

CATELLA GREEN BOND FRAMEWORK



About Catella

Catella was founded in 1987 and is headquartered in Stockholm. With around 500 employees across 25 offices in 12 European countries, Catella offers professional advisory services, innovative property funds, and management mandates, as well as proprietary investment projects. The business operates through three business areas: Corporate Finance, Investment Management, and Principal Investments. As a sustainable link between real estate and capital, Catella has in recent years refined its operations to focus entirely on real estate.

Catella's Green Bonds and Sustainability Strategy

In August 2024, Catella successfully issued senior unsecured green bonds totalling SEK 600 million under the company's newly launched Green Finance Framework. The bonds are now actively traded on Nasdaq Stockholm's Sustainable Bond List, marking a milestone in Catella's sustainability journey. This achievement was also highlighted on Nasdaq's screen in Times Square, New York.

This issuance represents a significant step in Catella's strategy to promote a low-carbon economy, enabling financing for projects that contribute to a more sustainable future. Catella's ESG strategy is designed to future-proof its business by addressing sustainability risks and opportunities while aligning with industry trends. The strategy is built on three key pillars:

- 1 **Evolving products for a better environment** – Reducing climate impact through energy-efficient buildings and responsible investments.
- 2 **Strengthening employees and local communities** – Promoting diversity, well-being, and ethical business practices.
- 3 **Grow and integrate sustainability into business offerings** – Ensuring responsible supply chains and enhancing transparency.

Through continuous stakeholder engagement and progress tracking, Catella aims to enhance resilience, competitiveness, and long-term value while minimizing negative environmental and social impacts.

Process for selection and evaluation of Green Projects

At Catella, ensuring the environmental and social integrity of our investments is a key priority. We have developed a Responsible Investment Policy to guide our decisions and ensure that all potential Green Projects align with our sustainability objectives. We also considers Principal Adverse Impacts (PAI) on sustainability factors in our investment decisions. By evaluating PAI indicators, we proactively identify, assess, and mitigate potential negative impacts on environmental and social factors, strengthening our responsible investment framework.

To maintain transparency and accountability, we have established an internal Green Bond Committee (GBC) responsible for evaluating and selecting eligible Green Projects to present to the Board of Directors.

Additional internal experts may be invited when necessary. The GBC consists of:

- Catella Group CEO
- Catella Group CFO
- Catella Head of ESG
- Catella Head of Group Accounting and ESG reporting

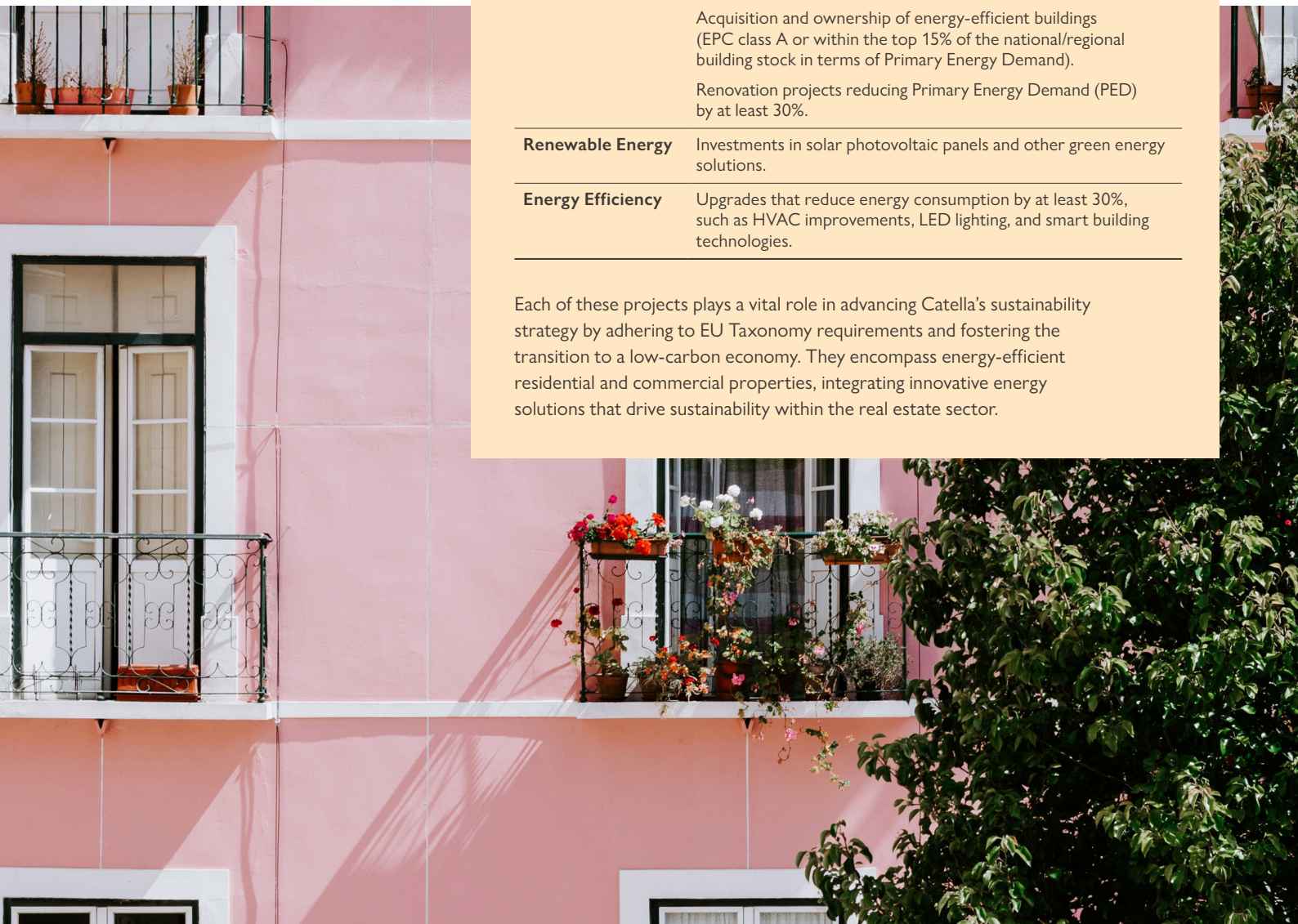
The committee ensures that only projects compliant with the Green Project criteria, as outlined in the Use of Proceeds section of this framework, are financed. The GBC also reserves the right to exclude any previously funded projects that no longer meet eligibility criteria. In accordance to Catellas Responsible Investment Policy, it's the Board of Directors that has the final say in which projects get financing from Catella.

Criteria for Green Financing

Catella's green bonds finance projects that meet the criteria outlined in the company's Green Finance Framework, which aligns with the Green Bond Principles (ICMA) and the EU Taxonomy. Funds provided to finance projects which meet either of the criteria set out below:

CATEGORY	ELIGIBLE CRITERIA
Green Buildings	<p>Construction of new buildings with environmental certifications (BREEAM Excellent, LEED Gold, DGNB Gold).</p> <p>Acquisition and ownership of energy-efficient buildings (EPC class A or within the top 15% of the national/regional building stock in terms of Primary Energy Demand).</p> <p>Renovation projects reducing Primary Energy Demand (PED) by at least 30%.</p>
Renewable Energy	Investments in solar photovoltaic panels and other green energy solutions.
Energy Efficiency	Upgrades that reduce energy consumption by at least 30%, such as HVAC improvements, LED lighting, and smart building technologies.

Each of these projects plays a vital role in advancing Catella's sustainability strategy by adhering to EU Taxonomy requirements and fostering the transition to a low-carbon economy. They encompass energy-efficient residential and commercial properties, integrating innovative energy solutions that drive sustainability within the real estate sector.



Assets Financed through Green Bonds

The following assets have been financed through Catella's green bonds:



MANDER CENTRE

Mander Centre is a commercial and retail redevelopment focused on enhancing energy efficiency and reducing operational carbon emissions. The building has undergone significant renovations to improve insulation, lighting efficiency, and waste management systems. The center also promotes sustainable mobility, providing improved public transport connectivity, bicycle-friendly infrastructure, and access to renewable energy sources for its operations.

Location: United Kingdom
Allocated Amount: 107 MSEK
Fulfilled Criteria: EPC A



SEESTADT

Seestadt is an innovative mixed-use development project that prioritizes climate-friendly construction and resource efficiency. The project features high-performance insulation, water conservation systems, and renewable energy sources, significantly reducing its overall energy consumption. Seestadt also integrates smart infrastructure, such as low-carbon heating and cooling solutions, to enhance energy efficiency and environmental performance.

Location: Germany
Allocated Amount: 154 MSEK
Expected Criteria: DGNB Gold or DGNB Taxonomy ESG Verification



DÜSSELDORF TERRACES

Düssel-Terrassen is a sustainable urban development project that integrates high environmental standards with modern living and working spaces. The project is designed to minimize its carbon footprint by incorporating energy-efficient building materials, advanced insulation, and smart energy management systems. The use of renewable energy sources, such as solar power, and a DGNB Gold certification ensures that the development aligns with international sustainability benchmarks. Additionally, green spaces and biodiversity-friendly landscaping contribute to a healthier urban environment.

Location: Germany
Allocated Amount: 49 MSEK
Expected Criteria: DGNB Gold or DGNB Taxonomy ESG Verification



KÖTOWER

KöTower is a landmark office and commercial building that sets new standards in green architecture and sustainability. The tower will be built with low-carbon concrete and energy-efficient glass façades, reducing heat loss and optimizing natural light. KöTower will feature state-of-the-art ventilation and heating systems, which lower energy consumption while ensuring a comfortable indoor climate. The project also prioritizes urban greenery and eco-friendly transportation options, with bicycle parking and electric vehicle charging stations.

Location: Germany
Allocated Amount: 192 MSEK
Expected Criteria: DGNB Platinum or DGNB Taxonomy ESG Verification



VEGA

Vega is a cutting-edge sustainable office and mixed-use development designed to meet the highest environmental standards. The project is emphasizing its commitment to low-energy consumption, green building materials, and a circular economy approach. It integrates solar panels, rainwater harvesting systems, and smart energy monitoring, ensuring a low environmental footprint. Additionally, the development features green roofs and urban gardens, enhancing biodiversity and air quality in the surrounding area.

Location: Denmark
Allocated Amount: 71 MSEK
Expected Criteria: DGNB Platinum or DGNB Taxonomy ESG Verification

Total Allocated:
573 MSEK

Remaining to be allocated:
27 MSEK

The remaining SEK 27 million will be allocated to existing projects, ensuring continued success in the projects and in sustainable real estate.

External Review

Catella's Green Finance Framework has been reviewed by S&P Global, which assigned it a *Light Green* classification. The review confirms that the framework aligns with international standards and contributes to reducing climate impact through sustainable investments.

S&P Global highlighted Catella's strengths in responsible investment practices and risk assessment but also noted areas for future improvement, such as enhanced thresholds for embodied carbon emissions in new construction projects.

This report is subject to limited assurance from our auditors KPMG.

Future Ambitions

Catella is committed to further embedding sustainability into its real estate portfolio, ensuring long-term environmental and social value. In line with our three ESG pillars:

- Evolving products for a better environment, we aim to enhance our investments in renewable energy solutions and strengthen compliance with the EU Taxonomy by integrating climate risk assessments and science-based targets.
- Strengthening employees and local communities, we continue to promote sustainable workplaces and responsible property development that benefits local societies.
- Grow and integrate sustainability into our business offerings, we focus on increasing building certifications and energy efficiency measures, aligning with global best practices to drive long-term value for investors.



By prioritizing these initiatives, Catella reinforces our role in shaping a sustainable real estate sector, supporting the transition to a low-carbon economy while fostering social and economic resilience.

For more information on Catella's sustainability work, please read our sustainability report, which is part of our annual report.



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Auditors limited assurance report of selected parts of Catella ABs Investor report

To Catella AB, corporate id no 556079-1419

Introduction

We have been appointed by the management of Catella AB to conduct a limited assurance of selected parts of Catella ABs Investor report for the financial year 2024. The scope of our limited assurance is limited to the selected parts, which are information regarding the total amount of green bonds issued by Catella AB in 2024 and that the projects which has been financed through the green bonds are in accordance with Catella ABs green bonds framework.

The Board's responsibility for the Investor report

Catella's board is responsible for preparing the investor report in accordance with the applicable criteria, which are stated on pages 1-2 in the investor report, and consist of the parts of the Green Bond Framework that are applicable for the investor report, and the company's internally developed reporting criteria. This responsibility also includes the internal control deemed necessary to the preparation of the selected part of the investor report that is free of material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the selected parts of the investor report based on our limited assurance.

We conducted our limited assurance in accordance with ISAE 3000 (revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. A limited assurance involves posing questions, primarily to persons responsible for the preparation of the selected parts investor report and applying analytical and other review procedures. A limited assurance has a different focus and significantly narrower scope than a full audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards.

The auditing firm applies ISQM 1 (International Standard on Quality Management 1), which requires the firm to design, implement and manage a quality management system including guidelines or procedures regarding compliance with professional ethical requirements, standards for professional practice and applicable statutory and other requirements. We are independent of Catella AB according to generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethical responsibility according to these requirements.

The procedures performed in a limited assurance do not enable us to obtain a degree of certainty that would make us aware of all important circumstances that would have been identified if an audit had been conducted. The conclusion based on a limited assurance therefore does not have the same certainty as conclusion based on an audit.

Our procedures are based on the criteria chosen by the board of Catella AB, which are defined above. We believe that these criteria are suitable for the preparation of the selected parts of the investor report. We believe that the evidence we have obtained during our limited assurance is sufficient and appropriate to provide us with the basis for our opinion below.

Opinion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the selected parts of the investor report for 2024 are not, in all material respects, in accordance with the by the board chosen criteria.

Stockholm, 8 April 2025

KPMG AB

Johanna Hagström Jerkeryd
Authorised Public Accountant

Lia Zetterlund Arsenius
Specialist Member of FAR