	37
	2-9 Governance structure and composition	30–32, 44–52
	2-10 Nomination and selection of the highest governance body	30–32, 44–52
	2-11 Chair of the highest governance body	30
	2-12 Role of the highest governance body in overseeing the management of impact	30
	2-13 Delegation of responsibility for managing impacts	30
	2-14 Role of the highest governance body in sustainability reporting	30
	2-16 Communication of critical concerns	30, 31
	2-17 Collective knowledge of the highest governance body	30
	2-18 Evaluation of the performance of the highest governance body	30, 44–52
	2-22 Statement on sustainable development strategy	21–23
	2-23 Policy commitments	30
	2-24 Embedding policy commitments	30
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	2-27 Compliance with laws and regulations	30–32
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<b>Material topics</b>		
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	23
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<b>GRI 205: Anti-corruption 2016</b>	205-3 Confirmed incidents of corruption and actions taken	31, 38
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	36
	302-3 Energy intensity	36

GRI Standard 2021	Disclosure	Page
<b>cont. Material topics</b>		
<b>GRI 303: Water and Effluents 2018</b>	303-3 Water withdrawal	36
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	36
	305-2 Energy indirect (Scope 2) GHG emissions	36
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<b>GRI 306: Waste 2020</b>	306-3 Waste generated	36
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	38
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	37
<b>GRI 403 Occupational Health and Safety 2018</b>	403-10 Work-related ill health	37
<b>GRI 404 Training and education</b>	404-3 Percentage of employees receiving regular performance and career development reviews	37
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	37
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	29
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	38
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	38

Statement of use: Catella AB has reported the information cited in this GRI content index for the period 1 January 2023 – 31 December 2023 with reference to the GRI Standards.

We have chosen not to report partially reported disclosures as this is a GRI referenced report and we aim to further develop our fulfilment of the GRI Standards 2021.

## AUDITOR'S REVIEW OF THE STATUTORY SUSTAINABILITY REPORT

To the general meeting of the shareholders in Catella AB (publ),  
corporate identity number 556079-1419

Stockholm, Sweden, 9 April 2024

### **Engagement and responsibility**

It is the board of directors who is responsible for the sustainability report for the year 2023 on pages 20-39 and that it is prepared in accordance with the Annual Accounts Act.

### **The scope of the examination**

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

### **Opinion**

A statutory sustainability report has been prepared.

Stockholm, Sweden, 10 April 2024

KPMG AB

Johanna Hagström Jerkeryd  
*Authorized Public Accountant*

Johan Claesson  
CHAIRMAN OF THE BOARD

Tobias Alsborger  
BOARD MEMBER

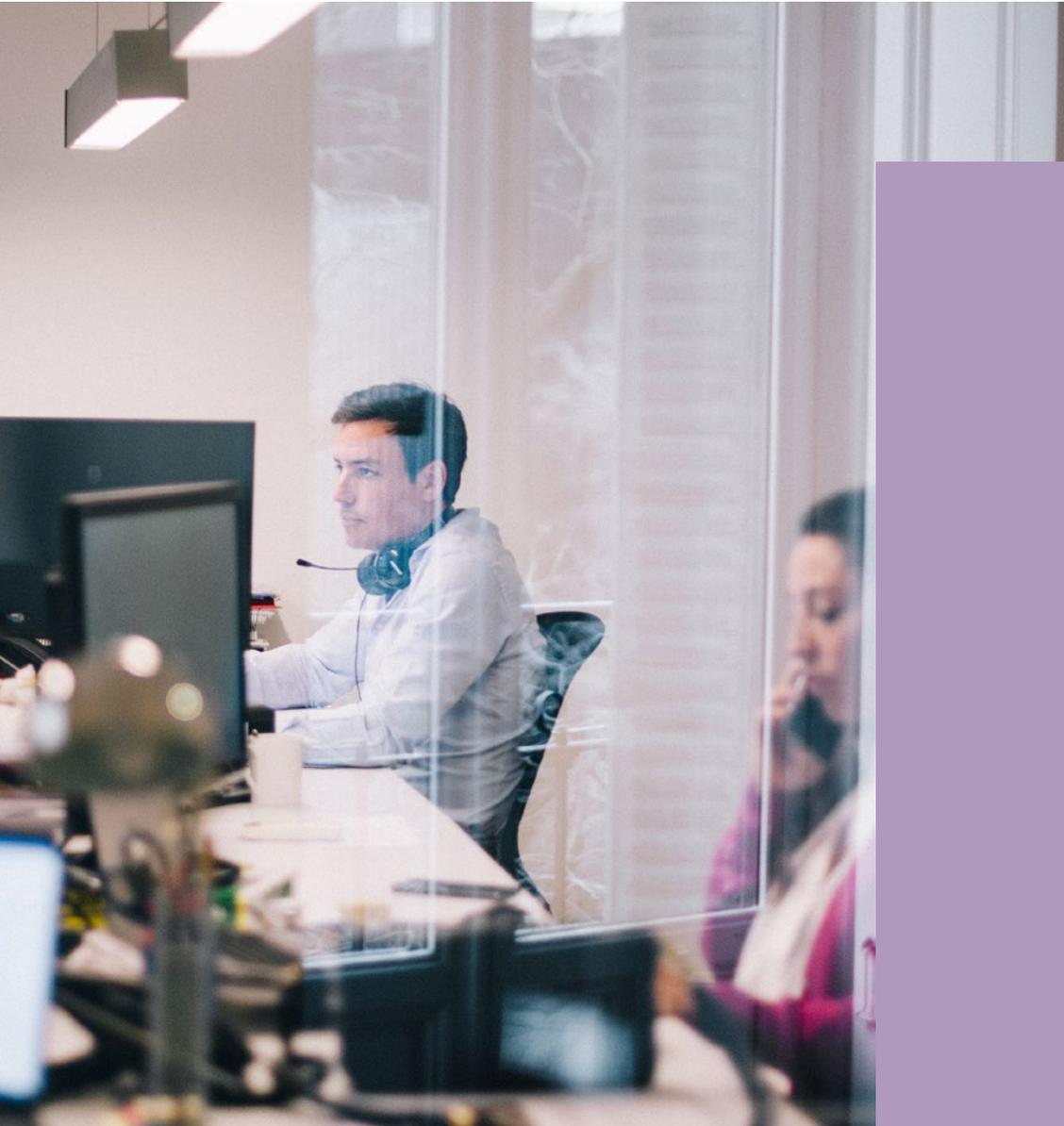
Johan Damne  
BOARD MEMBER

Anneli Jansson  
BOARD MEMBER

Samir Kamal  
BOARD MEMBER

Sofia Watt  
BOARD MEMBER

Christoffer Abramson  
CHIEF EXECUTIVE OFFICER



## SHARES AND SHAREHOLDERS

Catella is listed on Nasdaq Stockholm in the Mid Cap segment. Class A and B shares are traded under the stock tickers CAT A and CAT B, respectively. Catella has approximately 7,900 shareholders. The Claesson & Anderzén Group is the largest shareholder.

# Catella

1

## Catella is a leading European partner for property investments

### Background

Catella has a strong market position and long-term relationships with leading institutional investors, both as a regulated property fund manager, property developer and transaction advisor. At the end of the year, Catella had 25 offices in 12 countries around Europe and with its 35-year history offers a broad pan-European perspective to investors in the property sector.

### Progress in 2023

- Broadened property fund offering with increased focus on sustainable investments
- New mandates for management and divestment of underperforming assets in Investment Management and Corporate Finance
- Advanced positions as property manager for major institutions
- Good returns in implemented development projects

2

## Catella is active on a long-term growth market

### Background

Real assets remain under-allocated in global investment portfolios, which drives capital inflows to property investments. Continued demand for inflation-hedged assets favours investments in the property sector. In addition, the ageing population is driving increased demand for stable returns in pension products.

### Progress in 2023

- Increase in assets under management of SEK 12 billion
- Continued inflows into funds, mainly with a sustainability focus, despite a cautious market
- Acquisition of Aquila Group, adding growth opportunities through the private investor market in France

3

## Sustainable business

### Background

The overarching goal of Catella's approach is to offer long-term and sustainable management services, advisory services and principal investments that generate good outcomes for customers, shareholders and society at large.

### Progress in 2023

- Progress and implementation of the long-term ESG strategy decided in 2022
- Continued growth of the fund Catella Elithis, a Article 9 fund, with the long-term ambition to develop 100 energy-positive residential properties around Europe
- Principal Investments completed one and divested one property development project, both with high environmental standards

4

## Successful platform builder

### Background

A majority of Catella's companies are part-owned by the local management. This generates an entrepreneurial culture and ensures objectives are aligned for part-owned companies and the Group. When Catella starts a new operation, it is usually done through part-ownership alongside local partners, which ensures ownership by local management and financial incentives that correspond to Catella's financial targets. Building complementary platforms also creates synergies between our companies and recurring income.

### Progress in 2023

- A total of SEK 0.3 billion was invested through part-owned companies
- Preparations to launch a REIT fund in the UK, where Catella co-invest GBP 2 billion
- Acquisition of Aquila Group which adds a skilled team in property development and property funds aimed at private investors on the French market
- Co-invested in Aquila Groups fund Ūpeka, launched the second half of 2023. At year-end, the fund had raised EUR 20 million, of which half is invested in high returns.
- Mapping and discussions with many future partners, with the ambition of opening up new geographical markets for Catella and establishing complementary operations in existing markets

5

## Stable and profitable growth profile

### Background

Catella's three business areas offer a diversified business model in terms of assets, offering and geographical market, which creates value over time. Through Investment Management's offering, a stable base of assets under management is generated, underpinned by a stable foundation of repeat fixed management fees. Principal Investments invests Catella's equity in attractive development projects with the aim of generating an average internal rate of return (IRR) of 20 percent. Corporate Finance is an appreciated and sought-after transaction advisor, both in periods with high economic activity and in economic downturns. In addition, there are significant synergies between Catella's business areas.

### Progress in 2023

- Positive operating profit attributable to Catella's shareholders amounting to SEK 133m (630) in an extremely wait-and-see market and few sales of own development projects
- Strong liquidity in both Catella AB and the funds that enable investments in long-term value creation
- Assets under management increased by 15%
- Unchanged invested capital in Principal Investments based on an active decision to keep completed and cash flow positive properties pending a normalized transaction market

# CATELLA'S SHARES AND SHAREHOLDERS

Catella's market capitalisation at 31 December 2023 was SEK 2.9 billion (3.2). Catella's share price (Class B) decreased from SEK 36.40 to SEK 32.40 in 2023, a decrease of 11 percent. The corresponding development for the Class A share was SEK 35.40 to SEK 34.50, a decrease of 5 percent. This can be compared to the OMX Stockholm GI, which increased by 19 percent.



## Turnover

In 2023, a total of 12.7 million Class B shares and 176,000 Class A shares in Catella were turned over on all marketplaces, while the average daily trading volume was 50,734 Class B shares and 1,164 Class A shares. Trading on Nasdaq Stockholm represented 67.8 percent of total turnover in the Class B share and 100 percent in the Class A share.

## Share capital

As of 31 December 2023, Catella's registered share capital was SEK 177 million (177), divided between 88,348,572 shares (88,348,572). The quotient value per share is 2. Share capital is divided between two share classes with different voting rights. 2,395,654 Class A shares with 5 votes per share, and 85,952,918 Class B shares with 1 vote per share.

As of 31 December 2023, a total of 3,000,000 warrants were outstanding. Upon full utilisation of the 3,000,000 warrants, dilution of the capital and votes in the company would be 3.4% and 3.0% respectively.

At the request of shareholders, 110,588 Class A shares were converted to Class B shares in 2023.

## Dividend

Catella's aim is to transfer the Group's profit after tax to shareholders to the extent it is not considered necessary for developing the Group's operating activities and considering the company's strategy and financial position. Adjusted for profit-related unrealized value increases, at least 50 percent of the Group's profit after tax will be transferred to shareholders over time.

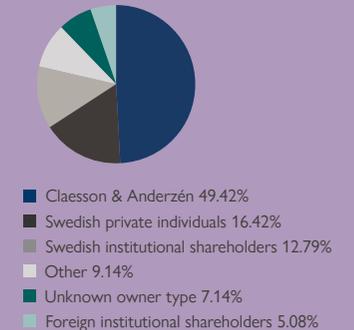
The Board of Directors ahead of the annual general meeting on May 22nd 2024 proposed a dividend payment totalling SEK 79,513,714.80 (106,018,286), which corresponds to SEK 0.90 (1.20) per Class A and B share, to shareholders for the financial year 2023.

## Shareholders

Catella had 7,883 (8,255) shareholders registered at the end of the period. The principal shareholders on 31 December 2023 were the Claesson & Anderzén Group with 49.4 percent (49.4) of the capital and 49.0 percent (48.9) of the votes, followed by Alcur Fonder with 7.3 percent (8.4) of the capital and 6.6 percent (7.5) of the votes.

The ten largest shareholders held 73.5 percent, (73.8) of the capital and 71.6 percent, (73.8) of the votes as of 31 December 2023. Foreign ownership amounted to 18.2 percent (12.5) of the capital and 18.4 percent (13.2) of the votes.

Shareholding distribution of capital  
31 Dec 2023



## Distribution of shares

As of 31 December 2023

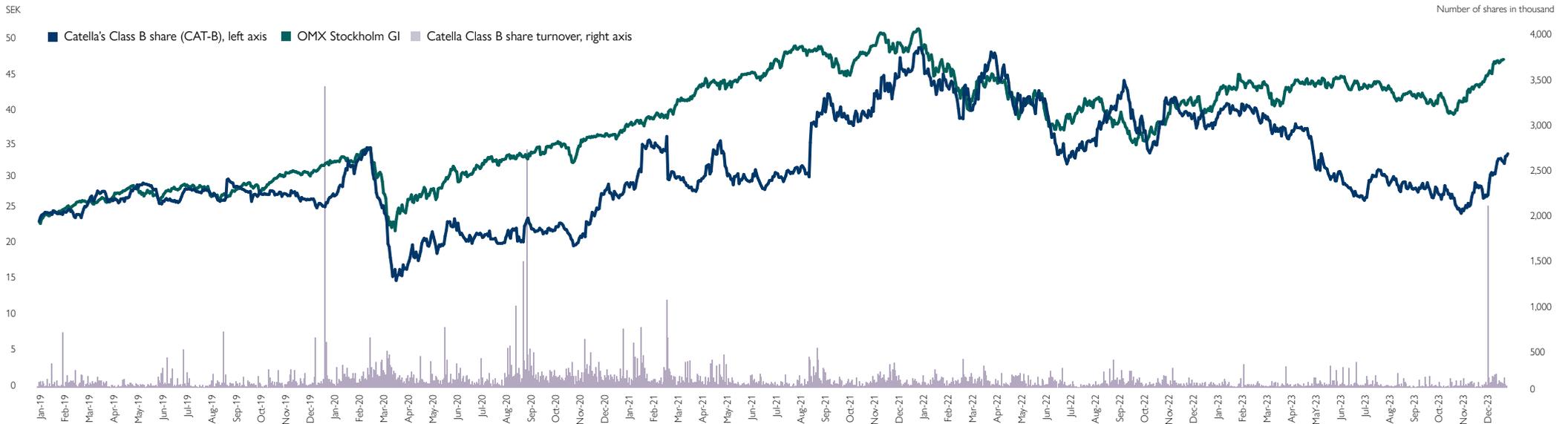
Shareholding distribution by holding	Number of shares	Capital	Votes	No. of shareholders	Proportion of owners
1–500	787,597	0.9%	1.5%	5,824	73.9%
501–1,000	660,717	0.7%	1.1%	850	10.8%
1,001–5,000	2,112,341	2.4%	2.8%	901	11.4%
5,001–10,000	974,825	1.1%	1.3%	133	1.7%
10,001–50,000	2,659,996	3.0%	3.0%	114	1.4%
50,001–100,000	1,757,873	2.0%	1.8%	24	0.3%
100,001–500,000	5,771,597	6.5%	6.7%	23	0.3%
500,001–1,000,000	4,840,883	5.5%	4.9%	6	0.1%
1,000,001–5,000,000	12,186,804	13.8%	13.3%	6	0.1%
5,000,001–20,000,000	6,454,131	7.3%	6.6%	1	0.0%
20,000,001–	43,664,749	49.4%	49.0%	1	0.0%
<b>Anonymous holding</b>	<b>6,477,059</b>	<b>7.3%</b>	<b>8.0%</b>		

## Shareholders As of 31 December 2023

As of 31 December 2023

Shareholders	CAT A	CAT B	Capital	Votes
Claesson & Anderzén	1,100,910	42,563,839	49.4%	49.0%
Alcur Fonder		6,454,131	7.3%	6.6%
Symmetry Invest A/S		4,000,000	4.5%	4.1%
Avanza Pension	58,203	2,325,313	2.7%	2.7%
Nordea Funds		2,088,540	2.4%	2.1%
Nordnet Pensionsförsäkring	16,093	1,568,678	1.8%	1.7%
Petter Stordalen (Strawberry)	143,334	1,350,566	1.7%	2.1%
Rutger Arnhult		1,336,077	1.5%	1.4%
Hedberg family		1,000,000	1.1%	1.0%
Thomas Andersson Borstam		920,000	1.0%	0.9%
Other	1,077,114	22,345,774	26.5%	28.4%
<b>Total</b>	<b>2,395,654</b>	<b>85,952,918</b>	<b>100.00%</b>	<b>100.00%</b>

## Five-year summary of Catella's Class B share



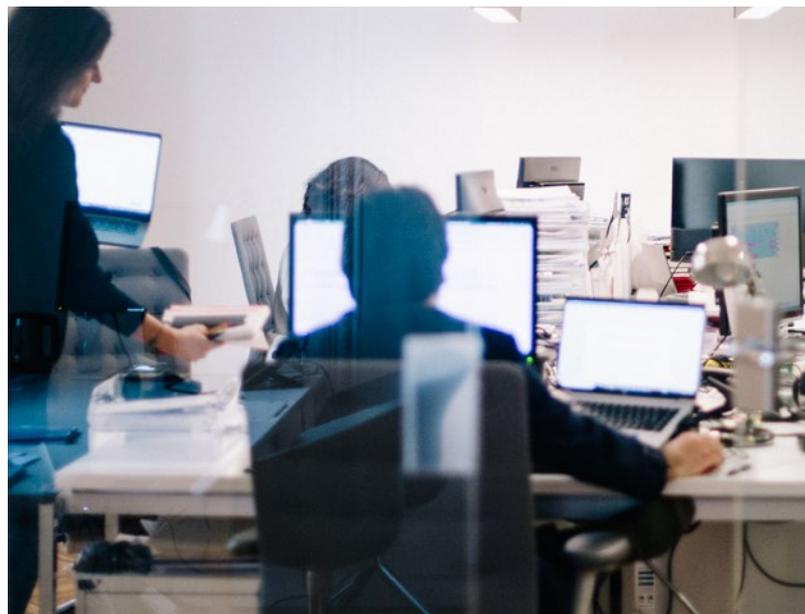


# CORPORATE GOVERNANCE

Catella AB is a public Swedish limited liability company with its registered office in Stockholm, Sweden. Catella's shares are listed on the regulated marketplace Nasdaq Stockholm Mid Cap.

## CORPORATE GOVERNANCE

This Corporate Governance Report is presented in accordance with the Annual Accounts Act and the Swedish Corporate Governance Code and describes the corporate governance of Catella in the financial year 2023. Catella has not departed from the Swedish Corporate Governance Code or breached Nasdaq Stockholm's regulatory framework for issuers or accepted stock market market in 2023. The Report has been reviewed by Catella's Auditor, see page 119–124.



Catella's corporate governance is based on external regulatory frameworks such as the Swedish Companies Act, the Swedish Annual Accounts Act, Nasdaq Stockholm's regulatory framework for issuers, the Swedish Corporate Governance Code and other applicable Swedish and foreign laws and regulations. As a complement to the external regulatory frameworks, the company follows an internal framework in the form of the Articles of Association, as well as control and working documents for the Board, its committees, the CEO and corporate operations. These provisions are applied and monitored by means of corporate reporting procedures and standards.

### Shares and Shareholders

Catella has been listed on the regulated market place Nasdaq Stockholm Mid Cap since 2016. The shares are traded under the tickers CAT A and CAT B. As of 31 December 2023, the total number of shares in Catella was 88,348,572, of which 2,395,654 Class A shares and 85,952,918 Class B shares. Each Class A share confers the right to five votes and each Class B share confers the right to one vote. Each share confers the right to an equal share of the company's assets and profit.

The share register is kept by Euroclear Sweden AB on assignment by the Board. As of 31 December 2023, the total number of shareholders in Catella was 7,883 (8,255). The shareholders include equity funds, institutional owners, members of Catella's Board and Group management and a large

number of private individuals, including close companies. The largest shareholder as of the same date was the Claesson & Anderzén Group (primarily through CA Plusinvest AB), with a holding corresponding to 49.4 percent (49.4) of the shares and 49.0 percent (48.9) of the votes. No other shareholders held 10 percent or more of the total shares or votes in Catella at the end of 2023. Additional information regarding Catella's shares and shareholders is presented in the section "The Catella Share and Shareholders" and on the company's website, [www.catella.com](http://www.catella.com).

### Annual General Meetings

Shareholders primarily exercise their influence at the Annual General Meeting (AGM), which is the highest decision-making authority in the company. Each shareholder is entitled to participate and exercise voting rights corresponding to their holdings at the AGM. The regular AGM is held once annually. The Board can also convene an Extraordinary General Meeting before the next AGM is held, if required. The Notice convening the AGM is published on the company's website and advertised in the Swedish Official Gazette (Post - och Inrikes Tidningar). When a meeting is convened, a Notice of the meeting must be published in the Swedish broadsheet Svenska Dagbladet, in accordance with the Articles of Association. Notices of AGMs, as well as decisions made at the Meetings, are published through press releases, and minutes from the Meetings are published on the company's website, [www.catella.com](http://www.catella.com).

Catella's AGM is usually held in May. The AGM makes decisions including adopting the company's Income Statement and Balance Sheet, allocation of the company's earnings for the year and freedom of liability for Board members and the CEO. The AGM also appoints Board members and auditors and decides on the instructions to appoint the Nomination Committee, the Board's and auditors' fees, and guidelines on remuneration to senior executives. At the AGM, shareholders can also ask questions about the Group's operations. The AGM can also make decisions regarding particularly important issues, such as amendments to the company's Articles of Association, in accordance with the regulations in the Companies Act.

### Annual General Meeting 2023

Catella's Annual General Meeting 2023 was held on Wednesday 10 May 2023 in Stockholm, Sweden. Prior to the AGM, the Board authorized shareholders to exercise their voting rights in the form of an advance postal ballot in accordance with §11 of the Articles of Association. The AGM resolved in accordance with all proposals presented by the Board of Directors and the Nomination Committee. In addition to shareholders, the Chairman, the Secretary of the AGM, persons to attest the minutes, and representatives from the company and Euroclear participated in the AGM. Shareholders representing approximately 68 percent (65) of the votes in the company as of the record date were represented at the AGM.

Resolutions at the AGM included:

- to re-elect Board members Johan Claesson, Tobias Alsborger, Johan Damne and Anneli Jansson.
- To elect Samir Kamal and Sofia Watt as new Board members
- To re-elect Johan Claesson as Chairman of the Board
- To adopt the Income Statement and Balance Sheet for the Parent Company and the Group, and to discharge the Board of Directors and CEO from liability for the preceding financial year
- To pay dividends to shareholders of SEK 1.20 per share, equivalent to SEK 106,018,286.40 and for remaining profit to be carried forward.
- That the number of Board members shall be six, with no deputies, and that the company shall have one auditor, with no deputy auditors
- To determine remuneration to the Board, including SEK 615,000 to the Chairman and SEK 380,000 each to other Board members. The AGM also resolved to pay a fee of SEK 140,000 to the Chairman of the Audit Committee and SEK 108,000 each to the other two committee members, as well as a fee to the Chairman of the Remuneration Committee of SEK 43,000 and SEK 33,000 to the other committee member.
- To re-elect KPMG AB as the company's Auditor for a term ending at the close of the next AGM
- That remuneration to the auditor shall be payable in accordance with approved invoices

## The work of the Board of Directors and key resolutions 2023

### QUARTER 1

- Year-end Report 2022
- External Audit Report 2022
- Risk and compliance report Q4 2022
- Evaluation of the external auditor
- Evaluation of the CEO
- Issuing guarantees to subsidiaries
- Sale of Infrahubs' projects in Vaggeryd
- Adoption of Group-wide policies
- Conversion of Class A shares to Class B shares on request of shareholders
- Annual Report 2022

### QUARTER 2

- Remuneration Report 2022
- Interim Report Q1 2023
- Risk and compliance report Q1 2023
- Annual General Meeting 2023
- Adoption of governing documents, such as the Board's Rules of Procedure, Instructions to the CEO, Rules of Procedure for the Audit and Remuneration Committees and Group-wide policies
- Appointment of Board Committee and Whistleblower Committee
- ESG, sustainability and long-term value creation
- Conversion of Class A shares to Class B shares on request of shareholders
- New rental agreement for office premises at Birger Jarlsgatan 6
- Liquidation of partnership with Infrahubs
- Investments in Principal Investments

### QUARTER 3

- External audit plan 2023
- Interim Report Q2 2023
- Risk and compliance report Q2 2023
- Issuing guarantees to subsidiaries

### QUARTER 4

- Interim Report Q3 2023
- Risk and compliance report Q3 2023
- External Audit Report Q3 2023
- Budget 2024
- Strategy 2024–2026
- Evaluation of the Board of Directors
- Evaluation of governance of subsidiaries and associated companies
- Adoption of Group-wide policies
- Conversion of Class A shares to Class B shares on request of shareholders

- To approve the Board's Remuneration Report for the preceding financial year
- To authorise the Board of Directors, on one or more occasions during the period until the end of the next AGM, with or without deviation from the shareholders' preferential rights, to resolve on a new issue Class A and/or Class B shares, in accordance with the terms of the Board's proposal
- To authorise the Board of Directors, on one or more occasions during the period until the next AGM, to resolve on repurchase and transfer of the company's own Class A and/or Class B

shares, in accordance with the terms of the Board's proposal

### Annual General Meeting 2024

Catella's Annual General Meeting 2024 will take place on Wednesday 22 May 2024. The Notice convening the AGM will be published in April 2024. More information is available on the company's website, [www.catella.com](http://www.catella.com).

### Nomination committee

The AGM of Catella makes decisions regarding instructions to the Nomination Committee. The Nomination Committee's

## Attendance at Board and Committee meetings 2023<sup>1</sup>

Board member	Attendance, Board meetings	Attendance, Audit Committee meetings	Attendance, Remuneration Committee
Johan Claesson, Board Chairman <sup>2</sup>	12/13	2/4	3/3
Jan Roxendal, Board member <sup>3</sup>	5/13	2/4	–
Tobias Alsborger, Board member	13/13	4/4	–
Johan Damne, Board member <sup>4</sup>	11/13	2/4	–
Joachim Gahn, Board member <sup>5</sup>	6/13	–	1/3
Anneli Jansson, Board member	12/13	–	–
Samir Kamal, Board member <sup>6</sup>	7/13	–	2/3
Sofia Watt, Board member <sup>7</sup>	7/13	2/4	–

<sup>1</sup> Board members who have participated in parts of Board meetings and/or Committee meetings are counted as having been present if they were present during most of the meeting.

<sup>2</sup> Johan Claesson was a member of the Audit Committee up until 10 May 2023.

<sup>3</sup> Jan Roxendal was a Board member and member of the Audit Committee up until 10 May 2023.

<sup>4</sup> Johan Damne has been a member of the Audit Committee since 10 May 2023.

<sup>5</sup> Joachim Gahn was a Board member and member of the Remuneration Committee up until 10 May 2023.

<sup>6</sup> Samir Kamal has been a Board member and member of the Remuneration Committee since 10 May 2023.

<sup>7</sup> Sofia Watt has been a Board member and member of the Audit Committee since 10 May 2023.

remit includes presenting proposals to the AGM concerning the number of Directors, Directors' and Auditor's fees, composition of the Board of Directors, Chairman of the Board, instructions for the Nomination Committee, Chairman of the AGM, and election of Auditors. The Nomination Committee's proposals are presented in the Notice convening the AGM. At the AGM, the Nomination Committee reports how its work has been conducted and presents its proposals and reasoning. Further information about the Nomination Committee and its work is available on Catella's website, [www.catella.com](http://www.catella.com).

### Nomination Committee for the Annual General Meeting 2023

The instructions to the Nomination Committee were adopted at the AGM 2022. In accordance with the instruction, the Nomination Committee for the AGM 2023 comprises three members: Eje Wictorson, (Chairman of the Nomination Committee) appointed by CA Plusinvest AB, Erik Eikeland, appointed by Alcur Fonder AB and Mia Arnhult, appointed by the M2 Group. The majority of the Nomination Committee members were independent in relation to the company and management.

Ahead of the AGM 2023, the Nomination Committee concluded that Catella's Board worked effectively, with a high rate of participation and extensive commitment, and that all Board members, with the exception of Joachim Gahm and Jan Roxendal, were available for re-election. Furthermore, it concluded that Catella's Board work, particularly considering the company's focused strategy with three property-oriented business areas, had partially placed new demands on Board member competencies in order to create long-term financial value as well as customer, shareholder and social value.

The Nomination Committee proposed that the number of members of the Committee remain unchanged, that all members available for re-election be re-elected, and that the Chairman of the Board be re-elected. The Nomination Committee proposed that Samir Kamal and Sofia Watt be elected as Board members. In accordance with the Audit Committee's recommendation, the Nomination Committee also proposed that KPMG AB be appointed as new Auditor until the end of the AGM 2024. The Nomination Committee applied rule 4.1 of the Swedish Corporate Governance Code as its diversity policy. The AGM adopted the Nomination Committee's proposals.

#### **Nomination Committee for the Annual General Meeting 2024**

The Nomination Committee for the AGM 2024 was convened and appointed in accordance with the instructions for the

Nomination Committee adopted by the AGM 2022. Ahead of the AGM 2024, the Nomination Committee comprises three members: Eje Wictorson, (Chairman of the Nomination Committee) appointed by CA Plusinvest AB, Erik Eikeland, appointed by Alcur Fonder AB and Henrik Abrahamsson, appointed by Symmetry Invest. The majority of the Nomination Committee members were independent in relation to the company and management.

#### **Board of Directors**

The Board has overall responsibility for Catella's organisation and management. According to Catella's Articles of Association, the Board shall consist of a minimum of four and a maximum of ten members, without deputies. The AGM 2023 decided that the Board shall consist of six regular Board members without deputies. According to the Swedish Corporate Governance Code, a majority of the Board members appointed by the AGM shall be independent in relation to the company and management. A minimum of two of the Board members that are independent in relation to the company and management shall also be independent in relation to major shareholders of the company.

All Board members available for re-election and the Chairman of the Board were re-elected by the AGM 2023. Samir Kamal and Sofia Watt were elected new Board members. Up until the AGM 2023, Catella's Board comprised Johan Claesson (Chairman), Tobias Alsborger, Johan Damne, Joachim Gahm, Anneli Jansson

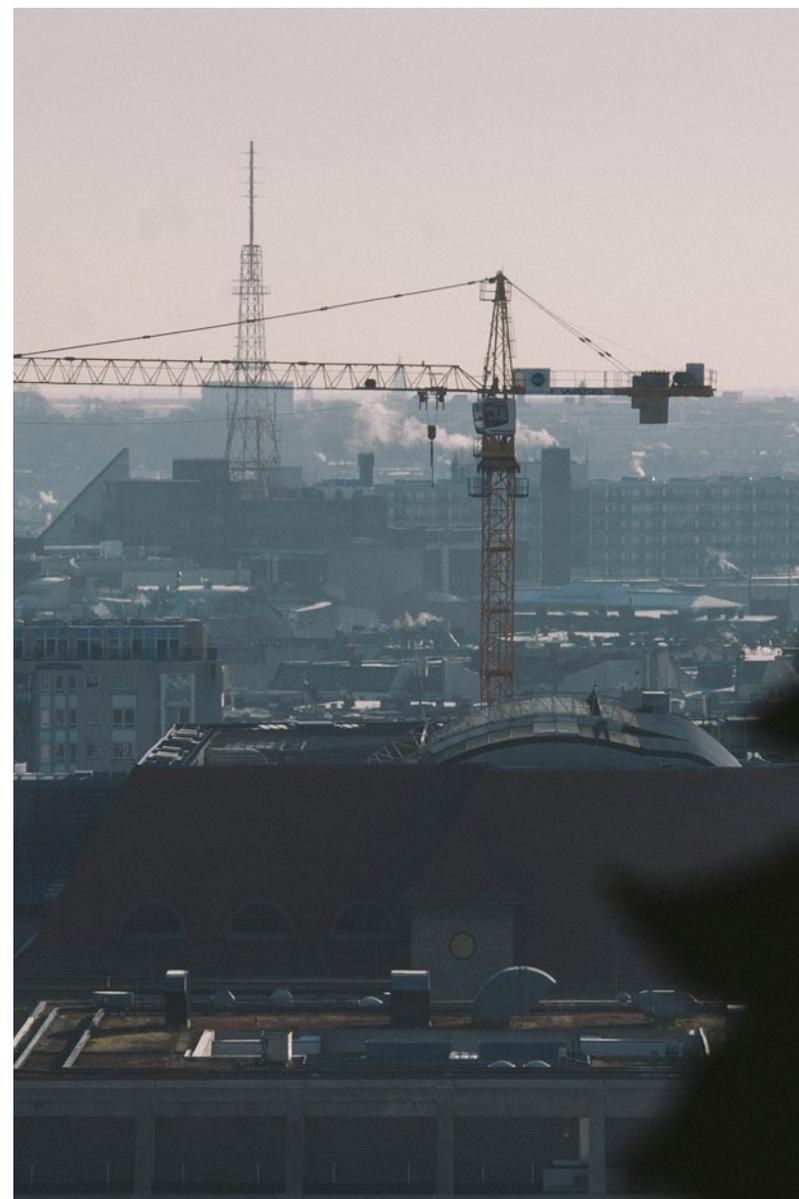
and Jan Roxendal. Since the AGM 2023, Catella's Board comprises Johan Claesson (Chairman), Tobias Alsborger, Johan Damne, Anneli Jansson, Samir Kamal and Sofia Watt. The majority (four out of six) of the Board members are independent in relation to the company, management and major shareholders. All the shareholders that are independent in relation to the company and management are also independent in relation to major shareholders. Further information about Catella's Board is presented in the section "Board and Auditor" and on the company's website, [www.catella.com](http://www.catella.com).

The AGM 2023 authorized the Board to resolve to repurchase and transfer Treasury shares. The Board did not exercise this authorisation in 2023.

#### **The Board's areas of responsibility**

The main task of the Board is to manage, on behalf of the shareholders, the Group's operations to optimise the interests of shareholders in terms of in long-term growth and value creation. The Board's work is governed by factors including the Companies Act, the Articles of Association, the Swedish Corporate Governance Code and the Rules of Procedure the Board has adopted for its work, including the work of the Audit Committee and Remuneration Committee. The Board's responsibilities include ensuring effective internal control, for more information see the section "Internal control".

The most recent Rules of Procedure were adopted at the statutory Board



meeting in May 2023. The meeting also adopted the Instruction to the CEO as well as existing, revised and new Group-wide control documents. The Rules of Procedure of the Board of Directors regulate matters including the duties of the Chairman of the Board, matters to be addressed at each Board meeting and matters to be addressed at particular times during the year. The Rules of Procedure describe the special role and tasks of the Chairman, and areas of responsibility for the Committees appointed by the Board. According to the Rules of Procedure and the Swedish Corporate Governance Code, the Chairman shall:

- Organise and lead the Board's work to ensure the optimal conditions for the Board's work,
- Ensure that the Board continuously updates and deepens its knowledge about the company,
- Ensure that the Board's decision are executed, and
- Ensure that the work of the Board is evaluated annually.

### The work of the Board in 2023

The Board held 13 meetings (15) in 2023, of which 4 (3) were held by telephone. Each Board member's participation in these meetings is presented in the table below. All meetings in the year followed an agenda distributed prior to the meeting, alongside relevant information.

In addition to operating activities, questions relating to governance of subsidiaries and associated companies as well as investments and divestments in the Investment

Management and Principal Investments business areas were the subject of particular focus during the year. The Chairman presided over the work of the Board of Directors and maintained continuous contact and dialogue with the company's CEO. The Board met with the company's auditor on one occasion in the year without any member of management being present and obtained their opinions on the company's financial reporting and internal control. Minutes of Board meetings are recorded by the company's Head of Group Legal. The minutes were verified by the Chairman and one Board member.

### Evaluation of the Board's performance

The Chairman of the Board annually initiates an evaluation of the Board's work with the aim of improving the Board's working methods and efficiency. Another aim of the evaluation is to ascertain what types of matters the Board feels should be given more focus and whether the Board has the appropriate expertise. The results of the evaluation are presented to the Board of Directors and the Nomination Committee.

The 2023 evaluation was carried out with the support of the company's Head of Group HR, with the Board members answering numerous questions about the Board's work and their own role as Board members. The results of the evaluation were discussed by the Board and presented to the Nomination Committee. The Nomination Committee subsequently conducted interviews with the relevant Board

members and the CEO. The evaluation forms the basis for the Nomination Committee's work ahead of the next AGM.

### Audit Committee

The Board has instituted a dedicated Audit Committee to assist the Board in the quality-assurance of financial reporting and internal control. Specifically, the Committee monitors financial reporting and sustainability reporting, the effectiveness of internal control, the activities of the internal audit function and risk management. The Committee also keeps itself apprised of the statutory audit of the annual accounts and evaluates the Auditor and the Auditor's independence. The Committee presents its conclusions and proposals to the Board of Directors. The Audit Committee also presents a recommendation to the Nomination Committee regarding the election of and remuneration to the Auditor.

In the period up until the AGM 2023, the Board's Audit Committee comprised Johan Claesson and Jan Roxendal, with Jan Roxendal as Chairman. Since the statutory Board meeting in May 2023, the Audit Committee comprised Tobias Alsborger, Johan Damne and Sofia Watt, with Tobias Alsborger as Chairman. The Audit Committee met on 4 (4) occasions in 2023.

### Remuneration Committee

The main task of the Remuneration Committee is to prepare the Board's decisions on matters relating to remuneration principles, remuneration and other employment terms for senior executives, monitor and

evaluate ongoing schemes and schemes terminated during the year relating to variable remuneration to senior executives, and monitor and evaluate the application of the guidelines for remuneration to senior executives that the AGM decides on and applicable remuneration structures and remuneration levels in the company. The Committee will present its proposals to the Board of Directors.

In the period up until the AGM 2023, the Board's Remuneration Committee comprised Johan Claesson and Joachim Gahm, with Johan Claesson as Chairman. Since the statutory Board meeting in May 2023, the Remuneration Committee comprises Johan Claesson and Samir Kamal, with Johan Claesson as Chairman. The remuneration Committee met on 3 (3) occasions in 2023. In the periods between regular meetings, the Remuneration Committee communicated informally via e-mail and telephone.

### Remuneration to the Board

The AGM determines remuneration to the Board following a proposal from the Nomination Committee. The AGM 2023 resolved on remuneration to the Board of SEK 2,947,000 (2,869,000), of which SEK 615,000 (600,000) to the Chairman and SEK 380,000 (370,000) each to other Board members. The AGM also resolved on remuneration of SEK 140,000 (135,000) to the Chairman of the Board's Audit Committee and SEK 108,000 (105,000) each to the other two committee members, as well as remuneration to the Chairman of the

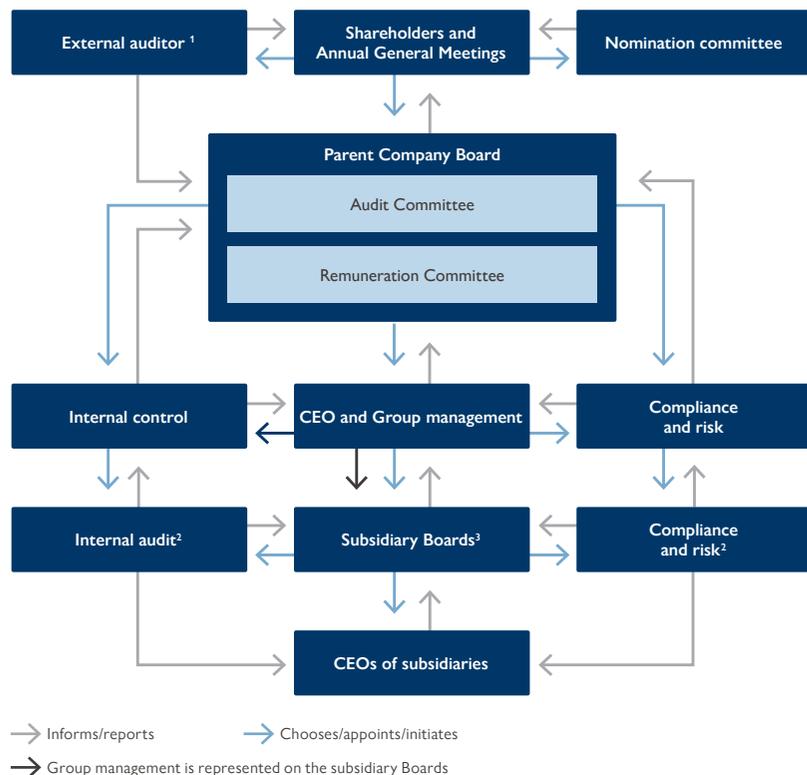
Board's Remuneration Committee of SEK 43,000 (42,000) and SEK 33,000 (32,000) to the other committee member. Information regarding fees paid to the members for the 2023 financial year are specified in Note 11 of the Annual Report 2023.

### CEO and Group Management

The company's CEO is appointed by the Board. The CEO, alongside the rest of Group management, has overall responsibility for ongoing management of the Group's operations in accordance with the Board's instructions and guidelines. The Board of Directors continuously evaluates the CEO's performance. This matter is addressed in particular at one Board meeting per year, at which no members of Group management are present. Up until February 2023, in addition to the CEO, Group management comprised the CFO, Head of Group Legal, Head of Group HR and Head of Investor Relations and Group Communications. Subsequently, in addition to the CEO, Group management comprised the CFO, Head of Group Legal and Head of Group HR. In February 2023, Mattias Brodin resigned as CFO and Michel Fischier was appointed Acting CFO. Michel Fischier was appointed CFO in May 2023. For more information about members of Group management, see the section "Group management".

The CEO also appointed Heads of business areas, subsidiaries and associated companies, who are governed by control documents determined by Group management and the Board, with some delegated

CATELLA'S CORPORATE GOVERNANCE CULTURE



1) In addition to the Audit Report, the external auditor submits reports relating to the review of annual accounts, management and internal control of financial reporting to the Board and management of the Catella Group and its subsidiaries.

2) Internal audit, compliance and risk functions are located in the subsidiaries that conduct operations subject to regulatory oversight.

3) The Boards of Directors of subsidiaries address issues relating to audit, remuneration, risk management and regulatory compliance in a commensurate manner as for the Parent Company's Board of Directors.

decision-making authority for managing ongoing operations in the Group's subsidiaries and associated companies. Group management works closely with the Heads of business areas, subsidiaries and associated companies to implement Group-wide values, visions and strategies as determined by the Board. The CEO leads and regularly convenes Group management and the heads of business areas. The CFO holds quarterly meetings with the Heads of subsidiaries and associated companies to discuss results of operations and other financial matters.

**Remuneration to senior executives**

Following the Board's proposal, Catella's AGM adopts guidelines for remuneration to senior executives at least every four years. Guidelines for remuneration to senior executives were adopted by the AGM 2022. The remuneration guidelines in their entirety are available on the company's website, [www.catella.com](http://www.catella.com). Details of remuneration to the CEO and other senior executives for the financial year 2023 are disclosed in Note 11 of the Annual Report 2023.

**Auditor**

According to the Articles of Association, Catella shall have at least one and no more than two auditors and no more than two deputy auditors. The auditor and, where applicable, deputy auditor, shall be an Authorised Public Accountant or registered audit firm. The auditor's assignment shall end at the conclusion of the AGM held during the first, second, third or fourth

financial year following the auditor's election. Up until the AGM 2023, PricewaterhouseCoopers AB (PwC) acted as the company's Auditor, with Patrik Adolfson as Auditor in Charge. The AGM 2023 appointed audit firm KPMG AB as new Auditor for the period until the end of the AGM 2024, with Johanna Hagström as Auditor in Charge. In addition to auditing, PwC and KPMG and their respective Group companies, have held a number of other advisory assignments for Catella, primarily relating to accounting matters and transfer pricing.

**Remuneration to the auditor**

As resolved by the AGM 2023, audit fees shall be paid to the auditor in accordance with approved invoices. Information regarding fees paid to the Auditor for the 2023 financial year are specified in Note 8 of the Annual Report 2023.

**Internal control**

**Control environment**

According to the Swedish Companies Act and the Swedish Code of Corporate Governance, the Board is responsible for ensuring the effective internal control and risk management of the company, particularly with regard to financial reporting. The Board's Rules of Procedure, the Audit Committee's Rules of Procedure and the Instruction to the CEO ensure a clear distribution of responsibilities for efficient management of financial reporting and risks. Furthermore, the Board has

produced a number of Group-wide control documents to safeguard the reliability of financial reporting, such as the Financial Handbook, Corporate Governance Policy and Code of Conduct. The Audit Committee prepares the Board's decisions on matters relating to financial reporting and internal control. The work associated with implementing Group-wide control documents continued in 2023.

**Risk assessment and control environment**  
Group management performs a comprehensive risk analysis at least every two years with the aim of identifying material operational risks, including macroeconomic, strategic, operational, financial and compliance risks. Risks are evaluated based on estimated probability and impact as well as the effectiveness of established measures to manage the risks. Group management subsequently proposes risk management procedures to the Board for decision regarding the introduction of appropriate measures in order to mitigate the risks identified. The most recent risk analysis was completed in 2022.

Group management regularly reports to the Audit Committee and the Board on the basis of established procedures and is responsible for the Group's implementation and compliance with processes ensuring efficient and qualitative internal control. In the third quarter each year, Group management evaluates internal control alongside the company's Auditor in order to monitor compliance with the Group's control environment. The evaluation aims to prevent, identify and manage departures from the control environment. The results

are reviewed by the Parent Company, local subsidiary and associated company auditors, and the Parent Company Auditor. The results are then presented to the Board and followed up by Group management. In 2023, the company placed a particular focus on reviewing internal control, and the evaluation was extended to include areas other than financial reporting, such as ESG, regulatory compliance, IT and information security.

In order to ensure that material information reaches the Board of Catella AB, Group management is represented on the Board, and where applicable on Board Committees and other corporate organs, across all subsidiaries and associated companies. The Group-wide control documents indicate the type of matters to be reported to these corporate organs. Where required under applicable laws and regulations, independent Board members are represented.

The company also pursues control activities on site to prevent, discover and correct errors and departures in financial reporting prior to each reporting date, including authorization routines, reconciliation and various analyses of results of operations and financial position. Catella also has procedures in place for managing and avoiding conflicts of interest. The company keeps a register of closely related parties, which is continuously updated. Management of conflicts of interest is regulated by the Board's Rules of Procedure and is a standing item on the agenda of Board meetings at subsidiaries and associated

companies. For more information on related party transactions, see Note 38 and 53 in the Annual Report 2023.

#### *Information and communication*

For external information provision and communication, the Board has produced an Information and Communications Policy to ensure that the company's market communication follows applicable legislation and rules governing companies traded on regulated marketplaces. To ensure internal information provision and communication, the company has introduced formal and informal communication channels with corporate management and the Board in order to facilitate the flow of information of material significance from the employees. Group Management regularly meets with each of the subsidiaries and associated companies to discuss matters concerning results of operations and other financial matters. The Board receives regular financial reports covering the Group's financial position and profit performance.

For Catella, it is particularly important to create an environment where everyone feels able to address problems without fear of reprisal, either directly with their local management or through anonymous reporting channels provided by external parties. Catella has a dedicated Whistleblower Committee to address such matters which includes a representative from the Board of Directors. No qualified cases were reported to Catella's Whistleblower Committee in 2023. All reports filed in accordance with Catella's Whistleblower Policy

and/or applicable laws and regulations are handled efficiently, and the reporting individual will never be subject to reprisal.

#### *Monitoring*

The Board of Directors continuously evaluates the information provided by Group management. The work includes implementing measures to address any shortcomings and other proposed measures arising from the risk analysis, review of internal control and the external audit and, where applicable, reporting from the risk, compliance and internal audit functions.

#### *Operations subject to regulatory supervision*

As of the end of the financial year 2023, three subsidiaries in the Catella Group carried out regulated operations under the supervision of authorities in their respective jurisdictions. These subsidiaries are Catella Real Estate AG in Germany, Catella Property Fund Investment AB in Sweden and Axipt Real Estate Partners SAS in France. Catella Real Estate AG is a fund management company (German: Kapitalverwaltungsgesellschaft) under supervision of the German Financial Supervisory (BaFin). Catella Property Fund Investment AB is a manager of alternative investment funds (AIF) and holds a licence for discretionary portfolio management under supervision of the Swedish Financial Supervisory Authority. Axipt Real Estate Partners SAS is a manager of alternative investment funds (AIF) aimed at professional and non-professional investors that operates under the supervision of

Autorité des Marchés Financiers in France. During the period of regulation, Catella's operations have had dedicated functions relating to risk management, regulatory compliance and internal audit, which have continuously reported directly to the CEO, and indirectly to the Board. The Audit Committee carried out a quarterly review of risk and compliance reporting from subsidiaries subject to regulatory control

or the supervision of governing authorities. For more information about the Audit Committee, see the section "Audit Committee" above.

For other companies in the Catella Group, the Board assesses that no internal audit is currently required, particularly considering the company's established control activities such as the annual review of internal control.



## Board of Directors

Information about Catella's Board members is presented below.



### Johan Claesson

Chairman of the Board

Born 1951

Director of Catella AB since 2008

**Other current assignments:** Chairman of Claesson & Anderzén AB, directorships in other companies in the Claesson & Anderzén Group. CEO and Director of Bellvi Förvaltnings AB and Johan och Marianne Claesson AB. Board member of Fastighetsaktiebolaget Bremia and Leeds Group plc

**Background:** Owner and executive Chairman of Claesson & Anderzén AB

**Education:** MBA

**Shareholding:**<sup>1</sup> 1,100,910 Class A shares and 42,563,839 Class B shares, personal holding and through companies.

**Independent of the company and management:** No

**Independent of major shareholders in the company:** No

### Samir Kamal

Board member

Born 1965

Director of Catella AB since 2023

**Other current assignments:** Senior Advisor at Trill Impact. Board assignments in portfolio companies of Trill Impact. Board member of Lyra Financial Wealth.

**Background:** Previously Senior Director (Principal Investments) at Novo Holdings A/S, Partner at EQT Partners, Senior Advisor at Bure Equity, Partner at IK Investment Partners and Project Manager at Carnegie Investment Bank. Former Board member of Bonava AB (publ) and Scandi-Standard AB (publ).

**Education:** Master's Degree, Stockholm School of Economics and Bachelor's Degree in Electrical and Electronics Engineering, Imperial College London.

**Shareholding:**<sup>1</sup> -

**Independent of the company and management:** Yes

**Independent of major shareholders in the company:** Yes



### Sofia Watt

Board member

Born 1975

Director of Catella AB since 2023

**Other current assignments:** Head of Asset Management, Managing Director, at Deutsche Finance International.

**Background:** Previously Head of Asset Management Real Estate, Managing Director, at EQT. Previously held positions as Executive Director at Pramerica Real Estate Investors Ltd (PGIM), Senior Asset Manager at Cambridge Place Investment Management and at Niam and Tufvesson & Partners.

**Education:** Executive MBA, Uppsala University, M.Sc. Royal Institute of Technology (KTH), B.Sc. Real Estate Surveying, Mitthögskolan.

**Shareholding:**<sup>1</sup> -

**Independent of the company and management:** Yes

**Independent of major shareholders in the company:** Yes

### Tobias Alsborger

Board member

Born 1976

Director of Catella AB since 2020

**Other current assignments:** Chairman of I Suburban Industrial Properties AB, Board member of Pulsen Fastigheter AB, Enstar AB, Gale Holding AB and Terrace Road Holding AB.

**Background:** Independent investor and entrepreneur. Partner and member of management of NREP. Various positions at DTZ (Cushman & Wakefield).

**Education:** M.Sc. Property and Finance, KTH Royal Institute of Technology

**Shareholding:**<sup>1</sup> 60,000 Class B shares through companies

**Independent of the company and management:** Yes

**Independent of major shareholders in the company:** Yes



### Johan Damne

Board member

Born 1963

Director of Catella AB since 2014

**Other current assignments:** Chairman of the Board of CA Fastigheter Aktiebolag

### Anneli Jansson

Board member

Born 1974

Director of Catella AB since 2021

**Other current assignments:** CEO of Humlegården Fastigheter AB, Board member of Platzer Fastigheter AB, Board member of Centrum för AMP, and Board member of SNS förtroenderåd.

**Background:** CEO of Humlegården Fastigheter AB since 2016. Previously responsible for the Nordic operations at Grosvenor Fund Management. Previously employed by KF Fastigheter, Vision & Resurs Fastighet-sutveckling, Ernst & Young and AGL.

**Education:** M.Sc. (Eng.), KTH Royal Institute of Technology

**Shareholding:**<sup>1</sup> 10,000 Class B shares,

(publ), CEO of Claesson & Anderzén Aktiebolag, board assignments as chairman or director and CEO assignments in other companies in the Claesson & Anderzén Group. Director of Arise AB (publ)

**Background:** CEO of CA Fastigheter Aktiebolag (publ)

**Education:** BA, Växjö University

**Shareholding:**<sup>1</sup> 150,000 Class B shares, personal holdings

**Independent of the company and management:** No

**Independent of major shareholders in the company:** No

personal holdings

**Independent of the company and management:** Yes

**Independent of major shareholders in the company:** Yes



<sup>1)</sup> All holdings in the company are reported as of 31 December 2023 and relate to personal holdings and holdings of closely related parties.

## Group management and auditor

Information about Catella's Group management and Auditor is presented below.

### Christoffer Abramson

President and CEO

Born 1970

President and CEO since 2021. Member of Group management since October 2020

**Background:** Employed by Catella since 2020, previously as CFO. Formerly CFO of EF Real Estate Holdings, Boston. Previous roles include Operative Executive at Cerberus Capital Management, Gores Group, Apollo Global Management and CFO of GE Real Estate, London.

**Education:** M.Sc. (Econ.), Stockholm School of Economics.

**Shareholding:**<sup>1</sup> 40,000 Class B shares and 2,000,000 warrants in Catella AB, personal holding.



### Michiel Fischier

CFO <sup>2</sup>

Born 1978

Member of Group management since June 2021

**Background:** Employed by Catella since 2021. Joins the company from a position as Vice President Investor Relations at SAS, has previously held leading roles in IR and communication at Hoist Finance and Skandia.

**Education:** M.Sc. (Econ.), Stockholm University

**Shareholding:**<sup>1</sup> 17,500 Class B shares and 150,000 warrants, personal holding

### Johanna Bjärnemyr

Head of Group Legal

Born 1983

Member of Group management since June 2021

**Background:** Joins the company from a position as Legal Counsel at Hemfosa Fastigheter AB and before that roles at Wistrand Advokatfirman Cederquist and Kilpatrick Townsend & Stockton.

**Education:** LL M., Stockholm University

**Shareholding:**<sup>1</sup> 2,500 Class B shares and 150,000 warrants, personal holding



### Mathias de Maré

Head of Group HR

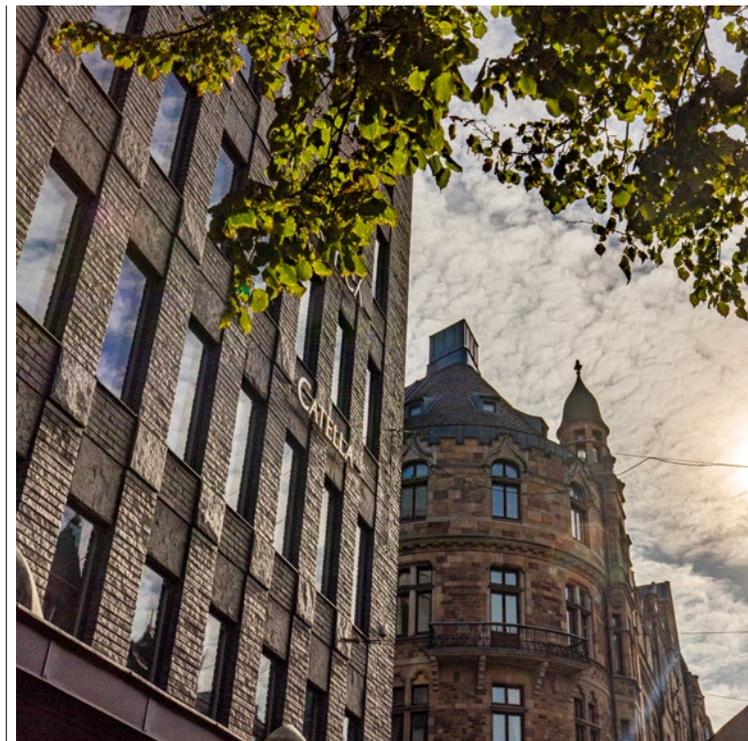
Born 1973

Member of Group management since March 2021

**Background:** Employed by Catella since 2020. Joins the company from a position as HR Manager at PwC and before that as HR consultant at Klarna and Nordic HR Director at Pelican Rouge Group.

**Education:** M.Sc. (Econ.), Stockholm University and M.Sc. (HR), Halmstad University.

**Shareholding:**<sup>1</sup> 5,000 Class B shares and 150,000 warrants, personal holding



### Johanna Hagström Jerkeryd

Auditor in charge<sup>3</sup>

Born 1984

KPMG AB has been Catella's auditors since the AGM 2023. Auditor in Charge is Johanna Hagström Jerkeryd, Authorised Public Accountant and member of FAR.

**Other audit assignments:** LSTH Handelsfastigheter AB, VR Sverige AB, Sika Sverige AB and Svenskt Tenn.

**Shareholding:** –

<sup>1</sup> All holdings in the company are reported as of 31 December 2023.

<sup>2</sup> Mattias Brodin was CFO up until 24 February 2023. Michiel Fischier was appointed CFO in May 2023, after being Acting CFO and prior to that Head of Investor Relations and Head of Group Communications

<sup>3</sup> Patrik Adolfson was the auditor in charge up until 12 May 2023.



# Directors' Report

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# Directors' Report

The Board of Directors and the Chief Executive Officer of Catella AB (publ), Corporate identity number 556079-1419, hereby present the Annual Report and Consolidated Financial Statements for the financial year 2023. The results of operations of the Group and Parent Company are presented in the following Income Statements, Balance Sheets, Cash Flow Statements, Statements of Changes in Equity and Notes. Amounts are in SEK million unless otherwise indicated. Figures in tables and comments may be rounded.

## INFORMATION ON OPERATIONS

Catella is a leading property specialist that offers qualified advisory services, property funds and carries out principal investments in development projects. The Group ("Catella") has some 500 employees in 12 countries. Operations are conducted in the operating segments Investment Management, Principal Investments and Corporate Finance.

The operations in Investment Management comprise two service areas: *Property Funds* offers funds with various investment strategies in terms of risk and return, type of property and locations. Through more than 20 specialised property funds, investors gain access to fund management and efficient allocation between different European markets. *Asset Management* provides asset management services for property funds, other institutions and family offices. The operating segment's assets under management totalled just over SEK 152 billion at year-end.

In Principal Investments, Catella makes real estate investments alongside partners and external investors. Catella currently invests in offices, residential units and logistics properties on seven geographical

markets. Investments are made through subsidiaries and associated companies with the aim of generating an average IRR of 20 percent as well as strategic advantages for Catella's other business areas.

Corporate Finance provides quality capital markets services to property owners and advisory services for all types of property-related transactions to various categories of property owners and investors. Operations are carried out on five markets and offer local expertise about the property markets in combination with European reach.

Catella AB (publ), other holding companies and discontinued operations are recognised in the "Other" category.

The Group consists of the Parent Company Catella AB (publ) (the "Parent Company") and several independent but closely collaborating subsidiaries.

## OWNERSHIP STRUCTURE

Catella AB (publ) has its registered office in Stockholm, Sweden, and has been listed on NASDAQ Stockholm's Mid Cap segment since December 2016, and previously on First North Premier on NASDAQ Stockholm since 2011. Catella's largest shareholder, accounting for at least 10 percent of the shares/votes at the end of the financial year, was the Claesson & Anderzén Group (and related parties) with 49.4 percent (49.4) of equity capital and 49.0 percent (48.9) of the votes. No other shareholders held 10 percent or more of the number of shares or votes in Catella at the end of 2023. The ten largest shareholders held 73.5 percent (73.9) of the capital and 71.6 percent (71.9) of the votes as of 31 December 2023. There is more on ownership structure in the section on the Catella share and owners.

## OVERVIEW OF EARNINGS, FINANCIAL POSITION AND CASH FLOW

Progress of the Group — five-year summary

SEK M	2023	2022	2021	2020	2019
Net sales	1 697	1 996	1 735	2 057	2 389
Other operating income	642	552	39	85	60
Share of profit from associated companies	-6	63	42	196	25
Total income	2 333	2 611	1 815	2 338	2 474
Operating profit/loss	145	822	139	284	182
Financial items—net	-103	8	69	-68	202
Profit/loss before tax	42	830	208	216	385
<b>Net profit for the year</b>	<b>-9</b>	<b>683</b>	<b>128</b>	<b>75</b>	<b>193</b>

Average no. of employees	517	497	538	577	581
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SEK M	2023	2022	2021	2020	2019
Equity	2 038	2 430	1 821	1 797	1 736
Total assets	5 444	6 320	5 442	4 233	4 057
Equity/Asset ratio %	37	38	33	42	43

SEK M	2023	2022	2021	2020	2019
Cash flow from operating activities	-130	140	-1 782	7	-1 909
Cash flow from investing activities	-315	-11	233	202	222
Cash flow from financing activities	-554	150	1 113	315	-245
<b>Cash flow for the year</b>	<b>-998</b>	<b>279</b>	<b>-436</b>	<b>524</b>	<b>-1 931</b>

The Group's net sales for 2023 decreased by 15 percent to SEK 1,697 million (1,996). The reduction compared to the previous year was due to lower variable income (disposal-, acquisition- and performance fees) in Investment Management, plus lower transaction volumes and associated lower sales in Corporate Finance. Other operating income amounted to SEK 642 million (552) and mainly related to revenue recognition according to the percentage of completion method for the

projects Barcelona Logistics and Metz-Eurolog, as well as income from the divestment of the logistics property Infrahubs Vaggeryd.

Commission, assignment and production costs increased by SEK 472 million to SEK 874 million, with the increase mainly attributable to the projects Barcelona Logistics, Metz-Eurolog and Infrahubs Vaggeryd. Other operating expenses decreased by SEK 74 million to SEK 1,313 million driven by lower variable salaries.

The Group's operating profit was SEK 145 million (822). The lower profit compared to the previous year was mainly due to reduced variable income in Investment Management, fewer completed transaction in Corporate Finance, and fewer divested properties in Principal Investments.

The Group's net financial income/expense was SEK -103 million (8) and included negative exchange rate differences of SEK -25 million (66). Interest income for the year increased by SEK 12 million to SEK 57 million and interest expenses for the year increased by SEK 75 million to SEK 156 million. The increase was due in part to higher interest rates in 2023, and in part to recognition of interest expenses related to completed property projects.

Group profit/loss before tax was SEK 42 million (830), and tax cost for the year was SEK 51 million (147). The high tax expense in relation to profit was mainly due to limited opportunities for tax offset between various Group operations. The previous year also included significant capital gains in Principal Investments, where low or no tax was payable.

Profit/loss for the year amounted to SEK -9 million (683), of which SEK -21 million (491) attributable to Parent Company shareholders. This corresponds to Earnings per share of SEK -0.24 (5.55).

During the year, consolidated equity decreased by SEK 393 million, amounting to SEK 2,038 million as of 31 December 2023. The items with the greatest impact on equity related to dividends to Parent Company shareholders totalling SEK 106 million, and dividends to non-controlling interests of SEK 227 million. Furthermore, equity decreased by SEK 54 million due to an option liability attributable to a commitment to acquire the remaining 40 percent of the shares in Aquila Group. As of 31 December 2023, the Group's equity/assets ratio was 37 percent (38 percent as of 31 December 2022).

During 2023, total assets decreased by SEK 877 million, amounting to SEK 5,444 million as of 31 December 2023. The Balance Sheet item

most affected was Cash and cash equivalents, which decreased by SEK 998 million. For more information see the Group Cash Flow Statement below. Intangible assets increased by SEK 120 million due to the acquisition of Aquila Group, for more information see Note 36, and Financial assets at fair value through profit or loss increased by SEK 154 million, primarily due to new fund investments.

The Group's cash flow totalled SEK -998 million, a decrease of SEK 1,277 million year-on-year. Cash flow from operating activities before changes in working capital decreased by SEK 369 million, mainly due to lower Group income in 2023. Furthermore, the acquisition of Aquila Group, shares in APAM, CAM Iberia and Catella Residential from non-controlling interests and various fund investments, generated outflows totalling SEK 318 million. In addition, loans from credit institutions to the Kaktus projects were amortized by SEK 364 million, which were drawn down in 2022. Cash and cash equivalents were SEK 796 million (1,794) at year-end, of which cash and cash equivalents attributable to the Group's Swedish holding company amounted to SEK 57 million (679).

#### Performance of operating segments — two-year summary

SEK M	Investment Management		Principal Investments		Corporate Finance	
	2023	2022	2023	2022	2023	2022
Total income	1 138	1 408	745	678	445	542
Provisions, direct assignment and production costs	-171	-166	-606	-175	-101	-78
<b>Income excl. commission, direct assignment and production costs</b>	<b>968</b>	<b>1 243</b>	<b>139</b>	<b>503</b>	<b>344</b>	<b>465</b>
Operating expenses	-775	-785	-91	-117	-377	-442
Operating profit/loss	193	457	48	386	-33	22
Financial items—net	-20	-27	-29	-34	-14	-10
Profit/loss before tax	173	431	19	352	-47	12
Tax	-63	-131	2	-5	8	-7
<b>Net profit for the year</b>	<b>110</b>	<b>299</b>	<b>21</b>	<b>347</b>	<b>-40</b>	<b>5</b>
SEK M	2023	2022	2023	2022	2023	2022
Equity	422	389	350	531	25	59
Total assets	1 597	1 624	3 049	3 111	413	497
Equity/Asset ratio %	26	24	11	17	6	12

#### Investment Management

The business area was affected by the cautious market conditions in 2023. Total income decreased by SEK 270 million to SEK 1,138 million (1,408) driven by significantly lower variable income. Assets under management increased by SEK 12 billion during the year to SEK 152 billion, of which the acquisition of Aquila Group contributed SEK 15.5 billion.

#### Principal Investments

As of the reporting date, the operating segment had invested a total of SEK 1,695 million (1,183) in residential projects, logistics projects, office projects and retail projects in Europe. Current market conditions and lower transaction volumes affected business area opportunities to divest projects at acceptable price levels. In 2023, Principal Investments divested one property and started profit recognition of further two properties. Total income was SEK 745 million (678), and operating profit was SEK 48 million (386). The deterioration in profit was primarily due to the fact that the comparative period included the divestment of Infrahubs' properties in Norrköping, Örebro and Ljungby, before the market began to slow in 2023.

#### Corporate Finance

The European transaction market remained hesitant in 2023, which had a negative impact on Corporate Finance's sales and profits. Transaction volumes in Europe totalled SEK 1,482 billion (3,175), a decrease of 53 percent year-on-year. Catella's transaction volumes during the year totalled SEK 24.3 billion (44.9), a decrease of 46 percent. Total income was SEK 445 million (542), and operating profit/loss was SEK -33 million (22).

#### IMPAIRMENT TESTING

During the year, Catella conducted impairment tests on assets with indefinite useful lives based on carrying amounts as of 30 September 2023. Catella's assets with indefinite useful lives consist of goodwill and brands, with a reported value of SEK 444 million (347) and SEK 50 million (50) respectively. The impairment test is calculated on estimated future cash flows based on budgets and forecasts and approved by management and the Board of Directors. The test indicated no need for goodwill impairment.

## INVESTMENTS, DEPRECIATION AND AMORTISATION

In 2023, the Group completed investments totalling SEK 372 million (260). Of this amount, SEK 9 million (13) were investments in intangible assets and SEK 17 million (11) were investments in property, plant and equipment. Investments in subsidiaries totalled SEK 169 million (77), of which SEK 122 million pertained to the acquisition of Aquila Group. In addition, the company acquired shares in APAM Ltd., Catella Residential Partners SAS and CAM Iberia from non-controlling investments for a total purchase consideration of SEK 47 million. Investments in associated companies totalled SEK 15 million (23), and investments in business-related holdings that are not associated companies totalled SEK 162 million (137), with the majority relating to newly launched proprietary funds Ûpeka and UK REIT fund. Amortisation, depreciation and impairment of assets not constituting right-of-use assets (IFRS 16 Lease agreements) amounted to SEK 36 million (37) in the financial year.

## FINANCING

Catella AB has issued an unsecured bond totalling SEK 1,250 million with a term of 4 years expiring in March 2025. The bond loan accrues floating-rate interest at 3-month Stibor plus 475 b.p. The effective interest rate, excluding loan arrangement fees, was 8.3 percent (5.5) in the year. The bond is listed on NASDAQ Stockholm.

Financing is conditional on a minimum Group equity requirement of SEK 800 million from time to time. Otherwise, there are no restrictions on dividend. Annual dividend to Parent Company shareholders is subject to the higher of SEK 80 million or 60 percent of profit for the year attributable to Parent Company shareholders. These covenants were satisfied in the year and as of 31 December 2023.

For more information on the Group's financing, please refer to the Interest Rate Risk section in Note 3 and Note 29.

## SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

### Management changes

On 24 February, Mattias Brodin stepped down as CFO and a member of Group management. Michel Fischier, Head of Investor Relations and Group Communications, was appointed Interim CFO. In May, Michel Fischier was appointed new CFO of Catella.

## Annual General Meeting 2023

Catella's Annual General Meeting was held on 10 May. The AGM resolved to re-elect Board members Johan Claesson, Tobias Alsborger, Johan Damne and Anneli Jansson. Samir Kamal and Sofia Watt were elected new Board members. Furthermore, KPMG AB was appointed new Auditor, with Johanna Hagström Jerkeryd Auditor in Charge.

## Acquisition of Aquila Group

In September, Catella concluded the acquisition of 60 percent of the shares in Aquila Asset Management SAS (Aquila) for an estimated purchase consideration of SEK 122 million. Catella and the three minority owners of Aquila have entered into a call and put option agreement under which Catella is being granted a call option to acquire the shares of the minority owners and the minority owners are being granted a put option to sell their shares to Catella during the spring of 2029 at a price to be calculated through a pre-set formula depending on future profit development in the company. The recognized value of the put option was SEK 53 million. For more information, see Notes 30 and 36.

## Divestment of Infrahubs

In July, Catella divested its 50 percent stake in Infrahubs AB and associated project companies for a total purchase consideration of SEK 30 million. The divestment had a positive impact on profit after tax of SEK 28 million.

## Conversion of shares

During the year, 110,588 Class A shares were converted into the same number of Class B shares at the request of shareholders.

## SIGNIFICANT EVENTS AFTER YEAR-END

The final property in the Infrahubs partnership was divested in January, contributing SEK 280 million in cash and cash equivalents. Since inception, the partnership has generated SEK 225 million in profit after tax for Catella's shareholders, with most assets divested before the start of the market downturn.

The Extraordinary General Meeting on March 20 resolved to introduce a new long-term incentive program aimed at Group management and other key Group executives. For more information, see Note 12.

## EMPLOYEES

The number of employees in remaining units, expressed as full-time equivalents, was 512 (513), of which 309 (286) were employed in the Investment Management operating segment, 34 (38) in Principal Investment, 147 (164) in Corporate Finance and 23 (25) in other functions.

## FINANCIAL INSTRUMENTS, RISKS AND UNCERTAINTIES

### Risks and uncertainties

The Investment Management operating segment includes the Group's fund management, investment management and asset management operations. All transactions carried out on behalf of customers are governed by fund regulations or instructions from the customer. Catella does not bear any risk in terms of the progress of clients' financial instruments and investments, other than due to non-compliance with agreed instructions. Financial risks are mainly managed through continuous measurement and follow-up of financial progress. Three subsidiaries in the operating segment are regulated by the supervisory authority where the companies have their legal domicile. Catella continuously seeks to ensure compliance with existing regulatory frameworks and future regulatory changes.

Seasonal variations are significant in the Corporate Finance operating segment. This means that sales and results of operations vary during the year.

The Corporate Finance operating segment relies on the credit market functioning efficiently. In turn, the credit market affects the market for property transactions, which is Catella's principal market in Corporate Finance. Corporate Finance is also very personnel-intensive and relies on key employees. If several key employees decided to leave Catella, this could affect the Group's sales and results of operations.

Through the operating segment Principal Investments, Catella invests equity in property development. Catella's primary intention is to invest in the early phase of projects and divest the holdings as soon as is commercially advantageous. The investments include the risk that Catella companies are forced to choose between continuing to invest in late stages of projects, running the projects to completion or leaving the project and losing the invested capital.

Macroeconomic conditions relating to inflation and interest rates affect transaction levels and assets under management, impacting

results of operations in Investment Management and Corporate Finance. Lower transaction volumes can also affect Principal Investments' ability to divest projects at acceptable prices.

Furthermore, financial risks arise because the Group is in need of external funding and uses various currencies. The Group's financial risks, which mainly comprise financing and liquidity risk, interest rate risk, currency risk and credit/counterparty risk, are described in Note 3.

The preparation of financial statements requires the Board of Directors and Group Management to make estimates and judgements. Estimates and judgements affect the Income Statement and Balance Sheet, as well as disclosures regarding contingent liabilities, for example. Actual outcomes may differ from these estimates and judgements, due to other circumstances or conditions. More information on critical estimates and judgements is presented in Note 4.

#### Other risks

Other risks in the Group include operating, strategic, surrounding world, reputational and commercial risks.

#### Operating risk

Operating risk is the risk of a loss due to internal causes (data error, mistakes, fraud, incomplete compliance with laws and internal regulations, other deficiencies in internal controls, etc.) and events in the surrounding world (natural disasters, external crime, etc.) The Group has established procedures and controls to minimise operating risk. For traditional insurable risks such as fire, theft, liability, etc., the Group judges that it has satisfactory protection through its existing insurance cover.

#### Surrounding world risk

There is currently uncertainty regarding the long-term consequences the war in Ukraine will have on the surrounding world, and how this might affect Catella and its subsidiaries. Catella does not currently have business operations in these countries and is not directly affected by the sanctions.

#### Reputational risk

Reputational risk is the risk of the Group's reputation being damaged on the market, in the media or with clients, which could have a negative impact on Group profit. Reputational risk increases as the Group grows and becomes a larger operator on the market. Catella currently considers its reputation to be good.

#### Strategic risk and other risks

Strategic risk could result from institutional changes and changes in fundamental market conditions that may occur. Legal and ethical risks are based in part on external regulations, mainly legislation and regulations, guidelines and instructions of supervisory authorities regarding operations, and in part on the requirements of the business community that operations be conducted on confidence-building grounds.

Catella continuously works in a structured way to identify and monitor financial and other risks that could affect the Group's operations. The Group's risk management takes place through a structured analysis and decision-making process with the Group management, Board of Directors and external auditor. The aim of risk management is to minimise risk exposure and mitigate identified risks while generating growth and shareholder value.

Catella classifies its risks in the following categories: strategic, operational, compliance, financial and macroeconomic risk. All identified risks are documented in a risk matrix based on potential impact and probability. Catella's risk management is based on this documentation. The control methods and measures in place include policies, procedures, inspections, reporting systems and self-assessment, as well as audits in financial reporting and related processes.

#### FUTURE PROGRESS

##### Investment Management

The operating segment has considerable potential for continuing on its set path of positive growth and increased volumes. By offering property funds as well as management and development of properties through mandates, we have a broad offering that withstands various market conditions and business cycle phases. Joint investments in the

form of carefully selected expansion projects through the operating segment Principal Investments further supports growth. The goal is to further increase internal collaboration and synergies to grow the value chain, for example capital from Property Funds, is being managed by Asset Management in several European cities.

Interest in building sustainable cities and environments is growing amongst many long-term institutional investors. ESG is well-established in the property sector and a growing number of investors place high demands on sustainability in property assets. In order to meet this demand, Catella will continue to develop existing funds and the launch of new funds with a focus on sustainability.

#### Principal Investments

Catella's partnerships are a unique strength, and Principal Investments will continue to invest through these, mainly in logistics and residential development. We are also entering into new partnerships across Europe to expand and diversify our investments strategies. Principal Investments will support local Catella companies, and we plan to increase co-investments alongside customers to support new initiatives and grow assets under management.

#### Corporate Finance

This business area is putting strong emphasis on increasing the share of value-adding and capital markets-related services, and thus improving profitability. Catella Corporate Finance has a strong market position in five European markets, and continuously advances its market position with an increased focus on value-added and capital markets-related services, as well as protecting its position in transaction advice. In addition, the operations are coordinated to improve synergies in the operating segment and the Group.

#### CORPORATE GOVERNANCE

In accordance with the Annual Accounts Act and the Swedish Code of Corporate Governance ("the Code"), Catella has prepared a special Corporate Governance Report including a section on internal control. The Corporate Governance Report can be found on pages 45-53.

#### SUSTAINABILITY AND ENVIRONMENTAL IMPACT

No Group company conducts operations that require permits under the Swedish Environmental Code.

In accordance with the Annual Accounts Act, Catella has prepared a statutory Sustainability Report which is presented on pages 20-39.

#### PARENT COMPANY

Catella AB (publ) is the Parent Company of the Group. Group Management and other central Group functions are concentrated in the Parent Company. At the end of the year, there were 23 (24) employees, expressed as full-time equivalents.

For 2023, the Parent Company recognised income of SEK 46.0 million (60.4) and operating profit/loss for the year of SEK -52.4 million (-36.4). The decrease in profit was primarily due to lower income from financial guarantees. Financial items totalled SEK 154.2 million (189.4), and the year-on-year difference related to increased interest expenses on the bond loan which accrues floating-rate interest at 3-month Stibor plus 475 b.p

Profit/loss before tax and net profit for the year was SEK 101.8 million (153.0).

Cash and cash equivalents in Catella's transaction account in the Group's cash pool with a Swedish credit institute are reported as Current receivables with Group companies. On the reporting date, this item totalled SEK 33.7 million (80.8).

Catella AB has issued an unsecured bond totalling SEK 1,250 million with a maturity of 4 years expiring in March 2025. The bond is listed on NASDAQ Stockholm.

#### PROPOSED APPROPRIATION OF PROFIT

The following non-restricted reserves and earnings in the Parent Company are at the disposal of the Annual General Meeting:

<u>SEK</u>	
Share premium reserve	69 966 953
Retained earnings	46 882 610
Net profit for the year	101 799 760
	<b>218 649 323</b>

The Board of Directors proposes that funds be allocated as follows:

<u>SEK</u>	
dividend paid to shareholders, 0.90 per share, in total	79 513 715 *
<u>carried forward (of which 14 045 730 allocated to share</u>	<u>139 135 608</u>
	<b>218 649 323</b>

\*based on the number of outstanding shares, 88 348 572, as of 31 December 2023.

The proposed dividend to Parent Company shareholders is subject to the higher of SEK 80 million or 60 percent of profit for the year attributable to Parent Company shareholders. Proposed payment of dividends on 29 May 2024.

#### GUIDELINES FOR REMUNERATION TO SENIOR MANAGERS OF CATELLA

The Annual General Meeting 2023 adopted guidelines for remuneration to senior executives; also see Note 11.



## Consolidated Income Statement

SEK M	Note	2023 Jan–Dec	2022 Jan–Dec
Net sales	6	1 697	1 996
Other operating income	7	642	552
Share of profit from associated companies		-6	63
		<b>2 333</b>	<b>2 611</b>
Provisions, direct assignment and production costs		-874	-402
Other external expenses	8	-385	-374
Personnel costs	10, 11, 12	-838	-919
Depreciation and amortisation	9	-72	-75
Other operating expenses	7	-18	-19
<b>Operating profit/loss</b>		<b>145</b>	<b>822</b>
Interest income according to effective interest rate method	13	32	27
Interest income other	13	25	18
Interest expenses	13	-156	-80
Other financial income	13	321	185
Other financial expenses	13	-325	-142
Financial items—net		-103	8
<b>Profit/loss before tax</b>		<b>42</b>	<b>830</b>
Tax	14	-51	-147
<b>Net profit for the year</b>		<b>-9</b>	<b>683</b>
<b>Profit/loss attributable to:</b>			
Shareholders of the Parent Company		-21	491
Non-controlling interests	20	12	192
		<b>-9</b>	<b>683</b>
<b>Earnings per share attributable to Parent Company shareholders, SEK</b>	15		
- before dilution		-0,24	5,55
- after dilution		-0,24	5,41
Number of shares at end of year		88 348 572	88 348 572
Average weighted number of shares after dilution		90 562 208	90 662 237

# Consolidated Statement of Comprehensive Income

SEK M	2023	2022
	Jan–Dec	Jan–Dec
Net profit for the year	-9	683
<b>Other comprehensive income:</b>		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit pension plans	-	2
Fair value changes in financial assets through OCI	8	14
Items that may be subsequently reclassified to profit or loss:		
Exchange-rate differences	7	101
<b>Other comprehensive income for the year, net of tax</b>	<b>15</b>	<b>117</b>
<b>Total comprehensive income for the year</b>	<b>7</b>	<b>800</b>
<b>Total comprehensive income attributable to:</b>		
Shareholders of the Parent Company	-6	596
Non-controlling interests	13	204
	<b>7</b>	<b>800</b>

# Consolidated Statement of Financial Position

SEK M	Note	2023 31 Dec	2022 31 Dec
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	17	573	452
Tangible assets	19	33	27
Contract assets leasing agreements	18	115	109
Investments in associated companies	20	136	182
Non-current receivables from associated companies	20	158	127
Financial assets at fair value through other comprehensive income	21	44	36
Financial assets at fair value through profit or loss	22	443	272
Deferred tax assets	14	15	7
Other non-current receivables	25	58	41
		<b>1 573</b>	<b>1 254</b>
<b>Current assets</b>			
Development and project properties	23	2 143	2 244
Contract assets		34	63
Accounts receivable	24	246	376
Current receivables from Associated companies	20	334	151
Tax assets		8	17
Other receivables		227	279
Prepaid expenses and accrued income	26	51	100
Financial assets at fair value through profit or loss	22	22	39
Client funds		9	3
Cash and cash equivalents	27	796	1 794
		<b>3 871</b>	<b>5 066</b>
<b>Total assets</b>		<b>5 444</b>	<b>6 320</b>

SEK M		2023 31 Dec	2022 31 Dec
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>28</b>		
Share capital		177	177
Other contributed capital		296	296
Reserves		86	72
Retained earnings incl. net profit/loss for the year		1 429	1 624
<b>Equity attributable to shareholders of the Parent Company</b>		<b>1 988</b>	<b>2 168</b>
Non-controlling interests	20	50	262
<b>Total equity</b>		<b>2 038</b>	<b>2 430</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	29	1 171	1 519
Long-term loan liabilities	29	1 247	1 244
Contract liabilities leasing agreements		79	82
Other non-current liabilities	30	148	126
Deferred tax liabilities	14	24	17
Other provisions	30	0	1
		<b>2 669</b>	<b>2 989</b>
<b>Current liabilities</b>			
Borrowings	29	3	3
Contract liabilities leasing agreements		42	36
Contract liabilities		14	5
Accounts payable		140	157
Liabilities to associated companies		0	34
Tax liabilities		21	46
Other liabilities		114	116
Accrued expenses and deferred income	31	394	502
Client funds		9	3
		<b>738</b>	<b>901</b>
<b>Total liabilities</b>		<b>3 406</b>	<b>3 890</b>
<b>Total equity and liabilities</b>		<b>5 444</b>	<b>6 320</b>

# Consolidated Statement of Cash Flows

SEK M	2023 Jan–Dec	2022 Jan–Dec
<b>Cash flow from operating activities</b>		
Profit/loss before tax	42	830
Reclassification and adjustments for non-cash items:		
Wind down expenses	-5	-23
Other financial items	41	-43
Depreciation and amortisation	9	72
Impairment /reversal impairment current receivables	7	7
Change in provisions	0	15
Carrying amount of interest income from loan portfolios	13	-25
Acquisition expenses	6	2
Profit/loss from participations in associated companies	7	-63
Personnel costs not affecting cash flow	10	6
Other non-cash items	-11	74
Other reclassifications	-51	-353
Paid income tax	-89	-136
<b>Cash flow from operating activities before changes in working capital</b>	<b>-1</b>	<b>368</b>
Investments in property projects	-803	-1 569
Divestment of property projects	778	1 414
<b>Cash flow from property projects</b>	<b>-25</b>	<b>-155</b>
<b>Cash flow from changes in working capital</b>		
Increase (-)/decrease (+) of operating receivables	14	-118
Increase (+)/decrease (-) of operating liabilities	-118	45
<b>Cash flow from operating activities</b>	<b>-130</b>	<b>140</b>

SEK M	2023 Jan–Dec	2022 Jan–Dec
<b>Cash flow from investing activities</b>		
Investment in tangible assets	19	-17
Investment in intangible assets	17	-9
Acquisition of subsidiaries, net of cash and cash equivalents acquired	36	-159
Sale of subsidiaries, net of cash disposed	36	2
Divestment of associated companies		-
Dividend and other disbursements from associated companies	20	2
Investment in financial assets		-160
Sales of financial assets		-
Cash flow from loan portfolios	22	25
<b>Cash flow from investing activities</b>	<b>-315</b>	<b>-11</b>
<b>Cash flow from financing activities</b>		
Payment from issued warrants		-
Borrowings	35	45
Repayment of loans	35	-376
Amortisation of leasing debt		-43
Dividend to shareholders of the Parent Company		-106
Dividend to non-controlling interest		-74
Transactions with non-controlling interests		0
<b>Cash flow from financing activities</b>	<b>-554</b>	<b>150</b>
<b>Cash flow for the year</b>	<b>-998</b>	<b>279</b>
Cash and cash equivalents at beginning of year	1 794	1 442
Exchange rate differences in cash and cash equivalents	0	73
<b>Cash and cash equivalents at end of year</b>	<b>27</b>	<b>1 794</b>

Interest received and paid is stated in Note 35.

# Consolidated Statement of Changes in Equity

SEK M	Equity attributable to shareholders of the Parent Company							Non-controlling interests *	Total equity
	Share contributed capital	Other contributed capital	Fair value reserve	Translation reserve	Retained earnings incl. net profit/loss for the period	Total			
Opening balance at 1 January 2023	177	296	-11	83	1 624	2 168	262	2 430	
Net profit for the year					-21	-21	12	-9	
Other comprehensive income, net of tax			8	7	0	15	1	15	
<b>Total comprehensive income for the year</b>			<b>8</b>	<b>7</b>	<b>-21</b>	<b>-6</b>	<b>13</b>	<b>7</b>	
<b>Transactions with shareholders</b>									
Dividend to non-controlling interest							-227	-227	
Option liability, acquisition **					-49	-49		-49	
Change in value option debt ***					-6	-6		-6	
<u>Change of ownership in subsidiaries;</u>									
Acquisition of holdings without controlling influence, controlling influence already					-12	-12	-1	-13	
Acquisition of part-owned subsidiaries, no controlling influence previously							16	16	
Divestiture of partly owned subsidiaries, controlling influence ceases							-1	-1	
Contributions from non-controlling interests							9	9	
Repaid contributions from non-controlling interests							-23	-23	
Minority share of income statement reported as personnel expenses and taxes							1	1	
Re-purchase of warrants issued		0				0		0	
Dividend to shareholders of the Parent Company					-106	-106		-106	
<b>Closing balance at 31 December 2023</b>	<b>177</b>	<b>296</b>	<b>-3</b>	<b>89</b>	<b>1 429</b>	<b>1 988</b>	<b>50</b>	<b>2 038</b>	

attributable to minority shares in the subsidiaries within all Group business areas.

\*\* Relates to the value of put options held by minority owners in the acquired subsidiary Aquila Asset Management SAS, conferring holders with the right to sell shares in the company after the end of the financial year 2028. The price of the options is dependent on the company's future profit performance.

\*\*\* Relates to value changes in put options issued to minority holders in APAM Ltd.

During 2023, 50,000 warrants were repurchased from a former employee due to a change in the individual's employment circumstances. The amount totalled SEK 0.4 million and was recognized under Repurchase of issued warrants in Other contributed capital. As of 31 December 2023, the Parent Company had a total of 3,000,000 warrants outstanding, of which 200,000 in treasury. The exercise price is SEK 35.20 per share.

# Consolidated Statement of Changes in Equity

SEK M	Equity attributable to shareholders of the Parent Company						Non-controlling interests *	Total equity
	Share capital	Other contributed capital	Fair value reserve	Translation reserve	Retained earnings incl. net profit/loss for the period	Total		
Opening balance at 1 January 2022	177	295	18	-7	1 205	1 688	132	1 821
Net profit for the year					491	491	192	683
Other comprehensive income, net of tax			-29	89	45	105	12	117
<b>Total comprehensive income for the year</b>			<b>-29</b>	<b>89</b>	<b>536</b>	<b>596</b>	<b>204</b>	<b>800</b>
<b>Transactions with shareholders</b>								
Dividend to non-controlling interest							-92	-92
<u>Change of ownership in subsidiaries:</u>								
Acquisition of holdings without controlling influence, controlling influence already					-26	-26	-10	-35
Acquisition of part-owned subsidiaries, no controlling influence previously							1	1
Divestiture of partly owned subsidiaries, controlling influence ceases							-3	-3
Contributions from non-controlling interests							23	23
Reclassification from investments in associated companies to shares in minority share of income statement reported as personnel expenses and taxes					-3	-3	5	2
Warrants issued		1				1		1
Dividend to shareholders of the Parent Company					-88	-88		-88
<b>Closing balance at 31 December 2022</b>	<b>177</b>	<b>296</b>	<b>-11</b>	<b>83</b>	<b>1 624</b>	<b>2 168</b>	<b>262</b>	<b>2 430</b>

\* Non-controlling interests are attributable to minority shares in the subsidiary IPM, and several subsidiaries in Investment Management and Corporate Finance.

The Extraordinary General Meeting in December 2020 decided to introduce a new incentive scheme through the issue of a maximum of 3,000,000 warrants distributed over two series: 2020/2024:A and 2020/2025:B. In June 2021, 2,750,000 warrants were transferred to members of Group management, and in 2022 a further 100,000 warrants were transferred to two key members of staff. The remaining 150,000 warrants were held in Treasury as of 31 December 2022. The exercise price is SEK 35.20 per share.

# Notes on the Consolidated Accounts

## NOT 1 COMPANY INFORMATION

The Catella Group (“Catella”) includes the Parent Company Catella AB (publ) (the “Parent Company”) and a number of companies that conduct operations in three operating segments: Investment Management, Principal Investments and Corporate Finance.

The Annual Accounts and Consolidated Accounts of Catella AB (publ) for the financial year ending on 31 December 2023 were approved for publication by the Board of Directors and the Chief Executive Officer on 11 April 2024 and will be presented for adoption by the Annual General Meeting on 22 May 2024.

The Parent Company is a Swedish limited liability company with its registered office in Stockholm, Sweden. The head office is located at Birger Jarlsgatan 6 in Stockholm. Catella AB is listed on Nasdaq Stockholm in the Mid Cap segment.

## NOT 2 SIGNIFICANT ACCOUNTING PRINCIPLES

### Basis of preparation of the financial statements

Catella’s Consolidated Financial Statements have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups and IFRS Accounting Standards as endorsed by the European Union (EU).

The Consolidated Accounts have been prepared under the historical cost convention, apart from the remeasurement of financial assets at fair value through Other comprehensive income and financial assets valued at fair value through profit or loss.

The accounting principles presented below have been applied consistently to all periods presented in the Consolidated Accounts. The policies of associated companies were adjusted to the Group’s accounting principles as necessary.

Introduction and effects of new and revised IFRS for 2023  
No new standards were introduced in 2023 that had any material impact on the Consolidated Accounts.

Changes have been made to IAS 1 *Presentation of Financial Statements* aimed at increasing the utility of disclosures relating to applicable accounting policies, by encouraging the inclusion of material policies only, as well as descriptions of the company’s application of these policies. Accordingly, the description of accounting policies focuses on material principles and the application of these principles.

### Consolidated Accounts

**(a) Subsidiaries:** Subsidiaries are all of the companies in which the Group has a controlling influence.

Catella carries out fund management of and offers advisory services to a number of investment funds. Decisions regarding whether a fund manager should consolidate funds under management or not, are based on whether the relevant fund manager can be judged to act as a principal or an agent from an accounting perspective. Catella’s remuneration for fund management services does not constitute sufficient justification to apply the IFRS control principle based on the link between influence and returns. For accounting purposes, Catella is viewed as an agent in relation to fund investors, which means that the funds are not consolidated.

All transactions with shareholders of subsidiaries are recognised based on the substance of these transactions. Gains/losses attributable to shareholders of non-controlling interests, who in addition to their ownership are also active in the subsidiary, are placed on a par with other forms of variable remuneration and, accordingly, are recognised as personnel expenses in the Income Statement. These shareholders’ portion of the net assets in the Group is recognised in the Consolidated statement of financial position as a non-controlling interest.

The purchase method is applied to the recognition of the Group’s business combinations. Contingent consideration is recognised on the acquisition date at fair value and classified as a liability that is subsequently remeasured through profit or loss.

**(b) Transactions with shareholders of non-controlling interests:**

Financial liabilities relating to put options on equity instruments in part-owned subsidiaries arising from acquisitions have been valued at amortized cost. The put options grant shareholders the right to sell their remaining stake. Initially, amounts are recognized at fair value less transaction costs. Revaluation of put options on equity instruments in part-owned subsidiaries is recognized in equity.

**(c) Associated companies:** Associated companies are holdings that are neither subsidiaries nor joint arrangements, but for which the Group is able to exercise a significant influence, which in general applies to shareholdings of between 20 percent and 50 percent of the votes. Holdings in associated companies are recognised in accordance with the equity method and initially measured at cost.

### Segment reporting

According to IFRS 8, operating segments are recognised in a manner that is consistent with the internal reporting regularly presented to the chief operating decision maker. The chief operating decision-maker is the function that is responsible for the allocation of resources and the assessment of the operating segment’s profit or loss. For Catella, the CEO has been identified as the chief operating decision-maker. The CEO evaluates the Group’s operations on the basis of the following operating segments, which are also reportable segments: Investment Management, Principal Investment and Corporate Finance. These segments are referred to in the Group’s reporting as business areas or operating segments. The operating segments are regularly monitored by the manager of the segment and Catella’s CEO, who decide on the allocation of resources, budgetary targets and finance plan.

Translation of foreign currencies

**(a) Functional currency and reporting currency:** Items included in the financial statements of the Group's various units are measured in the currency used in the financial environments in which each company primarily conducts its business activities (functional currency). Swedish krona (SEK) is used in the Consolidated Accounts, which is Catella AB's functional currency and the Group's reporting currency.

**(b) Transactions and balance sheet items:** Transactions in foreign currencies are translated to the functional currency at the rates of exchange ruling on the transaction date or the date on which the items were remeasured. Exchange rate gains and losses arising on payment for such transactions and on the translation of monetary assets and liabilities in foreign currency at the closing date rate are recognised through profit or loss. The exception is for transactions comprising hedging that meet the requirements for hedge accounting of cash flows or for net, investments, when gains/losses are recognised in other comprehensive income. Exchange rate gains and losses attributable to loans and cash and cash equivalents are recognised through profit or loss as "other financial items". All other exchange rate gains and losses are recognised in the items "other operating income" or "other operating expenses" in the Income Statement.

Translation differences for financial assets and liabilities, such as shares measured at fair value in the Income Statement, are recognised in the Income Statement as a portion of fair value gains/losses. Translation differences for financial assets not comprising debt instruments, such as shares classified as financial assets measured at fair value in Other comprehensive income, are transferred to the fair value reserve via Other comprehensive income.

**(c) Group companies:** Profit/loss and financial position of all of the Group companies that have a functional currency that is different to the reporting currency are translated to the Group's reporting currency as follows:

- (a) Assets and liabilities for each of the Balance Sheets are translated at the closing date rate;
- Income and expenses for the relevant Income Statements are recalculated at the average exchange rate, and

- (c) all translation differences arising are recognised in other comprehensive income and accumulated in the translation reserve under equity.

Translation differences arising as a result of the translation of net investments in foreign operations and borrowing and other currency instruments identified as hedging of such investments are entered in Other comprehensive income on consolidation. When a foreign operation is sold, either wholly or partly, the translation differences that were recognised in Other comprehensive income are entered in profit or loss and recognised as a portion of the capital gain/loss.

Goodwill and adjustments of fair value arising on the acquisition of foreign operations are treated as assets and liabilities of this operation and translated at the closing date rate.

Intangible assets

**(a) Goodwill:** The amount by which the purchase consideration, any non-controlling interest and the fair value on the acquisition date of previous shareholdings exceeds the fair value of identifiable acquired net assets is recognised as goodwill. Goodwill from acquisitions of subsidiaries is recognised as intangible assets. Goodwill is tested every year to identify any impairment and is recognised at cost less accumulated impairment losses. Goodwill impairment is not reversed. Gains or losses on the disposal of a unit include the remaining carrying amount of the goodwill relating to the sold unit.

Goodwill is allocated between cash-generating units when any impairment tests are performed. Goodwill is allocated to cash-generating units or groups of cash-generating units, as established in accordance with the Group's operating segments that are expected to benefit from the business combination in which the goodwill item arose.

**(b) Trademarks and brands:** Trademarks and brands acquired in a business combination are recognised at fair value on the acquisition date. Brands recognised in the Group's Consolidated statement of financial position is the registered brand Catella, which is deemed to have an indefinite useful life. The brand is tested every year to identify any impairment and is recognised at cost less accumulated impairment losses.

**(c) Customer relations:** Contract portfolios and associated customer relationships relating to a business combination are identified in the acquisition analysis and are recognised as a separate intangible asset. The customer relationships arising from business combination are measured at fair value. The asset is depreciated on a straight-line basis over the useful life, based on turnover of the acquired portfolio. Amortisation is recognised in the item depreciation of acquisition-related intangible assets in profit or loss.

Financial assets

Classification

The Group classifies its financial assets in the following three valuation categories: amortised cost, fair value via profit or loss and fair value via Other comprehensive income. The presentation of an instrument depends on the company's business model and the characteristics of the instrument. Management determines the classification of the financial assets when they are first recognised.

(a) Financial assets measured at accrued cost

The category includes financial assets that are not equity instruments or derivatives, and where the asset is held in a business model for the purpose of drawing contracted cash flows and where the agreed terms of the asset only trigger payment of capital amounts and interest on the outstanding capital amount. Examples of assets in this category include accounts receivable and loan receivables. They are included in current assets, except for items falling due for payment more than 12 months after the end of the reporting period, which are classified as non-current assets.

(b) Financial assets at fair value through profit or loss

This category includes equity instruments, derivatives and other financial assets identified as items measured at fair value (fair value option) at the initial reporting date.

*Equity instruments*

Investments in proprietary equity instruments not comprising subsidiaries or associated companies, must be recognised at fair value through profit or loss, unless initially recognized at fair value in Other comprehensive income (see below). Catella includes operational

holdings such as Pamica and APAM's investments alongside its customers in this category.

#### *Derivatives*

Derivatives are always measured at fair value through profit or loss with the exception of derivatives that have been identified and recognised as hedges of net investments where value changes are recognised in Other comprehensive income.

#### *Items measured at fair value*

Financial assets not comprising equity instruments or derivatives, where cash flow does not exclusively comprise capital amounts plus interest and/or is held in a business model not wholly or partly focused on drawing contracted cash flows, are classified as items measured at fair value through profit or loss. Group loan portfolios are included in this category since this corresponds to the original recognition and Catella's monitoring of these assets. The loan portfolios have been acquired for the purpose of realising inherent values either by collecting contracted cash flows or by divestment at fair value. Assets in this category are classified as current assets to the extent relating to the cash flows forecast over the next 12 months, while the remainder of the loan portfolios are recognised as non-current assets. This category also includes the Group's fund holdings and other debt instruments (financial receivables).

(c) Financial assets measured at fair value in Other comprehensive income

Equity instruments classified as financial assets measured at fair value in Other comprehensive income at the initial reporting date. In such cases, no reclassification to the Income Statement will occur when the instrument is sold. The choice is made by instrument and cannot be changed retroactively. This assumes that the holding is not held for trading purposes with the aim of making short-term gains on value changes in the share price. Examples of equity instruments in this category include strategic and long-term holdings that do not comprise subsidiaries or associated companies. They are included in non-current assets if management does not intend to dispose of them within 12 months of the end of the reporting period. Catella's preference shares

in Visa Inc. and a minor shareholding in Swift are classified in this category.

#### Recognition and measurement

Purchases and sales of financial assets are recognised on the transaction date – the date on which the Group undertakes to purchase or sell the asset. Financial instruments are initially recognized at fair value.

Gains and losses due to changes in fair value relating to the category of financial assets measured at fair value through profit or loss are recognised in the period in which they arise and are included in Operating profit in the Income Statement if the asset comprises a business-related holding. If the asset is of a financial nature, changes in fair value are recognized under Other financial items. The basis for determining fair value in this category is either the listed market value or measurement based on a discounted cash flow analysis.

Exchange rate differences from revaluation of financial instruments are reported in the Income Statement. Fair value changes in financial instruments classified as financial assets measured at fair value in Other comprehensive income are recognised in Other comprehensive income. There is no reclassification to the Income Statement in connection with divestments of equity instruments in this category.

Interest on financial assets measured at amortised cost calculated using the effective interest method are recognised under interest income in the Income Statement. Dividends from equity instruments reported as financial assets measured at fair value in Other comprehensive income are recognized under Other financial items in the Income Statement.

#### Impairment of financial assets

On each reporting date, the company calculates the reserve for anticipated credit losses for a financial asset or group of assets. The expected credit losses of receivables is measured on the basis of historical experience of bad debt loss on similar receivables and forward-looking information. Accounts receivable subject to impairment are recognised at the present value of expected future cash flows. Receivables with short terms are not discounted.

Derivative instruments and hedging measures

Derivative instruments are recognised in the statement of financial position on the contract date and measured at fair value, both initially and at subsequent remeasurement. The effect of the remeasurement is recognised in profit or loss. Catella currently conducts no hedging transactions (except some hedging of net investments in foreign operations).

#### Hedging of net investment

Hedges that have been entered to reduce currency risk (translation risk) in net investments denominated in foreign currency are recognised from the date the currency hedge of net exposure was entered into. The proportion of profit or loss on a hedging instrument that has been identified and judged to be an effective hedge is recognised in Other comprehensive income. The gain or loss attributable to the ineffective portion is immediately recognised in profit or loss under other financial items. Accumulated gains and losses in the Translation reserve in equity are recognised through profit or loss when the foreign operation is wholly or partly sold.

Properties held for development and project properties

Properties held for development and project properties are recognised in accordance with IAS 2 at the lower of cost and net realisable value. Cost comprises acquisition costs, development expenses and cost of borrowing.

#### Current and deferred income tax

Tax expenses for the period include current and deferred tax. Tax is recognised through profit or loss, except when the tax relates to items recognised in other comprehensive income or directly in equity. In such cases, tax is also recognised in other comprehensive income or equity, respectively.

The current tax expense is calculated on the basis of the tax rules that have been enacted or substantively enacted on the reporting date in the countries in which the Parent Company's subsidiaries and associated companies conduct business activities and generate taxable income. Management regularly evaluates the claims made in tax returns for situations in which applicable tax rules are subject to

interpretation. Whenever deemed necessary, management provisions for amounts that must probably be paid to the tax authority.

In accordance with the balance sheet method, deferred tax is recognised on all temporary differences arising between the taxable value of the assets and liabilities and their carrying amounts in the Consolidated Accounts. However, deferred tax is not recognised if it arises as a result of a transaction comprising the initial recognition of an asset or liability that is not a business combination and that on the transaction date impacts neither recognised nor taxable earnings. Deferred income tax is calculated by applying tax rates (and tax laws) that have been enacted or substantively enacted on the reporting date and that are expected to be applicable when the deferred tax asset in question is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future tax surpluses will be available that the temporary differences can be utilised against.

Deferred tax is measured on temporary differences arising on participations in subsidiaries and associated companies, except where the date of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future. Deferred tax assets and liabilities are offset when a legal offset right for the tax assets and liabilities in question exists and when the deferred tax assets and liabilities are attributable to taxes charged by the same tax authority and relate to the same taxpayer or different taxpayers where there is the intention of settling the balances by making a net payment.

#### Share-based remuneration

As of 31 December 2023, the Parent Company had a total of 3,000,000 warrants outstanding, of which 200,000 in treasury. These warrants were settled and paid in accordance with market terms. The value of the warrants was determined by using an option valuation model (Black & Scholes). The warrants are classified as share-based remuneration.

Other contributed capital was credited when the warrants were issued. The company issues new shares when the options are utilised. Payments received, less any directly attributable transaction costs, are credited to share capital (quotient value) and other contributed capital when the options are exercised.

#### Revenue recognition

Revenue includes the fair value of amounts received or that will be received for services sold in the Group's operating activities. Revenue is recognised excluding value-added tax and discounts, and after elimination of intra-Group sales. The Group recognises revenue when amounts can be reliably measured and when a performance obligation is assessed to have been completed. Specific criteria for each of the Group's operations are described below. The Group bases its estimates on historical outcomes, and in this context it takes the type of customer, type of transaction and special circumstances in each individual case into account.

Remuneration that is progressively accrued through services rendered, for example, consultancy advisory or management fees, is recognised as revenue coincident with the delivery of these services and transfer of control, which in practice means that recognition is on a straight-line basis for the period to which the service relates. This revenue can either be a predetermined amount or a percentage fee of volumes managed for example (such as assets under management).

Remuneration attributable to a specific service or action is recognised as revenue when the service is rendered. This revenue can either be a predetermined amount or a percentage fee of volumes managed.

Performance-based revenue, such as performance fees for extra returns in asset management or coincident with sales assignments, are recognised in accordance with applicable agreements regarding the point in time at which the performance-related fees may be charged. This means that when, for example, a property sale assignment is carried out and the fee is a predetermined percentage of the customer's sales price for the property which is only paid on completion of sale, it is not recognised until a legally binding business transaction relating to the property has been concluded. Correspondingly, performance fees paid for surplus returns against an established reference level are only recognised on the measurement date, which may be quarterly or annually depending on the product.

Commission to resellers is recognised as an expense coincident with income being accrued in accordance with the above principles.

Revenue recognition according to the percentage of completion method has been applied to property development projects run by Catella Logistic Europe and which have been divested through

forward-funding agreements with investors. Catella's investment is repaid, and profit realized over time, at a pace with completion of the project. Income is recognized in connection with contractual milestones following approval by the investor. Property projects where no sales agreement has been signed with an external party are recognised according to IAS 2 at the lower of cost and net realisable value.

Interest income is recognised as revenue by applying the effective interest method.

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

#### Leasing

The Group leases a number of office premises, cars and other equipment on the basis of non-cancellable operating leases. Leasing agreements are recognized as right-of-use assets and financial liabilities corresponding to the company's lease payment commitment. Right-of-use assets are depreciated on a straight-line basis over the shorter of the useful life and the lease term.

Agreements may contain both lease and non-lease components. Catella does not recognise payment under the agreement for lease and non-lease components separately, and these are recognised as a single lease component. The terms are renegotiated separately for each agreement and contain a large number of different terms and conditions. Lease agreements do not contain any special terms or restrictions apart from the lessor retaining the rights to pledged leased assets. The leased assets may not be used as collateral for loans.

Assets and liabilities that arise from lease agreements are initially reported at present value.

Lease payments are discounted using the lease agreement's implied interest rate. If this interest rate cannot be readily determined, which is normally the case for the Group's lease agreements, the lessee's incremental borrowing rate is applied, which is the interest rate the individual lessee would pay to borrow the requisite funds to purchase and asset of a similar value as the right-of-use asset in a similar economic climate with similar terms and collateral. The incremental borrowing rate is determined on the basis of external market rates by asset class, the internal required rate of return and an evaluation of the subsidiary's creditworthiness.

Lease payments are distributed between debt amortisation and interest. Interest is recognised in the Income Statement over the lease term in a manner that reflects the applicable fixed interest rate for the lease liability recognised in the relevant period.

The Group is exposed to potential future increases in variable lease payments based on an index or interest rate, which are not included in the lease liability until they become effective. When adjustments of lease payments based on an index or interest rate become effective, the lease liability is remeasured and adjusted against the right-of-use asset.

#### Earnings per share

The computation of earnings per share is based on consolidated net profit/loss for the year attributable to the Parent Company's shareholders and on the weighted average number of shares outstanding during the year. When computing earnings per share after dilution, earnings and the average number of shares after dilution are adjusted to take the effects of dilutive potential ordinary shares that originate from warrants issued during reporting periods into account. The dilution of warrants affects the number of shares and arises only when the exercise price is lower than the share price quoted on the stock exchange.

### NOT 3 FINANCIAL RISK MANAGEMENT

The Group is exposed to financial risks such as interest rate risk, currency risk, financing/liquidity risk and credit risk through its operating activities. Catella's Board of Directors and Group Management assess current and future risks and decide how they are to be managed by formulating group-wide risk management guidelines, which are evaluated and amended regularly. Risk management is also conducted at the relevant subsidiary level under the supervision of Group Management. Risk management of significant subsidiaries is described below.

There are three subsidiaries in the Investment Management operating segment, Catella Real Estate AG, Catella Property Fund Investment AB and Axiptit Real Estate Partners SAS, which are under the supervision of supervisory authorities. These subsidiaries have a dedicated risk management function that is independent from business

operations, with the relevant managers reporting to each subsidiary's managing director and directly to the subsidiary's Board of Directors. Furthermore, subsidiaries under supervision have an internal compliance function that monitors the subsidiaries' compliance with internal and external regulatory frameworks such as customer agreements. The function is independent of operations in each subsidiary and its managers report to the Managing Director and directly to the Board of the subsidiary. Group Management is represented on subsidiary Boards and reports on to the Parent Company's Board.

In the Group's other operating segments, there are no subsidiaries under supervision.

As mentioned above, risk management is applied at subsidiary and operational levels since the various operating segments in the Group differ with regard to the operations conducted. For this reason, significant risks in each operating segment are described separately in the respective section on risk below.

#### Liquidity risk

Liquidity risk is the risk that within a defined period, the Group is unable to refinance its existing assets, or is unable to satisfy increased needs for liquidity. Liquidity risk also includes the risk that the Group is compelled to borrow at unfavourable interest, or must sell assets at a loss to be able to fulfil its payment obligations.

As of 31 December 2023, the Group's short-term liquidity reserve (cash and cash equivalents, short-term investments and committed but unutilised credit facilities) amounted to 47 percent (91) of consolidated annual sales and 33 percent (66) of consolidated borrowing and loan liabilities.

The Principal Investments business area utilises a significant proportion of the Group's short-term liquidity reserve. The investment pace in 2023 was high, albeit slower than in the previous year. In order to maintain a high rate of investment in future, it is necessary to divest completed property development projects to release liquidity for other ongoing and new projects. The investments include the risk of Catella being unable to realise the projects and thereby release liquidity at the required rate.

The Group's investments in loan portfolios comprising securitised European loan portfolios, mainly with exposure to residential property,

are subject to the risk of encountering difficulty in realising assets, which could affect the Group's prospects of obtaining funds to maintain its financial commitments. Since the market for subordinated securities with collateral in assets is currently illiquid, Catella's remaining investments in loan portfolios are illiquid. The Group assesses that short- and long-term liquidity are favourable and that there is flexibility in financing. If the Group's liquidity were to change and the Group needed to divest part or all of the loan portfolio, the potential to amend the portfolio rapidly and obtain a reasonable price could be limited, due to changes in economic and other circumstances.

The following tables summarise the Catella Group's liquidity risk at the end of 2023 and 2022.

## Liquidity report as of 31 December 2023-2022

SEK M	Between					Without maturity	Total
	< 3 months	4 to 12 months	1 and 3 yrs.	3 and 5 yrs.	> 5 yr.		
<b>31 December 2023</b>							
Borrowings	-1	-1	-35	-1 146		-1	-1 184
Loan liabilities	-29	-86	-1 349	-28	-50		-1 542
Contract liabilities leasing agreements	-11	-33	-62	-24	-19		-148
Accounts payable and other liabilities	-254						-254
<b>Total outflows *</b>	<b>-295</b>	<b>-120</b>	<b>-1 446</b>	<b>-1 198</b>	<b>-69</b>	<b>-1</b>	<b>-3 129</b>
Accounts receivable and other receivables	471	333	21	24	11	159	1 020
Financial assets at fair value through other comprehensive income						44	44
Financial assets at fair value through profit or loss **	22		153				176
<b>Total inflows *</b>	<b>494</b>	<b>333</b>	<b>174</b>	<b>24</b>	<b>11</b>	<b>203</b>	<b>1 239</b>
<b>Net cash flow, total</b>	<b>199</b>	<b>213</b>	<b>-1 272</b>	<b>-1 174</b>	<b>-58</b>	<b>201</b>	<b>-1 890</b>

SEK M	Mellan 1 Mellan 3				Utan förfallotid		Summa
	< 3 månader	4 till 12 månader	år och 3 år	år och 5 år	> 5 år	punkt	
<b>31 December 2022</b>							
Borrowings	-2	0	-421	-1 118		0	-1 541
Loan liabilities			-1 256		-20		-1 276
Contract liabilities leasing agreements	-11	-32	-55	-24	-9		-131
Accounts payable and other liabilities	-273	-34					-307
<b>Total outflows *</b>	<b>-286</b>	<b>-66</b>	<b>-1 732</b>	<b>-1 142</b>	<b>-29</b>	<b>0</b>	<b>-3 255</b>
Accounts receivable and other receivables	655	151	1	37	3	128	975
Financial assets at fair value through other comprehensive income						36	36
Financial assets at fair value through profit or loss **	57		152				209
<b>Total inflows *</b>	<b>712</b>	<b>151</b>	<b>153</b>	<b>37</b>	<b>3</b>	<b>164</b>	<b>1 220</b>
<b>Net cash flow, total</b>	<b>427</b>	<b>85</b>	<b>-1 579</b>	<b>-1 105</b>	<b>-26</b>	<b>164</b>	<b>-2 035</b>

\* Indicated amounts relate to undiscounted contractual cash flows  
 \*\* Relates to loan portfolios, see Note 22, and Mander Lender Co Limited.

The Group's borrowing and financing are managed by the Parent Company and holding companies in the Group. The Parent Company's management and accounts department carefully monitor continuously updated projections for the Group's and subsidiaries' liquidity reserves to ensure that the Group and subsidiaries have sufficient cash funds to meet the needs of operating activities. Catella AB issued a new unsecured bond of SEK 1,250 million with a term of 4 years and maturity in March 2025. The bond loan accrues floating-rate interest at 3-month Stibor plus 475 b.p. Furthermore, the Group's subsidiaries in Principal Investments received loans from credit institutes for ongoing property development projects. As of 31 December 2023, these loans amounted to SEK 1,145 million (1,480). In addition, the Group's French and Spanish subsidiaries received loans from government-guaranteed credit institutions at favourable terms. As of 31 December 2023, these loans amounted to SEK 27 million (41). For a description of the Group's loan liabilities, see Note 29.

In combination with Catella's cash flows, the funding sources outlined above provide short- and long-term liquidity and ensure flexibility in the Group's funding of its operations.

## Market risk

Market risk is the risk of loss or decreased future income due to fluctuations in interest rates, exchange rates and share prices, including price risk relating to the sale of assets or closure of positions.

The Principal Investments operating segment invests in property development projects in Germany, Denmark, France, United Kingdom and Sweden. Investments take place through subsidiaries and associated companies. The projects are run by Catella's subsidiaries. Catella's primary intention is to invest in the early phase of projects and divest the holdings as soon as is commercially advantageous. The investments include the risk that Catella companies are forced to choose between continuing to invest in late stages of projects, running the projects to completion or leaving the project and losing the invested capital.

Principal Investments also has significant investments in listed and unlisted stocks and funds, as well as debt instruments valued at fair

value. The valuations are influenced by macroeconomic and other factors outside of Catella's control, which cannot be predicted with any certainty. Catella monitors progress in the holdings on an ongoing basis.

The Group's investments in loan portfolios, which are recognised in the "Other" category, are primarily exposed to market price risk through changes in the value of these investments and through interest rate fluctuations that reduce potential interest income. Investments in loan portfolios accrue variable interest or have underlying assets with variable interest and are measured according to a market-based credit spread based on an interest rate such as EURIBOR. An increased credit spread could directly affect Catella through its impact on unrealised gains or losses on portfolio investments, and therefore also Catella's ability to make a profit on investments. In accordance with the accounting principles in Note 2, investments in the loan portfolios are measured at fair value through profit or loss. In Note 22, financial assets measured at fair value through profit or loss, presents respective portfolio and the weighted average expected variable interest rate on each investment.

The risks described above could result in either higher or lower income for Catella.

## Interest rate risk

Interest rate risk is the risk that the Group's net profit could be impacted by changes in general interest rate levels. The Group has also arranged loan financing, mainly denominated in SEK, at variable interest to finance its own business operations. The Catella AB bond loan accrues floating-rate interest at 3-month Stibor plus 475 b.p. In addition, the Group's property development company received loans from credit institutions relating to ongoing projects. These loans accrue variable interest rate, which averaged just over 5 percent in 2023. Further information on these liabilities can be found in Note 29. The Parent Company analyses and continuously monitors its exposure to interest rate risk.

Information on the Group's net debt profile and a sensitivity analysis are presented below, with information on fixed interest periods. As of 31 December 2023, the Group had net cash of SEK 1,081

million (cash of SEK 624) and interest cover, a measure of the ability to cover interest expenses, was 1.4 (11.6).

The Group's interest-bearing liabilities and assets by currency

	2023	2022
SEK M	31 Dec	31 Dec
EUR liabilities	-167	-128
SEK liabilities	-1 254	-1 254
GBP liabilities	-142	-142
NOK liabilities	-	-1
DKK liabilities	-975	-1 356
PLN assets	-3	-
Liabilities in other currencies	-	-
<b>Total interest-bearing liabilities</b>	<b>-2 541</b>	<b>-2 881</b>
Term (days)	93	106
Average interest expense for the year,%	7,0	5,0
Interest +0.5%	7,5	5,5
Net effect on profit or loss of 0.5% increase, SEK M	-13	-14
Interest -0.5%	6,5	4,5
Net effect on profit or loss of 0.5% decrease, SEK M	13	14
	2023	2022
SEK M	31 Dec	31 Dec
EUR assets	916	1 298
SEK assets	385	563
GBP assets	136	139
DKK assets	22	255
PLN liabilities	1	2
Assets in other currencies	-	-
<b>Total interest-bearing assets</b>	<b>1 460</b>	<b>2 256</b>
Term (days)	90	47
Average interest income for the year,%	3,4	2,1
Interest +0.5%	3,9	2,6
Net effect on profit or loss of 0.5% increase, SEK M	7	11
Interest -0.5%	2,9	1,6
Net effect on profit or loss of 0.5% decrease, SEK M	-7	-11

Exchange rate risk

The Group is active internationally and is subject to exchange rate risks that arise from various currency exposures. Exchange rate risk arises through business transactions, recognised assets and liabilities and net investments in foreign operations.

Financing of foreign assets—translation risk

Translation risk is the risk that the value in SEK relating to equity in foreign currencies could vary due to exchange rate fluctuations. The Group's Net assets in foreign currency amounted to SEK 672 million (1,125) as of 31 December 2023. This net exposure consists of capital financed by deposits and equity. This means that, from a Group perspective, Catella has equity in foreign currencies that is exposed to exchange rate fluctuations. This exposure leads to a translation risk and thereby to a situation in which unfavourable exchange rate fluctuations could negatively impact the Group's foreign net assets when translating reporting currency to SEK. At present, there is no hedging of exchange rate risk in Catella's net assets. Group management evaluates the need for hedging of the Group's translation risk on an annual basis.

The following tables show a breakdown of the Group's capital employed by currency and its funding. They also include a sensitivity analysis of net liquidity/net debt and capital employed resulting from exchange rate fluctuations - of +/-10 percent for SEK. Changes to net liquidity/net debt and in capital employed resulting from exchange rate fluctuations are reported in other comprehensive income, and consequently do not affect profit for the year. In 2023, the translation difference in other comprehensive income was SEK 7 million (101). Based on a change in foreign exchange rates of +/-10 percent as of year-end, the translation difference would increase/decrease by SEK 53 million (113).

## Capital employed and financing by currency, 2023-2022

SEK M										Total		Total, group		Total, group	
	EUR	USD	GBP	CHF	NOK	DKK	PLN	Other currencies	foreign currencies	SEK	Total, group	+10%	-10%		
<b>31 December 2023</b>															
Capital employed	-532	0	400	-4	0	1 018	46	0	933	2 186	3 119	3 212	3 025		
Net liquidity (+)/Net debt (-)	749	0	-6		0	-953	-1	-3	-212	-869	-1 081	-1 102	-1 060		
Non-controlling interests	-28	0	-2		0	-17	-1	0	-48	-2	-50	-55	-45		
<b>Net assets</b>	<b>189</b>	<b>0</b>	<b>391</b>	<b>-4</b>	<b>0</b>	<b>48</b>	<b>44</b>	<b>-3</b>	<b>672</b>	<b>1 315</b>	<b>1 988</b>	<b>2 055</b>	<b>1 920</b>		
Net debt/equity ratio	-3,4	-	0,0	0,0	-	14,6	0,0	-1,0	0,4	0,7	0,5	0,5	0,5		

SEK M										Total		Total, group		Total, group	
	EUR	USD	GBP	CHF	NOK	DKK	PLN	Other currencies	foreign currencies	SEK	Total, group	+10%	-10%		
<b>31 December 2022</b>															
Capital employed	-827	36	388	-4	-4	1 473	40	-	1 107	1 947	3 054	3 165	2 944		
Net liquidity (+)/Net debt (-)	1 170	0	-3		0	-1 102	2	-	67	-691	-624	-617	-631		
Non-controlling interests	-28	0	-1		0	-20	-1	-	-49	-213	-262	-267	-257		
Net assets	316	36	384	-4	-4	352	41	0	1 125	1 043	2 168	2 281	2 056		
Net debt/equity ratio	-3,4	0,0	0,0	0,0	-0,1	3,0	0,0		-0,1	0,6	0,3	0,2	0,3		

### Transaction risk

Transaction risk arises from commercial flows, reported assets and liabilities in foreign currency that could have a negative impact on the the Group's net profit due to exchange rate fluctuations.

Subsidiaries' operations are predominantly conducted in the country in which they are located, and accordingly, transactions are executed in the same currency as the subsidiary's reporting currency. This means that transaction exposure in these operations is limited.

Funding to subsidiaries and associated companies is provided by Catella Holding AB in local currency. Outstanding loan receivables in foreign currency give rise to currency exposure. Moreover, most of the Swedish holding companies' revenues consists of dividends or interest income from subsidiaries and associated companies. The majority of these revenues are denominated in foreign currency while the majority of expenses are in Swedish currency. This gives rise to cash positions in foreign currency that expose the Swedish subsidiaries to currency risk. The Parent Company's management and accounts department make projections on a rolling basis regarding future liquidity needs in different currencies. Positions in foreign currencies that are not expected to be utilised for new investments or lending in the same currency are sold on a continuous basis.

### Credit risk

Credit risk is the risk of losses due to a borrower not being able to fulfil its obligations to Catella. Credit risk relates to all receivables and potential receivables from companies, financial companies, public administration and private individuals.

Credit risk – accounts receivable and receivables from associated companies

The risk of bad debt is generally low in the Group, due to several different factors. Counterparties are predominantly well-known mid-size and large clients, with whom there is an established, long-term relationship. This results in stable deposit streams. Credit checks are conducted on new clients. The sales and transactions generated by the client portfolio are also diversified in various ways, the most important being that no or few clients constitute a significant part of total sales or lending. Accordingly, a default by an individual client would have a minor effect overall. Counterparties and loan receivables have been approved in accordance with the Group's authorisation schedule. Furthermore, Catella renders services for geographically diversified clients in a range of of sectors including the public sector, financial sector and real estate companies. Accordingly, exposure to an economic downturn in a single sector or region is relatively limited. Overall, this generates stable revenue streams relating to sales and lending. Actual and expected credit losses on accounts receivable and receivables from associated companies amounted to 0.4 percent (0.1) of Group net sales in 2023. The credit risk associated with receivables from associated companies for financing of property development projects is assessed to be low. Catella monitors progress and risks in the projects on an ongoing basis. Cash and cash equivalents are invested in well-established banks with high credit ratings, and impairment tests for these are not considered necessary.

### Credit risk – loan portfolios

The Group's investments in loan portfolios consist of holdings in, and/or financial exposure to, securities that are subordinated from a payment perspective and are ranked below securities that are backed by, or represent ownership of, the same asset class. In the event of default by an issuer of such investments, holders of more senior securities from the issuer are entitled to payment before Catella. Some of the investments also have structural elements, which means that payment of interest and/or principal goes to more senior securities that are backed by, or represent ownership of, the same class of asset in the event of default or when the loss exceeds predetermined levels. This could lead to interruptions in Catella's expected revenue flow from its investment portfolio. Although holders of asset-backed securities normally have the advantage of high collateral levels, control over the timing and method of the sale of such collateral in the event of default is normally transferred to holders of the most senior outstanding securities. There are no guarantees that the income from the sale of collateral will be sufficient to fully repay Catella's investments.

Default risk is the risk that individual debtors will be unable to pay the required interest and principal at maturity. The degree of default risk is affected by changes in interest rates and a number of financial, geographical and other factors beyond Catella's control, and consequently cannot be predicted with certainty. The level and timing of a debtor's default of mortgages used as collateral for certain investments could adversely affect the revenue accrued by Catella on these investments.

## Credit ratings of financial assets

The following table states the credit ratings of the Group's financial assets

## Credit ratings of financial assets

Mkr	Assets at fair value					Bank	Total
	Accounts receivable	Loan receivables and other debt instruments	Receivables from associated companies	Assets at fair value through OCI	Assets at fair value through profit or loss	balances and short-term bank deposits	
<b>31 december 2023</b>							
Counterparties with external credit ratings *							
AAA							0
AA+						7	7
AA						8	8
AA-	0			44	258	220	522
A+	7					210	217
A		98				274	372
A-	0					4	4
BBB+	0					14	14
BBB	2					49	50
BBB-						1	1
BB+							0
BB-	0					9	9
B							0
CCC							0
	<b>9</b>	<b>98</b>	<b>0</b>	<b>44</b>	<b>258</b>	<b>796</b>	<b>1 205</b>
Counterparties without external credit ratings							
Company	97	74	492		24		687
Funds	88				11		99
Financial companies	32						32
Public administration	1						1
Private individuals	19						19
	237	74	492	0	35	0	838
<b>Total</b>	<b>246</b>	<b>172</b>	<b>492</b>	<b>44</b>	<b>293</b>	<b>796</b>	<b>2 044</b>

\* Standard & Poor's long-term credit rating has been used.

SEK M	Assets at fair value					Bank	Total
	Accounts receivable	Loan receivables and other debt instruments	Receivables from associated companies	Assets at fair value through OCI	Assets at fair value through profit or loss	balances and short-term bank deposits	
<b>31 December 2022</b>							
Counterparties with external credit ratings *							
AAA						0	0
AA+						16	16
AA	21				0	20	42
AA-	1			36	100	851	988
A+	8				0	542	550
A	0	96				126	223
A-	2					40	42
BBB+	1					90	92
BBB	2					15	16
BBB-						94	94
BB							0
BB-						0	0
B	10						10
CCC							0
	<b>45</b>	<b>96</b>	<b>0</b>	<b>36</b>	<b>101</b>	<b>1 794</b>	<b>2 072</b>
Counterparties without external credit ratings							
Company	120	88	278		22	0	507
Funds	183				4		187
Financial companies	27						27
Public administration	1						1
Private individuals	1				0		1
	331	88	278	0	26	0	723
<b>Total</b>	<b>376</b>	<b>185</b>	<b>278</b>	<b>36</b>	<b>127</b>	<b>1 794</b>	<b>2 795</b>

\* Standard & Poor's long-term credit rating has been used.

## Geographical concentration of credit risks

The following table states the geographical concentration of credit risks.

Geographical concentration of credit risks in financial assets

SEK M	Financial assets		Pledged assets, contingent liabilities and commitments	
	2023	2022	2023	2022
Sweden	878	1 234	1 411	1 602
Luxembourg	37	19	22	-
Germany	518	852	85	69
France	187	202	15	0
UK	170	146	-	-
Portugal	21	40	-	-
Spain	82	109	-	1
Denmark	39	32	-	0
Finland	39	54	1	1
Netherlands	22	66	0	0
Other countries	51	41	0	23
<b>Total</b>	<b>2 044</b>	<b>2 795</b>	<b>1 534</b>	<b>1 696</b>

## Capital risk and capital management and related risk

The objective of the Group's capital structure is to provide a healthy return to shareholders by maintaining an optimal capital structure aiming to achieve the lowest possible cost of capital, and in subsidiaries, achieving the requirement of financial stability placed on subsidiaries. The Group's capitalisation must be risk-based and based on a judgement of the overall risk level of operations. It should also be forward-looking and consistent with long- and short- term business plans and expected macroeconomic growth. The capital is assessed with relevant key ratios, such as the ratio between net debt and equity. As of 31 December 2023, the Group had net debt of SEK 1,080 million (624) which in relation to Group equity amounts to 0.53 (0.26).

Three companies in the Group, Catella Real Estate AG, Catella Property Fund Investments AB and Axipt Real Estate Partners SAS, conduct operations requiring permits under the inspection of a supervisory authority. Existing regulatory frameworks and rapid regulatory changes are complex. These regulatory frameworks place stringent, and in future will place even more stringent, demands on the routines and procedures, and on the liquidity and capital reserves, of

the operations under supervision. Compliance with these regulatory frameworks is a precondition for conducting operations subject to supervision. Catella continuously seeks to ensure compliance with existing regulatory frameworks and coming regulatory changes. In the event that subsidiaries were to become unable to satisfy such regulatory stipulations, this may have adverse consequences for Group profit and the value of the Group's assets.

Fair value hierarchy for the measurement of financial assets and liabilities

The following table presents financial instruments measured at fair value based on how the classification in the fair value hierarchy has been conducted. The various levels are defined as follows:

### Listed (unadjusted) market prices

The fair value of financial instruments traded on an active market is based on listed market prices on the reporting date. A market is considered to be active if listed prices from a stock exchange, broker, industrial group, pricing service or supervisory authority are readily and regularly available and these prices represent fair value and regularly occurring market transactions at arm's length. The listed market price used for the Group's financial assets is the actual bid rate. This category includes listed fund holdings.

### Valuation techniques using observable market data

The fair value of financial instruments not traded on an active market (such as OTC derivatives or certain funds) is measured using valuation techniques. Here, market information is used as much as possible when available, while company-specific information is used as little as possible. If all significant input data required for the fair value measurement of an instrument is observable, the instrument is listed in the column of valuation techniques that use observable market data in the following table. The investments in this category are mainly Visa Class C preference shares.

### Valuation techniques using non-observable market data

If one or more significant input data is not based on observable market information, the instrument concerned is classified in this category. Specific valuation techniques used to measure financial instruments are among other the calculation of discounted cash flows to measure

fair value of the remaining financial instruments. The financial instruments classified in this category include the value of Catella's investments in securitised loan portfolios and unlisted shares and fund holdings. Financial liabilities included in this category relate to contingent purchase consideration for shares in the subsidiary Aquila Asset Management SAS.

Valuation of Pamica follows a hierarchy in the following order based on; transactions such as issuances and other transactions between independent parties, cash flow valuation, and peer group valuation. For the valuation of the fund Ůpeka, two methods are employed: cash flow valuation and yield valuation.

The Group's assets and liabilities at fair value as of 31 December 2023

SEK M	Noterade marknads- priser	Valuation	Valuation	Total
		techniques using observable market data	techniques using non-observable market data	
<b>Assets</b>				
Financial assets at fair value through other comprehensive income		44		44
Financial assets at fair value through profit or loss	55	2	409	466
<b>Total assets</b>	<b>55</b>	<b>45</b>	<b>409</b>	<b>509</b>
<b>Liabilities</b>				
Financial liabilities at fair value			8	8
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>8</b>

The Group's assets and liabilities at fair value as of 31 December 2022

SEK M	Valuation techniques using		Valuation techniques using		Total
	Noterade marknads-priser	observable market data	non-observable market data		
<b>Assets</b>					
Financial assets at fair value through other comprehensive		36			36
Financial assets at fair value through profit or loss	23	2	287		311
Accrued income			42		42
<b>Total assets</b>	<b>23</b>	<b>38</b>	<b>329</b>		<b>389</b>
<b>Financial liabilities at fair value</b>					
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>

Changes in instruments in the category of valuation techniques using non-observable market data in 2023 and 2022:

SEK M	2023	2022
<b>Assets at fair value through profit or loss</b>	<b>2023</b>	<b>2022</b>
As of 1 January	329	171
Investments	137	109
Disposals	-46	0
Gains and losses recognised through profit or loss	-12	39
Exchange-rate differences	2	9
<b>As of 31 December</b>	<b>409</b>	<b>329</b>

For further information, see Note 22.

## SEK M

Liabilities at fair value	2023	2022
As of 1 January	0	-
Additional items	8	-
Deductions	0	-
Revaluation through profit & loss	0	-
Exchange-rate differences	0	-
<b>As of 31 December</b>	<b>8</b>	<b>0</b>

## Financial assets and financial liabilities

The following table indicates the financial instruments held by the Group and how these have been recognized and measured.

SEK M	2023	2022
<b>Financial assets</b>		
Financial assets at amortized cost		
Accounts receivable	246	376
Receivables from associated companies	492	278
Cash and cash equivalents	796	1 794
Financial assets at fair value through other comprehensive income	44	36
Financial assets at fair value through profit or loss	466	311
	<b>2 044</b>	<b>2 795</b>
<b>Financial liabilities</b>		
Financial liabilities at amortized cost		
Accounts payable and other liabilities	254	307
Borrowings and loan liabilities	2 420	2 765
Option liabilities	75	52
Financial liabilities at fair value	8	-
	<b>2 757</b>	<b>3 124</b>

## NOT 4 CRITICAL ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and based on historical experience and other factors, including expectations of future events that are considered reasonable in prevailing circumstances.

Key estimates and assumptions for accounting purposes  
The Group makes estimates and assumptions about the future. By definition, the resulting estimates for accounting purposes will rarely

match real outcomes. Estimates and assumptions that entail a significant risk of restatement of carrying amounts of assets and liabilities during the next financial year are outlined below.

Investments in property development projects  
Catella has investments in property development projects in Germany, Denmark, France, United Kingdom and Sweden. Property development projects are recognized at the lower of cost and net realizable value. Catella continuously carries out valuations of each project to ensure that the market value equals or exceeds recognised amounts. The macroeconomic situation in 2023, characterized by high inflation and raised interest rates, led to lower property prices and transaction volumes, which in turn affected the opportunity to divest projects at acceptable price levels. Given the current market conditions, this means that estimates involve a higher degree of uncertainty.

## NOT 5 INFORMATION BY SEGMENT

Disclosures by operating segment

Catella conducts operations in a number of countries where local managers are responsible for the local operations. Operations are divided into three business areas or operating segments: Investment Management, Principal Investments and Corporate Finance. The operating segments are monitored and supported by Business Area Managers who report to the CEO.

The operating segments report in a manner consistent with Catella's internal reporting to the CEO, who is the chief operating decision maker of Catella. The CEO evaluates the Group's operations on the basis of these operating segments, which are also reportable segments: Investment Management, Principal Investment and Corporate Finance. Catella's chief operating decision maker mainly uses information about segment income, expenses and operating profit in the assessment of the segment's progress, but also receives monthly information about transaction volumes and volumes under management.

The Parent Company and other holding companies are presented under the category "Other". Acquisition and financing costs and Catella's brand are information in recognised in this category.

Transactions between the operating segments are limited and relate mainly to financial transactions and certain onward invoicing of expenses. Limited transactions for rendering services to external customers occur. Any transactions are conducted on an arm's length basis.

The operations of the Group's reportable segments are as follows:

#### Investment Management

The operations in Investment Management are comprised of two operating segments: *Property Funds* offers funds with different

Income Statement by operating segment

investment strategies in terms of risk and returns, asset classes and locations, and *Asset Management* offers asset management services in property funds, other institutions and family offices.

#### Principal Investments

In Principal Investments, Catella makes real estate investments alongside partners and external investors. Investments are made with the aim of generating an average IRR of 20 percent as well as strategic advantages for Catella and other operating segments.

#### Corporate Finance

Corporate Finance provides quality capital markets services to property owners and advisory services for all types of property-related transactions to various categories of property owners and investors. Operations are carried out on five markets and offer local expertise about the property markets in combination with European reach.

Information on each segment's revenues, expenses, assets, liabilities and cash flow is provided below.

SEK M	Investment Management		Principal Investments		Corporate Finance		Other		Eliminations		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net sales	1 111	1 359	149	121	441	533	42	51	-46	-67	1 697	1 996
Other operating income	25	14	607	532	5	10	7	13	-2	-16	642	552
Share of profit from associated companies	2	36	-12	26	0		4	1	0		-6	63
	<b>1 138</b>	<b>1 408</b>	<b>745</b>	<b>678</b>	<b>445</b>	<b>542</b>	<b>53</b>	<b>65</b>	<b>-49</b>	<b>-82</b>	<b>2 333</b>	<b>2 611</b>
Provisions, direct assignment and production costs	-171	-166	-606	-175	-101	-78	0	-1	4	17	-874	-402
Other external expenses	-250	-217	-29	-37	-105	-124	-38	-40	37	45	-385	-374
Personnel costs	-477	-522	-47	-47	-250	-299	-68	-56	5	5	-838	-919
Depreciation and amortisation	-43	-39	-4	-8	-19	-20	-6	-8	0	0	-72	-75
Other operating expenses	-5	-8	-11	-24	-2	1	-7	-4	7	15	-18	-19
<b>Operating profit/loss</b>	<b>193</b>	<b>457</b>	<b>48</b>	<b>386</b>	<b>-33</b>	<b>22</b>	<b>-66</b>	<b>-43</b>	<b>5</b>	<b>0</b>	<b>145</b>	<b>822</b>
Interest income according to effective interest rate method	11	1	84	49	1	1	160	125	-225	-149	32	27
Interest income other							25	18			25	18
Interest expenses	-35	-35	-143	-69	-13	-10	-105	-70	140	103	-156	-80
Other financial income	38	13	41	7	3	1	240	164			321	185
Other financial expenses	-34	-5	-11	-21	-4	-3	-276	-113			-325	-142
Financial items—net	-20	-27	-29	-34	-13	-10	44	124	-85	-46	-103	8
<b>Profit/loss before tax</b>	<b>173</b>	<b>431</b>	<b>19</b>	<b>352</b>	<b>-47</b>	<b>12</b>	<b>-22</b>	<b>81</b>	<b>-80</b>	<b>-46</b>	<b>42</b>	<b>830</b>
Tax	-63	-131	2	-5	8	-7	2	-4			-51	-147
<b>Net profit for the year</b>	<b>110</b>	<b>299</b>	<b>21</b>	<b>347</b>	<b>-39</b>	<b>5</b>	<b>-20</b>	<b>77</b>	<b>-80</b>	<b>-46</b>	<b>-9</b>	<b>683</b>
Of which profit/loss attributable to shareholders of the Parent Company	104	294	16	158	-40	5	-21	80	-80	-46	-21	491

## Financial position by operating segment

SEK M	Investment Management		Principal Investments		Corporate Finance		Other		Eliminations		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Assets</b>												
<b>Non-current assets</b>												
Intangible assets	457	336	0	0	65	66	50	50			573	452
Tangible assets	28	22	1	1	4	4	1	0			33	27
Contract assets leasing agreements	71	63	2	1	39	36	2	9			115	109
Investments in group companies	-6	0	-5	0	-1	0	12	0			0	0
Investments in associated companies	25	35	106	145			5	2			136	182
Non-current receivables from associated companies							158	127			158	127
Financial assets at fair value through other comprehensive income							44	36			44	36
Financial assets at fair value through profit or loss	31	22	359	200	0	0	52	49			443	272
Deferred tax assets	1	2	4	5	9	0					15	7
Non-current receivables from group companies	15	14			6	8	708	752	-729	-774	0	0
Other non-current receivables	13	11	28	15	5	4	12	11			58	41
	<b>636</b>	<b>505</b>	<b>496</b>	<b>267</b>	<b>127</b>	<b>119</b>	<b>1 043</b>	<b>1 136</b>	<b>-729</b>	<b>-774</b>	<b>1 573</b>	<b>1 254</b>
<b>Current assets</b>												
Development and project properties			2 269	2 290					-126	-46	2 143	2 244
Contract assets			34	63							34	63
Accounts receivable	137	220	9	43	103	110	-3	3			246	376
Receivables from group companies	156	89	43	64	80	92	1 206	905	-1 485	-1 149	0	0
Receivables from associated companies			1	0			333	151			334	151
Tax assets	6	3		4	2	8	0	2			8	17
Other receivables	150	28	63	215	16	14	7	26			235	282
Prepaid expenses and accrued income	27	35	9	51	9	10	6	4			51	100
Financial assets at fair value through profit or loss							22	39			22	39
Cash and cash equivalents	485	745	125	115	75	143	112	791			796	1 794
	<b>960</b>	<b>1 119</b>	<b>2 553</b>	<b>2 844</b>	<b>286</b>	<b>378</b>	<b>1 683</b>	<b>1 921</b>	<b>-1 611</b>	<b>-1 195</b>	<b>3 871</b>	<b>5 066</b>
<b>Total assets</b>	<b>1 597</b>	<b>1 624</b>	<b>3 049</b>	<b>3 111</b>	<b>413</b>	<b>497</b>	<b>2 726</b>	<b>3 057</b>	<b>-2 340</b>	<b>-1 969</b>	<b>5 444</b>	<b>6 320</b>

SEK M	Investment Management		Principal Investments		Corporate Finance		Other		Eliminations		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>EQUITY AND LIABILITIES</b>												
Equity attributable to shareholders of the Parent Company	389	367	341	310	17	44	1 366	1 493	-126	-46	1 988	2 168
Non-controlling interests	33	22	9	221	8	15	0	5			50	262
<b>Total equity</b>	<b>422</b>	<b>389</b>	<b>350</b>	<b>531</b>	<b>25</b>	<b>59</b>	<b>1 366</b>	<b>1 498</b>	<b>-126</b>	<b>-46</b>	<b>2 038</b>	<b>2 430</b>
<b>Liabilities</b>												
Non-current liabilities												
Borrowings	2	4	1 145	1 480	23	34					1 171	1 519
Long-term loan liabilities							1 247	1 244			1 247	1 244
Contract liabilities leasing agreements	53	56	1	0	23	23	2	3			79	82
Non-current liabilities to group companies	627	665	104	111		0			-731	-776	0	0
Other non-current liabilities	134	92	15	34	0	0					148	126
Deferred tax liabilities	14	7	0	0			10	10			24	17
Other provisions		1				1					0	1
	<b>829</b>	<b>825</b>	<b>1 265</b>	<b>1 625</b>	<b>47</b>	<b>58</b>	<b>1 259</b>	<b>1 257</b>	<b>-731</b>	<b>-776</b>	<b>2 669</b>	<b>2 989</b>
Current liabilities												
Borrowings	1	1			2	2					3	3
Contract liabilities leasing agreements	23	12	1	0	17	17	1	6			42	36
Contract liabilities			14	5							14	5
Accounts payable	22	12	87	82	27	38	5	25			140	157
Liabilities to group companies	11	27	1 284	854	146	137	45	132	-1 485	-1 149	0	0
Liabilities to associated companies		0		34							0	34
Current tax liabilities	21	37		3	0	3		3			21	46
Other liabilities	52	39	20	38	29	36	18	3	2	2	122	118
Accrued expenses and deferred income	217	283	27	39	119	147	31	34			394	502
	<b>346</b>	<b>410</b>	<b>1 433</b>	<b>955</b>	<b>341</b>	<b>380</b>	<b>101</b>	<b>303</b>	<b>-1 483</b>	<b>-1 147</b>	<b>737</b>	<b>901</b>
<b>Total liabilities</b>	<b>1 175</b>	<b>1 235</b>	<b>2 698</b>	<b>2 580</b>	<b>388</b>	<b>438</b>	<b>1 360</b>	<b>1 560</b>	<b>-2 214</b>	<b>-1 923</b>	<b>3 406</b>	<b>3 890</b>
<b>Total equity and liabilities</b>	<b>1 597</b>	<b>1 624</b>	<b>3 049</b>	<b>3 111</b>	<b>413</b>	<b>497</b>	<b>2 726</b>	<b>3 057</b>	<b>-2 340</b>	<b>-1 969</b>	<b>5 444</b>	<b>6 320</b>

## Cash flow by operating segment

SEK M	Investment Management		Principal Investments		Corporate Finance		Övrigt		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Profit/loss before tax	173	431	-61	294	-47	12	-22	94	42	830
Wind down expenses						3	-5	-26	-5	-23
Other financial items	1	-8	0	14	2	1	38	-51	41	-43
Depreciation and amortisation	43	39	4	8	19	20	6	8	72	75
Profit/loss from participations in associated companies	-2	-36	12	-26			-4	-1	6	-63
Paid income tax	-63	-47	4	-1	-29	-86	-1	0	-89	-136
Investments in property projects			-803	-1 569					-803	-1 569
Divestment of property projects			778	1 414					778	1 414
Change in operating capital employed	-64	39	-98	-476	-35	26	25	65	-173	-346
<b>Cash flow from operating activities</b>	<b>88</b>	<b>417</b>	<b>-165</b>	<b>-342</b>	<b>-90</b>	<b>-23</b>	<b>37</b>	<b>88</b>	<b>-130</b>	<b>140</b>
Cash flow from tangible and intangible non-current assets	-23	-22	0	-1	-3	-2	0	0	-26	-24
Acquisition of subsidiaries, net of cash and cash equivalents	-154	-7		-7	-5	-12		-48	-159	-74
Sale of subsidiaries, net of cash disposed	2		0						2	0
Divestment of associated companies				0				60	0	60
Dividend and other disbursements from associated companies	1	1					1	20	2	21
Cash flow from other financial assets	-8	-3		-16			-127	25	-135	6
<b>Cash flow from investing activities</b>	<b>-182</b>	<b>-31</b>	<b>0</b>	<b>-24</b>	<b>-8</b>	<b>-14</b>	<b>-126</b>	<b>58</b>	<b>-315</b>	<b>-11</b>
Payment from issued warrants				1					0	1
Net borrowings, amortisation of loans	1	-1	-321	374	-11	-10			-331	364
Amortisation of leasing debt	-21	-17	-1	0	-21	-21	-1	0	-43	-38
New share issue, dividends, contributions from, and payments to, non-controlling interests	-10	-5	-21		-34	-35	-114	-135	-180	-176
<b>Cash flow from financing activities</b>	<b>-30</b>	<b>-23</b>	<b>-342</b>	<b>375</b>	<b>-66</b>	<b>-67</b>	<b>-115</b>	<b>-135</b>	<b>-554</b>	<b>150</b>
<b>Cash flow for the year</b>	<b>-124</b>	<b>362</b>	<b>-507</b>	<b>9</b>	<b>-164</b>	<b>-103</b>	<b>-204</b>	<b>11</b>	<b>-998</b>	<b>279</b>

## Disclosures by geographical market

SEK M	Total sales to external customers *		Total assets		Non-current assets **	
	2023	2022	2023	2022	2023	2022
Sweden	44	110	961	1 954	399	382
Germany	924	1 177	697	1 020	133	147
France	338	343	647	371	167	42
UK	118	116	559	529	231	242
Denmark	115	52	1 788	1 723	42	53
Other countries	158	198	269	370	100	74
Non-current assets not specified by country **	-	-	524	354	501	315
<b>Total</b>	<b>1 697</b>	<b>1 996</b>	<b>5 444</b>	<b>6 320</b>	<b>1 573</b>	<b>1 254</b>

\* Based on the location of sales outlets and essentially corresponding to customers' geographical location.

\*\* Financial instruments and deferred tax assets are not specified by country. Instead, these items are recognised under Non-current assets not specified by country.

## NOT 6 NET SALES

SEK M	2023	2022
Investment Management	1 111	1 359
Property Funds	923	1 176
Asset Management	274	297
Eliminations within the business area	-85	-114
Principal Investments	149	121
Corporate Finance	441	533
Other net sales	-4	-16
	<b>1 697</b>	<b>1 996</b>

Investment Management has income streams that are reported over time as well as on a specific reporting date. Management fees, corresponding to a fixed contractual percentage based on the volume of underlying assets under management are recognised at the same pace as earnings over time. This income constitutes approximately 54 percent (42) of Group net sales. In addition, various performance-based revenues such as disposal fees, acquisition fees and performance fees are received and recognised when all the criteria have been satisfied at a specific point in time.

A majority of the Corporate Finance operations' revenue is recognised at a specific point in time as the contractual performance obligation has been met, which normally occurs at the time of completion of a transaction.

Catella's subsidiaries that operate property development projects in Principal Investments, receive a fixed management fee, which is recognised at a pace with earnings over time. Principle Investments' net sales also include rental income from tenants in the property development projects, which is recognised on a rolling basis over time.

Uncertainty in reporting of Group net sales is assessed to be low.

## NOT 7 OTHER OPERATING INCOME/EXPENSE

Other operating income

SEK M	2023	2022
Capital gain on property development project	294	395
Revenue recognized property development projects	308	116
Fair value gains on financial assets at fair value through profit or loss	9	18
Recharged project costs	0	1
Recharged costs	16	0
Other operating income	15	23
	<b>642</b>	<b>552</b>

Capital gains from divested property development projects relate to the logistics project Infrahubs Vaggeryd.

Property projects where profit has been recognized relate to Barcelona Logistics and Metz-Eurolog, which were divested through forward-funding agreements with investors. Catella's investment is repaid, and profit realized over time at a pace with project completion. Income is recognized in connection with contractual milestones following approval by the investor.

Other operating expenses

SEK M	2023	2022
Impairment of accounts receivable	-8	-3
Recovered bad debt losses	2	0
Fair value loss on financial assets at fair value through profit or loss	-4	-6
Other operating expenses	-8	-11
	<b>-18</b>	<b>-19</b>

## NOT 8 OTHER EXTERNAL EXPENSES

Remuneration to auditors

SEK M	2023	2022
Chief Auditor*		
Audit assignment *	7	6
(of which to the parent company's auditors)	1	2
Audit activities other than audit assignment	1	1
(of which to the parent company's auditors)	0	1
Tax advisory	0	0
(of which to the parent company's auditors)	0	0
Other services	1	1
(of which to the parent company's auditors)	1	0
	<b>9</b>	<b>8</b>
Other audit firms		
Audit assignment	4	2
Audit activities other than audit assignment	0	0
Tax advisory	0	0
Other services	1	0
	<b>5</b>	<b>2</b>
<b>Total remuneration to auditors</b>	<b>14</b>	<b>10</b>

\* Audit assignment means fees for the statutory audit, i.e. work necessary to present the Audit Report, as well as audit-related advisory services rendered coincident with the audit assignment.

\*\* The Auditor in Charge for 2023 was KPMG AB (2022: PricewaterhouseCoopers AB).

## NOT 9 DEPRECIATION AND AMORTISATION

SEK M	2023	2022
Depreciation of tangible assets, note 19	12	11
Amortisation of non-acquisition-related intangible assets, note 17	9	14
Amortisation of acquisition-related intangible assets, note 17	15	12
Depreciation of contract assets, note 18	36	38
	<b>72</b>	<b>75</b>

Depreciation and amortisation for the year of non-acquisition-related intangible assets primarily relate to IT systems for the service area Property Funds.

Depreciation and amortisation for the year on acquisition-related intangible assets are attributable to customer relationships identified in connection with the acquisitions of APAM Ltd., Catella Poland WPP and Aquila Asset Management SAS.

Straight line depreciation is utilised for all types of assets as follows:

– Leasehold improvements	20 percent per year or over the term of the lease
– Computers and peripherals	25-33 percent per year
– Other office machines and office equipment	20 percent per year
– Contract portfolios	14–25 percent per year
– Software licenses	25–33 percent per year

#### NOT 10 EMPLOYEES

##### Employee benefits

SEK M	2023	2022
Salaries and other compensation	659	734
Social security expenses	103	100
Pension costs defined contribution pension plans	44	41
	<b>806</b>	<b>875</b>

##### Salaries and other benefits

SEK M	2023	2022
Boards of Directors and Presidents *	170	221
Other employees *	489	513
	<b>659</b>	<b>734</b>
* of which variable remuneration to senior management	60	117

The Group's pension plans are defined-contribution, which means that the Group pays fixed contributions to a separate legal entity on a mandatory, contractual or voluntary basis. The Group has no other additional payment obligations once the payments have been made.

Besides the aforementioned compensation, which was an expense for Catella in 2023, earnings attributable to partners in subsidiaries in which they work are recognised as a personnel expense in accordance with applicable accounting principles. This cost amounts to SEK 6 million (5).

##### Average no. of employees (full-time equivalents)

Average	2023		2022	
	Total	of which women	Total	of which women
Sweden—parent company	23	12	21	11
Sweden—subsidiaries	34	11	42	14
Germany	184	79	174	76
France	81	37	81	39
UK	63	31	58	32
Finland	39	13	40	13
Spain	32	12	32	13
Denmark	15	4	14	3
Baltics	-	-	3	1
Netherlands	22	4	22	5
Norway	-	-	1	-
Poland	21	10	7	4
Ireland	3	-	2	-
<b>Total</b>	<b>517</b>	<b>213</b>	<b>497</b>	<b>211</b>

As of 31 December 2023, the number of Board members and Presidents totalled 201 (206), of whom 49 (42) were women. In several cases, these individuals are one and the same person, since one individual may hold multiple directorships.

#### NOT 11 REMUNERATION TO THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

##### Principles

Directors' fees are paid to the Chairman of the Board and Board members in accordance with the resolution of the Annual General Meeting. Guidelines for remuneration to senior executives are established every four years at a minimum; the following were adopted by the Annual General Meeting in 2022:

These guidelines regard remuneration to the Chief Executive Officer and other members of Group management at any given time, and to Board members with regard to remuneration in addition to the Directors' fees authorised by the Annual General Meeting. In addition to the CEO, Group management currently comprises the CFO, also Head of Investor Relations, the Head of Group HR and the Head of Group Legal. The guidelines are to be applied to agreed remuneration, as well as to changes made to already agreed remuneration after the guidelines were adopted by the Annual General Meeting 2022. The guidelines do not cover remuneration adopted by the Annual General Meeting.

##### *Forms of remuneration and securing the company's business strategy, long-term interests and sustainability*

The company's operations are dependent on being able to recruit and retain qualified employees. Total remuneration shall be on market terms and competitive, which is a prerequisite for the successful implementation of the company's business strategy and protecting its long-term interests, including sustainability. Furthermore, remuneration shall be in relation to responsibilities and authority.

Remuneration to the Chief Executive Officer and other members of Group management consists of basic salary, variable salary, pension and other benefits.

Variable remuneration is based on financial or non-financial results achieved in relation to individually defined qualitative and quantitative targets that consider the company's business strategy, long-term goals and sustainability work.

The fulfilment of criteria for payment of variable cash remuneration shall be measured over a one-year period. The variable remuneration may amount to maximum of 100 percent of fixed annual basic salary. Additional variable cash remuneration may be payable in extraordinary circumstances, provided such extraordinary arrangements are limited in time and relate to individuals with the purpose of recruiting or retaining senior executives, or as remuneration for extraordinary work carried out additional to regular assignments. Such extraordinary remuneration awarded in addition to the remuneration mentioned above may not exceed an amount corresponding to 100 percent of fixed annual basic salary and may not be paid more than once per year per individual. Decisions relating to

such remuneration shall be made by the Board following preparation by the Remuneration Committee.

Pension benefits, including healthcare insurance, shall be defined-contribution. Variable cash remuneration shall not be pensionable. Pension premiums for defined-contribution pension shall amount to a maximum of 30 percent of fixed annual basic salary.

Other benefits may include life insurance, health care insurance and company car. Such benefits may amount to a maximum of 10 percent of fixed annual basic salary.

The company has share-based incentive schemes. Any further share-based incentive schemes introduced in the future are subject to resolution by the Annual General Meeting and are thus not encompassed by these guidelines.

#### *Termination of employment*

Upon notice of termination of employment by the company, the notice period shall be a maximum of 12 months, and on notice of termination by the employee a maximum of 6 months. Severance pay and redundancy payments may not exceed 100 percent of fixed annual basic salary in total.

In addition, remuneration for non-compete undertakings may be payable. Such remuneration shall compensate any potential income shortfall and shall only be payable in cases where the former employee is not entitled to receive severance pay. Remuneration shall be based on fixed basic salary at the time of termination of employment and subject to a maximum of 60 percent of monthly income at the time of termination of employment and be payable during the period the non-compete undertaking applies, which shall be subject to a maximum of 9 months after termination of employment.

The company is not contractually entitled to recover variable remuneration. According to statute or agreement, and considering any ensuing limitations thereof, the Board is entitled to wholly or partly recover variable remuneration paid on incorrect grounds.

#### *Decision-making process for determining, reviewing and implementing the guidelines*

The process for preparing, reviewing and implementing the remuneration guidelines is handled by a dedicated Remuneration Committee. After preparation by the Remuneration Committee, the

Board shall prepare proposed new guidelines at least every four years and present the proposal for resolution at the AGM. The guidelines shall apply until such time that new guidelines are adopted by the AGM. The remuneration committee has an advisory (follow-up and evaluation) and a preparatory function for decision-making ahead of review and resolution by the Board of Directors. In addition to the Chairman of the Board, who is also Chairman of the Committee, other members elected by the AGM are independent in relation to the company and management. The Remuneration Committee holds a minimum of two regular meetings per year, in good time before regular Board meetings, to address remuneration matters. All members of the Remuneration Committee, the CEO and HR Manager shall, if possible, participate in the Remuneration Committee's meetings (however subject to provisions relating to conflicts of interest under the Companies Act). Any other individual presenting a matter to the Remuneration Committee shall participate in the Remuneration Committee's meetings to the extent the Remuneration Committee considers it appropriate. Individuals affected by the decisions do not attend meetings of the Remuneration Committee or the Board during the period of preparation and decisions regarding the matter.

#### *Salary and employment terms for employees*

Each year, the Remuneration Committee completes an analysis to see how the total salary structure and employment terms compare to remuneration to the CEO and senior executives. This forms the basis for decisions when evaluating the reasonableness of these guidelines.

#### *Departing from the guidelines*

The Board may depart from these guidelines, fully or in part, only if, in individual cases, there are special reasons for doing so and a departure is necessary for securing the company's long-term interests, including its sustainability, or for securing the company's financial viability.

#### *Information regarding decided remuneration not due for payment*

The Board shall include information regarding previously decided remuneration not yet due for payment to the proposed guidelines for remuneration presented to the AGM.

Board of Directors and senior executives

For a presentation of the Board of Directors and Group Management, see the section on the Board of Directors, Auditors and Group Management.

The Annual General Meeting in May 2023 re-elected Board members Johan Claesson, Tobias Alsborger, Johan Damne and Anneli Jansson. Samir Kamal and Sofia Watt were elected new Board members. Johan Claesson was elected Chairman of the Board.

The composition of Group management remained unchanged in 2023, comprising Christoffer Abramson, CEO and President, Michel Fischier, CFO and Head of Investor Relations, Johanna Bjärnemyr, Head of Group Legal and Mathias de Maré, Head of HR. On 24 February 2023, Mattias Brodin stepped down as the CFO and a member of Group management. In connection with this, Michel Fischier, former Head of Investor Relations and Group Communications, was appointed Interim CFO. In May, Michel Fischier was appointed new CFO of Catella.

Board fees approved by the AGM on 10 May 2023 totalled SEK 615,000 (600,000) to the Chairman of the Board and SEK 380,000 (370,000) each to other Board members. In addition, the following remuneration was payable: SEK 140,000 (135,000) to the Chairman of the Audit Committee, SEK 108,000 (105,000) each to two other Committee members, SEK 43,000 (42,000) to the Chairman of the Remuneration Committee and SEK 33,000 (32,000) to the Committee member.

Variable remuneration to senior executives and other employment terms in 2023

The Chief Executive Officer and other senior executives are entitled to receive performance-based bonuses. Entitlement to bonus payments and the calculation basis for bonuses are determined and reassessed annually by the Board. Bonuses may be paid in a maximum amount corresponding to 12 months' salary (12) for the CEO and 6 months' salary (12) for other senior executives. The company's cost for variable salary to Group management for 2023 amounted to SEK 3,8 million (7.6) including social security expenses. The maximum outcome would have cost the company SEK 9,2 million (10.2) including social security expenses.

In addition to statutory pension and insurance benefits, the company should provision an amount corresponding to up to 30 percent of the basic salary of senior executives for the occupational pension solution designated by the employee each year. Senior managers are entitled to 30 days of holiday per year.

Share-based incentive scheme

See Note 12, Share-based payment.

## Remuneration and other benefits in 2023

SEK K	Basic salary/Directors'	Variable compensation	Other benefits	Pension cost	Other compensation	Total
Chairman of the Board						
Johan Claesson	695					695
Other Board members						
Jan Roxendal	210					210
Johan Damne	439					439
Joachim Gahm	168					168
Tobias Alsborger	501					501
Anneli Jansson	376					376
Samir Kamal	241					241
Sofia Watt	284					284
<b>Total compensation to board members</b>	<b>2 914</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 914</b>
Chief Executive Officer						
Christoffer Abramson	4 409	1 739	19	1 656		7 823
Other senior executives*	7 965	1 168	57	1 997		11 187
<b>Total compensation to CEO and other members of Group management</b>	<b>12 374</b>	<b>2 907</b>	<b>76</b>	<b>3 653</b>	<b>-</b>	<b>19 010</b>

\* Other senior executives refer to Mattias Brodin as CFO from 1 January - 24 February, Michel Fischier as Head of IR and Communications from 1 January - 24 February and subsequently as CFO and Head of IR, Johanna Bjärnemyr (Head of Legal), and Mathias de Maré (Head of HR).

## Remuneration and other benefits in 2022

SEK K	Basic salary/Directors' fee	Variable compensation	Other benefits	Pension cost	Other compensation	Total
Chairman of the Board						
Johan Claesson	732					732
Other Board members						
Jan Roxendal	507					507
Johan Damne	362					362
Joachim Gahm	380					380
Tobias Alsborger	464					464
Anneli Jansson	362					362
<b>Total compensation to board members</b>	<b>2 807</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 807</b>
Chief Executive Officer						
Christoffer Abramson	4 256	3 623	18	1 582		9 479
Other senior executives*	7 221	2 164	62	1 988		11 435
<b>Total compensation to CEO and other members of Group management</b>	<b>11 477</b>	<b>5 787</b>	<b>80</b>	<b>3 570</b>	<b>-</b>	<b>20 914</b>

\* Other senior executives are Mattias Brodin (CFO), Michel Fischier (Head of IR and Communications), Johanna Bjärnemyr (Head of Legal) and Mathias de Maré (Head of HR).

## Shareholdings and other holdings

The Board of Directors' and Group Management's share and warrant holdings in Catella AB were as follows as of 31 December 2023 and 2022 respectively\*:

No. / SEK	Class A shares		Class B shares		Options		Bonds, SEK	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Board of Directors</b>								
Johan Claesson, Chairman of the Board	1 100 910	1 100 910	42 563 839	42 563 839				
Jan Roxendal, Board member **			-	129 554			-	2 500 000
Joachim Gahm, Board member **			-	4 000				
Johan Damne, Board member			150 000	150 000				
Tobias Alsborger, Board member			60 000	50 000				
Anneli Jansson, Board member			10 000	10 000				
<b>Management</b>								
Christoffer Abramson, President and CEO			40 000	20 000	2 000 000	2 000 000		
Mattias Brodin, CFO *			-	5 000	-	300 000		
Johanna Bjärnemyr, Head of Group Legal			2 500	2 500	150 000	150 000		
Michel Fischier, Head of IR and Communications *				10 000		150 000		
Michel Fischier, CFO *			17 500		150 000			
Mathias de Maré, Head of Group HR			5 000	5 000	150 000	150 000		
<b>Total holdings</b>	<b>1 100 910</b>	<b>1 100 910</b>	<b>42 848 839</b>	<b>42 949 893</b>	<b>2 450 000</b>	<b>2 750 000</b>	<b>0</b>	<b>2 500 000</b>

\* Mattias Brodin served as CFO in the period 1 January - 24 February, while Michel Fischier served as Head of IR and Communications from 1 January - 24 February, subsequently assuming the role of CFO.

\*\* The concerned individuals were no longer members of Board of Directors as of the end of 2023.

## NOT 12 SHARE-RELATED INCENTIVES

Catella has a total of 3,000,000 outstanding warrants in two series, 2020/2024:A and 2020/2025:B, issued following a resolution by the Extraordinary General Meeting (EGM) on 21 December 2020, as part of an incentive program aimed at senior executives and other key personnel in Catella (LTI 2020). Of these warrants, 2,800,000 were allocated to senior executives and other key personnel, while 200,000 warrants are held in treasury.

Each warrant confers the holder the right to subscribe for one (1) new Class B share in the company. The exercise price is SEK 35.20 per share. The warrants can be utilised to subscribe for new shares in the following periods: warrants of series 2020/2024:A from 1 Jun 2024 to 15 June 2024 inclusive; warrants of series 2020/2025:B from 1 June 2025 to 15 June 2025 inclusive.

The warrants have been transferred on market terms at a price calculated on the basis of the Black & Scholes valuation model. Upon full subscription and utilisation of all 3,000,000 warrants, the company's share capital may increase by a maximum of SEK 6,000,000, provided no remeasurement occurs under the terms of the warrants. This corresponds to dilution of some 3.4 percent of existing equity.

Change in the number of outstanding warrants:

No.	2023	2022
Opening balance as of 1 January	2 850 000	2 750 000
Newly issued	-	-
Issued	-	100 000
Re-purchase	-50 000	-
Exercise of options to subscribe for new shares	-	-
Expiry of unutilised warrants	-	-
<b>As of 31 December</b>	<b>2 800 000</b>	<b>2 850 000</b>

Issued warrants as of the reporting date:  
Issue 2020

Year	Share of total number of warrants issued, %	Total no. of warrants issued	of which held by Catella
2024	50	1 500 000	100 000
2025	50	1 500 000	100 000
<b>Total</b>	<b>100</b>	<b>3 000 000</b>	<b>200 000</b>

The Extraordinary General Meeting on 20 March 2024 resolved that the company repurchase warrants in the LTI 2020 program still held by individuals in employment of the Catella group, through conditional buyback of warrants series 2020/2024:A and 2020/2025:B at market value. The repurchase offer is conditional on a minimum of 50 percent of the consideration being reinvested in series 2024/2027 or series 2024/2028 under the new long-term incentive program, as resolved by the EGM on the same day.

The company shall issue a total of up to 4,700,000 warrants in five series: 2024/2027, 2024/2028, 2025/2029, 2026/2030 and 2027/2031. The incentive program is targeted at the CEO, executive management, and other key personnel in the Catella Group. The warrants shall be transferred to participants on market terms at a price determined by an external valuer on the basis of the Black & Scholes valuation model. Each warrant confers entitlement to subscribe for one (1) Class B share in the company. The subscription price per share upon exercise of the warrants is determined individually for each series and shall amount to 120 percent of the listed volume-weighted average trading price of the company's class B shares on Nasdaq Stockholm during a period of five trading days, commencing from the day after the Board of Directors extends an offer to acquire warrants of the relevant series to participants in the incentive program. Upon full subscription and utilisation of all 4,700,000 warrants, the company's share capital may increase by a maximum of SEK 9,400,000, provided no remeasurement occurs under the terms of the warrants. This corresponds to dilution of some 5.3 percent of existing equity.

## NOT 13 FINANCIAL ITEMS

SEK M	2023	2022
<b>Interest income according to effective interest</b>		
Interest income on bank balances	23	2
Interest income on loan receivables	7	24
Other interest income	2	1
	<b>32</b>	<b>27</b>
<b>Interest income other</b>		
Interest income on financial assets at fair value through profit or loss	25	18
	<b>25</b>	<b>18</b>
<b>Interest expenses</b>		
Interest expenses to credit institutions	-41	0
Interest expenses on bond loan	-104	-69
Interest expenses on leasing liabilities	-8	-10
Other interest expenses	-2	-1
	<b>-156</b>	<b>-80</b>
<b>Other financial income</b>		
Capital gains on group companies	37	0
Exchange rate gains	284	185
	<b>321</b>	<b>185</b>
<b>Other financial expenses</b>		
Fair value loss on financial assets at fair value through profit or loss	-14	-20
Issue and loan guarantee expenses	-3	-3
Exchange rate losses	-308	-119
	<b>-325</b>	<b>-142</b>

## NOT 14 TAX

SEK M	2023	2022
<b>Current tax:</b>		
Current tax on profit/loss for the year	-62	-132
Adjustments relating to previous years	1	1
<b>Total current tax</b>	<b>-61</b>	<b>-130</b>
<b>Deferred tax:</b>		
Origination and reversal of temporary differences	10	-17
Effect of change in tax rates	-	-
<b>Total deferred tax</b>	<b>10</b>	<b>-17</b>
<b>Income tax</b>	<b>-51</b>	<b>-147</b>

Income tax on the Group's profit differs from the theoretical amount that would have resulted from the use of a weighted average tax rate in the consolidated companies, as follows:

SEK M	2023	2022
Profit/loss before tax	42	830
Income tax calculated at domestic tax rates applicable to profit in the respective countries	-22	-190
Tax effects of:		
Utilized loss carry forwards, previously not recognized	20	75
Tax losses for which no deferred tax asset was recognised	-57	-51
Changed assessment of previously activated loss carry forwards	0	-22
Effect from temporary differences with non-recognized deferred tax asset	1	0
Non-deductible interest expenses	0	-2
Non-taxable capital gains	23	62
Other non-deductible/non-taxable items	-4	-20
Wealth tax	-2	-1
Share of profit from associated companies	-11	1
Adjustments relating to previous years	1	1
<b>Tax expense</b>	<b>-51</b>	<b>-147</b>

Deferred tax assets and tax liabilities are allocated as follows:

SEK M	2023	2022
<b>Deferred tax assets</b>		
Estimated to be utilised after more than 12 months	15	7
estimated to be utilised within 12 months	0	0
	<b>15</b>	<b>7</b>
<b>Deferred tax liabilities</b>		
to be paid after 12 months	20	16
to be paid within 12 months	5	1
	<b>24</b>	<b>17</b>
<b>Deferred tax assets/liabilities (net)</b>	<b>-10</b>	<b>-10</b>

SEK M	2023 31 Dec	2022 31 Dec
<b>Deferred tax assets</b>		
Future deductible expenses	2	2
Tax deficit	13	5
<b>Total</b>	<b>15</b>	<b>7</b>

SEK M	2023 31 Dec	2022 31 Dec
<b>Deferred tax liabilities</b>		
Fair value gains	1	0
Intangible assets	23	17
Un-taxed reserves	0	0
<b>Total</b>	<b>24</b>	<b>17</b>

SEK M	2023 31 Dec	2022 31 Dec
<b>Deferred tax assets</b>		
Opening balance	7	23
Change in temporary differences	0	2
New tax loss carryforwards	-1	1
Changed assessment of previously activated loss carry forwards	9	-20
Exchange rate differences	0	1
<b>Closing balance</b>	<b>15</b>	<b>7</b>

SEK M	2023 31 Dec	2022 31 Dec
<b>Deferred tax liabilities</b>		
Opening balance	-17	-19
Change in temporary differences	-9	0
Amortisation of acquisition values	2	2
Exchange rate differences	-1	0
<b>Closing balance</b>	<b>-24</b>	<b>-17</b>

According to IAS 12, "Income Taxes", deferred tax assets relating to tax loss carry-forwards are recognised to the extent it is probable that future taxable profits will be available. According to this standard, Catella recognises a deferred tax asset of SEK 15 million (7) the majority consists of tax loss carry-forwards which is based on a judgement of the Group's future utilisation of tax loss carry-forwards in the legal entities holding the loss carry-forwards. The tax income

that arises on first-time reporting of new or already existing saved deficits as deferred tax assets has no impact on the Group's liquidity. The Group has total loss carry-forwards amounting to SEK 1,370 million (1,315). Loss carry-forwards for which no deferred tax asset is recognised in the Consolidated Balance Sheet amount to SEK 1,313 million (1,298).

The loss carry-forwards reported in the Consolidated Balance Sheet relate to a forecast period of five years.

Tax relating to components in other comprehensive income amounts to SEK 0 million (0) for the financial year 2023. The accumulated tax effect in other comprehensive income amounts to SEK 0 million (0).

## NOT 15 EARNINGS PER SHARE

### (a) Before dilution

Earnings per share before dilution is calculated by dividing the profit attributable to the Parent Company's shareholders by a weighted average number of outstanding ordinary shares in the period.

	2023	2022
Net profit for the year, SEK M	-9	683
Profit/loss attributable to Parent Company shareholders and on which earnings per share before dilution is calculated, SEK M	-21	491
Weighted average number of ordinary shares	88 348 572	88 348 572
Earnings per share, SEK	-0,24	5,55

### (b) after dilution

For the calculation of earnings per share after dilution, the weighted average number of ordinary shares outstanding is adjusted for the dilution effect of all potential ordinary shares. The Parent Company has issued warrants that could result in ordinary shares. For warrants, a calculation is performed of the number of shares that could have been purchased at fair value (calculated as the average market price of the Parent Company's shares for the year) for an amount corresponding to the exercise price of the subscription rights linked to the outstanding warrants. The total number of shares calculated as described below is compared with the number of shares that would have been issued under the assumption that the warrants were exercised.

However, in the event of a negative result, the mathematical calculation after dilution is not applicable, and consequently, the dilution effect was 0% (2.6) in 2023

	2023	2022
Net profit for the year, SEK M	-9	683
Profit/loss attributable to Parent Company shareholders and on which earnings per share after dilution is calculated, SEK M	-21	491
Weighted average number of ordinary shares	88 348 572	88 348 572
Adjustments for:		
assumed conversion of share warrants	2 213 636	2 313 665
Weighted average number of ordinary shares for computation of earnings per share after dilution	90 562 208	90 662 237
Earnings per share, SEK	-0,24	5,41

#### NOT 16 DIVIDEND

The Board of Directors is proposing a dividend of SEK 0.90 per share which corresponds to a total of SEK 79.5 million. The proposed dividend to Parent Company shareholders is subject to the higher of SEK 80 million or 60 percent of profit for the year attributable to Parent Company shareholders. Proposed payment of dividends on 29 May 2024.

A dividend of SEK 1.20 per share was paid for the financial year 2022.

## NOT 17 INTANGIBLE ASSETS

SEK M	Goodwill	Trademark	Contractual customer relations	Software licenses and IT systems	Total
As of January 2022					
<b>Carrying amount</b>	<b>298</b>	<b>50</b>	<b>45</b>	<b>11</b>	<b>404</b>
<b>Financial year 2022</b>					
Acquired during the year				13	13
Disposals				-1	-1
Depreciation and amortisation			-12	-7	-19
Impairment of goodwill and other intangible assets	-2			-1	-2
Exchange rate differences	14	0	1	2	17
<b>Closing balance</b>	<b>347</b>	<b>50</b>	<b>37</b>	<b>18</b>	<b>452</b>
At 31 December 2022					
Cost	418	50	131	130	729
Accumulated depreciation			-91	-61	-152
Accumulated impairment	-70	0	-3	-51	-125
<b>Carrying amount</b>	<b>347</b>	<b>50</b>	<b>37</b>	<b>18</b>	<b>452</b>
<b>Financial year 2023</b>					
Acquired during the year				9	9
Cost in acquired companies	98		37		135
Disposals	0		0	0	0
Depreciation and amortisation			-15	-6	-21
Exchange rate differences	-1		-2	0	-3
<b>Closing balance</b>	<b>444</b>	<b>50</b>	<b>58</b>	<b>21</b>	<b>573</b>
At 31 December 2023					
Cost	514	50	167	140	871
Accumulated depreciation			-105	-68	-173
Accumulated impairment	-70	0	-3	-51	-125
<b>Carrying amount</b>	<b>444</b>	<b>50</b>	<b>58</b>	<b>21</b>	<b>573</b>

Recognized goodwill at the end of 2023 was attributable to acquisitions of the Catella Group in 2010 (SEK 118 million), APAM Ltd in 2018 (SEK 194 million), Catella Poland WPP in 2022 (SEK 40 million), as well as the acquisition of Aquila Group in the year (SEK 91 million). The Catella brand was valued at SEK 50 million on acquisition of the Catella Group. The carrying amount of contractual customer relationships as of the end of 2023 was attributable to APAM Ltd (SEK 24 million), Catella Poland WPP (SEK 2 million) and Aquila Group (SEK 33 million). The closing carrying amount for software licenses and IT systems was SEK 21 million, of which no part was acquisition-related assets. All intangible assets were externally acquired.

Impairment testing of goodwill and other assets with indefinite useful lives

In business combinations, goodwill and other surplus values are allocated to the cash-generating units that are expected to receive future economic benefits, for example in the form of synergies, as a result of the acquired operations. When separate cash-generating units cannot be identified, goodwill and other surplus values are allocated to the lowest level at which the operation is controlled and monitored internally.

Assets with indefinite useful lives are tested annually for impairment. Catella's principle is to conduct impairment tests on assets with indefinite lives in the fourth quarter each year, based on recognized amounts as of 30 September. Catella's assets with indefinite useful lives consist of goodwill and brands. The impairment test for these assets was carried out by operating segment: Investment Management and Corporate Finance. This is consistent with the level at which goodwill and other acquisition-related intangible assets are monitored internally and for reporting to management and the Board of Directors. No impairment testing took place for the Principal Investments operating segment in 2023 as the segment does not have assets with an indefinite useful life. For this operating segment valuations are continuously carried out for each respective project to ensure that the market value equals or exceeds book value.

Central management and shareholder-related expenses have been allocated to the relevant operating segment on the basis of the estimated proportion of resources utilised. For assets measured at fair value, no impairment test is conducted since these items are measured separately on each reporting date at market prices according to established principles. Catella's brand is reported under Other because it constitutes a shared asset for the Group. Impairment testing of Catella's brand is based on an established method for valuing brands and trademarks "Relief-from-Royalty," and has been verified by an external valuer. The valuation indicates that the value in use of the brand significantly exceeds book value.

If an impairment test demonstrates that book value exceeds the recoverable amount, impairment is conducted at an amount that corresponds to the difference between book value and recoverable amount. The recoverable amount is the higher of net realisable value and value in use.

The value in use is the present value of estimated future cash flows. Cash flows are measured based on the financial plans prepared in each operating segment, based on the business plan for the coming financial year decided by Group Management and approved by the Board of Directors. These financial plans cover a projection period of three years and include organic sales growth, the operating margin trend, as well as the change in operating capital employed. Cash flow, with the exception of the projection mentioned, was extrapolated using an assessed growth rate of 2 percent for all business areas, which corresponds to the ECB's long-term inflation target in the Eurozone and the Swedish Central Bank's long-term inflation target for Sweden.

The measurement of value in use is based on several assumptions and judgements in addition to the growth rate beyond the projection period. The most significant relate to the organic growth rate, the progress of the operating margin, the change in operating capital employed and the relevant discount rate (WACC, weighted average cost of capital), which is used to discount future cash flows.

The test indicated no need for goodwill impairment. Impairment is recognised as Depreciation and amortisation in the Consolidated Income Statement.

The discount rate (WACC) before tax by operating segment is stated below:

	WACC, %	
	2023	2022
Investment Management	13,1	11,7
Principal Investments	-	-
Corporate Finance	13,1	11,7
Other	13,1	11,7

The calculation of WACC is based on external market data regarding the risk free interest rate and studies on market risk premiums for various European countries. A Beta factor of 1.5 was used for 2023 and 2022. Calculated WACC for 2023 was 13.1 percent. Catella has opted to apply the same WACC for all cash-generating units, as this has been judged to present a reasonable picture of the risk in the various cash-generating units.

Below is a summary of the distribution of goodwill and brands by business area:

SEK M	2023		2022	
	Goodwill	Trademark *	Goodwill	Trademark *
Investment Management	380	-	283	-
Principal Investments	-	-	-	-
Corporate Finance	64	-	64	-
Other	-	50	-	50
	444	50	347	50

\* Catella registered brand

## NOT 18 RIGHT-OF-USE ASSETS (LEASE AGREEMENTS) AND LEASE LIABILITIES

This Note provides information about lease agreements where the Group is the lessee.

The Group leases a number of office premises, cars and other equipment on the basis of non-cancellable operating leases. The lease terms vary between one and ten years and most lease agreements can be extended on market terms on expiry. Leasing agreements are recognized as right-of-use assets and financial liabilities corresponding to the company's lease payment commitment.

Right-of-use assets are depreciated on a straight-line basis over the lease term.

Payments for short-term contracts and lease agreements of minor value are expensed on a straight-line basis in the Income Statement. Short-term contracts are defined as contracts with a lease term of 12 months or less. Agreements of minor value are agreements defined as below SEK 0.1 million and include IT and office equipment.

During the year, new contractual assets of SEK 37.1 million (8.5) arose, of which SEK 32.3 million (3.8) related to new rental contracts, SEK 4.6 million (2.8) related to vehicles and SEK 0.3 million (2.0) related to other equipment.

The following amounts relating to lease agreements are recognised in the Balance Sheet:

SEK M	2023	2022
<b>Contract assets leasing agreements</b>		
Office buildings	106	100
Cars	7	7
Other equipments	1	2
	<b>115</b>	<b>109</b>
<b>Contract liabilities leasing agreements</b>		
Non-current liabilities	79	82
Current liabilities	42	36
	<b>121</b>	<b>118</b>

The following amounts relating to lease agreements are recognised in the Income Statement:

SEK M	2023	2022
<b>Depreciation of contract assets leasing agreements</b>		
Office buildings	31	33
Cars	5	5
Other equipments	1	0
	<b>36</b>	<b>38</b>
<b>Interest expenses</b>		
	8	12

Total outflows relating to lease agreements amounted to SEK 47 million (46) in 2023.

## NOT 19 PROPERTY, PLANT AND EQUIPMENT

SEK M	Furniture, fittings and equipment
<b>As of January 2022</b>	
Carrying amount	25
<b>Financial year 2022</b>	
Acquired during the year	11
Disposals	0
Depreciation and amortisation	-11
Exchange rate differences	2
<b>Closing balance</b>	<b>27</b>
<b>At 31 December 2022</b>	
Cost	124
Accumulated depreciation	-96
<b>Carrying amount</b>	<b>27</b>
<b>Financial year 2022</b>	
Acquired during the year	17
Cost in acquired companies	2
Disposals	-1
Depreciation, amortisation & impairment losses	-12
Exchange rate differences	0
<b>Closing balance</b>	<b>33</b>
<b>At 31 December 2023</b>	
Cost	142
Accumulated depreciation	-109
<b>Carrying amount</b>	<b>33</b>

## NOT 20 HOLDINGS IN SUBSIDIARIES AND ASSOCIATED COMPANIES

Holdings in subsidiaries

Subsidiaries are all of the companies in which the Group has a controlling influence. All subsidiaries are consolidated in the Group.

Catella manages and provides advisory services to a number of investment funds. Decisions regarding the consolidation of funds under management are based on whether fund managers are judged to act as a principal or agent from an accounting perspective. Catella's remuneration for fund management services does not justify the

application of the IFRS control principle, regarding the link between influence and returns. For accounting purposes, Catella is viewed as an agent in relation to fund investors, which means that the funds are not consolidated.

A list of the Group's subsidiaries is provided below. The stated participating interests correspond to the share of equity and votes. Participating interests in addition to the participation which corresponds to the Group's holdings are for non-controlling interests. Holdings are ordinary shares. None of the Group's subsidiaries have issued preference shares.

Company	Corp. ID no.	City	31 Dec 2023		31 Dec 2022	
			Participating interest, %	Total no. of share	Participating interest, %	Total no. of share
Catella Holding AB	556064-2018	Stockholm	100	1 000	100	1 000
IPM Informed Portfolio Management AB	556561-6041	Stockholm	100	2 253 561	100	2 253 561
Catella Capital AB	556886-9019	Stockholm	100	13 000	100	13 000
Catella Fastighetsanalys AB	559371-5395	Stockholm	70	1 000	70	25 000
Catella Property Fund Investment AB	559367-6595	Stockholm	91	1 000	91	25 000
Catella Property Fund Management AB	556660-8369	Stockholm	100	10 000	100	10 000
Catella Property Asset Management AB	559104-6551	Stockholm	100	1 666 667	100	16 667
Catella Corporate Finance AB	556724-4917	Stockholm	100	1 000	100	1 000
CCF Holding AB	559078-3238	Stockholm	60	10 000	60	10 000
Catella Corporate Finance Stockholm AB	559054-4234	Stockholm	60	10 000	60	10 000
Aveca AB	556646-6313	Stockholm	100	5 000	100	5 000
CCF Holding Gbg AB	559089-0710	Gothenburg	60	10 000	60	10 000
Catella Corporate Finance Göteborg AB	559084-9104	Gothenburg	60	10 000	60	10 000
CCF Malmö Intressenter AB	556740-5963	Malmö	60	1 000	60	1 000
Catella Corporate Finance Malmö AB	556740-5666	Malmö	60	1 000	60	1 000
Infrahubs AB**	559217-3412	Kalmar	-	-	50	25 000
Infrahubs Holding AB	559322-6631	Kalmar	50	500	50	500
Infrahubs Hold-co 1 AB**	559326-9490	Kalmar	-	-	50	250
Infrahubs Fastighet 4 AB**	559274-2125	Kalmar	-	-	50	250
Catella Luxembourg Sarl	B 29962	Luxembourg	100	8 780 000	100	8 780 000
Catella Residential 01 GP Sarl	B220094	Luxembourg	100	13 000	100	1 000
Catella Residential 02 GP Sarl	B257400	Luxembourg	100	12 000	100	12 000
IPM Informed Portfolio Management BV*	33200827	Amsterdam	-	-	53	10 070 220
Catella Real Estate AG	HRB 169051	Munich	95	2 500	95	2 500 000
Catella Asset Management GmbH	HRB 237791	Munich	100	25 000	100	25 000
CRIM Holding GmbH	HRB 106179	Berlin	100	250 000	100	2
Catella Residential Investment Management GmbH	HRB 188654	Berlin	100	25 000	100	25 000
Catella APAM Ltd	7671308	London	88	11 000	75	11 000
APAM UK Property Services Ltd	13705179	London	100	1	100	1
Catella APAM Capital Partners Ltd	14836661	London	100	1	-	-
Salisbury Asset Co Limited	13712761	London	88	1 000	88	1 000
Salisbury Asset Propco Limited	13736095	London	88	1	88	1
Mander Lender Co Limited	140668	London	90	8 127 217	90	1
Catella Capital Limited	14753542	London	100	2	-	-
Catella APAM Ireland Limited	712464	Dublin	50	1 000	50	1 000
Catella Property Oy	2214835-6	Helsinki	100	10 000	100	10 000
Catella Asset Management Oy	2214836-4	Helsinki	100	10 000	100	10 000
Pegasos Real Estate GP Oy	22911649	Helsinki	100	2 500	100	2 500
Catella Asset Management AS*	917354049	Oslo	-	-	100	100
Catella Investment Management Benelux B.V.	56049773	Maastricht	100	10 000	100	10 000

Company			31 Dec 2023		31 Dec 2022	
			Participating interest, %	Total no. of share	Kapital-/rösträttsandel, %	Totalt antal aktier
Kaktus 1 TopCo Aps	CVR 39195208	Copenhagen	93	80 855 100	93	7 485 510
Catella Property Denmark A/S	17981595	Copenhagen	54	555 556	54	555 556
Catella Investment Management A/S	34226628	Copenhagen	54	500	60	500 000
Catella Property Consultants GmbH	HRB 142101	Dusseldorf	100	25 000	100	25 000
Catella Property Valuation GmbH	HRB 106180	Dusseldorf	45	100 000	100	-
Living Circle GmbH*	HRB 106183	Dusseldorf	-	-	100	100 000
Catella Project Management GmbH	HRB 76149	Dusseldorf	100	25 000	100	25 000
Aveca Geschäftsführungs GmbH**	HRB 106722	Dusseldorf	-	-	100	-
Aquila Asset Management SAS	528441652	Paris	60	3 442	-	-
Axipit Real Estate Partners SAS	894233444	Paris	60	250 000	-	-
Cholet Logistique SAS	842672610	Paris	100	10 000	100	10 000
Moussey Logistique SAS	842683153	Paris	100	10 000	100	10 000
Moussey Logistique II SAS	852416049	Paris	65	10 000	100	10 000
Roye Logistique SAS	852201599	Paris	100	10 000	100	500 000
MER Logistique SAS	853867844	Paris	100	10 000	100	10 000
Metz Eurolog SAS	901000760	Paris	100	10 000	100	100 000
Isoparc SAS	920126505	Paris	100	10 000	100	
Polaxis SAS	920142122	Paris	100	10 000	100	
Catella France SAS	B 412670374	Paris	100	2 500	100	2 500
Catella Valuation Advisors SAS	B 435339098	Paris	66	4 127	67	4 127
Catella Property Consultants SAS	B 435339114	Paris	100	4 000	100	4 000
Catella Residential Partners SAS	B 442133922	Paris	95	4 000	90	4 000
Catella Logistic Europe SAS	B838433811	Paris	100	50 000	100	50 000
Catella Hospitality Europe SAS**	B 851820084	Paris	-	-	51	50 000
Catella Property Spain S.A.	A 85333342	Madrid	90	60 102	90	60 102
Catella Asset Management Iberia S.L.	B87290813	Madrid	90	3 000	80	3 000
Catella Poland WPP sp. z.o.o	5260209308	Warsaw	65	5 173	65	5 173
SFB Parque Logístico	B67820290	Barcelona	100	-	100	-

\* Group companies liquidated in 2023

\*\* Group companies divested in 2023

Summary financial information regarding subsidiaries, with significant non-controlling interests

As of 31 December 2023, the total ownership of non-controlling holdings was SEK 50 million (262), of which SEK 40 million (191) relates to subsidiaries Catella Real Estate AG, Aquila Asset management SAS, Catella Property Denmark A/S and Kaktus 1 TopCo Aps. In the previous year, ownership of non-controlling holdings

included significant amounts related to the divestment of Infrahubs' logistics projects, with profit distributed to owners in 2023.

Profit/loss relating to non-controlling interests amounted to SEK 13 million (193) for the financial year 2023. Of this amount, SEK 12 million (192) was reported as profit for the year attributable to non-controlling holdings and SEK 1 million (1) as personnel expenses and tax in the Income Statement.

According to the Groups accounting principles, profit shares attributable to shareholders active in subsidiaries are reported as a personnel expense in the consolidated Income Statement.

Below is a summary of financial information for each subsidiary with non-controlling interests that is material to the Group. The information refers to amounts before intra-Group eliminations.

	Catella Real Estate AG (participating interest 94,5 %)		Catella Property Denmark A/S (participating interest 54 %)		Aquila (ägarandel 60 %)	
	2023	2022	2023	2022	2023	2022
<b>Summarised balance sheet</b>						
Non-current assets	41	38	42	45	22	-
Current assets	304	452	28	32	20	-
<b>Total assets</b>	<b>345</b>	<b>489</b>	<b>70</b>	<b>77</b>	<b>43</b>	<b>-</b>
Non-current liabilities	-20	-27	-9	-13	-7	-
Current liabilities	-174	-267	-24	-22	-15	-
<b>Total liabilities</b>	<b>-194</b>	<b>-294</b>	<b>-33</b>	<b>-35</b>	<b>-22</b>	<b>-</b>
<b>Net assets</b>	<b>151</b>	<b>195</b>	<b>36</b>	<b>42</b>	<b>21</b>	<b>-</b>
Net assets allocated to non-controlling interest	8	11	17	20	15	-
<b>Summarised income statement and comprehensive income</b>						
Income	795	1038	34	58	19	-
Net profit for the year	61	99	23	13	2	-
Total comprehensive income for the year	61	99	23	14	0	-
Total comprehensive income allocated to non-controlling interest	4	6	-1	0	0	-
Dividend paid to non-controlling interest	6	4	-	-	-	-
<b>Summarised cash flow</b>						
Cash flow from operating activities	53	126	0	1	3	-
Cash flow from investing activities	-11	-2	20	0	19	-
Cash flow from financing activities	-109	-79	-23	-15	0	-
<b>Decrease/increase in cash and cash equivalents</b>	<b>-67</b>	<b>45</b>	<b>-3</b>	<b>-14</b>	<b>22</b>	<b>-</b>

Investments in associated companies reported in accordance with the equity method

Through associated companies, Catella has investments in property development projects in Germany, Denmark and Sweden. The projects are run by Catella's local subsidiaries. Catella's primary intention is to invest in the early phase of projects and divest the holdings as soon as commercially advantageous. The investments include the risk that Catella companies are forced to choose between continuing to invest in late stages of projects, running the projects to completion or leaving the project and losing the invested capital.

The Group's recognised value of shares in associated companies as of the reporting date was SEK 136 million (182), of which SEK 129

million (179) related to associated companies that invest in property development projects.

In addition, Catella provided loans to associated companies of SEK 492 million (278), of which SEK 280 million was repaid in January 2024 in connection with the divestment of the logistics property Infrahubs Jönköping.

SEK M	2023	2022
As of 1 January	182	187
Investments	15	22
Sales	-2	-60
Share of profit from associated companies	-6	63
Dividends paid	-53	-29
Reclassification to shares in subsidiaries	-	-3
Exchange rate differences	0	1
<b>Closing book value</b>	<b>136</b>	<b>182</b>

In 2023, dividend payments totalling SEK 53 million (29) were received from associated companies.

The assets, liabilities, income and profit/loss of associated companies, all of which are unlisted, are stated below, as well as the Group's participating interest in associated companies' equity, including goodwill.

	Country of registration	Associated companies				Group		
		Assets, SEK M	Liabilities, SEK M	Income, SEK M	Profit/loss SEK M	Share of equity,%	Share of vote,%	Participating interest, SEK M
Catella Project Capital GmbH	Germany	511	196	14	1	45	45	140
CatVWave AB	Sweden	17	11	38	5	49	49	5
Bankfoot APAM Ltd	UK	9	6	14	5	50	38	3
Vantage Zero Ltd	UK	6	7	11	-1	50	50	-1
CaNk ApS	Denmark	90	0	0	0	50	50	23
Infrahubs Fastighet 10 AB	Sweden	305	297	10	-2	40	40	-1
Infrahubs Hold-co 5 AB	Sweden	10	10	0	0	40	40	0
								<b>136</b>

## NOT 21 FINANCIAL ASSETS MEASURED AT FAIR VALUE IN OTHER COMPREHENSIVE

## INCOME

SEK M	2023	2022
Visa preferred stock C series	44	36
	<b>44</b>	<b>36</b>
<b>SEK M</b>	<b>2023</b>	<b>2022</b>
As of 1 January	36	61
Acquisition	-	-
Avyttringar	-	-43
Fair value changes	8	14
Exchange-rate differences	0	4
<b>As of 31 December</b>	<b>44</b>	<b>36</b>

Financial assets at fair value through other comprehensive income are attributable to Catella Luxembourg's holding of Class C preference shares in Visa Inc. which were received in connection with Visa Inc.'s acquisition of Visa Europe in June 2016. Conversion of preference shares to Class A shares will take place when the ongoing legal disputes against Visa Europe are resolved. The conversion rate is dependent on the outcome of these disputes. The valuation of preference shares takes these legal disputes into consideration.

No Class A shares were divested in 2023.

## NOT 22 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include the following:

SEK M	2023	2022
Loan portfolios	74	88
Other debt instruments	98	96
Fund investments	168	24
Unlisted shares	125	101
Other	0	2
	<b>466</b>	<b>311</b>
<b>SEK M</b>	<b>2023</b>	<b>2022</b>
As of 1 January	311	173
Acquisition *	162	137
Acquisition	4	-
Divestments	-4	-
Fair value gains/losses on financial assets at fair value through profit or loss **	-9	-8
Exchange rate differences	2	10
<b>As of 31 December</b>	<b>466</b>	<b>311</b>
Less: long-term portion	-443	-272
<b>Short-term portion</b>	<b>22</b>	<b>39</b>

\* Mainly refers to the acquisition of shares in unlisted company Pamica 4 and units in UK REIT Fund and Úpeka.

\*\* Changes in fair value for business-related holdings are recognized under Other operating income or Other operating expenses (Note 7) in the Income Statement. Changes in the fair value of loan portfolios are recognized under Other financial items in the Income Statement (Note 13). See also Note 3 for valuation and position in the fair value hierarchy.

## Loan portfolios

The loan portfolios comprise securitised European loans with primary exposure in housing. The performance of the loan portfolios is continuously monitored and revaluation carried out on an ongoing basis. The portfolio is measured at fair value.

Cash flows mainly comprise interest payments, but also include repayments with a projected period up to and including 2025. The expected cash flows for the period amounted to SEK 78 million (95), which are discounted and recognised at SEK 74 million (88). The remaining portfolios were discounted at discount rates of 4.5 percent and 0 percent as of 31 December 2022, giving a weighted average

discount rate of 3.1 percent (2.5). The weighted average duration for the portfolio amounted to 1.5 years (1.8) as of 31 December 2021.

No loan portfolios were divested in 2023. In previous years, Catella divested five loan portfolios, which have repaid Catella's original investment with a good margin.

## Pastor 2

In the sub-portfolio Pastor 2, the underlying loans are below ten percent of the issued amount and Catella expects the issuer to utilise its clean-up call. The administration of the portfolio is frequently unprofitable when it falls below ten percent of the issued amount, and this structure allows the issuer to avoid these additional costs. Catella considers the credit risk in the portfolio to be low, although the precise timing of the exercise of the option is difficult to forecast due to various unknown factors relating to the issuer. Catella has made the assumption that a repurchase will take place in the fourth quarter of 2025. The portfolio is valued at the full repayable amount of EUR 5.0 M, discounted to the present value with application of a discount rate for similar assets. This corresponds to a value of EUR 4.7 M.

## Lusitano 5

The time call affects sub-portfolio Lusitano 5 and constitutes an option held by the issuer that enables the repurchase of the sub-portfolio at a specific point in time, and from time to time thereafter. The option has been available since 2015. Catella evaluates that the time call will be exercised in the first quarter of 2024. The assumption is conservative due to this requiring no further cash flows other than the position's current capital amount of EUR 1.6 million plus the following quarter's cash flow when exercising the time call. The portfolio is hence valued at EUR 2.0 million. This is EUR 1.5 million lower compared to the start of the year and the adjustment affected profit in 2023. The reason for this is that previously distributed amounts such as interest have been reclassified by the fund's Principal Agent to amortizations with the aim of adjusting the position's outstanding capital amount to a figure corresponding to the fund's minimum cash reserve account.

## Summary of Catella's loan portfolios as of 31 December 2023

SEK M Loan portfolio	Country	Forecast undiscounted cash		Forecast discounted cash flow		Discount rate, %	Duration, years
		flow	Share of undiscounted cash flow,%	cash flow	Share of discounted cash flow,%		
Pastor 2	Spain	55,5	71,3%	52,0	69,9%	4,5%	2,0
Lusitano 5	Portugal	22,4	28,7%	22,4	30,1%	0,0%	0,3
<b>Total cash flow *</b>		<b>77,9</b>	<b>100,0%</b>	<b>74,4</b>	<b>100,0%</b>	<b>3,1%</b>	<b>1,5</b>
<b>Recognised amount in consolidated balance sheet</b>				<b>74,4</b>			

\* The discount rate recognised in the line "Total cash flow" is the weighted average interest of the total discounted cash flow.

## Summary of Catella's loan portfolios as of 31 December 2022

SEK M Loan portfolio	Country	Forecast undiscounted cash		Forecast discounted cash flow		Discount rate, %	Duration, years
		flow	Share of undiscounted cash flow,%	cash flow	Share of discounted cash flow,%		
Pastor 2	Spain	55,6	58,5%	48,7	0,6	4,6%	3,0
Lusitano 5	Portugal	39,4	41,5%	39,4	0,4	0,0%	0,3
<b>Total cash flow *</b>		<b>95,0</b>	<b>100,0%</b>	<b>88,1</b>	<b>1,0</b>	<b>2,5</b>	<b>1,8</b>
Accrued interest							
<b>Recognised amount in consolidated balance sheet</b>				<b>88,1</b>			

\* Diskonteringsräntan som redovisas i raden "Totalt kassaflöde" är den vägda genomsnittliga räntan av totalt diskonterat kassaflöde.

## Cash flow

The inflows for each loan portfolio are presented in the table below.

SEK M Loan portfolio Outcome	Spain	Portugal	Other	Outcome
	Pastor 2	Lusitano 5		
Full year 2009-2021	27,2	15,8	267,0	310,0
Full year 2022	0,0	16,9	0,0	16,9
Q1 2023	0,0	5,8	0,0	5,8
Q2 2023	0,4	7,6	0,0	8,0
Q3 2023	0,6	6,2	0,0	6,8
Q4 2023	0,6	4,1	0,0	4,7
<b>Total</b>	<b>28,9</b>	<b>56,3</b>	<b>267,0</b>	<b>352,2</b>

## Business-related investments

Business-related investments consist mainly of debt instruments related to the property development project Mander Centre, APAM's co-investments with clients, unlisted equity holdings in the Private Equity product Pamica, and shares in proprietary funds such as Úpeka, UK REIT Fund, Catella Fastighetsfond Systematisk C, Catella Wohnen Europa, and Catella Modernes Wohnen. The recognised value of the holdings, which is also the market value, was SEK 391 million (223) as of 31 December 2023. See also Note 3 under Fair value hierarchy for the measurement of financial assets and liabilities.

## Other securities

As of 31 December 2023, there were no other securities.

## NOT 23 PROPERTIES HELD FOR DEVELOPMENT AND PROJECT PROPERTIES

Catella has investments in various property development projects through subsidiaries and associated companies. The projects owned through subsidiaries and which are fully consolidated in the Group are indicated below. The projects held for development with the aim of divestment as soon as commercially advantageous are valued at the lower of cost and net realisable value.

SEK M	2023	2022
Kaktus	1 697	1 635
Isoparc	24	-
Polaxis	182	-
Infrahubs Vaggeryd	0	298
Barcelona Logistics	0	61
Salisbury	240	227
Other	0	22
	<b>2 143</b>	<b>2 244</b>

SEK M	2023	2022
As of 1 January	2 244	2 105
Investments	526	759
Sales	-300	-743
Income from contracts with a customer	-308	-7
Exchange rate differences	-8	130
<b>As of 31 December</b>	<b>2 143</b>	<b>2 244</b>

A brief summary of each project follows.

## Kaktus

Residential project of 25,000 m<sup>2</sup> including 495 micro-living apartments in central Copenhagen. The project includes several commercial premises, such as a gym and a convenience store. Construction started in August 2019. The apartments were completed in the third quarter 2022 and are fully let. The commercial part is expected to be completed by 2024/2025. Marketing ahead of divestment of the property will commence in the first half of 2024. For more information, see Borrowings and loan liabilities in Note 29.

## Isoparc

Through the subsidiary Catella Logistics Europe, Catella is constructing a logistics facility of some 16,000 m<sup>2</sup> in Sorigny in France. The facility is expected to be completed by the end of 2024. In January 2024, the project was sold to the French company Deret for an amount corresponding to book value.

## Polaxis

Through the subsidiary Catella Logistics Europe, Catella is constructing a logistics facility of some 31,000 m<sup>2</sup> in Tours in France. The building, constituting Phase 1 of 3, is fully let with rental

agreements running for 9 years, and is expected to be completed by the end of 2024. For more information, see Borrowings and loan liabilities in Note 29.

## Salisbury

The shopping centre "The Maltings" in the UK was acquired in November 2021. The property includes several small shops and a Sainsbury's. The property is managed by subsidiary APAM which is also exploring the possibility of pursuing planning permission for residential units. For more information, see Borrowings and loan liabilities in Note 29.

## Other

Other property development projects comprise various logistics projects in France.

## NOT 24 ACCOUNTS RECEIVABLE

SEK M	2023	2022
Accounts receivable	257	391
Less: provision for doubtful debt	-11	-15
	<b>246</b>	<b>376</b>

The fair value of accounts receivable is as follows:

SEK M	2023	2022
Accounts receivable	246	376
	<b>246</b>	<b>376</b>

The age analysis of overdue accounts receivable is presented below

SEK M	2023	2022
Less than 1 month	86	187
1 to 2 months	7	4
2 to 3 months	3	3
3 to 6 months	3	6
More than 6 months	17	35
	<b>117</b>	<b>235</b>

Catella Group applies the "simplified approach" to calculate expected credit losses. This method implies that expected losses during the

receivables full term are used as a starting point for accounts receivable. The Group applies a ratings-based method by counterparty in combination with other known information and forward-looking factors to estimate expected credit losses. Credit risk is initially assessed by counterparty. The company derecognises a receivable when there is no longer any expectation that payment will be received and when all active measures to recover payment have been terminated. Adjustments have been made to incorporate current and future macroeconomic factors that may impact the customer's ability to pay.

Based on this, the provisions for doubtful debt are as follows:

SEK M	2023	2022
As of 1 January	-15	-12
Provision for doubtful debt	-2	-5
Recovered bad debt losses	2	0
Receivables written off during the year that are not recoverable	8	0
Changes reserv losses, according to IFRS 16	-6	3
Övrigt	3	0
Exchange rate differences	0	-1
<b>As of 31 December</b>	<b>-11</b>	<b>-15</b>

Provisions for, and reversal of, reserves for doubtful debt are included in the item "Other external expenses" in the Income Statement. The amounts recognised in the provision for depreciation are usually derecognised when the Group is not expected to be able to recover any further cash and cash equivalents.

The maximum exposure for credit risk on the reporting date is the carrying amount of each category of receivables stated above.

For information on credit quality of accounts receivable, see Credit rating of financial assets in Note 3.

## NOT 25 OTHER NON-CURRENT RECEIVABLES

SEK M	2023	2022
As of 1 January	41	15
Additional receivables	16	27
Repaid receivables	0	0
Decrease through business divestment	0	0
Acquisition	1	0
Reclassification to current receivables	0	-1
Exchange-rate differences	0	1
<b>As of 31 December</b>	<b>58</b>	<b>41</b>

SEK M	2023	2022
Rent guarantees	5	4
Other	52	37
	<b>58</b>	<b>41</b>

## NOT 26 PREPAID EXPENSES AND ACCRUED INCOME

SEK M	2023	2022
Accrued management fees	0	0
Accrued interest income	0	4
Accrued income attributable to projects	0	42
Other accrued income	8	20
Prepaid rental charges	4	1
Other prepaid expenses	40	32
	<b>51</b>	<b>100</b>

## NOT 27 CASH AND CASH EQUIVALENTS AND OVERDRAFT FACILITIES

Cash and cash equivalents comprise bank balances and include funds deposited in blocked accounts totalling SEK 100 million (70). See also Note 32.

## NOT 28 EQUITY

Catella AB has In the Consolidated Accounts chosen to specify equity in accordance with the following components:

- Share capital
- Other contributed capital
- Reserves
- Retained earnings including net profit for the year

The item share capital includes the registered share capital of the Parent Company.

Other contributed capital includes the total of the transactions that Catella AB conducted with its shareholders. Transactions with shareholders are primarily share issues at a premium corresponding to the capital received (reduced by transaction costs) in excess of the nominal amount of the issue. Other contributed capital also includes premiums deposited for issued warrants. Furthermore, repurchases of warrants are recognised as a reduction in other contributed capital to the extent it consists of non-restricted equity, and the remainder against Retained earnings.

Reserves comprise the revenue and expenses that, according to certain standards, are to be recognised in other comprehensive income. In Catella's case, reserves comprise translation differences relating to the translation of foreign subsidiaries in accordance with IAS 21 and of fair value changes of financial assets valued at fair value in Other comprehensive income.

The item "Retained earnings including net profit for the year" corresponds to the total accumulated gains and losses generated in the Group. Retained earnings may also be impacted by transactions with non-controlling interests. In addition, profit brought forward is reduced by dividends paid to shareholders of the Parent Company. For the financial year 2023, the Board of Directors is proposing a dividend of SEK 0.90 per share which corresponds to SEK 79.5 million. The proposed dividend to Parent Company shareholders is subject to the higher of SEK 80 million or 60 percent of profit for the year attributable to Parent Company shareholders. A dividend of SEK 1.20 per share was paid for the financial year 2022.

See also Note 49 Equity of Parent Company.

## NOT 29 BORROWINGS AND LOAN LIABILITIES

SEK M	2023	2022
Bank loans for financing operations	1 173	1 521
Bond issue	1 247	1 244
	<b>2 420</b>	<b>2 765</b>
Less: long-term portion	-2 417	-2 762
<b>Short-term portion</b>	<b>3</b>	<b>3</b>

Deposits from credit institutions mainly involve financing of ongoing property development projects in the subsidiaries Kaktus 1 TopCo ApS, Salisbury Asset Propco Ltd, and Polaxis SAS. As of 31 December 2023, these loans amounted to SEK 1,145 million (1,480). Furthermore, the Group's French and Spanish subsidiaries have loans from government-guaranteed credit institutions with favourable terms. As of 31 December 2023, these loans amounted to SEK 27 million (41). Bond loans relate to Catella AB.

Maturity dates for the Group's borrowings and loan liabilities are as follows:

SEK M	2023	2022
Less than 3 months	1	2
Between 3 and 12 months	1	0
Between 1 and 3 yrs.	1 272	1 645
Between 3 and 5 yrs.	1 146	1 118
More than 5 yrs.	-	-
Without maturity	-	-
	<b>2 420</b>	<b>2 765</b>

Fair value of borrowing and loan liabilities is as follows:

SEK M	2023	2022
Borrowing from credit institutions	1 173	1 521
Bond issue	1 247	1 244
	<b>2 420</b>	<b>2 765</b>

The bond loan is listed on NASDAQ Stockholm and accrues floating-rate 3-month Stibor plus 475 b.p. Trading of the bond is limited. Catella consequently assess the fair value of the bond to equal the book value.

For information about average loan interest, see the table interest-bearing liabilities and assets for the Group by currency under the heading Interest rate risk in Note 3.

## NOT 30 PROVISIONS, OTHER NON-CURRENT LIABILITIES

## Provisions

SEK M	Long-term incentive			Total
	Put option	plans	Other	
<b>As of January 2022</b>	<b>50</b>	<b>23</b>	<b>2</b>	<b>76</b>
Additional provisions		1	1	2
Utilised during the year		-4	-2	-6
Reversed unutilised amount				0
Reclassification		17		17
Exchange rate differences	2	3		4
<b>At 31 December 2022</b>	<b>52</b>	<b>40</b>	<b>1</b>	<b>93</b>
Additional provisions				0
Utilised during the year	-28	-6	0	-35
Reversed unutilised amount				0
Reclassification	-26	-34	-1	-61
Exchange rate differences	3	0		3
<b>At 31 December 2023</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

During 2023, put options and long-term incentive schemes were reclassified from Other provisions to Other non-current liabilities in the Consolidated Statement of Financial Position. The comparative periods have been adjusted correspondingly.

## Other non-current liabilities

SEK M	2023	2022
Put option	75	52
Long-term incentive plans	48	40
Conditional purchase price	8	0
Other non-current liabilities	17	34
	<b>148</b>	<b>126</b>

Put options are attributable to subsidiaries APAM Ltd and Aquila Asset Management SAS, granting their minority shareholders the right to sell their holdings in the companies after the end of the financial year 2028. The price of the options is dependent on the company's future profit performance.

Long-term incentive schemes are targeted at senior executives and key personnel in the Investment Management operating segment.

## NOT 31 ACCRUED EXPENSES AND DEFERRED INCOME

SEK M	2023	2022
Holiday pay liability	28	31
Accrued personnel costs	24	47
Accrued audit expenses	7	6
Accrued legal expenses	4	3
Accrued bonus	150	249
Accrued interest expenses	17	5
Accrued rental charges	1	1
Accrued commission expenses	95	89
Other accrued expenses	69	69
	<b>394</b>	<b>502</b>

## NOT 32 PLEDGED ASSETS

SEK M	2023	2022
Cash and cash equivalents	100	70
Other pledged assets	0	0
	<b>100</b>	<b>70</b>

Cash and cash equivalents include cash funds in accordance with minimum retention requirements, funds that are to be made available at all times for regulatory reasons and frozen funds for other purposes.

## NOT 33 CONTINGENT LIABILITIES

SEK M	2023	2022
Other contingent liabilities	445	275
	445	275

Other contingent liabilities relate to guarantee commitments as collateral for divested properties, and as collateral for completion under development agreements. Other contingent liabilities also pertains to ongoing disputes in discontinued operations and guarantees provided by operating subsidiaries for rental contracts with landlords.

Of the Group's total contingent liabilities, SEK 422 million are attributable to the operating segment Principal Investments.

## Other legal proceedings

Companies in the Group are involved in a small number of disputes or legal proceedings and tax cases that have arisen in daily operations. Risks associated with such events are covered partly by contractual guarantees, insurance or requisite reserves. Any liability for damages or other costs associated with such legal proceedings are not deemed to materially affect the Group's business activities or financial position.

## NOT 34 COMMITMENTS

SEK M	2023	2022
Investment commitments	6	0
	6	0

Investment commitments mainly relate to the unlisted holding in Pamica 4 AB.

## NOT 35 CASH FLOW

Interest paid and received for the Catella Group in the financial year was as follows:

SEK M	2023	2022
Interest received	7	23
Interest paid	-65	-14
<i>Of which attributable to contract liabilities</i>	-8	-12
<b>Net interest paid</b>	<b>-59</b>	<b>8</b>

Reconciliation of liabilities derived from financing operations in cash flow:

2023

SEK M	Opening balance	Cash flows	Loan origination costs	Loans in acquired/s old subs	Exchange rate differences	Closing balance
Bond issue 2021	1 244		3			1 247
Real estate project financing	1 480	-321	-12		-2	1 145
Other borrowings	41	-11		-1	0	28
<b>Total</b>	<b>2 765</b>	<b>-332</b>	<b>-10</b>	<b>-1</b>	<b>-2</b>	<b>2 420</b>

2022

SEK M	Opening balance	Cash flows	Loan origination costs	Loans in acquired/s old subs	Exchange rate differences	Closing balance
Bond issue 2021	1 241		3			1 244
Real estate project financing	1 255	375		-248	99	1 480
Other borrowings	48	-11			4	41
<b>Total</b>	<b>2 543</b>	<b>364</b>	<b>3</b>	<b>-248</b>	<b>103</b>	<b>2 765</b>

## NOT 36 ACQUISITIONS AND DIVESTMENTS OF OPERATIONS

Acquisitions and divestments in 2023

In September 2023, Catella acquired 60 percent of the shares in Aquila Asset Management SAS (Aquila Group). The total purchase consideration has been estimated at SEK 122 million, of which SEK 114 million comprises a fixed amount and SEK 8 million comprises conditional purchase consideration. The outcome of the contingent purchase price is contingent upon the company's operating profit in 2023-2025 and has no predetermined maximum level. The contingent purchase price is valued at fair value based on the company's performance and financial plans for the relevant years, discounted to present value.

The acquisition strengthens Catella's European platform and generates significant synergies for the Group's existing operations.

Aquila Group is one of the largest independent operators in property investments and strategic management in France, with a total of EUR 1.4 billion in assets under management. Aquila Group comprises Aquila Asset Management and property fund manager Axitit Real Estate Partners. The company's founders and CEO, Jean-Marc Sabiani and Gilles Barbieri, will remain as shareholders and remain active in the company for a minimum of five years.

Catella and the three minority owners of Aquila Group have entered into a call and put option agreement under which Catella is being granted a call option to acquire the shares of the minority owners and the minority owners are being granted a put option to sell their shares to Catella during the spring of 2029 at a price to be calculated through a pre-set formula depending on future profit development in the company, see also Note 30.

The acquired operations, which form part of Catella's business area Investment Management, was consolidated as a subsidiary as of 30 September 2023. As of this date, the fair value of identifiable net assets amounted to SEK 40 million, of which SEK 37 million was attributable to the existing customer contact portfolio. Non-controlling holdings are valued at their proportion, 40 percent, of the company's identifiable net assets, which was SEK 16 million at the time of acquisition.

Goodwill of SEK 98 million arising from the acquisition relates to operational expansion as a result of increased presence on the French

market, important synergies with Catella's current operations, and human capital.

The valuation is preliminary while awaiting the final valuation of these assets, which is expected to take place within 12 months of the acquisition date.

SEK M	2023
Acquisition-related intangible assets	
Intangible assets	37
Tangible assets	2
Financial assets at fair value through profit or loss	5
Other receivables	10
Cash and cash equivalents	8
Deferred tax liabilities	-9
Other liabilities	-12
<b>Fair value of net assets</b>	<b>40</b>
Non-controlling interests	-16
Goodwill	98
<b>Total purchase price</b>	<b>122</b>
Conditional purchase price	-8
<b>Cash-settled purchase consideration</b>	<b>114</b>
Cash and cash equivalents in acquired subsidiary	-8
Acquisition expenses	8
<b>Change in the Group's cash and cash equivalents on acquisition</b>	<b>114</b>

The acquisition of Aquila Group has impacted the group's revenues by 17 million SEK and the annual net profit by 1 million SEK. If the acquisition had occurred as of January 1, 2023, the group's revenues would have been affected by 60 million SEK, and the period's net profit would have been impacted by 1 million SEK.

In addition, shares in APAM Ltd., Catella Residential Partners SAS and Catella Asset Management Iberia were acquired for a total purchase consideration of SEK 12 million from non-controlling investments.

#### Divestment of subsidiaries 2023

During the first quarter of 2023, Catella sold its shares in the French subsidiary Catella Hospitality Europe SAS to the company's local

management, who were also minority shareholders. The transaction generated a minor profit.

The logistics project Infrahubs Vaggeryd was divested in April, generating capital gains of SEK 8 million, of which SEK 4 million pertained to Parent Company shareholders, providing the Group with SEK 302 million SEK in cash and cash equivalents.

In July, Catella divested its 50 percent stake in Infrahubs AB and associated project companies for a total purchase consideration of SEK 30 million. The divestment had a positive impact on profit after tax of SEK 28 million.

SEK M	Catella	Infrahubs	Infrahubs
	Hospitality	Vaggeryd	AB
Purchase price	0	306	31
Transaction costs		-3	-1
<b>Purchase price after transaction costs</b>	<b>0</b>	<b>302</b>	<b>30</b>
Disposed netassets;			
Non-current assets	2		2
Cash and cash equivalents	6		17
Other current assets	3	294	34
Non-current liabilities	-3		-21
Current liabilities	-13		-30
<b>Net assets</b>	<b>-5</b>	<b>294</b>	<b>3</b>
Non-controlling interests	0		-1
Goodwill	-	-	-
<b>Disposed netassets</b>	<b>-5</b>	<b>294</b>	<b>2</b>
Capital gains	5	8	28
Cash flow;			
Cash-settled purchase consideration	0	306	31
Transaction costs	0	-3	-1
Cash and cash equivalents in divested subsidiaries	-6	0	-17
<b>Change in the Group's cash and cash equivalents from</b>	<b>-6</b>	<b>302</b>	<b>12</b>

#### Acquisitions and divestments in 2022

In June 2022, Catella acquired 65 percent of the shares in Warsaw Property Partners (WPP), whose name has since changed to Catella Poland WPP, for a purchase consideration of SEK 40 million. Poland is a key strategic market for Catella, and this acquisition strengthens

Catella's pan-European platform in the Investment Management business area.

WPP is an independent property, investment and asset management advisor and developer operating on the Polish market. At the time of the acquisition, WPP had assets under management of GBP 2 billion and 18 employees. The company's management team will remain as shareholders and remain active in the company for a minimum of five years. The acquired operations, which form part of Catella's business area Investment Management, was consolidated as a subsidiary as of 29 June 2022. As of this date, fair value of acquired net assets in WPP totalled SEK 5 million.

Goodwill of SEK 36 million that arose from the acquisition relates to operational expansion in the Polish market offering significant synergies for the Group as a capital and investment advisor for existing and future property fund investments and development opportunities for Principal Investments. Fair value of identifiable intangible assets of SEK 2 million is attributable to the current customer contact portfolio.

SEK M	2022
Acquisition-related intangible assets	2
Other receivables	2
Cash and cash equivalents	4
Deferred tax liabilities	0
Other liabilities	-3
<b>Fair value of net assets</b>	<b>5</b>
Non-controlling interests	-1
Goodwill	36
<b>Total purchase price</b>	<b>40</b>
Unsettled purchase price	-
<b>Cash-settled purchase consideration</b>	<b>40</b>
Cash and cash equivalents in acquired subsidiary	-4
Acquisition expenses	2
<b>Change in the Group's cash and cash equivalents on acquisition</b>	<b>38</b>

In addition, in 2022, the company acquired shares in Catella Residential Partners SAS, Catella Logistic Europe SAS, Catella Asset Management Iberia and IPM AB for a total purchase consideration of SEK 35 million from non-controlling investments. Catella also increased its ownership in the French logistics projects, which led them

to be reclassified from Shares in associated companies to Shares in subsidiaries with full consolidation of the holding.

During the first six months of 2022, the subsidiaries Infrahubs Norrköping and Infrahubs Örebro were divested for a total purchase consideration of SEK 395 million, of which SEK 42 million represents the estimated contingent consideration for supplementary works. The transactions generated total capital gains of SEK 374 million after transaction costs, of which SEK 187 million is attributable to shareholders of the Parent Company.

#### NOT 37 SUBSEQUENT EVENTS

In January the final property in the Infrahubs partnership was divested, which contributed SEK 280 million in cash and cash equivalents.

#### NOT 38 RELATED PARTY TRANSACTIONS

##### Related parties

Related party relationships with significant influence include Catella Board members and Group Management, including family members, and companies in which these individuals have Board assignments or hold positions as senior executives and/or have significant shareholdings. For senior managers' ownership of Catella and subsidiaries, see Note 11.

There are also some key individuals active in subsidiaries in the Corporate Finance and Investment Management operations who in some cases are shareholders of these subsidiaries. Special conditions apply to such partnerships. In accordance with the Group's accounting principles, non-controlling interests attributable to these shareholdings are reported as a personnel expense. For the financial year 2023, these costs amounted to SEK 5.5 million.

#### Related party transactions

##### 2023

In June 2023, Catella AB entered into a new rental agreement with a wholly-owned subsidiary of Humlegården AB, where CEO Anneli Jansson is a Board member of Catella AB. The new rental agreement, which relates to office premises on Birger Jarlsgatan 6 in Stockholm, has been reached for a 7-year period at an annual basic rent of SEK 10,506,000. The premises underwent refurbishment and were occupied in the first quarter 2024. During the renovation period, Catella AB rented two temporary premises from two subsidiaries of Humlegården AB for annual basic rent of SEK 2,176,000 and SEK 2,089,400 respectively.

Catella holds shares in the associated company Catella Project Capital GmbH, whose other owners are the Claesson & Anderzén group and the management of Catella Project Management GmbH. Catella's German subsidiary Catella Project Management GmbH operates the property development projects in Catella Project Capital GmbH. No part of the fees levied for services rendered that Catella Project Management GmbH invoice to associated companies were eliminated in Catella's Consolidated Income Statement, as associated companies fall outside the Group.

##### 2022

Catella holds shares in the associated company Catella Project Capital GmbH, whose other owners are the Claesson & Anderzén group and the management of Catella Project Management GmbH.

Catella's German subsidiary Catella Project Management GmbH operates the property development projects in Catella Project Capital GmbH. In addition, Catella's subsidiary Infrahubs AB runs property development projects in several associated companies. No part of the fees levied for services rendered that Catella Asset Management GmbH

and Infrahubs AB invoice to associated companies have been eliminated in Catella's Consolidated Income Statement, as associated companies fall outside the Group.

#### NOT 39 APPLICATION OF KEY PERFORMANCE INDICATORS NOT DEFINED BY IFRS, AND TERMS AND EXCHANGE RATES

The Consolidated Accounts of Catella are prepared in accordance with IFRS. See Note 2 for more information regarding accounting principles. IFRS defines only a limited number of performance measures. From the second quarter of 2016, Catella applies the European Securities and Markets Authority's (ESMA) new guidelines for alternative performance measures. In summary, an alternative performance measure is a financial measure of historical or future profit progress, financial position or cash flow not defined by or specified in IFRS. In order to assist corporate management and other stakeholders in their analysis of Group progress, Catella presents certain performance measures not defined under IFRS. Corporate management considers that this information facilitates analysis of the Group's performance. This additional information is complementary to the information provided by IFRS and does not replace performance measures defined in IFRS. Catella's definitions of measures not defined under IFRS may differ from other companies' definitions. All of Catella's definitions are presented below. The calculation of all performance measures corresponds to items in the Income Statement and Balance Sheet.

## Definitions

Non-IFRS performance measures	Description	Reason for using the measure
Equity per share attributable to Parent Company shareholders	Equity attributable to Parent Company shareholders divided by the number of shares at the end of the period.	Provides investors with a view of equity attributable to Parent Company shareholders as represented by a single share.
Earnings per share attributable to Parent Company shareholders before dilution.	Profit for the year attributable to Parent Company shareholders divided by the average number of shares in the year	Provides investors with a view of profit attributable to Parent Company shareholders before dilution as represented by a single share.
Earnings per share attributable to Parent Company shareholders after dilution	Profit for the year attributable to Parent Company shareholders divided by the average number of shares considering outstanding warrants (excluding warrants held in treasury) and any newly issued shares in the year.	Provides investors with a view of profit attributable to Parent Company shareholders after dilution as represented by a single share.
Return on equity*	Total profit in the period for the most recent four quarters divided by average equity attributable to Parent Company shareholders in the most recent five quarters.	The company considers that the performance measure provides investors with a better understanding of return on equity attributable to Parent Company shareholders.
Operating margin	Operating profit excluding amortisation of acquisition-related intangible assets divided by total income for the period.	Provides investors with a view of the company's profitability.
Equity/asset ratio	Equity divided by total assets.	The performance indicator is used because Catella considers it relevant to investors and other stakeholders wanting to evaluate Catella's financial stability and long-term viability.
Interest coverage ratio	Profit before tax plus reversals of interest expenses and adjustments to changes in fair value of financial assets, divided by interest expenses.	Provides investors with a view of the company's ability to cover its interest expenses.
Capital employed	Non-interest bearing fixed and current assets less non-interest bearing non-current and current liabilities.	The performance indicator illustrates the company's capital employed.
Net debt/Net cash	Net of interest-bearing provisions and liabilities less interest-bearing financial assets including cash and cash equivalents and investments in loan portfolios. If the amount is negative, it is designated as net cash.	The performance measure illustrates the company's ability to repay interest-bearing liabilities using interest-bearing assets including cash and cash equivalents.
Dividend per share	Dividend divided by the number of shares at the end of the period.	Provides investors with a view of the company's dividend over time.
Number of employees at the end of the period	Number of employees at the end of the period expressed as full-time positions.	Provides investors with a view of the number of employees in the company over time.
Average no. of employees	Average number of employees at the end of the four quarters of the financial year.	Provides investors with a view of the average number of employees in the company in the period.
Property transaction volumes in the period	Property transaction volumes in the period constitutes the value of underlying properties at the transaction dates.	An element of Catella's income in Corporate Finance is agreed with customers on the basis of the underlying property value of the relevant assignment. Provides investors with insight into the drivers behind elements of Catella's income.

## Non-IFRS performance measures

Assets under management at year-end

## Description

Assets under management constitutes the value of Catella's customers' deposited/invested capital.

## Reason for using the measure

An element of Catella's income in Asset Management and Banking is agreed with customers on the basis of the value of the underlying invested capital. Provides investors with insight into the drivers behind elements of Catella's income.

\* See below for basis of calculation

Calculation of return on equity by segment. The Group includes all operations

GROUP	2023	2023	2023	2023	2022	2022	2022	2022
	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net profit/loss for the period, SEK M *	-75	-22	84	-8	97	68	247	79
Equity, SEK M *	1 988	2 093	2 219	2 168	2 168	2 038	1 954	1 766
Return on equity, %	-1	7	11	20	26	27	27	10

INVESTMENT MANAGEMENT	2023	2023	2023	2023	2022	2022	2022	2022
	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net profit/loss for the period, SEK M *	6	9	71	18	65	63	135	30
Equity, SEK M *	389	390	457	386	367	307	254	1 088
Return on equity, %	26	43	61	59	48	40	34	21

PRINCIPAL INVESTMENTS	2023	2023	2023	2023	2022	2022	2022	2022
	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net profit/loss for the period, SEK M *	-15	30	5	-4	35	-27	65	84
Equity, SEK M *	340	362	335	321	327	280	306	239
Return on equity, %	5	21	3	24	59	50	71	47

CORPORATE FINANCE	2023	2023	2023	2023	2022	2022	2022	2022
	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net profit/loss for the period, SEK M *	7	-5	-17	-24	6	4	19	-24
Equity, SEK M *	17	7	11	17	44	39	36	26
Return on equity, %	-205	-171	-105	17	13	98	68	89

\* Attributable to shareholders of the Parent Company.

## Terms

*Borrowing*

Loans from credit institutions.

*Debt*

Loans from non-credit institutions.

*WACC*

Weighted Average Cost of Capital.

*EV*

Enterprise Value

*Exchange rates*

The average exchange rates of the Group's currencies in relation to the SEK on the reporting date were as follows:

## Exchange rates 2023

<b>Currency</b>	<b>Average rate</b>	<b>Closing day rate</b>
DKK	1,503	1,489
EUR	11,203	11,096
GBP	13,002	12,768
NOK	0,972	0,987
PLN	2,585	2,557

## Exchange rates 2022

<b>Currency</b>	<b>Average rate</b>	<b>Closing day rate</b>
DKK	1,429	1,497
EUR	10,632	11,128
GBP	12,467	12,581
NOK	1,052	1,057
PLN	2,269	2,374

## Parent Company Income Statement

SEK M	Note	2023	2022
		Jan–Dec	Jan–Dec
Net sales		41,8	47,8
Other operating income		4,2	12,6
<b>Total income</b>		<b>46,0</b>	<b>60,4</b>
Other external expenses	41	-40,2	-42,8
Personnel costs	42	-56,8	-54,3
Depreciation and amortisation		-0,3	-0,3
Other operating expenses		-1,2	0,6
<b>Operating profit/loss</b>		<b>-52,4</b>	<b>-36,4</b>
Profit/loss from participations in group companies	43	260,9	257,4
Interest income and similar profit/loss items	44	0,3	3,2
Interest expenses and similar profit/loss items	45	-107,1	-71,4
Financial items		154,2	189,3
<b>Profit/loss before tax</b>		<b>101,8</b>	<b>152,9</b>
Tax on profit/loss for the year	46	-	-
<b>Net profit for the year</b>		<b>101,8</b>	<b>152,9</b>

## Parent Company Statement of Comprehensive Income

SEK M	Note	2023	2022
		Jan–Dec	Jan–Dec
Net profit for the year		101,8	152,9
Other comprehensive income			
Other comprehensive income for the year, net of tax		0,0	0,0
<b>Total comprehensive income for the year</b>		<b>101,8</b>	<b>152,9</b>

# Parent Company Balance Sheet

SEK M	Note	2023 31 Dec	2022 31 Dec
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	47	0,1	0,4
Tangible assets		0,5	0,1
Participations in Group companies	48	1 358,2	1 358,2
		<b>1 358,8</b>	<b>1 358,8</b>
<b>Current assets</b>			
Accounts receivable		0,1	0,1
Receivables from group companies		297,5	307,5
Tax assets		0,0	0,0
Other current receivables		5,7	4,9
Prepaid expenses and accrued income		6,2	5,9
Cash and cash equivalents		0,2	0,1
		<b>309,7</b>	<b>318,7</b>
<b>Total assets</b>		<b>1 668,5</b>	<b>1 677,4</b>

	Note	2023 31 Dec	2022 31 Dec
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	49		
<b>Restricted equity</b>			
Share capital		176,7	176,7
		<b>176,7</b>	<b>176,7</b>
<b>Non-restricted equity</b>			
Share premium reserve		70,0	70,0
Retained earnings		46,9	0,0
Net profit for the year		101,8	152,9
		<b>218,7</b>	<b>222,9</b>
<b>Total equity</b>		<b>395,3</b>	<b>399,6</b>
<b>Liabilities</b>			
Long-term loan liabilities	50	1 246,5	1 243,8
		<b>1 246,5</b>	<b>1 243,8</b>
<b>Current liabilities</b>			
Accounts payable		4,0	7,3
Liabilities to group companies		1,5	5,4
Other current liabilities		1,3	0,8
Accrued expenses and deferred income	51	19,9	20,6
		<b>26,7</b>	<b>34,1</b>
<b>Total liabilities</b>		<b>1 273,2</b>	<b>1 277,9</b>
<b>Total equity and liabilities</b>		<b>1 668,5</b>	<b>1 677,4</b>

# Parent Company Cash Flow Statement

SEK M	Note	2023 Jan–Dec	2022 Jan–Dec
<b>Cash flow from operating activities</b>			
Profit/loss before tax		101,8	152,9
Adjustments for non-cash items:			
Depreciation and amortisation		0,3	0,3
Dividend from subsidiaries		-250,0	-257,4
Financial items		3,7	0,4
Other reclassifications		-10,9	-
<b>Cash flow from operating activities before changes in working capital</b>		<b>-155,1</b>	<b>-103,8</b>
<b>Cash flow from changes in working capital</b>			
Increase (-)/decrease (+) of operating receivables		61,9	127,1
Increase (+) / decrease (-) in operating liabilities		-8,4	9,7
<b>Cash flow from operating activities</b>		<b>-101,6</b>	<b>33,0</b>
<b>Cash flow from investing activities</b>			
Investment in tangible assets		-0,4	0,0
Investment in intangible assets		-	-
Investments in subsidiaries	48	-	-
<b>Cash flow from investing activities</b>		<b>-0,4</b>	<b>0,0</b>
<b>Cash flow from financing activities</b>			
Borrowings	50	-	-
Repayment of loans		-	-
Dividend from subsidiaries		208,1	55,4
Dividends paid		-106,0	-88,3
<b>Cash flow from financing activities</b>		<b>102,0</b>	<b>-33,0</b>
<b>Cash flow for the year</b>		<b>0,1</b>	<b>0,0</b>
Cash and cash equivalents at beginning of year		0,1	0,1
Exchange rate differences in cash and cash equivalents		0,0	0,0
<b>Cash and cash equivalents at end of year</b>		<b>0,2</b>	<b>0,1</b>

# Parent Company Statement of Changes in Equity

SEK M	Note 49	Restricted equity	Non-restricted equity		Net profit for the	Total equity
		Share capital	Share premium	Retained earnings		
<b>Equity 1 January 2022</b>		176,7	81,4	182,6	-105,6	335,0
Appropriation of profits			-11,4	-94,2	105,6	0,0
Dividend				-88,3		-88,3
Total comprehensive income for the year, January - December 2022						
Net profit for the year					152,9	152,9
Other comprehensive income, net of tax					0,0	0,0
<b>Total comprehensive income for the year</b>					<b>152,9</b>	<b>152,9</b>
<b>Equity 31 December 2022</b>		176,7	70,0	0,0	152,9	399,6
Appropriation of profits				152,9	-152,9	0,0
Dividend				-106,0		-106,0
Total comprehensive income for the year, January - December 2023						
Net profit for the year					101,8	101,8
Other comprehensive income, net of tax					0,0	0,0
<b>Total comprehensive income for the year</b>					<b>101,8</b>	<b>101,8</b>
<b>Equity 31 December 2023</b>		176,7	70,0	46,9	101,8	395,3

# Parent Company Notes

## NOT 40 PARENT COMPANY ACCOUNTING PRINCIPLES

The Parent Company's financial statements were prepared in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 Accounting for legal entities. Accordingly, the Parent Company applies the same accounting principles as the Group wherever applicable, except for the cases stated below.

The Parent Company uses the terms Balance Sheet and Cash Flow Statement for the statements that are referred to in the Group, respectively, as Statement of Financial Position and Statement of Cash Flows. The Parent Company's Income Statement and Balance Sheet have been prepared in accordance with the presentation format stipulated in the Swedish Annual Accounts Act, while the statement of comprehensive income, statement of changes in equity and the cash flow statement are based on IAS 1 Presentation of financial statements and IAS 7 Statement of cash flows, respectively.

### Investments in Group companies

The Parent Company recognises all of its holdings in Group companies at cost less deductions for any accumulated impairment.

### Shareholder contribution

Shareholder contributions paid are recognised as an increase in the item Investments in Group companies in the Balance Sheet. An impairment test on these participations is subsequently conducted.

### Anticipated dividend

Anticipated dividend is reported in the Income Statement as profit from shares in Group companies and receivables from Group companies in the Balance Sheet in cases where the company has decided on the size of the value transfer and is entitled to decide autonomously on the size of the dividend.

### Lease agreements

The Parent Company reports all lease agreements as operating leases

## Financial instruments

Considering the relationship between accounting and taxation, financial assets or liabilities are not reported at fair value. Financial non-current assets are recognised at cost less potential impairment, and financial current assets are recognised according to the principle of lower of cost or market. Financial liabilities are recognised at cost.

In addition, the Parent Company applies the exemption in RFR 2 for not applying the rules of IFRS 9 for financial guarantees relating to guarantee agreements in favour of subsidiaries and associated companies. In these cases, the rules of IAS 37 are applied, which state that financial guarantee agreement should be reported as a provision in the Balance Sheet when Catella has a legal or informal commitment resulting from a previous event and it is likely that an outflow of resources will be necessary to settle this commitment. In addition, it must be possible to reliably estimate the value of the commitment.

## NOT 41 OTHER EXTERNAL EXPENSES

### Remuneration to auditors

SEK M	2023	2022
KPMG 2023/ PwC 2022		
Audit assignment *	1,3	1,1
Audit activities other than audit assignment	-	0,6
Tax advisory	-	0,2
Other services	1,3	0,2
<b>Total</b>	<b>2,6</b>	<b>2,0</b>

Total cost is to the Parent Company Auditor KPMG AB (2022: PricewaterhouseCoopers AB).

\* Audit assignment means fees for the statutory audit, i.e. work necessary to present the Audit Report, as well as audit-related advisory services rendered coincident with the audit assignment.

### Operating leases including rent

SEK M	2023	2022
Expense for the year for lease arrangements including rent amount to	4,6	4,6
Future lease payments for non-cancellable leases with remaining durations exceeding one year are allocated as follows:		
Due for payment within one year	5,4	6,1
Due for payment after more than one year but less than five years	23,1	1,7
Due for payment after more than five years	12,7	0,0
<b>Total</b>	<b>41,2</b>	<b>7,8</b>

The above lease charges mainly relate to rent of office premises but also includes rent for office equipment.

## NOT 42 EMPLOYEES

### Salaries, other remuneration and social security expenses

SEK M	2023		2022	
	Salaries and other compensation (of which)	Social security contributions (of which pension)	Salaries and other compensation (of which)	Social security contributions (of which pension)
Board of Directors	2,9	0,7	2,8	0,5
Chief Executive Officer	6,1	3,1	7,9	2,9
	(1,7)	(1,6)	(3,6)	(1,6)
Other employees, Sweden	24,1	15,1	21,5	13,0
	(1,7)	(5,7)	(3,6)	(4,9)
<b>Total</b>	<b>33,2</b>	<b>18,9</b>	<b>32,2</b>	<b>16,4</b>
	<b>(3,4)</b>	<b>(7,3)</b>	<b>(7,2)</b>	<b>(6,5)</b>

There were no pension commitments for the CEO or senior managers. For more information about remuneration to the Board and Chief Executive Officer, see Note 11.

Average number of full-time employees

SEK M	2023		2022	
	Total	of which women	Total	of which women
CEO and senior managers	4	1	5	1
Other employees	19	10	16	10
<b>Total</b>	<b>23</b>	<b>11</b>	<b>21</b>	<b>11</b>

#### NOT 43 PROFIT/LOSS FROM INVESTMENTS IN GROUP COMPANIES

SEK M	2023	2022
Dividend	10,9	57
Anticipated dividends	250,0	200
<b>Total</b>	<b>260,9</b>	<b>257,4</b>

#### NOT 44 INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS

SEK M	2023	2022
Interest	0,2	0,0
Exchange rate gains	0,1	3,2
<b>Total</b>	<b>0,3</b>	<b>3,2</b>

SEK 0.0 million (0.0) of interest income and similar profit/loss items are intra-Group.

#### NOT 45 INTEREST EXPENSES AND SIMILAR PROFIT/LOSS ITEMS

SEK M	2023	2022
Interest	-104,2	-68,6
Loan arrangement expenses	-2,8	-2,8
Exchange rate losses	-0,1	0,0
<b>Total</b>	<b>-107,1</b>	<b>-71,4</b>

SEK 0.0 million (0.0) of interest expenses and similar profit/loss are intra-Group.

#### NOT 46 TAX ON NET PROFIT/LOSS FOR THE YEAR

SEK M	2023	2022
Deferred tax expense/ income relating to tax losses carryforwards	-	-
Deferred tax expense/ income relating to timing differences	-	-
Adjustments relating to previous years	-	-
<b>Total</b>	<b>0,0</b>	<b>0,0</b>

Tax loss carry-forwards for the year totalled SEK 50.3 million (31.4). The Parent Company's remaining loss carry-forwards as of 31 December 2023 amounted to SEK 136.7 million (86.4). No deferred tax receivable was recognised in the Parent Company as of the reporting date.

#### NOT 47 INTANGIBLE ASSETS

SEK M	2023	2022
Opening book value	0,4	0,7
Acquired during the year	-	-
Disposals	-	-
Depreciation	-0,3	-0,3
<b>Closing book value</b>	<b>0,1</b>	<b>0,4</b>

Intangible assets relate to a Group-wide accounting system. The asset is impaired over the estimated useful life, which is estimated at 5 years.

#### NOT 48 PARTICIPATIONS IN GROUP COMPANIES

Company	Share of equity, %	Share of vote, %	No. of participati	Carrying amount,	
				2023	2022
Catella Holding AB	100%	100%	1 000	1 352,6	1 352,6
Catella Real Estate AG	10%	10%	252 500	5,6	5,6
<b>Total</b>				<b>1 358,2</b>	<b>1 358,2</b>

Subsidiary corporate identity numbers and registered offices:

Company	Corp. ID no.	City
Catella Holding AB	556064-2018	Stockholm
Catella Real Estate AG	HRB 169051	München

Participations in Group companies	2023	2022
Opening book value	1 358,2	1 058,2
Acquisition	-	-
Shareholders' contribution paid	-	300,0
<b>Closing book value</b>	<b>1 358,2</b>	<b>1 358,2</b>

#### NOT 49 EQUITY

As of 31 December 2023, share capital amounted to SEK 176.7 million (176.7) divided between 88,348,572 (88,348 572) shares. The quotient value per share is 2. The share capital is divided between two share classes with different voting rights: 2,395,654 Class A shares with five votes per share, and 85,952,918 Class B shares with one vote per share. There are no other differences between the share classes.

The Articles of Association include the right for holders of Class A shares to convert these shares to the same number of Class B shares. 110,588 Class A shares were converted to Class B shares in 2023.

No Class A shares were converted to Class B shares in 2023.

Catella has a total of 3,000,000 outstanding warrants in two series, 2020/2024:A and 2020/2025:B, issued following a resolution at the EGM on 21 December 2020, as part of an incentive program aimed at senior executives and other key personnel in Catella (LTI 2020). Of these warrants, 2,800,000 have been allocated to senior executives and other key personnel, while 200,000 warrants are held in treasury, as described in more detail in Note 12.

At the Annual General Meeting in May 2022, the Board was granted authorisation to resolve on the repurchase, transfer and issue of the company's shares. No treasury shares were held by the company itself or its subsidiaries.

Shareholders with more than 10 percent of the votes  
The principal shareholder as of 31 December 2023 was the Claesson & Anderzén Group (and related parties) with 49.4 percent (49.4) of equity capital and 49.0 percent (48.9) of the votes. No other shareholders held 10 percent or more of the number of shares or votes at the end of 2023.

#### Dividend

The Board of Directors is proposing a dividend of SEK 0.90 per share which corresponds to a total of SEK 79.5 million. The proposed dividend to Parent Company shareholders is subject to the higher of SEK 80 million or 60 percent of profit for the year attributable to Parent Company shareholders. A dividend of SEK 1.20 per share was paid for the financial year 2022.

#### Non-restricted equity

The share premium reserve, combined with retained earnings and net profit for the year, comprise non-restricted equity, meaning the amount available as dividends to shareholders.

#### Share premium reserve

When shares are issued at a premium, meaning that a price is to be paid for the shares that exceeds the quotient value of the share, an amount corresponding to the amount received in excess of the quotient value must be transferred to the share premium reserve. Amounts transferred to the share premium reserve from 1 January 2006 are included in non-restricted equity.

#### Retained earnings

Retained earnings comprises profit carried forward from the preceding year and profit after dividends paid for the year.

#### NOT 50 DEBT

SEK M	2023	2022
Bond issue	1 246,5	1 243,8
	<b>1 246,5</b>	<b>1 243,8</b>
Less: long-term portion	-1 246,5	-1 243,8
<b>Short-term portion</b>	<b>0,0</b>	<b>0,0</b>

Catella AB unsecured new unsecured bond of SEK 1,250 million with a term of 4 years and maturity in March 2025. The bond loan accrues floating-rate interest at 3-month Stibor plus 475 b.p. The effective interest rate, excluding loan arrangement fees, was 8.3 percent (5.5) for 2023. The bond is listed on NASDAQ Stockholm.

Financing is conditional on a minimum Group equity requirement of SEK 800 million from time to time. Otherwise, there are no restrictions on dividend. Annual dividend to Parent Company shareholders is subject to the higher of SEK 80 million or 60 percent of profit for the year attributable to Parent Company shareholders. These covenants were satisfied in the year and as of 31 December 2023.

#### NOT 51 ACCRUED EXPENSES AND DEFERRED INCOME

SEK M	2023	2022
Holiday pay liability	2,2	2,5
Accrued salaries	5,0	9,0
Social security expenses	3,5	3,7
Accrued interest expenses	4,3	3,3
Accrued audit fees	0,6	0,0
Accrued directors' fees	0,9	0,9
Accrued legal fees	1,4	0,4
Other items	2,0	0,9
<b>Total</b>	<b>19,9</b>	<b>20,6</b>

#### NOT 52 PLEDGED ASSETS AND CONTINGENT LIABILITIES

Catella AB has issued guarantees to credit institutes of SEK 983 million as security for approved credit lines to the subsidiary Kaktus 1 HoldCo ApS. Additionally, Catella AB has entered into guarantee

commitments totalling SEK 245 million with investors in two different project companies relating to completion of the projects under development agreements. For the comparative period 31 December 2022, the Parent Company's total contingent liabilities amounted to SEK 1,351 M.

As of 31 December 2023, there were no pledged assets.

#### NOT 53 RELATED PARTY TRANSACTIONS

The Parent Company has a close relationship with its subsidiaries. Transactions between the Parent Company and subsidiaries are priced on commercial terms. During 2023, Catella AB rendered a number of intra-Group services to most subsidiaries, at market price. Furthermore, dividends from subsidiaries of SEK 10.9 million were received.

For benefits for senior managers, see the information presented for the Group in Note 11 of the Consolidated Accounts and Note 43.

For pledged assets and contingent liabilities in favour of subsidiaries, see Note 52.

#### NOT 54 FINANCIAL RISK MANAGEMENT

Catella AB (publ) is a holding company for the Group, where Group Management and other central Group functions are gathered. The Parent Company assets largely comprise shares in subsidiaries and receivables from subsidiaries. At present, there is no hedging of exchange rate risk in Catella's net assets. Group management evaluates the need for hedging of the Group's translation risk on an annual basis.

The Parent Company has also arranged SEK-denominated loan finance at variable interest to finance its own business operations. The legal entity Catella AB (publ) is thus mainly exposed to interest rate risk and liquidity risk. Exposure to other financial risks such as market risk, credit risk and exchange rate risk, etc. is limited. Catella AB is indirectly exposed to the same risks as the Group through its holding of shares in subsidiaries and associated companies.

### Interest rate risk

Interest rate risk is the risk of the Parent Company's net profit/loss being affected as a result of variations in general interest rate levels. The Parent Company analyses and continuously monitors its exposure to interest rate risk.

### Liquidity risk

Liquidity risk is the risk that within a defined period, Catella AB (publ) is unable to re-finance its existing assets, or is unable to satisfy increased need for liquidity. Liquidity risk also includes the risk that the Parent Company is compelled to borrow at unfavourable interest, or must sell assets at a loss to be able to fulfil its payment obligations. The Parent Company continuously analyses and monitors its liquidity risk exposure. When required, the Parent Company may utilise subsidiaries' surplus liquidity through internal loans.

### Market risk

Market risk includes the risk of loss or reducing future income due to fluctuations in interest rates, exchange rates and share prices, including price risk relating to the sale of assets or closure of positions.

### Currency risk

There were no receivables or liabilities denominated in foreign currency, with the exception of certain intra-Group transactions, as of 31 December 2023.

For more information on financial risks for the Group, which are also indirectly applicable to the Parent Company, see Note 3.

### Credit risk

Credit risk related to receivables from subsidiaries was considered and assessed as being immaterial. Cash and cash equivalents are invested in well-established banks with high credit ratings, and impairment tests for these are not considered necessary.

### NOT 55 SUBSEQUENT EVENTS

The Extraordinary General Meeting on 20 March resolved to introduce a new long-term incentive program for Group management and other key Group executives (total approx. 40 employees).

### PROPOSED APPROPRIATION OF PROFIT

The following non-restricted reserves and earnings in the Parent Company are at the disposal of the Annual General Meeting:

#### SEK

Share premium reserve	69 966 953
Retained earnings	46 882 610
Net profit for the year	101 799 760
	<b>218 649 323</b>

The Board of Directors and Chief Executive Officer propose that funds be allocated as follows:

#### SEK

dividend paid to shareholders, 0.90 per share, in total	79 513 715 *
carried forward (of which 14 045 730 allocated to share)	139 135 608
	<b>218 649 323</b>

\*based on the number of outstanding shares, 88 348 572, as of 31 December 2023.

The Board of Directors is proposing a dividend of SEK 0.90 per share which corresponds to a total of SEK 79.5 million. The proposed dividend is subject to the higher of SEK 80 million or 60 percent of profit for the year attributable to Parent Company shareholders.

A dividend of SEK 1.20 per share was paid for the financial year 2022.

The Board of Directors and Chief Executive Officer declare that this Annual Report has been prepared in accordance with generally accepted accounting principles in Sweden and that the Consolidated Accounts have been prepared in accordance with the international accounting standards IFRS as endorsed by the EU. The Annual Report and the Consolidated Financial Statements give a true and fair view of the Parent Company's and the Group's financial position and profit/loss. The Directors' Report for the Parent Company and the Group provide a fair overview of the performance of the Parent Company's and the Group's operations, financial position and profit/loss, and describe the material risks and uncertainties facing the Parent Company and the companies included in the Group.

The Parent Company's and the Group's Income Statements and Balance Sheets will be subject to adoption at the Annual General Meeting on 22 May 2024.

As stated above, the Annual Report and the Consolidated Financial Statements were approved for issue by the Board and Chief Executive Officer Stockholm, Sweden, 9 April 2024.

Johan Claesson  
Chairman of the Board

Tobias Alsborger  
Board member

Johan Damne  
Board member

Anneli Janson  
Board member

Samir Kamal  
Board member

Sofia Watt  
Board member

Christoffer Abramson  
CEO

Our Audit Report was presented on 10 April 2024

KPMG AB

Johanna Hagström Jerkeryd  
Authorised Public Accountant

# Audit Report

To the Annual General Meeting of Catella AB, Corporate identity number 556079-1419

## Report on the Annual Accounts and Consolidated Accounts

### OPINIONS

We have audited the annual accounts and consolidated accounts of Catella AB for the year 2023, except for the corporate governance statement on pages 45-53. The annual accounts and consolidated accounts of the company are included on pages 54-118 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 45-53. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the income statement and statement of financial position for the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### OTHER MATTERS

The audit of the annual accounts for year 2022 was performed by another auditor who submitted an auditor's report dated 9 April 2023, with unmodified opinions in the Report on the annual accounts and consolidated accounts.

### KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Accounting and valuation of real estate projects

See disclosure 23 and accounting principles on page 68 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

The real estate projects are conducted in separate legal entities. Depending on ownership and control, the real estate projects are reported as either subsidiaries or associates. The reported value of real estate projects owned through subsidiaries amounts to SEK 2,143 million and is reported on the balance sheet as development and project properties. The real estate projects represent 39% of the group's total assets.

The real estate projects are valued at the lower of cost and net sales value. Potential impairment needs in development projects under construction and completed projects may have a significant impact on the company's results. Changes in demand can significantly affect both estimated market values and reported values for each project.

In 2023, revenues from Catella's development and project properties amounted to SEK 745 million, which represents 32% of the group's total revenues. Due to the significance of project transactions and project properties in the asset base, the accounting and valuation of real estate projects have been a particularly important area in the 2023 audit.

Response in the audit

Our audit has included, among other things, a review of the group's accounting principles for real estate projects to verify compliance with IFRS.

To support the valuation, we have reviewed internal or external valuations, or indicative bids when available. We have also evaluated management's assessments by following up on the projects and

considering general market conditions for properties in each market. We have also held discussions with the company's management regarding the valuations of real estate projects. We have sampled and tested completed transactions and revenue recognition related to real estate projects. We have also conducted a sample review of the capitalization of costs related to real estate projects to ensure correct allocation and that the items are balanced. Furthermore, we have assessed the content of the disclosures provided in the annual report and consolidated financial statement.

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-44. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU.

The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error. In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so. The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

#### AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions. We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified. We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding

independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

#### THE AUDITOR'S EXAMINATION OF THE ESEF REPORT OPINION

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Catella AB for year 2023. Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

#### BASIS FOR OPINION

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Catella AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for

such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

#### AUDITOR'S RESPONSIBILITY

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

## THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement on pages 2-2 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR 's standard RevR 16 The auditor 's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Catella AB by the general meeting of the shareholders on the 10 May 2023. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2023.

Stockholm 10 April 2024

KPMG AB

Johanna Hagström  
Authorized Public