

Annual and Sustainability Report 2022



LOGISTEA

Logistea is a real estate company with an ambitious strategy for growth in warehousing, logistics and light industry

Logistea's vision is to be the partner of choice for companies seeking modern, sustainable premises for warehousing, logistics and light industry. Demand for warehousing and logistics premises is high, and Logistea has enjoyed robust growth since acquiring its first property in late 2019.

A market niche with strong demand

Logistea operates in a niche with growing demand, fuelled in part by increased local production and warehousing, plus the ongoing transformation of retailing, where access to efficient warehousing and logistics management is becoming more and more important. On that basis, Logistea has several customers that are well-established warehousing and retail businesses requiring modern properties situated in attractive logistics locations in Sweden. Other customers include locally based manufacturing companies where Logistea works with the tenant to create solutions to enable the company to continue to develop in its existing premises.

Robust growth

Logistea is growing via acquisition, development and management of prop-

erties and land. The Company's growth target is a real estate portfolio value exceeding SEK 15 billion by year-end 2024. The Company's growth target includes creating 25,000 square metres of new developed space annually.

Organisation with solid experience

Logistea's organisation offers collective expertise in real estate management, transaction management and development. The Company has its own management resources and an organisation that ensures high quality and service for tenants and other stakeholders.

A sustainable business

Logistea supports the UN's Agenda 2030, by helping progress towards a sustainable society and protection of the environment. Sustainability, for example by focusing on reducing carbon-dioxide emissions via energy-efficient buildings, is an integral part of Logistea's business strategy. In its new buildings, the Company aims for BREEAM In-Use Very Good or Excellent, or other equivalent certification. Logistea's shares are listed on Nasdaq Stockholm Mid Cap, under the stock symbols LOGI A and B.

4.6

Real estate value, SEK bn

304

Rental value, MSEK

68

Number of properties

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Note that the original version of the Annual and Sustainability Report has been prepared in the standard electronic reporting format (ESEF) and is published at www.logistea.se

Strong performance maintained

Logistea performed strongly in 2022 and our real estate portfolio nearly doubled in size during the year. Our long-term growth target, a real estate portfolio collectively valued at SEK 15 billion by year-end 2024, remains in place. However, given the increased uncertainty in the real estate market, we have chosen to focus on our real strength: developing Logistea while maintaining stable cash flows and a strong earnings capacity to create long-term value for our shareholders, tenants and employees.

Events during the year

Organisation and structure

- Logistea’s framework for its vision, strategy and dividend policy was updated to support ambitious growth and value creation in real estate for warehousing, logistics and light industry.

Financing and the Logistea share

- A total of 24,574,885 shares were issued, including 19,428,133 through a rights issue of SEK 350 million before issue costs and 5,336,752 shares in private placements to finance real estate acquisitions.
- In November and December, Logistea signed new interest rate derivatives for a total nominal amount of SEK 800 million at an average interest rate of 2.15 per cent. The average fixed-interest period thus increased from 0.7 years to 2.1 years. The proportion of hedged debt increased significantly, from 20 per cent to just over 50 per cent of total borrowing.
- In addition to the above-mentioned share issues, in December Logistea signed an agreement on a strategic transaction with Nordika Fastigheter that includes a set-off issue to Nordika of 1,455,643 class A shares and 16,960,379 class B shares, representing a total value of SEK 234.8 million. Following the issue, Nordika will own 13.2 per cent of the equity and votes in Logistea, making it the third largest shareholder in the Company.

Acquisitions and projects

- 27 properties in Sweden were acquired, representing 218,528 square metres of lettable area, and 30,000 square metres of building rights, for a combined real estate value of SEK 1,489 million.
- A total of 22,500 square metres of new construction – consisting of 13,500 square metres in Vaggeryd Logistikpark in the first quarter and 9,000 square metres in Borås in the second quarter – were completed and occupied by tenants.
- The property Stödstop 1:7 in Vaggeryd Logistikpark, one of our largest properties, was certified according to BREEAM In-Use Very Good level.

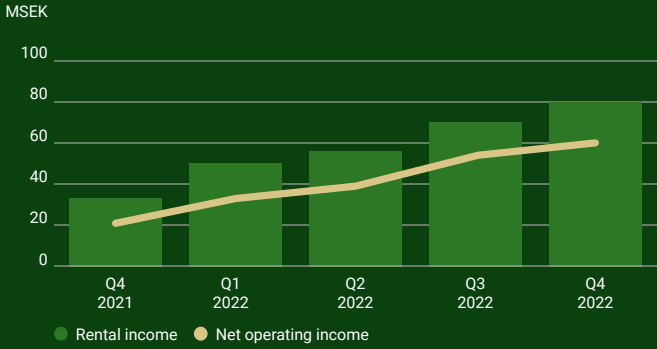
Key measures

	2022	2021
Real estate-related		
Fair value of investment properties, MSEK	4,623	2,607
Rental income, MSEK	257	93
Rental value, MSEK	304	154
Net operating income, MSEK	186	65
Economic occupancy rate, %	98.1	95.2
Surplus ratio, %	72.4	70.6
No. of investment properties	68	41
Financial		
Return on equity, %	22.2	38.5
Equity/assets ratio, %	38.7	36.0
Interest-bearing net debt, MSEK	2,553	1,458
Loan-to-value ratio, %	55.2	55.9
Interest coverage ratio, multiple	2.2	1.8
Average interest rate, %	4.8	3.1
Average fixed-interest term, yrs	2.1	0.5
Share-related		
Profit from real estate management per ordinary share, classes A and B, SEK	0.6	0.2
Earnings per ordinary share, classes A and B, SEK ¹	2.8	3.7
Net asset value (NAV) per ordinary share, classes A and B, SEK	16.9	11.8
Equity per ordinary share, classes A and B, SEK	15.4	10.9
Share price per class A share, SEK	12.5	49.5
Share price per class B share, SEK	11.9	33.3
No. of shares, thousands		
No. of ordinary shares outstanding, classes A and B	121,054	96,289
Average no. of ordinary shares outstanding, classes A and B	112,922	78,768

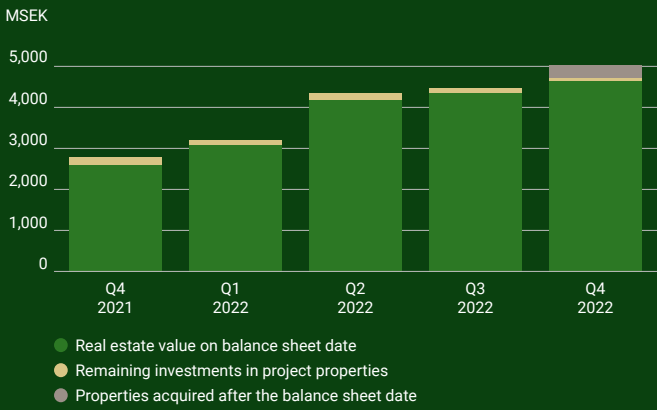
¹ Earnings per ordinary share have been adjusted retroactively for a bonus issue and reverse split in November 2021.

→ For definitions of key performance indicators, please see page 100.

Rental income and net operating income, per quarter



Real estate value per quarter



Lettable area per category



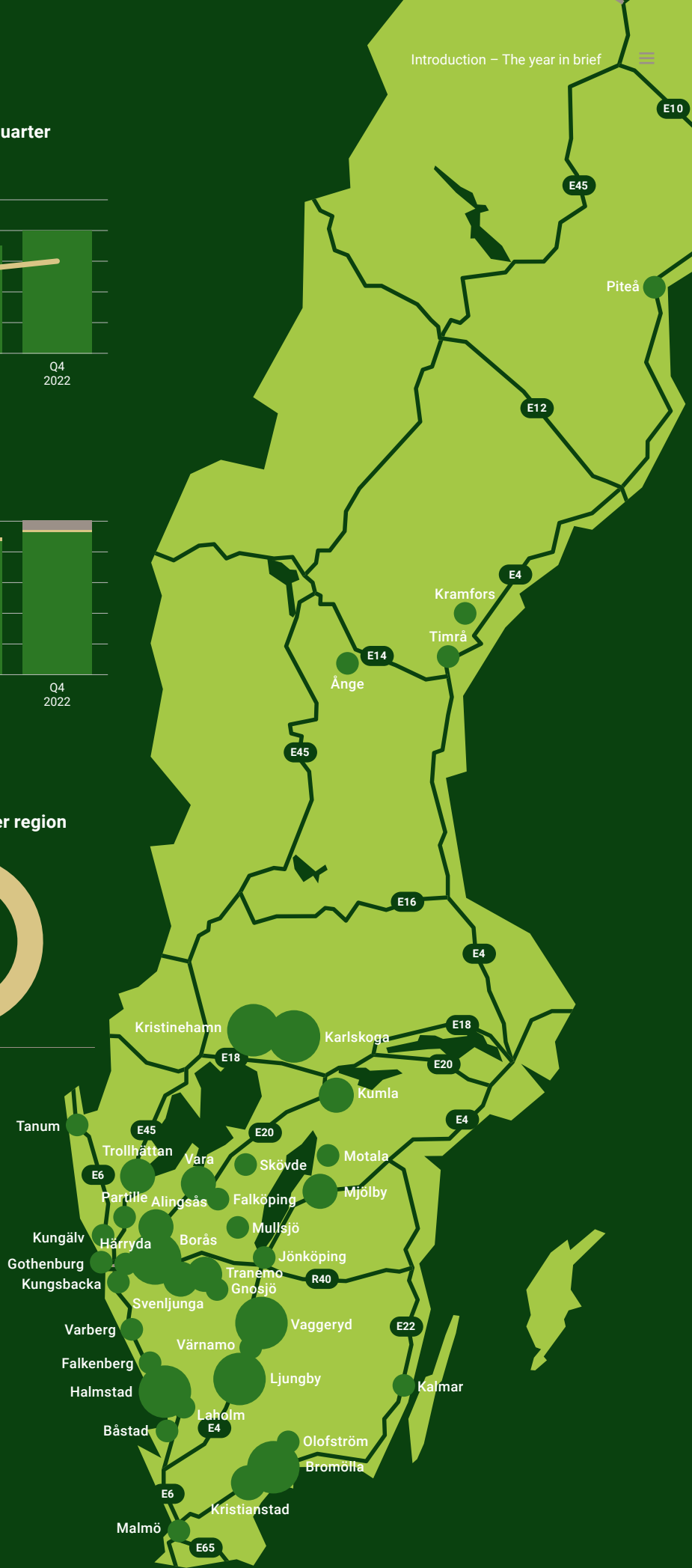
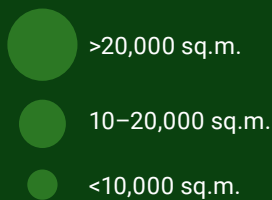
Lettable area per region



Proportion of indexed leases

98%

The map shows the real estate portfolio as per 17 February 2023.



World trends and market

Demand for warehousing and logistics premises continues to grow. Changing patterns in retailing, with a rising share of e-commerce, are driving this trend, and warehousing and logistics properties in attractive locations remain sought-after. Global geopolitical turmoil is spreading and individuals and businesses alike are feeling the uncertainty. Disruptions in global logistics flows and in the supply of goods have become increasingly common in recent years. In response, a clear trend is emerging for both production and warehousing to be increasingly sited closer to the domestic market, which is also beneficial in terms of sustainability.



The climate

Climate change is the global mega-trend that is overshadowing all else, affecting individuals, businesses and society worldwide. Demand for sustainable solutions with low energy consumption, responsible manufacturing processes and sustainable materials is increasing all the time. To the construction industry, this is a more or less crucial issue, as the industry accounts for 40 per cent of the world's CO2 emissions. In addition, existing buildings account for 30 per cent of world energy consumption.

Logistea's response

Logistea applies a sustainability perspective in every aspect of its operations. We strive for a high level of environmental awareness and focused sustainability thinking in all our operations and properties – in acquisition, development and management. Digitalised energy management, installation of solar panels, efficient resource management and clearer circular thinking are examples of the commitments that we are working to fulfil in dialogue with our tenants.



Globalisation

Disruptions in global logistics chains and supply chains, energy shortages and soaring energy prices resulting from the increased tension in the world since Russia's invasion of Ukraine have created a backlash against the previously strong trend of globalisation. More and more manufacturing and warehousing are being relocated closer to the domestic market.

Logistea's response

We offer efficient and flexible solutions for premises in favourable logistics locations, on behalf of customers in e-commerce, third-party logistics and light manufacturing industry. Our business model, incorporating a broad portfolio of existing properties, project properties and building rights, enables us to quickly develop the right solution for premises, for both existing and new customers.



Urbanisation

With urbanisation, more and more trade and other activities are being concentrated in cities, driving the need for modern logistics solutions in close-to-city locations, or strategic locations with very good communications. As cities grow, supply systems also become more and more complex and vulnerable. The challenges are growing, with demands for sustainable transport and expectations of fast and readily available services.

Logistea's response

Logistea has developed processes to work with tenants in building, managing and developing customised premises for different purposes in the right locations. We develop logistics facilities in strategic locations for tenants who want to reach customers across large geographical areas. We seek partnerships with our tenants that allow them to focus on their business while we deal with the real estate challenges.



Digitalisation

Digitalisation is accelerating and constantly delivering new solutions to a range of real estate-related sustainability challenges. Ecosystems for smart buildings are continuing to evolve rapidly. Smart and connected control systems in buildings enable not only energy efficiency and an improved indoor environment, but also simplified maintenance and management through information gathering and monitoring. The growing e-commerce sector is facing increasingly discriminating customers who demand fast and eco-efficient delivery. Competition and demands on reliability and flexibility in logistics systems are constantly increasing.

Logistea's response

We have extensive experience and expertise in developing warehousing and logistics solutions with high demands on efficiency, reliability and development opportunities. Many of our properties incorporate a high degree of automation in both operations and management, and always carefully thought-out sustainability solutions. For example, we plan to implement digitalised energy management in all our properties, as and when it becomes available.



More and more businesses are moving their warehouses closer to the market

In recent decades, industrial production has, for various reasons, increasingly moved to geographically remote regions such as China and Southeast Asia. Global logistics systems have become complex and vulnerable. The Covid-19 pandemic and the growth in geopolitical turmoil of the past year have led to widespread disruptions in global value and supply chains, resulting in shortages of both components and finished goods.

The past two years have also witnessed the emergence of a trend where above all warehousing but also some manufacturing have relocated closer to the end customers. New systems have been developed to facilitate efficient and reliable logistics solutions. In addition, near-market production often fits with the wishes of customers and consumers for sustainability.

In a survey conducted by the Confederation of Swedish Enterprise in early 2022, the response from more than 80 per cent of Swedish importers questioned was that they faced difficulties when importing goods from abroad. Most of the companies – 67 per cent – had made or planned to make changes to address the problems. The predominant action quoted was increased or a planned increase in warehousing.

→ For more about the real estate market and market trends, please see pages 20–21.

Strong year for acquisitions and stable financial position

At Logistea, 2022 was an intensive yet successful year. Demand for our premises remains strong and we are delivering solid figures and key performance indicators, despite new market conditions. We operate in an attractive asset class and we will build on the fact that our organisation can create value in both our own portfolio and new business.

At the start of the year, we presented new financial and operational targets, which we achieved with a wide margin. This proves that our business model works, even in the new reality of high inflation and rising interest rates that we experienced in 2022.

We build, develop and manage sustainable and modern premises, working in a close, long-term partnership with our tenants. This partnership allows tenants to focus on their business and leave us to create the best possible environment for their business. And a partnership with continuous, close dialogue where we can anticipate and plan for how to develop premises and properties to fit the changing needs of tenants. This is the core of our mission.

Logistea's tenants are in general financially resilient businesses. Of our 15 largest tenants, where we are the sole landlord to each tenant, the rental cost per tenant amounts to around 1.7 per cent of their total turnover in the last reported financial year. In Logistea's portfolio, the rent per square metre portfolio is a low SEK 551. Our two recent acquisitions add further stable businesses to our tenant base, which includes ABB, NKT and Elgiganten.

Real estate portfolio doubled in size

In these troubled times, it is reassuring to note that Logistea has stable tenants and long leases. At year-end, the average term of Logistea's leases was 7.8 years. About 80 per cent of the leases are also triple net type agreements, where the tenant bears the absolutely major share of operating and maintenance costs. In addition, 98 per cent of leases are indexed. The overall effect is to create stability and predictability in our income, in line with our mission, which places a premium on secure cash flows. Our cash flow generating properties show a yield of 6.2 per cent.

In 2022, we added 27 properties and raised our real estate portfolio value from SEK 2.6 billion to SEK 4.6 billion. We also completed two projects during the year, state-of-the-art buildings customised to tenant requirements, in Vaggeryd Logistikpark and Viared, Borås. Both buildings are certified to BREEAM In-Use (Very Good) level. The

detailed planning process in the project where we signed a letter of intent with the battery cell manufacturer Freyr Battery is progressing.

We are continuing our sustainability work and seeking to minimise environmental impact by working in a resource- and energy-efficient way. Several energy conservation projects have been completed, the biggest in Vaggeryd Logistikpark, where annual consumption has been cut by nearly 60 per cent.

Income totalled SEK 257 million (93) and profit from real estate management SEK 73 million (18). Profit before tax for the full year totalled SEK 420 million (396). The net asset value per share was SEK 16.9, as against SEK 11.8 at year-end 2021. The growth in net asset value and profit from real estate management per share was calculated at 43 and 207 per cent, respectively, exceeding by a wide margin the financial targets of 12 and 10 per cent, respectively.

Unrealised changes in value for the year totalled SEK 339 million. Given the changes in market conditions, we opted to have all cash flow generating properties externally valued in the fourth quarter. What is clear is that the yield requirements have been upwardly adjusted, while the indexation of rents has affected the calculation in a positive direction. In our case, this resulted in a change in value of SEK -12 million in the fourth quarter.

In January 2023, a transaction was completed with Nordika Fastigheter. As a result, we gained two attractive properties in Partille, west Sweden, and nearly SEK 105 million in cash and cash equivalents.

In the context of the transaction, shares to a value of around SEK 235 million were issued in March 2023 to fund the purchase price and loans, making Nordika and its institutional investors our third largest shareholder.



“Demand for premises in warehousing, logistics and light industry remains strong. The trend of companies relocating production to Europe and Sweden is holding firm.”

Improved financial structure

In a period of higher interest rates, it is pleasing to note that in December we signed an interest rate derivative agreements that extended the Company's fixed-interest period from the previous 0.7 years to 2.1 years. The nominal amount hedged is SEK 800 million. As a result, the proportion of interest-hedged debt has risen from 20 per cent to just over 50 per cent of total borrowing, considerably reducing Logistea's interest rate risk. The restructured derivative portfolio provides Logistea with better protection against rising interest rates, as well as longer fixed-interest periods and lower average interest rates, given current market rates and the market's current expected interest rate curve. In addition, the overall effect of these actions is to lower the average cost of funding, compared with interest rates in December, by 0.2 per centage points. For more information, please see pages 32–33.

Our financing is made up of bank loans (79 per cent), a green unsecured bond issued in Swedish kronor (19 per cent) and a small volume of promissory notes. The bond matures in the fourth quarter of 2024 and the average time to maturity is 2.7 years. During the first quarter of 2023, the Company has repurchased bond loans equivalent to SEK 86.3 million, out of a total nominal amount of SEK 500 million.

Attractive asset class

Demand for premises in warehousing, logistics and light industry remains strong. The trend of companies relocating production to Europe and Sweden is holding firm. The implications of unreliable supplies have been highlighted in recent years, making it a natural step for many companies to bring production closer to their domestic market and customers. Increased production in the domestic market also means increased local warehousing, which works in our favour. To many companies, the ESG issue also weighs in the balance if they want better control over production and warehousing. Geopolitical turmoil, which can affect both production and deliveries, is also driving increased demand in our segment of the real estate market.

We leave an eventful 2022 behind us and look forward to continuing to deliver in 2023 – a year that promises both challenges and opportunities. I would like to express my sincere thanks to my colleagues, who are contributing in the best way possible to Logistea's journey of growth.

Niklas Zuckerman
CEO

Strategy for sustainable growth

Logistea has adopted ambitious growth plans. To achieve the aims of these plans, the Company’s strategic framework and goals were updated in early 2022 to enable continued value creation in the short and long term.

Vision

Logistea’s vision is to be the partner of choice for companies seeking sustainable and modern premises for warehousing, logistics and light industry. The vision is achieved via the Company’s mission, to acquire, develop and manage properties and land. An ambitious growth strategy, focusing on strong cash flows and a solid balance sheet, creates long-term and sustainable value for the Company’s shareholders.

Mission

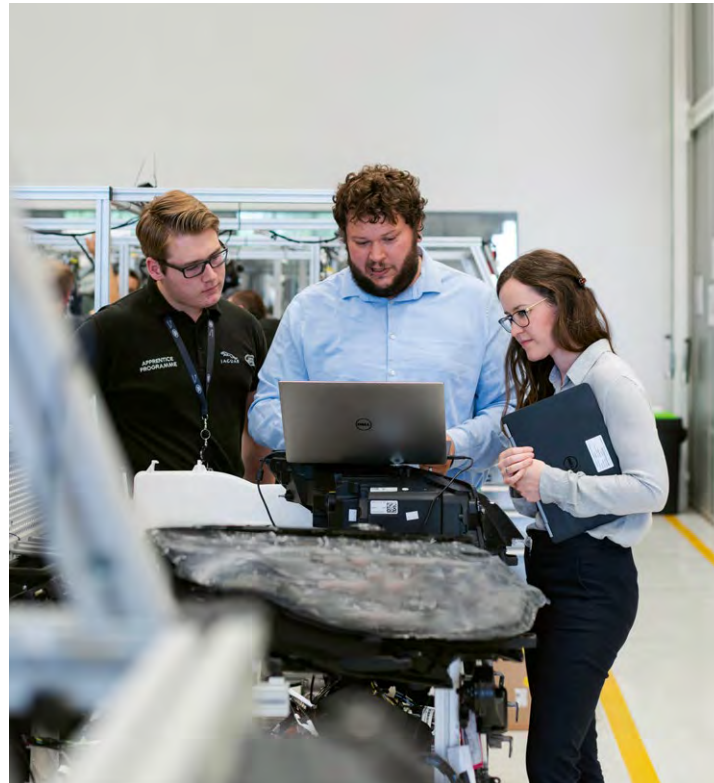
To acquire, develop and manage properties and land.

Strategic priorities

- To acquire properties and land for development in attractive locations in Sweden, and eventually in the other Nordic countries, that are suitable for warehousing, logistics and light industry.
- To continually develop the existing real estate portfolio and to carry out new construction and expansion of properties on our own land.
- To prioritise a diversified customer base with financially stable tenants and long lease terms.
- To manage ongoing operations in a resource-efficient way, where environmental impacts and social sustainability are taken into account when business decisions are taken.

Dividend policy

The aim of the Board is to annually propose to the Annual General Meeting a dividend corresponding to no less than 30 per cent of the Company’s profit. Over the next few years, the Board intends to prioritise growth over dividends, which may result in little or no dividend on ordinary shares.



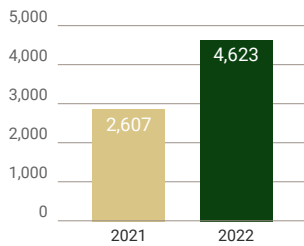
Vaggeryd Stödstop 1

Goals and goal achievement in 2022

Logitea’s overarching growth target is to increase the value of the real estate portfolio to more than SEK 15 billion by year-end 2024. The growth target will be achieved while meeting our financial and sustainability targets and contributing to the UN’s Global Sustainable Development Goals.

Operational targets*

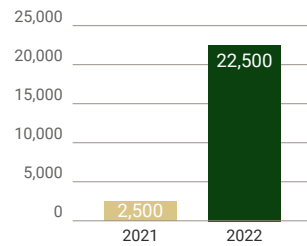
Real estate portfolio value, MSEK



Target:

Real estate portfolio value exceeding SEK 15 billion by year-end 2024.

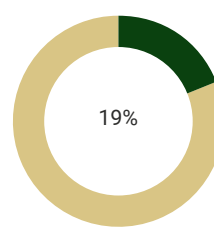
New lettable area, sq.m.



Target:

To complete no less than 25,000 square metres of new lettable area annually.

Green finance



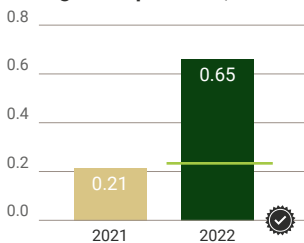
Target:

50 per cent of the debt portfolio to consist of green finance by year-end 2026.

* A further operational target is that 50 per cent of management of the real estate portfolio will be digitalised by year-end 2026. This target will be measured and monitored from 2023.

Financial targets

Profit from real estate management per share, SEK



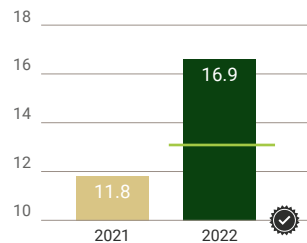
Target:

Profit from real estate management per ordinary share is to increase by at least 10 per cent per year over a five-year period.

Goal achievement in 2022:

207 per cent profit from real estate management, SEK/share.

Net asset value per share, SEK



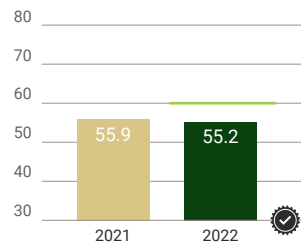
Target:

Net asset value per ordinary share is to increase by on average no less than 12 per cent annually over a five-year period.

Goal achievement in 2022:

43 per cent increase in net asset value in SEK/share.

Loan-to-value ratio, %



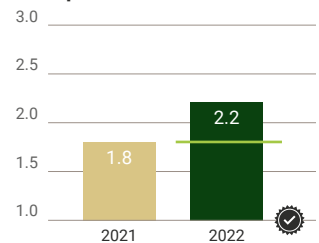
Target:

The loan-to-value ratio is over time not to exceed 60 per cent.

Goal achievement in 2022:

The loan-to-value ratio was 55.2 per cent.

Interest coverage ratio, multiple



Target:

The interest coverage ratio is to be no less than 1.8 times.

Goal achievement in 2022:

The interest coverage ratio was 2.2 times.

Sustainability goal

100% Proportion of new buildings with eco-certification

(2 properties totalling 22,500 sq.m.)

Target:

Logitea’s green finance framework states that all new buildings are to achieve BREEAM In-Use (very good or higher), or equivalent certification level.



Target:

Logitea supports the UN’s 2030 Agenda and its 17 Sustainable Development Goals. We focus on six goals, where we believe we have the greatest opportunity to contribute and make a difference.

→ For more, please see page 23.

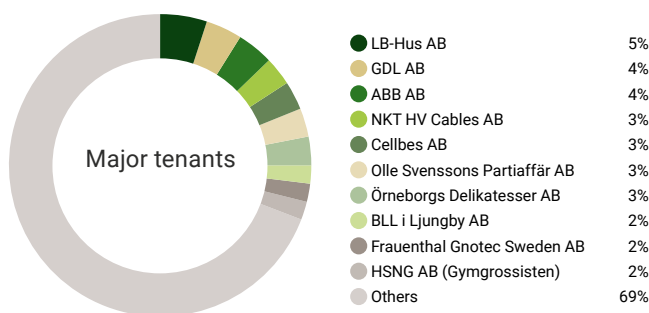
Mission

Logistea seeks to establish its operations in locations well suited for logistics in Sweden, and to develop the maximum financial and operational value of these locations.

Stable tenants

Logistea focuses on acquiring properties that are let to solid tenants on long lease terms. We aim for a diversified customer base with long lease terms and long-term relationships. Several of Logistea’s customers are well-known, expanding logistics and distribution operators requiring modern warehousing and logistics solutions in relevant geographical markets. Others include locally-based manufacturing companies where we jointly create a solution enabling the companies to continue to develop in their existing premises. Here, we manage and develop the property according to changes in the companies’ needs.

We create value for our tenants by offering customised solutions for their needs in terms of premises. At the same time, we can – through our network of contacts and knowledge of the market – continuously increase and identify suitable properties for new tenants, or for new needs of existing tenants. We seek partnerships where we enable tenants to develop in their existing premises and also to grow by expanding and extending their premises.



Borås Vindan 1



Gothenburg Högsbo 38:11



Skövde Kopparn 2 and 3

Attractive portfolio

Logistea operates in an ever-more attractive niche, in part via the ongoing transformation of retailing, where access to effective warehousing and logistics management is growing in importance. We acquire and manage properties and land for development in attractive locations that are suitable for warehousing, logistics and light industry. Today, Logistea's properties are located in the proximity of Borås, Gothenburg, Jönköping, Linköping, Örebro and Öresund. Demand for conveniently-located properties in warehousing, logistics and light industry is also underpinned in the long term by the ongoing trend of digitalisation trends and the rising market share of e-commerce.

Experienced and committed employees

Logistea's organisation has grown quickly, and now offers collective expertise in real estate management, transaction management and financing. The Company has its own local management team, and the organisation continues to evolve to ensure a high degree of quality and service.

Logistea's watchwords – commitment, development and responsibility – which have been created by the Company's personnel, are to be at the heart of a professional, inclusive and open company culture. We engage, ourselves and others, to contribute to positive progress in our business areas and our sector, while also taking responsibility for promoting a sustainable society.

A sustainable business

Logistea has a clear ambition to contribute to the UN's Agenda 2030, and to work towards supporting a sustainable society and protect the environment. Sustainability, with a focus that includes cutting carbon-dioxide emissions via energy-efficient buildings, is an integral part of Logistea's business strategy. The Company aims to obtain BREEAM In-Use Very Good or Excellent, or other equivalent, certification for the buildings it constructs.

Logistea helps to create sustainable logistics hubs in attractive locations close to markets and end customers. With an extensive portfolio of building rights, we can develop new properties working with tenants who have an ambition to grow.

We contribute to the development of enterprise across Sweden through sustainable properties for warehousing, logistics and light industry. Logistea is a long-term partner that has the capacity to grow alongside its tenants.

We contribute to development in the municipalities, through both construction and development projects and by engaging providers of management services, as well as indirectly through tenants employing staff locally.

Strong financial position

Financially strong owners, solid finances and stable revenue streams are the foundation for Logistea's ambitious growth strategy and long-term sustainable value creation. We seek long-term customer relationships and only acquire and build properties for identified tenants, never on speculation.

Operations in three categories



Acquisitions

Logistea acquires properties and land suitable for warehousing, logistics and light industry in attractive locations in Sweden, and eventually in the other Nordic countries.

Our growth is based on acquisitions of properties and land, as well as on new developments and investments in our existing portfolio. Logistea acquires properties in good micro-locations, mostly with long leases where the tenants bear the major share of operating and maintenance costs. In the projects that Logistea performs, the premises are leased in advance.

Development

Logistea is continuously developing its existing real estate portfolio. We strive for long-term partnerships with our tenants to develop the properties in dialogue, and in so doing empower the tenants to expand and otherwise develop their businesses where they are.

We prioritise a diversified customer base with long lease terms, creating a long-term relationship that allows us to modify the premises to suit our tenants and support them in development, expansion and new building as needed. We currently have 315,500 square metres of building rights and completed 22,500 square metres of space in 2022.

Management

Both commercial and financial management are carried out by in-house personnel. We also engage local subcontractors to operate and manage our properties for maximum efficiency, for example in order to provide good service in small locations with individual properties. A development programme is in progress to introduce remote operation in more buildings. This will reduce both operating and energy costs.

With the aim of creating maximum possible customer benefit, the Company is continually developing, enhancing, modernising and adapting properties to customer needs. Logistea takes sustainability into account as part of its work in real estate management and project development.

Assets that we incorporate into our business model

Stable tenants

Long lease terms and long-term relationships.

298

Contracted rental income, MSEK

154 (2021)

Experienced employees

Collective expertise in real estate management, transaction management and financing.

17

Number of employees

9 (2021)

Attractive portfolio

Properties and land for development in logistically suitable locations.

555

Total lettable area, Th.sq.m.

345 (2021)

Strong financial position

Strong cash flows and solid balance sheet.

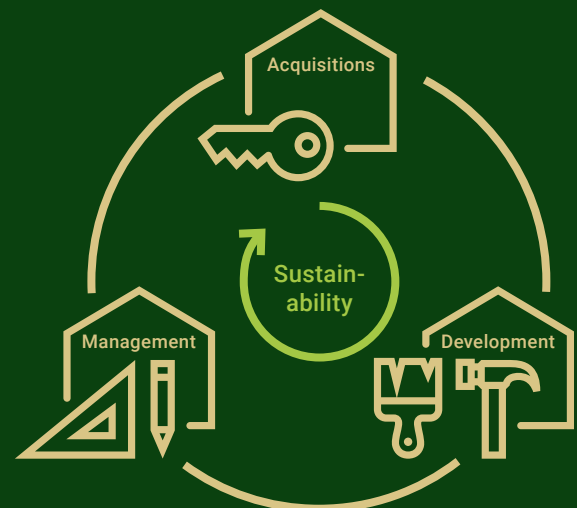
38.7

Equity/assets ratio, %

36.0 (2021)

Value creation and sustainable business model

Logistea seeks to develop areas that are well suited to logistics in Sweden and to capitalise on the financial and operational value of these locations. An ambitious growth strategy, focusing on strong cash flows and a solid balance sheet, creates long-term and sustainable value for the Company's shareholders. All our activities are performed in line with high ambitions to contribute to ecologically, socially and economically sustainable development.



Values created by our business model

Tenants

Partnerships that enable tenants to develop and grow in their existing premises.

98.1

Economic occupancy rate, %

95.2% (2021)

Employees

A professional, inclusive and open corporate culture.

4.5

Employee satisfaction, 5-point scale

– (2021)

Society and partners

We contribute to the development of enterprise by creating sustainable premises for warehousing, logistics and light industry.

35

Certified area, th.sq.m.

0 (2021)

Investors

Logistea is a defensive investment that offers a high yield and rapid growth.

2.8

Earnings per share, SEK

3.7 (2021)

CASE STUDY

“We want a partner who understands our business”

Logistea acquires and develops properties in attractive locations for warehousing, logistics and light industry. Properties are developed in close dialogue with tenants so that they can grow and develop in their existing premises. In 2021, the logistics property of e-commerce company Cellbes in Viared was acquired, with the intention of further developing the property to meet Cellbes’ needs.

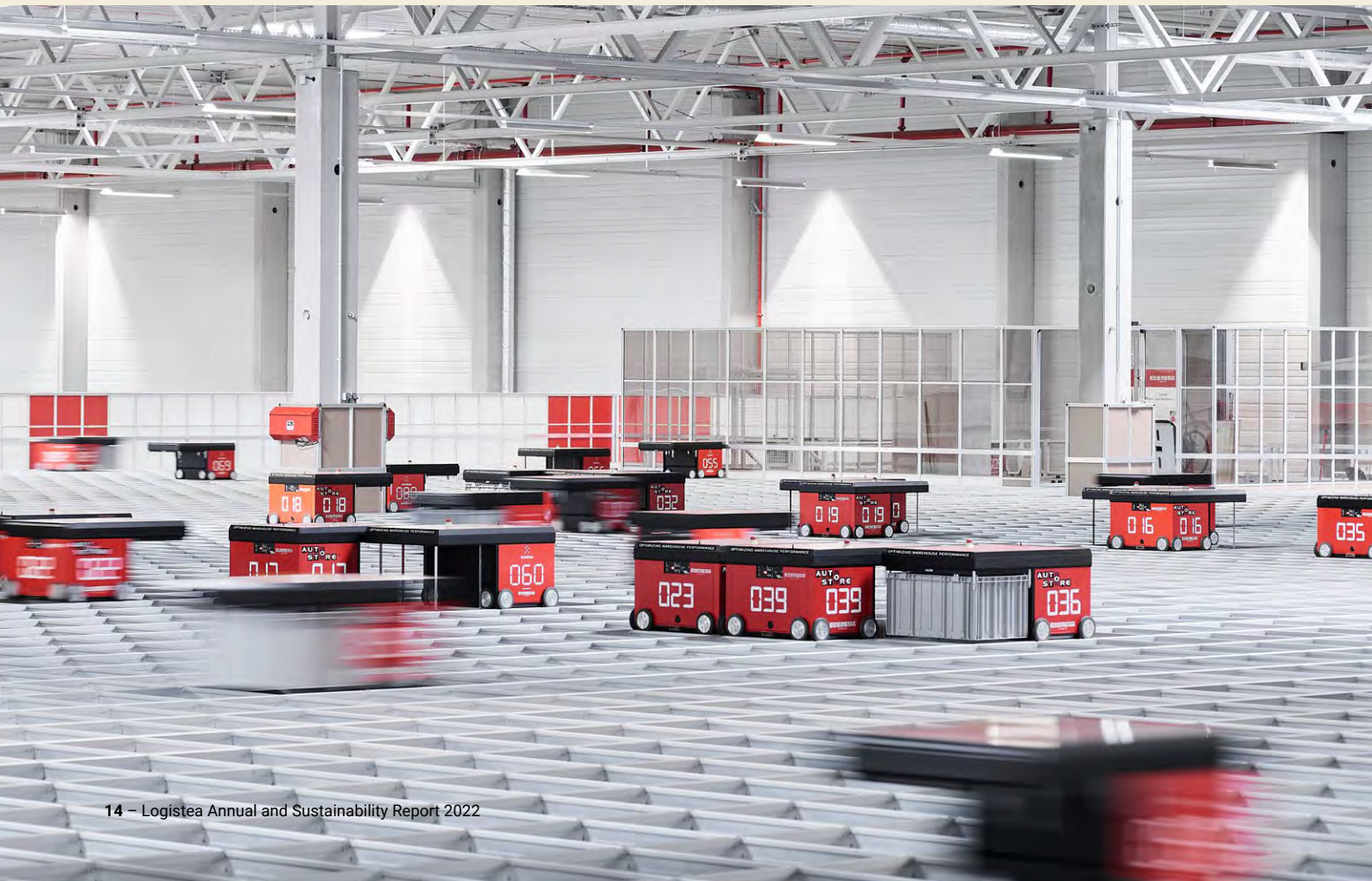
Cellbes AB, established in 1954, is now one of the leading distance/e-commerce groups in northern Europe. The Group has its head office in Borås, central Sweden, and turnover of around SEK 600 million. It operates in nine countries in Europe. In Sweden, the Group has around 100 employees and sales consisting predominantly of fashion items via e-commerce.

Logistea built a brand new, fully-automated warehouse for Cellbes, adjacent to the company’s existing premises in Viared. The new building has been awarded BREEAM In-Use (Very Good) certification. Cellbes moved into its new premises last summer.

Charlotte Nordén, CEO of Cellbes, tells us more:

What benefits do you get from the automated warehouse?

We have seen major advantages with an automated warehouse, notably that we have shortened the lead time to the customer by a couple of days. We can now also add delivery options so customers get more choice in deliveries. Another benefit is that we can now sell through Facebook Marketplace. We’ve started with Zalando and will add more options. So the automated warehouse will become more cost-efficient.





Has the project lived up to Cellbes' expectations?

What we expected was to have a highly efficient automated warehouse up and running within a year. That has been achieved. However, we've faced challenges due to the external situation we're in, which has caused some delays. It's a matter of give-and-take and we've had various discussions along the way, but we've finally reached the finish line and we now have a fantastic warehouse and an extremely pleasant office.

Why is it important for Cellbes to work with a partner in solving the premises issue?

We want a partner who is more than just a real estate owner. We want a partner who understands our business, who wants a positive long-term partnership and who wants to work alongside us in developing our business. A partnership is always a matter of give-and-take. We believe that Logistea is a good long-term partner for our strategic growth journey.

How has the cooperation with the municipality on the development project worked?

It's worked very well. Borås is developing its future on its heritage of textiles and trade and it's strongly placed in warehousing and logistics. Viared, where we're based, is developing and has become a strong cluster for various retail businesses.

What does Cellbes hope to achieve in the long term by solving its premises needs in this way?

We hope to achieve fast and cost-efficient logistics that can evolve as we grow into a global e-commerce company. In addition, we want a pleasant, functional and inspiring workplace, where there is interaction between offices and warehouse for the best results and efficiency.



Charlotte Nordén, CEO, Cellbes

Properties in attractive locations

Logistea has a clear strategy for growth. The Company acquires and manages properties and land for development in attractive locations, in Sweden, and eventually the rest of the Nordics, that are suitable for warehousing, logistics and light industry. The majority of Logistea’s properties are located in the proximity of Borås, Gothenburg, Jönköping, Linköping, Örebro and Öresund.

Expanding market and strong investor interest in warehousing, logistics and light industry properties

Interest in investing in properties in the warehousing, logistics and light industry segments remained strong in 2022. Contributing factors have been strong demand from local tenants, rising rent levels and a predictable net operating income based on triple net leases.

Demand in the segment is affected by the burgeoning trend of companies relocating production from other countries to Sweden and increased local warehousing to reduce the risks associated with disruptions in the supply chain. Overall, this has led to rising rents in both logistics and industrial segments. At the same time, many investors have been motivated to increase their exposure to the segment. Despite rising interest costs, the higher yield requirements in the industrial segment have continued to drive strong investor interest both in Sweden and in the major European markets.

New construction

New construction is expected to remain at a high level in 2023 in the face of continued strong demand. According to real estate consultants JLL, projects representing an additional 1,600,000 square metres of logistics space began in 2022. This is 1,753,000 square metres less than in the record year of 2021, but is high compared to the post-2010 annual average of around 950,000 square metres. According to JLL, new leasing also remained high at

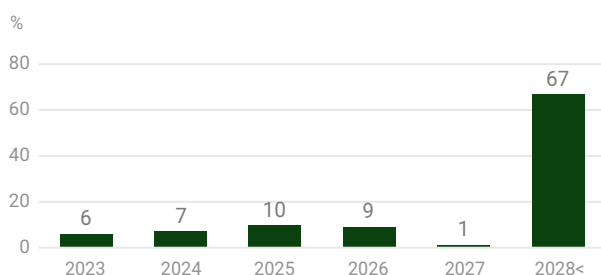
approximately 1,260,000 square metres in 2022. This is considerably higher than the post-2010 average of around 800,000 square metres, but well below the record level of around 1,850,000 square metres in 2021. JLL further estimates that strong demand from tenants will lead to a gradual increase in new lettings during 2023.

On 31 December 2022, Logistea owned 68 properties (41) in 40 locations (19) in Sweden. Total rental income during the full year amounted to SEK 257 million (93). Total lettable area was calculated at 540,870 square metres (322,342), excluding ongoing and planned new construction and extensions. The economic occupancy rate in investment properties at year-end was 98.1 per cent (95.2).

The total carrying amount of the real estate portfolio on the balance sheet date was SEK 4,623 million (2,607). In addition, future investments in new construction and extensions planned for completion in 2023 and 2024 total SEK 93 million.

During the full year, unrealised changes in value amounted to SEK 339 million (378). Of the total change in value for the year, SEK 321 million is based on an increase in net operating income mainly as a result of rent increases due to a CPI adjustment, SEK -76 million arises from changes in assumptions for direct yield requirements and SEK 38 million relates to profit from projects. Of the total change in value for the year, a deferred tax rebate on acquisitions accounts for SEK 56 million.

Maturity structure, rental value



Change in real estate value

MSEK	2022	2021
Real estate value, 1 January	2,607	887
Investments in existing properties	196	161
Acquisitions	1,489	1,181
Divestment	-8	-
Unrealised value changes	339	378
Real estate value, 31 December	4,623	2,607



- ← Borås Vindan 1
- ↙ Svenljunga Lockryd 2:73
- ↓ Gothenburg Högsbo 38:11



Real estate portfolio as per balance sheet date, 31 December 2022

Region	Lettable area, sq.m.	Real estate portfolio value, MSEK	Rental income, MSEK	Net operating income*, MSEK	Building rights, GFA, sq.m.
West	306,269	2,822	188	169	70,500
Central	98,182	512	45	34	50,000
South	96,697	711	47	45	13,000
East	22,599	166	12	10	2,000
North	17,123	79	6	6	-
Total	540,870	4,290	298	264	135,500
Project properties	14,520	333	15	14	180,000
Total	555,390	4,623	313	278	315,500

* Net operating income from earning capacity.

Properties with closing after the balance sheet date, up to 17 February 2023

Region	Lettable area, sq.m.	Real estate portfolio value, MSEK	Rental income, MSEK	Net operating income, MSEK	Building rights, sq.m.
West	18,000	292	19	18	-
Total	18,000	292	19	18	-

7.8

average remaining lease term (years)

Tenants and leases

Irrespective of its customers' operations and conditions, Logistea strives to offer sustainable and efficient premises in favourable locations for business. Customer relationships should be mutually beneficial. Logistea focuses on acquiring properties that are let to solid tenants on long lease terms.

On 31 December 2022, the average remaining length of contract term for Logistea's tenants was 7.8 years (6.2). Logistea prioritises a well-diversified customer base in terms of tenants' business areas and sectors, which is expected to reduce the risk of rental losses and vacancies and provide a stable cash flow over time.

In 2022, the Company closed transactions for 29 properties representing a total area of 218,528 square metres for a combined real estate value of SEK 1,489 million. On 31 December 2022, Logistea owned building rights representing about 315,500 square metres.

Since the balance sheet date, the Company has closed transactions for two properties in Partille, west Sweden, with a lettable area of around 18,000 square metres and an underlying real estate value of SEK 292 million.

Project properties

Logistea actively drives the development of entire areas where the Company has properties. In order to generate the maximum possible customer benefit, Logistea continually develops, enhances, modernises and adapts properties to customer needs.

Future projects

Vaggeryd Logistikpark

Vaggeryd Logistikpark is an extensive development area south of Jönköping. In addition to an excellent logistics location, there is a rail spur to the area. The park covers a total site area of 380,000 square metres, with around 120,000 square metres of area for development remaining after completion of the first construction phase (see completed new construction, right).

Battery cell factory in Lockryd, Svenljunga

In 2021, Logistea and Hansson Holding AB jointly signed a letter of intent with an international battery manufacturer for a lease on 380,000 square metres of newly built commercial space. In March 2022, a letter of intent and land allocation agreement on a site measuring one million square metres was signed with Svenljunga Municipality. During the autumn, the Company worked on detailed

planning for the land to be prepared, in parallel with stage 2 of the archaeological investigation. The letter of intent stipulates that the lease is conditional on the local development plan acquiring legal force.

Fåglabäck, Vaggeryd

With its proximity to the Båråmo combi-terminal, a dry port linked by rail to the Port of Gothenburg, the area is one of the largest inland nodes in the shuttle rail system to and from the Port of Gothenburg. For the site, Logistea is planning the construction of modern purpose-built warehouse and logistics buildings measuring around 60,000 square metres on 100,000 square metres of land, of which 80,000 square metres are held via a unilateral option. The Båråmo Terminal is part of the ScandMed European rail corridor established by the EU.

New construction in progress

Logistics facility in Timrå

In April, the Company acquired and closed the transaction for the property Vivsta 13:92 in Timrå Municipality. The property comprises a site of 14,500 square metres, on which a new warehouse and logistics building measuring 5,000 square metres in area will be constructed, with occupation to be taken up at the end of the first quarter of 2023. The sole tenant will be Nordic Netstores, which operates websites Jakt.se, Hund.se and Fiske.se. The building will be certified at BREEAM In-Use Very Good or Excellent level.

New construction completed

Vaggeryd Logistikpark

In Vaggeryd Logistikpark, the first phase of a state-of-the-art logistics property measuring some 13,500 square metres, with good signposting to the E4 motorway, has been completed. The tenants took up occupancy of the premises in the second quarter of 2022.

Borås (Viared)

In the third quarter of 2022, e-commerce player Cellbes moved into its newly built, fully automated, 8,700-metre logistics premises in Viared, Borås. The new premises were built adjacent to Cellbes' existing logistics facility. Including the new building, the property has a total lettable area of approximately 21,400 square metres and will serve as Cellbes' central warehouse.



← Svenljunga Lockryd 2:73
 ↓ Skövde Kopparn 2 and 3



Svenljunga Lockryd 2:73 →
 Skövde Kopparn 2 and 3 ↓



Ongoing real estate projects

Region	Lettable area, sq.m.	Estimated rental income, MSEK	Estimated net operating income, MSEK	Total investment, MSEK	Remaining investment, MSEK	Estimated completion, Year
Timrå Vivsta 13:92	5,000	6	5	56	14	2023
Kungsbacka Duved 2:51	4,400	4	4	64	39	2024
Kungälv Tråget 3	5,120	5	5	70	40	2024
Total	14,520	15	14	190	93	

Information on project properties is based on estimates of the size, nature and scope of the projects. The information is also based on estimates of future project costs and rental value. The estimates and assumptions should not be regarded as a forecast. Estimates and assumptions involve uncertainties regarding project implementation, design and size, as well as schedules, project costs and future rental value. Information on project properties is regularly reviewed and estimates and assumptions are adjusted with reference to the completion or addition of ongoing projects and changes in conditions. Svenljunga/Lockryd and Fåglabäck are not included in the table.

The Swedish real estate market

Interest in investing in properties in the warehouse, logistics and light industry segments remains strong, driven by high underlying demand for space, a strong rental market and good growth in net operating income based on triple net leases. Demand from tenants in the segment is increasing as more and more companies move production from other countries to Sweden and also expand their local warehousing. Another factor is the growth in e-commerce.

The following description of the rental, new production and transaction market in the industrial and logistics real estate segment (including tables and charts) is produced by real estate consultant JLL Research.

Rental market

Long-term leases and newly constructed premises remain highly prized by investors. There is also relatively strong interest in portfolios of industrial real estate. There is great interest in warehouse and industrial properties located close to cities – these “last-mile” properties have high rental potential.

JLL estimates that vacancies in Logistea's selected markets are around 3.8 per cent, an increase of about 1 percentage point since the first quarter of 2022. Vacancies are generally low, which, combined with high demand, is driving structural growth in rents. According to JLL's surveys, Jönköping is the submarket with the highest vacancies, at 5.4 per cent. This is an increase from 1.8 per cent at the beginning of the year, due to increased supply. Vacancies in Stockholm have remained stable at around 3.1 per cent, due to lower vacancies in Stockholm South. Vacancies in Gothenburg/Borås have risen slightly to around 4 per cent, compared with 3.2 per cent in the first quarter of 2022.

JLL estimates that prime rents in the segment have increased by 5–11 per cent. The highest increases have been in Stockholm/Gothenburg/Helsingborg. Market rents for light industry and secondary logistics are more affected by the local demand situation and may vary according to specifications/tenant modifications and micro location. JLL estimates that market rents for industrial space increased by slightly less (3–6 per cent) in 2022, but also that the short-term expectation is slightly higher due to a broad CPI adjustment of 10.9 per cent for rents for 2023. The strongest growth in rents was identified in the “last-mile” segment for Stockholm, where JLL estimates that market rents rose 18 per cent in 2022.

New construction market

JLL estimates that, of projects totalling around 990,000 square metres of logistics space, >5,000 square metres were started in 2022. New construction declined from 1,475,000 square metres in the record year 2021, but remains high compared to the post-2010 annual average of around 670,000 square metres. New construction is likely to have slowed due to longer planning processes, while rising construction costs and long delivery times have also had an impact. New lettings are lower, which balances the decline in new construction, although continued robust demand suggests that new construction will remain relatively high in 2023 and 2024.

JLL estimates that approximately 1,500,000 square metres of logistics space (>5,000 square metres) was completed in 2022 and that a further 1,200,000 square metres will be completed in 2023, and 913,000 square metres in 2024, solely in projects already under way. The biggest increase in completed projects in 2022 was recorded in the Central region, with around 720,000 square metres compared with 350,000 square metres a year earlier. This is likely to level off slightly in 2023 and 2024 as a result of fewer construction starts in 2022. The West region also saw an increase, with just over 500,000 square metres completed in 2022, compared with 226,000 square metres in 2021. Again, the number of completed projects is expected to decrease in 2023 and 2024.

New leasing remains high at around 1,260,000 square metres in 2022, significantly higher than the post-2010 average of around 800,000 square metres, but shows a decrease from the record high of 1,850,000 square metres in 2021. JLL believes that project developers in 2022 have opted to start more projects without tenants, and that strong underlying demand remains. This suggests that new lettings will gradually increase in 2023. In 2022, new lettings showed the greatest decline in the West region and increased in the South region. However, the West region accounted for 42 per cent of all new lettings in 2022, with the Central and South regions accounting for 26 and 25 per cent of the market, respectively.

Transaction market

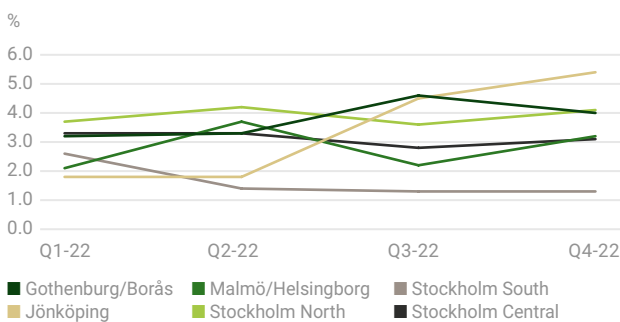
JLL estimates that the total transaction market in industry/logistics totalled around SEK 38 billion in 2022. This is in line with 2021 and considerably outperforms the overall market, which decreased by approximately 50 per cent in 2022. Rates per square metre in transactions rose to a new record of around SEK 18,000 per square metre. This was due in part to a higher proportion of transactions in the Central region, where prices are historically somewhat higher.

JLL is of the view that yield requirements have risen, above all in the prime segment, since the end of the second quarter. The trend was maintained in the fourth quarter due to rising financing costs and because interest in the low-yielding segments weakened towards year-end. Weaker economic activity has to some extent weighed on the industrial segment, although the increase in yield requirements is lower than in the prime segment. JLL sees continued risk for prime segments in 2023 driven by high financing costs and increased supply in the transaction market. However, stabilisation of base rates and possibly lower inflation should limit increases, and for the full year JLL does not expect yield requirements to increase further.

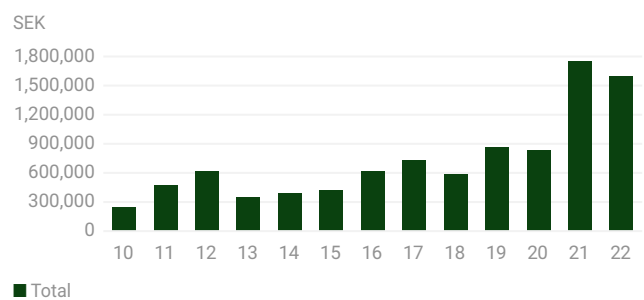
Logistics leasing market

	Q4-22	Change, % (y-o-y)
Prime logistics		
Stockholm	1,000	11%
Gothenburg	800	10%
Jönköping	525	5%
Örebro	575	5%
Skåne	700	11%
Secondary logistics		
Stockholm	775	3%
Gothenburg	625	4%
Jönköping	425	6%
Örebro	475	6%
Skåne	525	5%
Urban logistics		
Stockholm North	1,300	18%
Stockholm South	1,300	18%

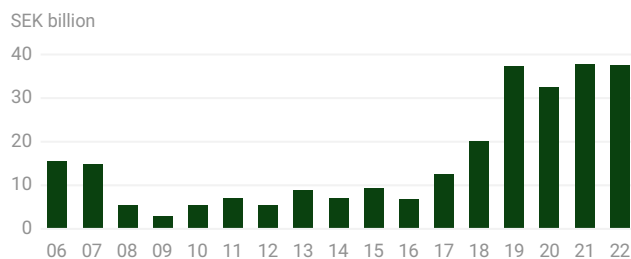
Vacancies in logistics properties



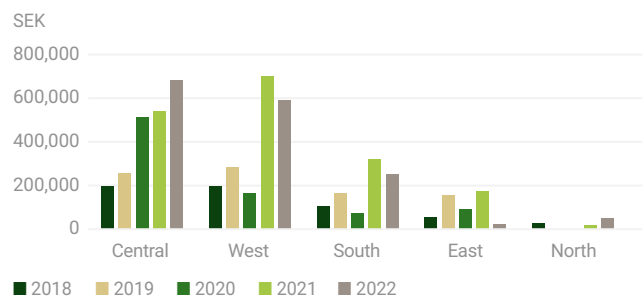
New construction of logistics properties 2010–2022



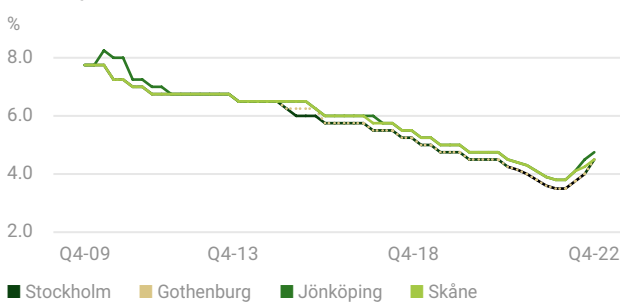
Volume of logistics/industry transactions, annualised



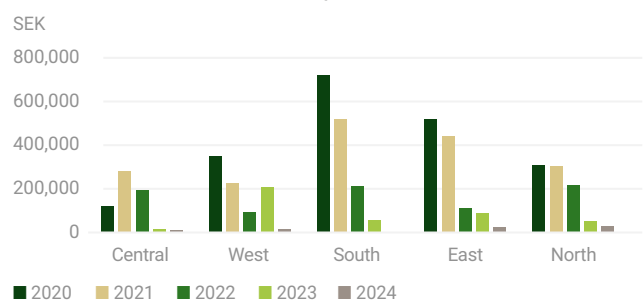
New construction of logistics properties, by market



Direct yield requirements, prime logistics



Square metres completed, by market



Sustainability at Logistea

According to Logistea’s sustainability policy, the Company’s operations are to be conducted in a responsible way, on the basis of sound business ethics and solutions that are sustainable in social, environmental and financial terms. This will reinforce Logistea’s competitiveness and brand. On an overall level, the Company’s sustainability work contributes to Logistea’s ability to manage risks and capitalise on opportunities in the Company’s operations.

Sustainability strategy and governance

Sustainability is an integral part of Logistea’s strategic framework and goals. Our strategic priority is to run the business resource-efficiently and to ensure that environmental and social sustainability are taken into account in business decisions. Operationally, our target is that 50 per cent of the loan portfolio should consist of green finance by year-end 2026.

The Board of Directors is ultimately responsible for the Company’s sustainability strategy. The CEO is ultimately responsible for the work on sustainability, including risk assessments and developments related to sustainability issues within the organisation. For more information about sustainability risks, please refer to the section Risks and risk management in the Annual Report. The management team continually monitors the Company’s sustainability goals and work in operations. During the year, the Company’s sustainability policy, work environment policy and codes of conduct for employees and suppliers were updated and adopted. A whistleblower function was established.

Since 2021, Logistea has operated a green finance framework according to which existing properties, new

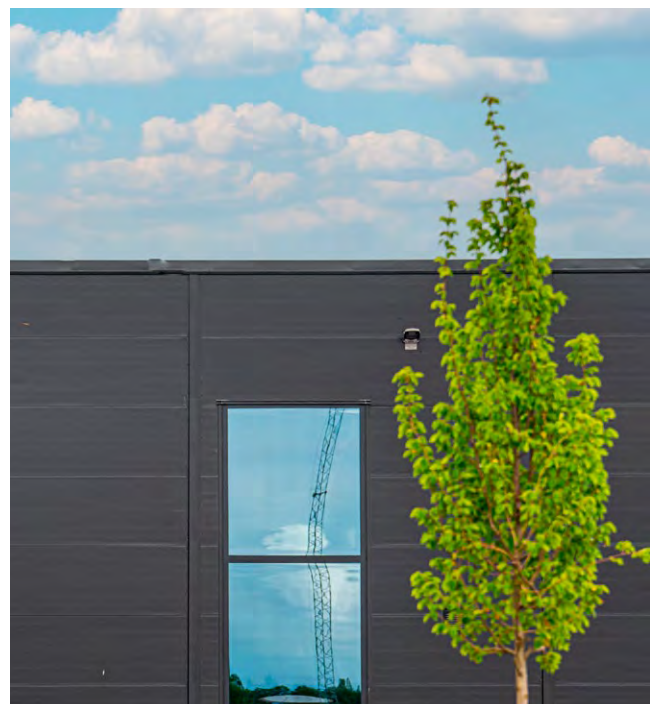
constructions and real estate acquisitions must meet certain objectives in terms of energy consumption. Logistea’s Green Finance Committee makes decisions and ensures adherence to the green finance framework (for more on green finance, please see page 28).

The practical aspects of sustainability, including action plans, are the specific remit of the Head of real estate Management. The Company’s project managers in its real estate portfolio are responsible for ensuring that the Company’s sustainability goals and commitments are integrated into routines when constructing, refurbishing or otherwise developing properties. Logistea maintains an ongoing dialogue with its key stakeholders.






All employees undergo training in the Company’s sustainability strategy. Logistea’s Code of Conduct lays down how all employees are expected to act in accordance with the Company’s values. Our watchwords – commitment, development and responsibility – help us to realise our vision of being the partner of choice for companies seeking sustainable and modern premises for warehousing, logistics and light industry.



Via energy optimisation, electricity consumption at Vaggerød Logistikpark has been reduced by 60 per cent on an annualised basis.





<p>7 AFFORDABLE AND CLEAN ENERGY</p> 	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>13 CLIMATE ACTION</p> 
<p>The goal is to improve access to and increase use of sustainably generated energy in society.</p> <p>By increasing the demand for renewable energy and improving the energy efficiency of its operations, Logistea can help progress towards this goal and increase the share of renewable energy in the global energy mix.</p>	<p>Employees are to be offered decent working conditions, meaning a safe and secure working environment where everyone is treated equally and receives equal pay for equal work.</p> <p>Logistea does not permit discrimination and the Company is working pro-actively to increase well-being and health among its employees.</p>	<p>By constructing resilient infrastructure, working to achieve inclusive and sustainable industrialisation and promoting innovation, businesses can contribute towards this goal.</p> <p>The properties that Logistea is developing for warehousing, logistics and light industry should make more energy-efficient processes possible for tenants.</p>	<p>Cities and communities must adapt to become inclusive, safe, resilient and sustainable.</p> <p>Logistea is playing a part in working towards this goal by managing and building properties that are energy-efficient and modern, and that reduce resource consumption by its tenants.</p>	<p>Sustainable consumption and production means using natural resources efficiently and developing processes that reduce waste.</p> <p>Through its focus on sustainable management of properties, Logistea is playing a part in the shaping of resource-smart working practices and in creating conditions for its tenants to work in a resource-efficient way.</p>	<p>Combating climate change and reducing global emissions of greenhouse gases will require knowledge, innovative processes and smart solutions.</p> <p>Logistea is working on reducing its emissions by improving energy efficiency in its properties, integrating solar panels where possible and installing smart energy solutions.</p>

International frameworks

Logistea has signed up to the UN Global Compact and supports the UN's global Sustainable Development Goals, which form the guiding principles in Logistea's sustainability work. In the Company's judgement, its greatest opportunities for impact are in goals 7 (Affordable and Clean Energy), 8 (Decent Work and Economic Growth), 9 (Industry, Innovation and Infrastructure), 11 (Sustainable Cities and Communities), 12 (Responsible Consumption and Production) and 13 (Climate Action). Logistea intends to deepen and develop its efforts towards the selected sustainability goals in dialogue with the Company's stakeholders.

Priorities

Logistea intends to conduct a stakeholder dialogue and materiality analysis in 2023 to gain a better understanding of the requirements and expectations that key stakeholders have as to Logistea's operations and sustainability work. The Company's primary stakeholders are tenants, employees, suppliers, investors and the community at large, which includes stakeholder organisations and municipalities. Stakeholder input is an important element of ongoing sustainability efforts and the defining of focus areas. As part of Logistea's work on sustainability, the Company will also measure and follow up the Employee Satisfaction Index and the Customer Satisfaction Index.

Another important priority is to update the Company's sustainability strategy and goals based on the outcome of the stakeholder dialogue and the materiality analysis. The process also includes an assessment of the risks and impact of the business on the outside world.

Logistea has established a Code of Conduct for Suppliers that sets the expectations for how they should act. By signing up to the Code, suppliers confirm their intention to operate within the same regulatory regime as Logistea. The Company must be able to identify and minimise risks in the supply chain.

Logistea attaches "green appendices" to the leases it contracts with the Company's major tenants. These appendices clearly state the tenant's sustainability commitments, including as regards consumption of energy and other resources, choice of materials, recycling and waste management. Green annexes are incorporated in all new, and renegotiation of existing, leases. Logistea takes green appendices a step further by creating, in dialogue with tenants, customised appendices adapted to each specific lease.

A baseline measurement for relevant key figures should be possible, and Logistea has begun work on finding suitable IT systems. A longer-term goal is to begin mapping Scopes 1–3.

Accountable social actor and partner



Social sustainability is a natural part of Logistea's operations, which are based on long-term leases that currently extend over an average of around eight years. Logistea strives to secure long-term partnerships with its tenants and to grow with them. This means that the Company functions as a present and responsive landlord that develops and customises its properties according to the needs of tenants.

Logistea also holds a high proportion of building rights, relative to its existing portfolio. The land has detailed planning for logistics and light industry, enabling the development of more properties as the Company signs new leases. The rights meet the clear needs of customers as regards location, availability of skills and flexibility in terms of extensions.

All in all, Logistea helps to create sustainable logistics hubs in attractive locations in Sweden, and eventually in the rest of the Nordic region, close to European roads, railways and ports. Logistea ensures that even in small towns, the business community has access to logistics and light industry properties close to the tenants' major markets and end customers.

Sponsorship of Grunden Bois

In 2021, Logistea signed a three-year main sponsorship deal with Grunden Bois, a Gothenburg-based sports association. The association welcomes anyone with a functional variation who wishes to take part in football, floorball or gymnastics. Grunden Bois has around 500 members, of

whom 250 are active players and 40 are coaches. The association runs children's and youth activities, as well as activities for senior women and men. Grunden Bois runs a positive and healthy sports organisation.

Through this sponsorship, Logistea hopes to promote the conditions to enable more girls and boys who want to take part in sports, regardless of their level of functional variation or existing sports abilities, to do so. Grunden Bois has won multiple awards, including the Sportspegeln prize at the Swedish Sports Gala, Västra Götaland Region's Grant for Sport, the tenth Zlatan Ibrahimovic Grant, Leader of the Year and *Eldsjäl* (Hero) of the Year the *Eldsjälsgalan* TV award show for leaders in organisations. The association is also included in the Hall of Fame of the Gothenburg Football Association. For more information about the association, please go to www.grundenbois.com.

Support for Ukraine

In 2022, Logistea provided financial support for sending supplies and aid to the people affected by the war in Ukraine.



Grunden Bois is the largest sports association of its kind in Sweden. To many members, community is the most important thing. The team talks tactics during the Albertkampen tournament in November 2022. Photo: Grunden Bois.

Sustainable properties

Logistea's customers demand sustainable and modern premises for logistics and light industry. Our business processes for acquisition, development and management enable us to ensure that we can offer energy-efficient and eco-friendly buildings.



Reduce energy consumption

The environmental impact of the construction and real estate sector accounts for a significant proportion of society's environmental impact. The construction industry accounts for 40 per cent of the world's carbon dioxide emissions. In addition, existing buildings produce 30 per cent of energy consumption worldwide. However, technologies already exist today that can both increase energy efficiency and reduce the sector's carbon footprint.

Logistea seeks to continuously reduce the environmental impact of real estate development through increased circularity along the entire value chain. This is done, for example, via recycling, responsible waste management and the installation of solar panels. Today, 100 per cent of electricity consumed in relation to the accounts for which Logistea is a contracting party is green electricity, consisting of renewable and fossil-free electricity. Enhanced energy performance in all parts of the real estate portfolio is a major priority.

Installation of digitalised energy management systems in our buildings is an important step towards reducing energy consumption. A project is in progress to analyse the conditions for installing systems to collect information and control energy consumption. Our aim is to have as many of our properties as possible linked in. In autumn 2022, six of our properties were connected for remote management. Dialogue with our tenants on digitalised energy management has revealed very strong interest in reducing costs and achieving better environmental performance in this way.

Many tenants are keen to have solar panels installed. To date, three of our properties have solar panel installations operating. In the first quarter of 2023, we signed a strategic cooperation agreement with an energy solutions partner and we plan to install solar cells on several properties in 2023. An inventory of suitable properties is under way.

Eco-certified properties

Logistea's ambition is for all new buildings and the majority of renovated buildings to be eco-certified. All new buildings are to be certified to BREEAM In-Use, Very Good or Excellent level.

The Company has set the following quantitative targets for energy consumption in all new developments. Wherever possible, these targets are also to apply to existing or acquired properties.

- BREEAM Very Good or higher, or equivalent certification level.
- Energy performance certificate (EPC) A or B.
- Energy consumption lower than 20 per cent of applicable national building regulations.
- Reduce energy consumption by no less than 30 per cent during major redevelopments.



Logistea's property Vindan 1 in Borås is certified according to BREEAM In-Use Very Good level.

CASE STUDY

BREEAM certification in Vaggeryd Logistikpark

There are many benefits to eco-certifying properties. Logistea aims to certify all newly built properties. To date, the Vindan 1 property in Borås and parts of the Vaggeryd Logistikpark have been BREEAM certified.

In 2022, a newly constructed building in Logistea's logistics park in Vaggeryd was certified according to BREEAM In-Use, Very Good level. The pre-certification process – which in this case was conducted in collaboration with PE Teknik och Arkitektur – comprises an initial workshop and site visit at which the various certification criteria are reviewed and the conditions of the building assessed. A matrix is drawn up summarising the building's scores according to the various criteria and an overall rating established.

The first phase of the park was developed in 2021 and 2022. The property has three tenants in a total lettable area of 13,949 square metres, including both office and logistics premises. The property has a well-planned environment, well adapted for accessibility, both within and between floors. The office spaces have generous daylight openings and flexible ventilation and temperature regulation.





The entire property incorporates interacting cooling/heating and ventilation systems. Energy consumption is 30 per cent below the requirements for new construction and water consumption is kept low thanks to efficient water fittings. A stormwater pond is located adjacent to the paved surfaces around the building, minimising the burden on the municipal stormwater network during snowmelt and rainstorms.

As with most logistics properties, the location means that access to infrastructure in the form of public transport, cycle paths, shops, schools and nurseries etc. does not allow for higher scores according to the criteria for BREEAM.

On aggregate, the property achieved the aimed-for certification level BREEAM In-Use Very Good. A newly constructed property should achieve at least In-Use Good according to BREEAM.

After initial certification, an annual update is required, with comments on any changes in the property. Every three years, certification is renewed and updated in accordance with the regularly revised requirements of BREEAM. The idea of the BREEAM system is that certified properties must be continuously improved. Logistea has maintenance plans in place for all its properties, ensuring that the properties are developed and renewed.

BREEAM®

Why BREEAM certification?

Buildings have a major impact on the climate and environment, both during construction and in operation. Consequently, building and managing properties as sustainably as possible creates significant environmental benefits in both the short and the long term. Expectations regarding the environmental performance of buildings are rising all the time, and various stakeholders are making ever-higher demands, for example when selling, renting, insuring and financing. BREEAM's criteria accord with the EU's taxonomy requirements for climate, energy efficiency and biodiversity etc. As a result, this certification enables financing via green bonds.

Green finance

Logistea's green finance framework allows it to borrow money via green bonds to finance energy-efficient buildings and make investments in, for example, solar panels. The target is for 50 per cent of the loan portfolio to comprise green finance.



In 2021, Logistea established a green finance framework to enable the Company to finance and refinance green and energy-efficient properties, as well as investments in energy efficiency measures such as solar panels. The green finance framework was designed in accordance with the Green Bond Principles, developed by ICMA (the International Capital Markets Association) and the Green Loan Principles, developed by LMA (the Loan Market Association). The framework has been audited by ISS ESG, an independent third party, which has examined whether the green finance framework, with relevant governing documents and reporting standards, are contributing to the UN Sustainable Development Goals 7 (Affordable and Clean Energy), 11 (Sustainable Cities and Communities) and 13 (Climate Action).

In 2021, Logistea issued SEK 500 million in senior, non-secured bonds within the framework, which totals SEK 1,000 million. At year-end 2022, the company's green assets totalled SEK 465 million. Logistea has adopted an operational goal that 50 per cent of the loan portfolio should consist of green finance by year-end 2026. At year-end 2022, green finance represented 19 per cent of the loan portfolio.

Green activities in 2022

In 2022, Logistea continued its work towards becoming an increasingly sustainable company. For example, the newly constructed building on the Stödstorp 1:7 site in Vaggeryd Logistikpark was certified at BREEAM In-Use (Very Good) level. In addition, the Vindan 1 property in Borås was certified in January 2023, also at BREEAM In-Use (Very Good) level.

In 2022, power supply agreements for 100 per cent Swedish eco-labelled hydropower were signed through Elkraft Sverige.

Work continued on increasing the number of solar panels installed, including preparations for installation of solar panels in Vaggeryd Logistikpark and in Viared, Borås. Procurement of the main contractor for further installation of solar panels was completed in February 2023.

19%

per cent green finance out of the total loan portfolio



Logistea's green finance goes towards investments in energy-efficient buildings and eco-friendly energy sources.

Employees



The ability to attract, recruit, retain and develop the best people is crucial to a small, specialised organisation like Logistea. We strive for leadership and a corporate culture that creates the best conditions for a healthy work environment and stimulating development opportunities.

Logistea is a small, specialised organisation with employees who have extensive experience in their professional fields. The Company's watchwords – commitment, development and responsibility – are to form the core of a professional, inclusive and open corporate culture. This means that we commit ourselves and others to help drive progress in our business areas and our sector, while also taking responsibility for helping to bring about a sustainable society.

Logistea works from the principle that all people have an equal value and are therefore to be respected, addressed and dealt with fairly. Diversity is encouraged and discrimination is never accepted. The Company's goal is to ensure that an even gender distribution prevails at all levels. The Board of Directors consists of four men and three women and the management team of two women and four

men. Overall, the balance of women/men in the Company is 61/39 per cent. The Company's salaries are set on the basis of equal pay for equal work.

Logistea aims to create a healthy and safe work environment. The goal is to maintain a healthy attendance of more than 97 per cent and to ensure that zero workplace accidents take place. In order to contribute to our employees' health and maintain the high level of healthy attendance, employees are encouraged to engage in physical activity, and the Company also offers a wellness allowance. To monitor employee well-being, the Company intends to be proactive in its work and conduct regular employee surveys. In the 2022 employee survey, in which 16 out of a total of 18 employees participated, Logistea was rated at 4.5 out of 5 in employee satisfaction.

4.5

in employee satisfaction,
on a 5-point scale



Logistea employees on a site visit to the Vindan 1 property in Borås.

Auditor’s report on the statutory sustainability statement

To the general meeting of the shareholders of Logistea AB, corporate identity number 556627-6241

This is a translation from the swedish original

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2022 on pages 22–29 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR’s auditing standard RevR 12 *The auditor’s opinion regarding the statutory sustainability 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.

Opinions

A statutory sustainability statement has been prepared.

Stockholm 03 April 2023/date of our electronic signature

Ernst & Young AB

Gabriel Novella
Authorised Public Accountant

Financing

Financing

Background

Logistea manages and develops real estate in a capital-intensive sector where access to capital is essential. During the year, Logistea acquired new and developed existing properties, resulting in growth of 77 per cent in the real estate portfolio to a value of SEK 4,623 million (2,607) on the balance sheet date. Operations are 39 per cent (36) financed by equity, 54 per cent (58) by interest-bearing liabilities and 7 per cent (6) by other liabilities. At year-end, the interest coverage ratio was 2.2 (1.8) times, the net loan-to-value ratio 55 per cent (56) and financial expenses including interest expenses SEK 75 million (23). Logistea's net borrowing for 2022 was SEK 918 million (614). The Group raised new loans of SEK 1,079 million (1,256) and made amortisations of SEK 161 million (642), excluding amortisation of seller's liabilities in connection with acquisitions.

Equity

At year-end, the Group's equity amounted to SEK 1,864 million (1,049), represented by Series A and B ordinary shares listed on Nasdaq Stockholm Mid Cap. A total of 9.6 million ordinary Series A shares and 111.5 million ordinary Series B shares were outstanding, representing equity per share of SEK 15.4 (10.9). The change in equity is attributable to a strengthened balance sheet during the year, a real estate portfolio that grew in numbers and value, and share issues to finance property acquisitions.

Interest-bearing liabilities

Logistea's interest-bearing liabilities increased in 2022, compared to the previous year, as a result of the growth in the real estate portfolio. At the turn of the year, the interest-bearing net debt, excluding financing costs of SEK 10 million, totalled SEK 2,605 million (1,686), 79 per cent (62) of which consisted of secured bank loans, 19 per cent (30) of bond loans and external promissory notes of 2 per cent (8). On the balance sheet date, Logistea's non-current liabilities amounted to SEK 2,505 million (1,514), 96 per cent (90) of total interest-bearing liabilities. Current interest-bearing liabilities totalled SEK 100 million (172), 4 per cent (10) of total interest-bearing liabilities. The average capital commitment period was 2.7 years (2.4) and the

average fixed-interest term 2.1 years (0.5). At the end of the period, the loan-to-value ratio was 55 per cent (56), and the average interest rate 4.8 per cent (3.1).

In line with IFRS, financial expenses incurred in relation to the borrowing are spread over the term of each loan. As a result, interest-bearing liabilities on the balance sheet have been reduced by SEK 10.2 million (6.7). Costs incurred in connection with new loans may in some cases be one-off payments to lenders in the form of set-up charges and for legal fees.

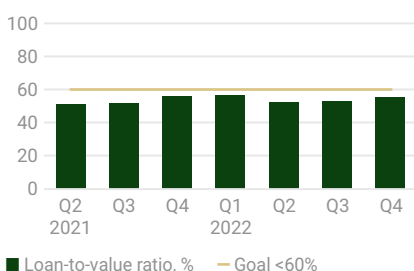
Bank loans

At year-end, bank loans totalled SEK 2,056 million (1,062), 79 per cent (62) of the total interest-bearing debt. As collateral for bank financing, Logistea generally furnishes mortgage deeds on properties and/or pledges on shares in real estate owning subsidiaries.

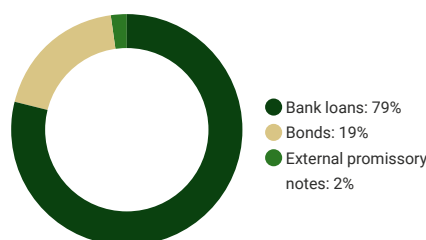
Bond loans and green finance

Logistea has outstanding non-secured bond financing totalling SEK 500 million (500) maturing on 7 October 2024, at a variable interest rate of the 3-month STIBOR plus 5.15 per cent. The bond was issued within a green finance framework of up to SEK 1,000 million. In connection with the bond issue, a green finance framework was established, enabling the Company to finance and refinance green and energy-efficient buildings, as well as investments in energy efficiency measures, such as solar panels. The framework for green finance was designed in accordance with the Green Bond Principles, developed by the ICMA (International Capital Markets Association) and the Green Loan Principles, developed by the LMA (Loan Market Association). The framework was subject to an external audit by an independent third party: ISS ESG, which examined the green finance framework, along with related governing documents and reporting standards, supports in particular UN Sustainable Development Goals 7 (Affordable and Clean Energy), 11 (Sustainable Cities and Communities) and 13 (Climate Action). On the balance sheet date, Logistea's green assets totalled around SEK 465 million (284), including the Company's projects in Vageryd, Kungsbacka, Kungälv, the expansion in Viared and energy-saving measures and investments in solar panels.

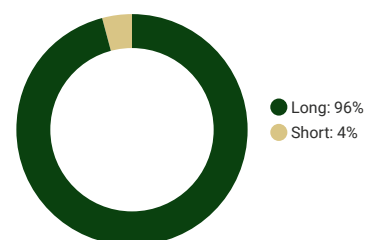
Loan-to-value ratio



Sources of finance



Non-current and current liabilities



Outstanding bonds, 31/12/2022

Year of maturity	Amount, MSEK	Interest rate, %
2024 (October)	500	3-month STIBOR, +5.15

In the first quarter of 2023, Logistea has repurchased bonds within the above-mentioned bond loan for a nominal amount of SEK 86.3 million.

Covenants and risk management

Logistea's financial risk-taking and position can be interpreted via key performance indicators such as the loan-to-value ratio, interest coverage ratio and equity/assets ratio. Credit agreements with banks and bondholders stipulate set requirements in the form of financial commitments, known as covenants, for these particular KPIs. Restrictions, commitments and definitions set by the covenants mostly vary from one loan agreement to another. Compliance with the covenants is checked and reported on a quarterly basis. At year-end 2022, the Group fulfilled all covenant requirements in each of the bank and bond loan agreements. For more information on covenants and terms and conditions, please see Note 18. For more information on the Company's financial targets, please see the Management Report, page 54.

Interest rate risk management

During the period, Logistea extended the fixed-interest period and at the same time lowered interest expense via interest rate derivatives. The action taken reduces Logistea's interest rate risk and protects Logistea better against rising interest rates. At the end of the period, the nominal value of Logistea's derivative portfolio was SEK 1,168 million (0), comprising performance swaps, interest rate swaps and interest rate caps maturing in 2024–2028. The market value of the derivatives totalled SEK 10 million (0) at year-end. The change in market value for the full year was SEK 8 million, as a result of rising market interest rates.

Capital commitment

At year-end, Logistea's long-term liabilities amounted to SEK 2,505 million (1,514), 96 per cent (90) of total liabilities. Total capital commitments with maturities in 2023 amount to SEK 56 million (172), 2 per cent (10) of interest-bearing liabilities.

To minimise financing and refinancing risk, Logistea seeks to maintain a diversified maturity structure, in which a limited portion matures within a rolling 12-month period. To further reduce financing and refinancing risk, Logistea

works with the majority of banks in order to broaden our debt portfolio and spread our options across different types of funding.

Fixed-interest period

The fixed-interest period significantly affects the interest rate risk, in that a short fixed-interest period means a lower average rate in the short term but also increases the interest rate risk. During the year, both long- and short-term interest rates climbed both globally and in Sweden. As a result, Logistea has chosen to hedge elements of its debt portfolio. Logistea's finance policy provides a mandate to hedge interest rates via interest rate swaps and interest rate caps, which the Company did in 2022. At year-end, Logistea had a fixed-interest period of 2.1 years (0.5).

Interest rate risk management

During the past year, Logistea hedged elements of the debt portfolio using interest rate derivatives. At year-end 2022, the total nominal value of Logistea's interest rate derivatives was SEK 1,168 million (0), 45 per cent (0) of the total interest-bearing debt. The market value of the derivatives portfolio on the balance sheet date was SEK 10 million (0). The types of derivative held by Logistea consist of performance swaps, interest rate swaps and interest rate caps, contracted with two counterparties, Swedbank and Nordea.

A performance swap is a combination of an interest rate swap with an interest rate cap where an interest rate swap is purchased and an interest rate cap issued. The Company has contracted performance swaps for a total nominal amount of SEK 700 million, of which SEK 100 million with a barrier level of 3.75 per cent and SEK 600 million with a barrier level of 4.0 per cent. The average interest rate, the fixed rate, for the performance swaps is 2.1 per cent, which is paid as long as the variable rate (3-month STIBOR) is below the barrier level concerned.

An interest rate swap is a contract in which two parties exchange interest rate flows for a fixed period of time. Because Logistea's debt portfolio consists of variable debt with a fixed margin and a variable component in the form of 3-month STIBOR, an interest rate swap can be used to obtain the variable component in exchange for paying a fixed margin for the derivative and thus lock in the interest rate.

In an interest rate cap, a ceiling is placed on the variable interest rate in the form of a predetermined interest rate level (strike rate). If the floating rate rises above the strike rate, Logistea is paid interest above the strike rate.

Commitment period	Capital commitment					Fixed-interest period		
	Bank loans, MSEK	Bond loans, MSEK	Other interest-bearing liabilities, MSEK	Total nominal debt, MSEK	Proportion, %	Nominal volume, MSEK	Proportion, %	Average fixed-interest period, yrs
0–1 year	-	-	56	56	2	1,444	55	0.2
1–2 years	917	500	3	1,420	54	103	4	0.1
2–3 years	887	-	-	887	34	230	9	0.2
3–4 years	-	-	-	-	-	50	2	0.1
>4 years	252	-	-	252	10	788	30	1.5
Total	2,056	500	59	2,615	100	2,615	100	2.1

Corporate governance



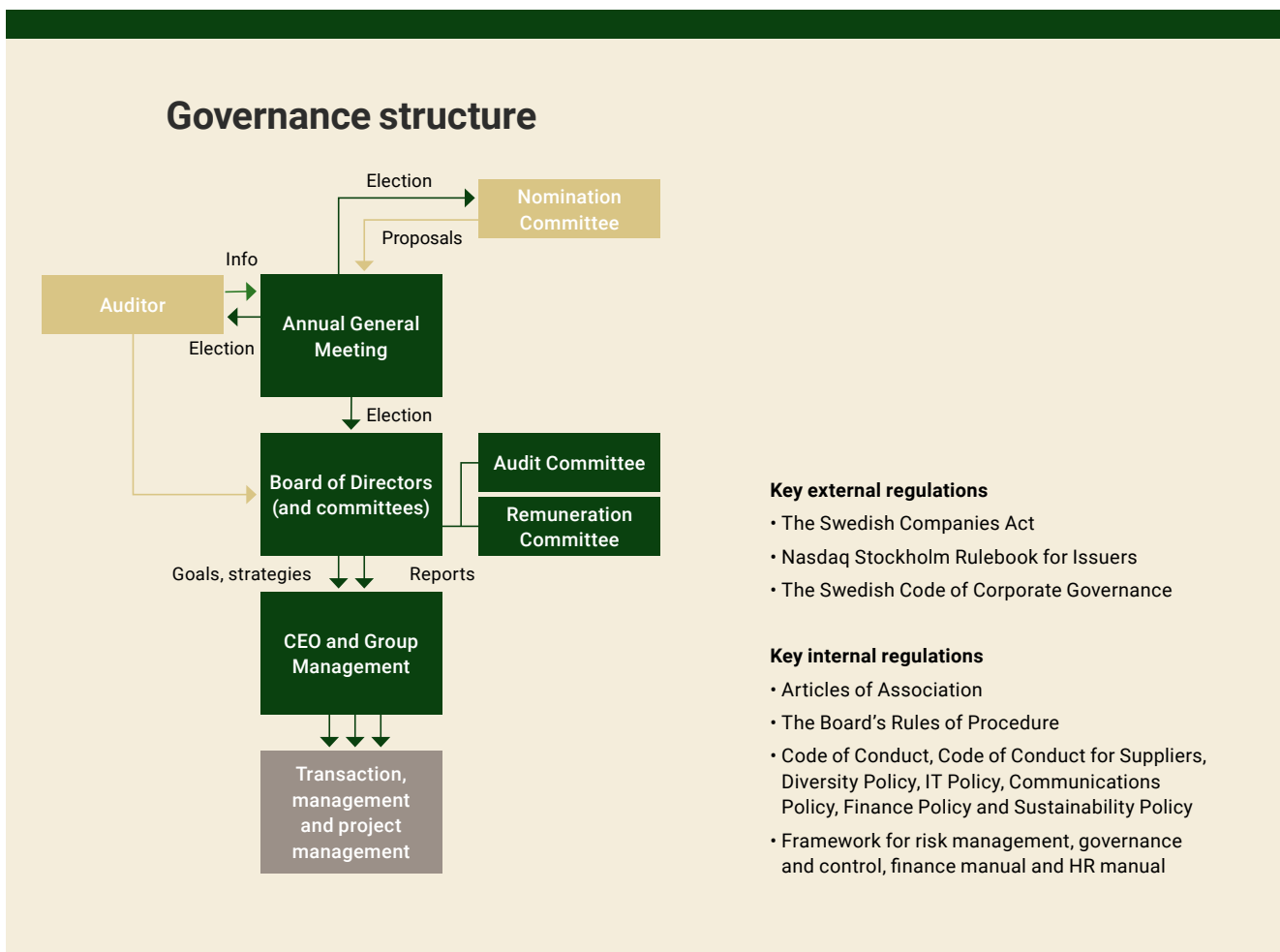
Corporate governance

Logistea’s corporate governance aims for long-term value creation for its shareholders and other stakeholders, by maintaining a healthy corporate culture and providing high-quality information for business decisions. During the year, Logistea worked systematically and continuously on internal governance and control, in order to adapt the Company’s processes and monitoring appropriate to a those of a specialist real estate operation.

Logistea AB (publ) is a Swedish real estate company with a vision to be the long-term partner of choice for companies seeking sustainable and modern premises for warehousing, logistics and light industry. This vision is realised through the Company’s mission of acquiring, developing and managing properties and land. The Company’s shares were listed on Nasdaq Stockholm in June 2010.

The Company’s governance is based on the Swedish Companies Act, Nasdaq’s Nordic Main Market Rulebook for Issuers (“Rules for Issuers”) and the Swedish Code for Corporate Governance (“the Code”), along with other applicable Swedish laws and regulations. In addition, internal regulations in the form of the Company’s Articles of

Association and its policies apply. In the event of deviations from the Code, the principle of comply or explain is applied. The Board is responsible for the day-to-day monitoring of compliance with the Code by the Board as well as by the management and the Company as a whole. The Articles of Association are published in their entirety at www.logistea.se. This Corporate Governance Report has been prepared as part of Logistea’s implementation of the Code. The Company did not deviate from the Code in 2022. No breaches of applicable market rules or of generally accepted practice in the securities market have been reported concerning Logistea by the Disciplinary Committee of Nasdaq Stockholm or the Swedish Securities Council during the year.



Shares and shareholders

At the end of 2022, there were 12,964 shareholders in Logistea, according to Euroclear Sweden AB. Of the total share capital, around 96 per cent was held by Swedish investors, of which 27 per cent by Swedish private individuals and 69 per cent by Swedish institutional investors and companies. Ilija Batljan, with closely-related parties and closely-related companies, was the largest shareholder, with 21.9 per cent of the share capital and 23.2 per cent of the votes. On 31 December 2022, the ten largest shareholders represented 66.5 per cent of the share capital and 71.1 per cent of the votes in the Company.

Voting rights

The share capital in Logistea consists of Series A shares and Series B shares. On 31 December 2022, the total number of shares was 9,568,392 Series A shares and 111,485,665 Series B shares. Each Series A share confers one vote and each Series B share one tenth of a vote. Series A and Series B shares entitle the holder to equal dividends. Holders of Series A shares can request conversion of their Series A shares into Series B shares.

Dividend policy

The Board aims to annually propose to the Annual General Meeting a dividend amounting to no less than 30 per cent of the Company's unappropriated profit. Over the next few years, the Board intends to prioritise growth over dividends, which may result in little or no dividend on ordinary shares.

The Board proposes that no dividend be distributed for the 2022 financial year.

Annual General Meeting

According to the Swedish Companies Act, the Annual General Meeting is the Company's highest decision-making body. At the Annual General Meeting, shareholders exercise their right to vote on key issues, such as adoption of the income statements and balance sheets, distribution of the Company's unappropriated profit, discharge from liability of the members of the Board of Directors and the CEO, election of the Board members and auditors, and remuneration to the Board and auditors.

Logistea's AGM is held in Stockholm during the first six months of the year. The Company gives notice of the AGM no earlier than six weeks and no later than four weeks prior to the meeting. As required by the Company's Articles of Association, notices convening the Annual General Meeting shall be announced in the Swedish Official Gazette and published on the Company's website. Issue of the convening notice shall also be announced in Svenska Dagbladet.

An extraordinary general meeting (EGM) may be held if the Board deems it necessary, or if the Group's auditor or a holder of no less than ten per cent of all shares in the Company requests that one be held.

Documentation pertaining to general meetings is available in Swedish and English. On the other hand, it has not been deemed necessary to provide a facility for foreign

shareholders to follow or participate in general meetings through simultaneous interpretation of meeting proceedings, since the view is taken that any international shareholders will be represented by Swedish proxies.

In order to participate in decisions, shareholders must be present at the general meeting, either personally or by proxy. Furthermore, the shareholder must be entered in the shareholders' register by a certain date prior to the meeting, and their intention to take part must have been registered with the Company in a specified manner. Individual shareholders wishing to raise a specific issue a general meeting can normally request to do so in good time before the meeting, submitting the request to Logistea's Board via a special address on the Company's website. The last day for making any such request is published on the Group's website prior to each meeting.

Resolutions at a general meeting are normally passed by a simple majority. However, in the case of certain issues, the Swedish Companies Act requires proposals to be passed with a higher majority of the votes represented at the meeting and of the votes cast.

Annual General Meeting 2022

The 2022 Annual General Meeting was held on 6 May 2022 at Logistea's offices on Ingmar Bergmans gata 4, Stockholm. Against the background of the official recommendations regarding the risk of Covid-19 contagion, and in accordance with temporary legislation, a facility was established for advance voting (postal voting) in accordance with Act (2022:121) on temporary exceptions to facilitate the execution of general meetings in companies and associations. At the 2022 AGM, five shareholders were represented, acting on behalf of 26.6 per cent of the total number of votes in Logistea. The AGM resolved to adopt the Company's income statement and balance sheet for 2021, the consolidated income statement and the consolidated balance sheet for 2021, as well as to distribute the Company's unappropriated profit in accordance with the proposal of the Board and the CEO.

The Board members and the CEO were granted discharge from liability, and the fees to the Board members and the auditor were agreed. Resolutions passed at the 2022 AGM:

- To authorise the Board to issue shares representing an increase of no more than 100 per cent of the total number of shares outstanding in the Company at the time of the meeting.
- That no dividend be paid for the 2021 financial year.
- Re-election of the Board members Patrik Tillman, Bengt Kjell, Sanja Batljan, Caroline Thagesson and Johan Mark, as well as the election of Anneli Lindblom and Stefan Hansson for the first time.
- Re-election of Patrik Tillman as Chairman of the Board.
- Election of Ernst & Young Aktiebolag as the Company's Auditor to replace PwC.
- Remuneration of the Board.

- To adopt the Nomination Committee's proposed instruction for composition of a nomination committee.

The minutes from the AGM are available at www.logistea.se.

2023 Annual General Meeting

Logistea's 2023 Annual General Meeting will be held on Friday 5 May 2023. For further information about the AGM, please see www.logistea.se.

Nomination Committee

The Board resolves upon the process for the election of the Board and auditors. The 2022 AGM adopted an instruction for the Nomination Committee. The instruction sets out the process for nominations for a Nomination Committee, to consist of four members. The members shall be appointed by each of the three largest shareholders in terms of votes, who wish to participate in the Nomination Committee.

The Nomination Committee shall be constituted on the basis of shareholder statistics from Euroclear Sweden AB and other reliable shareholder information provided to the Company as per the last day of trading in August in the year prior to the AGM. The names of the representatives on the Nomination Committee and of the shareholders that they represent shall be published as soon as they have been appointed. If the shareholder structure changes during the nomination process, the Nomination Committee's composition may be changed to reflect any such change.

The Company's Audit Committee assists the Nomination Committee in preparing the proposal for election of the auditor. The Nomination Committee's proposal to the general meeting for election of the auditor shall include the Audit Committee's recommendation.

Furthermore, the Nomination Committee shall take diversity aspects into account regarding composition of the Board, and shall strive to nominate Board members who collectively represent a wide range of skills and experience. The procedure is governed by the criteria set out in the Company's diversity policy. Particular attention should be paid to gender equality.

The Nomination Committee's proposals will be published no later than at publication of the notice convening the AGM. Shareholders wishing to submit suggestions to the Nomination Committee may do so via e-mail to: nominationcommittee@logistea.se.

Nomination Committee for the 2023 AGM

The composition of the Nomination Committee was announced in a press release on 18 October 2022. The Nomination Committee for the 2023 AGM consists of three members:

- Ilija Batljan, appointed by Ilijan Batljan Invest AB and other associated companies.
- Rutger Arnhult, appointed by M2 Capital Management AB and other associated companies.
- Joel Sandwall, appointed by Stefan Hansson and company.
- Patrik Tillman, Chairman of the Board.

Within the scope of nomination work for the 2023 AGM, the Nomination Committee deems that the Board has functioned effectively, which is also confirmed by the Board evaluation performed. In the opinion of the Nomination Committee, the composition of the proposed Board, with regard to Logistea's activities, development phase, and other circumstances, is fit-for-purpose, being characterised by diversity and breadth in terms of the skills, experience, and background of the Board members. The Nomination Committee thus considers that the Code's requirements for diversity and breadth are met by the proposal. Against that background, the Nomination Committee proposes the re-election of Board members Patrik Tillman, Sanja Batljan, Stefan Hansson and Anneli Lindblom, and election of Jonas Grandér for the first time. The Committee proposes that Patrik Tillman be re-elected as Chairman of the Board. Current Board members Bengt Kjell, Caroline Thagesson and Johan Mark have declined to stand for re-election. The proposed Board satisfies the Code's requirement regarding independence. It was also noted that the proposal requires a Board composed of three men and two women, and that the proportion of women then amount to 40 per cent, which is in line with the Swedish Corporate Governance Board's target of 40 per cent representation of the most under-represented gender.

The Nomination Committee held two recorded meetings, and in addition corresponded by e-mail and telephone. The members of the Nomination Committee did not receive any remuneration from Logistea.

A report on the work of the Nomination Committee was submitted as part of the Nomination Committee's reasoned opinion, which was published ahead of the AGM. Further information about the Nomination Committee and its work is provided on the Group's website, at www.logistea.se.

Board of Directors

The Board of Directors is accountable at overarching level for Logistea's organisation and management.

Composition of the Board

According to Logistea's Articles of Association, the number of Board members elected by the general meeting shall be no less than three and no more than ten. Logistea's Board of Directors consists of six regular members and no deputies. The Chief Executive Officer is not a member of the Board. Total annual remuneration is determined by resolution of the AGM. Board remuneration is expensed quarterly and paid annually, ahead of every regular AGM.

For information about the members of the Board of Directors, please see pages 44–45. Information about the members of the Board is also regularly updated on the Company's website, www.logistea.se.

Independence

The Board is deemed to satisfy applicable requirements regarding independence. The independence of each Board member is indicated in the table on page 40. In 2022,

Board member Sanja Batljan is judged to be independent in relation to the Company and the Company's management, but not in relation to major shareholders in Logistea.

Responsibilities of the Board

The main task of the Board of Directors is, on behalf of the owners, to manage the Group's operations such that the owners' interests in terms of long-term profitable growth and value creation are satisfied in the best possible way.

The Board is responsible for the Company's organisation and the management of the Company's affairs, which include, *inter alia*, responsibility for the preparation of overarching, long-term goals and strategies, budget and business plans, preparation of guidelines for the Company's operations, review and approval of annual accounts, decisions on issues regarding investments and divestments, capital structure and dividend policy, development of the Group's policies, ensuring that control systems are in place for monitoring of compliance with policies and guidelines, ensuring that systems are in place for monitoring and control of the Company's operations and risks, significant changes to the Company's organisation and operations, appointing the Company's CEO and determining salaries and other compensation to the CEO.

The Board is also responsible for the Company's diversity policy. The policy is applied within both Board and management, as well as among employees, consultants, suppliers and other contracted parties. The purpose of the diversity policy is to achieve an equal-opportunity workplace and a value chain free of discrimination. The Board has overarching responsibility for ensuring that actions are taken to prevent discrimination and inappropriate special treatment, whether positive or negative.

The Board is also responsible for the preparation, publication and finalisation of the Group's consolidated annual accounts.

The Chairman of the Board is responsible *inter alia* for ensuring that the Board members, through the agency of the CEO, continually receive the information necessary to enable them to monitor the Group's position, earnings, liquidity, financial planning and development. Working closely with the CEO, the Chairman is also responsible for monitoring the Group's financial performance and preparing and chairing Board meetings. The Chairman is also responsible for the Board's annual evaluation of its work, and for ensuring that the Board has sufficient information to be able to effectively perform its work.

It is also the Chairman's responsibility to carry out tasks set by resolution of the AGM regarding establishment of the Nomination Committee, and to participate in its work.

Rules of procedure and Board meetings

The Board follows written rules of procedure, which are revised annually. The rules of procedure govern the allocation of duties and responsibility among Board of Directors, Chairman of the Board and CEO. Diversity aspects are taken into account in the Board's rules of procedure. The Board also establishes instructions for the Board's com-

mittees, as well as instructions for the CEO. According to the rules of procedure, the Chairman is required *inter alia*:

- To organise and allocate the duties of the Board.
- To ensure that the Board performs its duties and is informed as appropriate about the Company.
- To ensure that the Board's duties are performed efficiently.
- To ensure that the Board's decisions are implemented efficiently.
- To ensure that the Board performs an annual evaluation of its work.

The rules of procedure for the Board also include detailed instructions for the CEO and other Company functions, defining which decisions require the Board's approval. The instructions specify *inter alia* the maximum amounts that various decision-making bodies in the Group have the authority to approve, concerning credit limits, investments and other expenses.

The Board is required to ensure that the Board, as a collegiate body, has appropriate knowledge in sustainability, human rights and labour law, as well as of environmental, anti-corruption and diversity issues. According to the rules of procedure, a statutory Board meeting shall be held immediately after the AGM. At the meeting decisions are to be taken regarding election of members of the Board's various committees, and who is authorised to sign on behalf of the Company. In addition, the Board normally holds ten regular meetings between the preceding AGM and the AGM for the following year. The Board meets according to a pre-determined, annual schedule. Four of these meetings are held in connection with the publication of the Group's year-end report and interim reports, respectively. Further meetings, including telephone conferences, are held as necessary.

Work of the Board in 2022

The Board held 18 meetings during the year. All of these were held in Stockholm or digitally. Attendance by each Board member at these meetings is shown in the table on the next page. All meetings during the year have followed an agenda, which, along with documentation for each point in the agenda, is provided to the members prior to the meetings. A regular Board meeting usually takes half a day to allow enough time for presentations and discussions. Logistea's CFO serves as Secretary of the Board.

At each ordinary Board meeting, the CEO reports on the Group's income and financial position, as well as its expectations for the next quarter. Potential investments and progress in existing projects are also described. Senior executives also report on strategic areas, *ad hoc* as needed.

Important Board matters in 2022

- Decisions on acquisitions.
- Decisions on capital raising.
- Decisions on organisational changes.
- Decisions on governing policies.

- Decisions on equity and financial position.
- Decision on approval of financial statements.
- Review and decision on internal control.
- Presentation of dividend proposal for the 2022 financial year to the AGM.

Evaluation of the Board's work

The Board performs an annual evaluation of its work via a questionnaire distributed to the members of the Board. The responses are compiled and collated by a person external to the Board, before they are shared with the Board and the Nomination Committee, in order to maintain anonymity of the responses. The evaluation examines work practices and the work climate, as well as the main focus of the Board's work. This evaluation also focuses on the availability of and need for specific skills within the Board. The Board focused actively on improvements to its work, based on the findings from previous evaluations. The evaluation was discussed at a Board meeting. The results of the evaluations were also presented to the Nomination Committee by the Chairman of the Board.

The Board's committees

The Board has established a Remuneration Committee and an Audit Committee. The work of the committees is in the main preparatory and advisory, but in certain cases the Board may delegate decision-making authority to the committees. The issues addressed at meetings of the committees are to be recorded and reported to the Board at the following meeting. The members of the committees and the chairman of each committee are appointed at the statutory Board meeting, which is held immediately after election of Board members.

Audit Committee

In 2022, the Audit Committee consisted of Sanja Batljan (Chair), Johan Mark and Anneli Lindblom.

The Audit Committee's principal task is to ensure that the Company's financial reporting is prepared in accordance with applicable laws, regulations and policies. The Committee is required *inter alia* to provide the Board with recommendations to ensure the reliability of financial reporting, monitor the effectiveness of internal control, provide information as to progress of the audit and monitor the auditor's impartiality and independence, as well as to assist in preparation of the proposal for election of an auditor by the AGM. A further task of the Audit Committee is to assist the Nomination Committee by providing suggestions for the election of external auditors.

The Audit Committee is required to meet no less than four times annually.

The Committee held four meetings during the year. The external auditor reports to the Committee at each regular meeting. The Group's CFO took part in all meetings during the year. The Group's CFO serves as the Committee's secretary.

Remuneration Committee

The Remuneration Committee consisted of Patrik Tillman (Chair), Sanja Batljan, and Caroline Thagesson.

The Remuneration Committee's principal task is to prepare for the Board's decisions on issues relating to remuneration principles, remuneration and other terms and conditions of employment for the Company's management; monitoring and evaluation of ongoing programmes and programmes ending during the year for variable compensation to the Group's management; application of the remuneration guidelines for management that the general meeting is required by law to decide upon; and relating to

Composition of the Board

Name	Position	Elected, yr	Independent, in relation to Company and Company management	Independent in relation to shareholders	Attendance, number of Board meetings	Attendance, number of committee meetings	Remuneration in 2022, TSEK
Patrik Tillman	Chairman of the Board	2004	Yes	Yes	18 (18)	2 (2) Remuneration Committee	300
Bengt Kjell	Deputy Chairman	2021	Yes	Yes	18 (18)		197
Sanja Batljan	Board member	2021	Yes	No	18 (18)	5 (5) Audit Committee 2 (2) Remuneration Committee	197
Stefan Hansson ¹	Board member	2022	Yes	Yes	9 (18)		107
Anneli Lindblom ¹	Board member	2022	Yes	Yes	9 (18)	3 (5) Audit Committee	127
Johan Mark	Board member	2019	Yes	Yes	18 (18)	5 (5) Audit Committee	177
Fredrik Palm ²	Board member	2021	Yes	Yes	9 (18)	2 (5) Audit Committee	50
Caroline Thagesson	Board member	2019	Yes	Yes	18 (18)	2 (2) Remuneration Committee	157

¹ Elected as members of the Board at the Annual General Meeting in May 2022

² Resigned as member of the Board at the Annual General Meeting in May 2022

remuneration structures and remuneration levels within the Company. At the 2022 AGM, the remuneration report for the financial year 2021 was presented and approved.

The Remuneration Committee is required to meet no less than twice per year, with further meetings held as necessary. In 2022, the Remuneration Committee met three times.

Key concerns raised were the proposed remuneration packages for the CEO, decisions on remuneration to new members of Group Management, review and decisions on changes to remuneration of members in Group Management, as well as the guidelines for the remuneration of Group Management in 2023. Patrik Tillman, Chair of the Committee, serves as the Committee's secretary.

External auditors

The auditors are elected by the shareholders at the AGM. The auditors audit and review *inter alia* the Company's annual report, consolidated accounts and financial statements, as well as the internal control and day-to-day management by the Board and the CEO. Ernst & Young Aktiebolag was elected as the Company's auditors at the 2022 AGM, for the period up until the 2023 AGM. The Key Audit Partner is Gabriel Novella. Gabriel Novella has no assignments in other companies that would affect his independence as an auditor for Logistea. The external revision is performed in accordance with generally accepted auditing standards. The auditors have provided oral as well as written reports to the Audit Committee and the Board concerning the audit assignment, as well as its review of internal control. The audit is performed in accordance with the Swedish Companies Act, the International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden.

For more information regarding fees to auditors and assignments performed on behalf of the Group, please see Note 4 to the Financial Statements, Fees and reimbursement of costs to auditors.

CEO and Group Management

The CEO reports to the Board of Directors and is responsible for the Company's day-to-day management and operations.

The allocation of duties between Board and CEO is defined by the rules of procedure for the Board and the instructions for the CEO.

The CEO is appointed by the Board and is responsible for day-to-day management of the Group's operations, in accordance with the Board's guidelines and instructions. The CEO serves in reporting capacity at Board meetings and is responsible for ensuring that the Board members are continually updated with the information required to monitor the Company's and the Group's position, income, liquidity and development. The Board annually evaluates the performance of the CEO.

The CEO appoints other members of Group Management, oversees the work of Group Management and takes decisions following consultation with members of Group Management. During the year, Group Management held 36

regular meetings, as well as continual follow-up meetings regarding specific events and activities.

In 2022, the Company's management team changed due to expansion in the real estate portfolio. At the beginning of the year, the management team consisted of CEO Niklas Zuckerman, Deputy CEO Anders Nordvall, CFO Philip Löfgren and Head of Finance and Business Development Tobias Lövestedt. At year-end, the management team consisted of CEO Niklas Zuckerman, Deputy CEO Anders Nordvall, CFO Philip Löfgren, Head of Finance and Business Development Tobias Lövestedt and Head of Property Management Maléne Broman.

An experienced management team

Logistea's Group Management has solid experience and expertise in a variety of sectors, providing a strong platform for the Company's future development and growth. All members of Group Management are Swedish citizens. At the time of the Annual Report's publication, the management team consisted of six members, two of whom were women.

Remuneration to Board members and senior executives

Fees and other remuneration to the Board members, including the Chairman, is determined by resolution of the AGM. The 2022 Annual General Meeting resolved that remuneration to Board members should amount to SEK 325,000 to the Chairman SEK 240,000 to the Deputy Chairman and SEK 160,000 to each of the other Board members. SEK 60,000 is paid to the Chair of the Audit Committee and a further SEK 30,000 to each of the other members of the Committee. No fee is paid for work in the Board's other committees. For further information regarding remuneration to Board members, please see Note 5 Employees and personnel expenses.

Guidelines for remuneration to the CEO and other senior executives

The guidelines for the remuneration to the Group Management are for resolution by the AGM, based on proposals from the Board. The CEO's remuneration is determined by the Board, based on recommendations from the Remuneration Committee. Changes in the remuneration to other members of Group Management are determined by the Remuneration Committee, based on proposals from the CEO, and reported to the Board.

Logistea is to offer remuneration and other terms and conditions of employment that enable the Company to recruit, motivate and retain senior executives with the skills that the Company needs to implement its strategy and achieve the Company's goals. Remuneration to senior executives in Logistea is to be based on the overall principles of being in line with the market and competitive.

"Senior executives" refers to the CEO and management personnel who report to the CEO and who are members of Group Management.

At the time of publication of this report, Logistea's senior executives consisted of: the CEO, the Deputy CEO and

Head of Transactions, the CFO, the Head of Finance and Business Development, the Head of Property Management and the General Counsel, in total six people. Remuneration to Logistea's senior executives consists of:

- Fixed salary.
- Variable compensation.
- Pension.
- Other customary benefits.

The fixed salary is to be based on market-typical conditions and based on the qualitative performance of the employee. As a principle, the fixed salary is reviewed once annually. The variable compensation is to consist of payment in cash. Any programme involving long-term variable compensation approved by the AGM will consist of share-based and/or share-linked instruments. The Board shall annually evaluate whether a long-term share-linked incentive programme is to be proposed to the AGM or not.

For a more detailed description, please see Note 5 Employees and personnel costs.

Internal control

Logistea's internal control structure has been designed to ensure accurate and reliable financial reporting and accounting, in accordance with applicable laws and regulations, accounting standards and other requirements applying to listed companies. The control structure adds value by clarifying roles and responsibilities, greater process efficiency, increased risk awareness and providing for better decision-making. This report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Corporate Governance Code.

Work on internal controls is reviewed by the Company's auditor. Logistea has opted to limit the description of internal control to deal with internal control relevant to financial reporting, in accordance with the Swedish Corporate Governance Code, section 7.4.

The internal control structure is based on Internal Control – Integrated Framework (2013) published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This framework comprises five primary components: control environment, risk assessment, control activities, information & communication and monitoring activities. Neither the organisation of internal control described, nor what each component represents, are to be regarded as static, but instead to be adapted to changes in Logistea's operations and environment. The Board is accountable at an overarching level for implementing an effective system of internal control and risk management. Responsibility for maintaining an effective control environment and the day-to-day work of internal control and risk management is delegated to the CEO. Logistea's CFO is responsible for ensuring that monitoring of and work on Logistea's internal control is performed in line with the structure determined by the Board and the CEO. To monitor financial reporting, the Board has established an Audit Committee which assists

the Board with regard to relevant policies and the material accounting policies applied by the Group.

Control environment

The control environment is the framework for internal control of financial reporting. An important aspect of the control environment is that decision-making processes, authorisation and accountability are clearly defined and communicated between different levels in the organisation and that governing documents are in place in the form of internal policies, handbooks, guidelines and manuals. Logistea's Board has established clear working processes and working instructions for its work and that of the Board's committees. An important part of the Board's work is to develop and approve a basic framework and policies. This includes *inter alia* the Board's rules of procedure, instructions for the CEO, decision-making procedure, Code of Conduct, Code of Conduct for Suppliers, framework for risk management and internal control, financial policy, communications policy and insider policy. All employees are under a duty to comply with the internal and external frameworks of the control environment. The purpose of these policies is to lay the foundations for effective internal control, and to achieve and maintain a high standard of ethics in the Group.

Furthermore, the Board has ensured that the organisational structure has clear roles, responsibilities, and processes, promoting effective management of business risks and enabling goal achievement.

As part of the accountability structure, the Board evaluates the organisation's performance and results using a fit-for-purpose reporting package, incorporating outcomes, forecasts, business plan, risk monitoring and analyses of key performance indicators. As one way of strengthening internal control, Logistea has decided to bring its governing documents together in a finance manual. The finance manual provides a comprehensive overview of existing policies, frameworks and routines that affect the nature and quality of the Company's financial reporting.

Risk assessment

Logistea works continuously and actively on mapping, evaluating and managing the risks to which the Company is exposed. Risk management is an integral part of decision-making on all levels at Logistea and is a natural part of the Company's business processes. It is adapted to changes in the Company's activities and environment on an ongoing basis. Logistea has identified a number of main risk management processes. Each process is assigned a process owner who is responsible for ensuring good efficiency and effective internal governance and control within the scope of the process. A minimum requirement is that the control activities to be performed must take account of the key risks identified in the Group. Each process owner reports any shortcomings identified and actions taken to the CFO, who leads and coordinates the day-to-day work on internal control and risk management, and provides status reports to Group Management.

The risk of misstatements in the financial reporting is assessed annually for each line in the income statement and the statement of financial position. Items that in the aggregate are material and represent a higher risk of misstatements – known as critical items – are identified and illustrated via a risk chart. In particular, the processes and internal controls relating to critical items identified are analysed in order to minimise the risk involved. As a result of the annual review, the Board decides which risks are particularly material, in order to ensure effective internal control in the financial reporting.

Control activities

The most material risks are managed via control activities described in the Company's governing documents. The purpose of the control activities, which are performed on several levels in the organisation, is to identify, prevent and manage risks within the organisation and the Company's activities, as well as to identify, prevent and correct any misstatements or deviations in the reporting. The control activities include reviews of project activities, decision gates in project activities, authorisation and approval routines, verifications, bank and account reconciliation, analytical monitoring of income and balance sheet items at Group level and of automatic controls built into IT systems, as well as controls in the underlying IT environment.

Sustainability

Sustainability issues are managed and controlled on the basis of the Company's Code of Conduct, Code of Conduct for Suppliers, Work Environment Policy and Diversity Policy. All of these documents are based on the UN Global Compact and the underlying principles it establishes for each particular policy. Each policy has clear ownership, with an escalation hierarchy that ultimately leads to Group Management.

The Code of Conduct and the Code of Conduct for Suppliers

The Code of Conduct and the Code of Conduct for Suppliers require a signature, representing agreement to comply with the document concerned. Furthermore, each area of sustainability has an aspect owner, who is responsible for ensuring internal control according to the following structure. Diversity Policy is ultimately the responsibility of Logistea's Board of Directors. The Company's Diversity Policy, based on Principle 1 of the UN Global Compact, applies aspects of diversity such as age, gender, gender identity, ethnic or religious identity, religious belief, functional variation and sexual orientation. Diversity is to be taken into account, respected and reflected throughout the organisation.

Information and communication

A communications policy lays down the guidelines as to how communication should be conducted with Logistea's various stakeholder groups. The aim of the policy is to ensure effective, professional information provision and to ensure that all information responsibilities are carried out correctly and fully.

Internal communications is conducted via management team meetings at Group level, and via the line organisation. Providing information and communicating about risks and controls within the Group helps to ensure that business decisions are well informed. Another aim of internal communication is to ensure that every employee understands Logistea's values and business activities.

Logistea's governing documents – in the form of policies, guidelines and manuals – are, insofar as they relate to financial reporting, communicated primarily via the intranet and the Group's finance manual. The finance manual is continually updated to reflect changes in Logistea's business and changes driven by external requirements.

Monitoring

The Company is to continuously conduct evaluations to ensure that internal governance and control is working effectively and to identify the degree of goal achievement in changes effected. Failures in governance, control and risk management are to be communicated to the process owners concerned, who are responsible for taking remedial action, and to management and the Board as necessary.

Financial monitoring is performed quarterly at Group level. Performance is monitored against budget, the previous year and the most recent forecast.

Forecasts are produced quarterly, on the occasion of the interim reports. Performance is analysed by the finance department, deviation analysis is produced and any necessary actions are taken. The CFO reports to the CEO, who presents the Group's financial reports to the Board every quarter. The Audit Committee reviews management's financial reports and the auditor's opinions on an ongoing basis, and follows up on any shortcomings that have emerged, along with suggested actions. The Board continually evaluates the information provided by the CEO. To ensure an effective leadership process, the Board continually evaluated the CEO's work during the year, without anyone from management being present.

Internal audit

The Board has made the judgement that Logistea does not need a separate internal audit function over and above existing internal control processes and functions. Monitoring is performed by the Board and Group Management, and a view is taken that the level of control currently meets the Group's needs. An annual assessment is made as to whether an internal audit function is necessary to maintain effective control at Logistea.

Whistleblower function

Logistea's whistleblowing function is accessed via the Company's website. The whistleblower service is a warning system that allows employees and external stakeholders alike to anonymously report any deviations from Logistea's guidelines on professional ethics. The service is managed by an external party to ensure anonymity and professionalism.

Board of Directors



Patrik Tillman

Chairman of the Board since 2013 (Board member since 2004). Chair of the Remuneration Committee.

Born 1965

Education

Master of Science in Economics, Stockholm University. Diploma in Finance Analytics, IFL Sigtuna.

Other assignments

Chairman of the Board, PFG Group AB and Kanholmsfjärdens Marina Holding AB. Board member, Kloster Invest AB, Stocksund Financial Services AB, M2 Asset Management AB, and CEO and Board Member in Lenner & Partners Corporate Finance AB. Deputy Board member Aktiebolaget Kunzit and Lenner Corporate Finance Holding AB.

Former assignments

Chairman of the Board, Indiska Magasinet AB and BD Global Community AB. Board member, Recence Fastighets AB, Stocksunds Fastighets AB, Indiska Förvaltning AB and Singbox AB. Financial analyst, Alfred Berg Fondkommission AB.

Shareholding, and those of related parties*

53,355 Series A shares and 4,426,942 Series B shares.

Independent in relation to the Company and Management, as well as in relation to the Company's major shareholders.



Bengt Kjell

Deputy Chairman of the Board since 2021.

Born 1954

Education

Master of Science in Economics, Stockholm School of Economics.

Other assignments

Deputy Chairman in Pandox and Indutrade. Board member, Industrivärden, ICA Gruppen and the Dunkers Foundation.

Previous assignments

Chairman of the Board Amasten, Hemfosa, Nyfosa and Kungsleden. CEO, Handel och Industri, Deputy CEO and Acting CEO, Industrivärden.

Shareholding*

70,000 Series A shares and 600,000 Series B shares, plus 1,700,657 share options issued by one of the Company's major shareholders.

Independent in relation to the Company and Management, as well as in relation to the Company's major shareholders.



Sanja Batljan

Board member since 2021. Chair, Audit Committee. Member, Remuneration Committee.

Born 1967

Education

Master of Science in Economics, University of Mostar, Bosnia and Hercegovina/ University of Stockholm, and Executive Master of Finance, Mgruppen (Svenska managementgruppen AB).

Other assignments

CEO AB Nynäshamnshälsö, CEO Tegeltraven Holding AB, Chair, Swedish Red Cross Nynäshamn Branch, and Board member Kameo.

Previous assignments

Member of the Executive Council of SABO, CFO and Head of Administration, AB Nynäshamnshälsö and Controller Lunds Energi (now Kraftringen Energi).

Own holding and that of related parties*

2,790,033 Series A shares and 24,187,425 Series B shares.

Independent in relation to the Company and Management, but not in relation to major shareholders.



Stefan Hansson

Board member since 2022.

Born 1973

Education

Studies in Business Administration at the Gothenburg School of Economics and IHM Business School, Gothenburg.

Other assignments

Board member, HanssonGruppen Invest; Board member, Holding AB Knut Hansson.

Previous assignments

Board member of Kollberg & Hansson Förvaltnings AB, Board member, Studor Projektutveckling, Board member, Frölunda Hockey Club.

Own holding and that of related parties*

614,787 Series A shares and 6,995,921 Series B shares.

Independent in relation to the Company and Management, as well as in relation to the Company's major shareholders.

* Holding at the time of publication of the Annual Report.



Anneli Lindblom

Board member since 2022.
Member of the Remuneration Committee.

Born 1967

Education

Degree in Business Administration from Frans Schartaus Handelsinstitut, Stockholm.

Other assignments

CFO Pandox, Board member Haypp Group, Board member Avtalat.se

Previous assignments

Board member and Chair of the Audit Committee at Amasten Fastighets AB, Board member and Chair of the Audit Committee at Hemfosa and CFO of several listed companies.

Own holding and that of related parties*

1,055 Series A shares and 13,550 Series B shares.

Independent in relation to the Company and Management, as well as in relation to the Company's major shareholders.



Johan Mark

Board member since 2019.
Member of the Remuneration Committee.

Born 1974

Education

Master of Science in Economics, Karlstad University.

Other assignments

CFO Rahmqvist Group.

Previous assignments

Interim CFO for Houdini Sportswear AB, Royal Design Group Holding, Hummingbird Aviation Services. CEO and CFO/COO J. Lindeberg, Deputy CEO Indiska Magasinet, CFO Björn Borg AB, CFO Dynamic-code AB.

Own holding and that of related parties*

2,333 Series A shares and 23,333 Series B shares.

Independent in relation to the Company and Management, as well as in relation to the Company's major shareholders.



Caroline Thagesson

Board member since 2021.
Member of the Remuneration Committee.

Born 1980

Education

Bachelor of Science in Real Estate Science, Malmö University and courses in sustainable family forestry, Linné University, Växjö.

Other assignments

CEO Trenäs Förvaltning AB.

Previous assignments

Property developer, Trenäs Förvaltning AB. Franchisee, SkandiaMäklarna. Real estate agent, Bjurfors and Erik Olsson Fastighetsförmedling.

Own holding and that of related parties*

1,148 Series A shares and 8,608 Series B shares.

Independent in relation to the Company and Management, as well as in relation to the Company's major shareholders.

Auditor

The auditors are appointed by the shareholders at the Annual General Meeting. The auditors review the Company's annual accounts, consolidated accounts and financial statements, as well as the day-to-day management by the Board and the CEO. The 2022 AGM resolved to elect Ernst & Young Aktiebolag as the company's auditor for the period until the end of the next AGM.

The Key Audit Partner is Gabriel Novella. The external revision is performed in accordance with generally accepted auditing standards. The auditors have presented both oral and written reports to the Audit Committee and the Board regarding the audit assignment, as well as the review of the internal control.

Senior executives



Niklas Zuckerman

CEO since 2021.

Born 1976

Education

Master of Science in Engineering, KTH Royal Institute of Technology, Stockholm.

Background

Partner with responsibility for Savill's transaction advice in Sweden, previously similar role at Cushman & Wakefield and Partner at Catella Corporate Finance.

Own holding and that of related parties*

170,000 Series B shares. 1,045,000 share options, conferring the right to acquire Series B shares in Logistea (Incentive programme 2021/2025).



Anders Nordvall

Deputy CEO and Head of Transactions since 2021.

Born 1972

Utbildning

Master of Science in Engineering, KTH Royal Institute of Technology, Stockholm.

Background

Partner and Deputy CEO at Savills Sweden, Partner and CEO at Cushman & Wakefield Sweden, CEO Catella Corporate Finance.

Own holding and that of related parties*

108,000 Series B shares. 1,045,000 share options, conferring the right to acquire Series B shares in Logistea (Incentive programme 2021/2025).



Maléne Broman

Head of Property Management since 2022.

Born 1971

Education:

Courses in property management, property valuation and business analysis at KTH Royal Institute of Technology, Stockholm.

Background

Head of Property Management at Galjaden Fastigheter AB, Property Manager at Svea-Real, GE Real Estate and Kungsleden.

Own holding and that of related parties*

240 Series A shares and 2,400 Series B shares. 200,000 share options, conferring the right to acquire Series B Logistea shares (Incentive programme 2021/2025).

* Holding at the time of publication of the Annual Report.



Philip Löfgren

CFO since 2021.

Born 1990

Education

B.Sc. Business Administration, Stockholm University.

Background

CFO Estancia Logistik AB (publ), property developer Nordic Gatekeeper AB. Experience in transactions, property finances, and the financial management of real estate companies in warehousing and logistics since 2014.

Own holding and that of related parties*

1,200 Series A shares and 868,750 Class B shares. 480,000 share options, conferring the right to acquire Logistea Series B shares (incentive programme 2021/2025).



Tobias Lövested

Head of Finance and Business Development since 2021.

Born 1989

Education

Master of Science in Economics, Stockholm University and B.Sc. in Property and Finance from KTH Royal Institute of Technology, Stockholm.

Background

Previously worked at Jernhusen and Samhällsbyggnadsbolaget. Specialised in property development and financing.

Own holding and that of related parties*

500,000 Series B shares. 480,000 share options, conferring the right to acquire Series B Logistea shares (incentive programme 2021/2025).



Michela Westin

General Counsel sedan 2022.

Born 1989

Utbildning

Law School graduate, Stockholm University.

Background

Previously worked as a lawyer at Advokatfirman Cederquist.

Own holding and that of related parties*

15,000 Series B shares. 55,000 share options, conferring the right to acquire Series B Logistea shares (incentive programme 2021/2025).

Auditor's report on the corporate governance statement

To the general meeting of the shareholders of Logistea AB, corporate identity number 556627-6241

This is a translation from the swedish original

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2022 pages 36-47 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been 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.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm 03 April 2023/date of our electronic signature

Ernst & Young AB

Gabriel Novella
Authorised Public Accountant

The Logistea share

Logistea's share has been listed on Nasdaq Stockholm since June 2010 and on the Mid Cap List since 2022. On 31 December 2022 the Company's market capitalisation was SEK 1.4 billion.

Share capital

Logistea has two classes of shares, ordinary shares of Series A and B. Each A share entitles the holder to one vote and each B share to one tenth of a vote. Each person entitled to vote at a general meeting may vote for the full number of shares owned and represented by that person.

At year-end, the share capital amounted to SEK 60,527,029, represented by a total of 121,054,057 shares (96,289,172). Of these shares, 9,568,392 are Series A shares and 111,485,665 Series B shares. The quota value per ordinary share is SEK 0.5.

During the financial year, a total of 24,764,885 shares (24,395,805) were issued, of which 19,428,133 shares were issued in a rights issue in April and the remaining 5,336,752 in share placements to finance real estate acquisitions.

Market capitalisation and turnover

On 31 December 2022, the price paid for Series A shares was SEK 12.52 (49.50), and for Series B shares – which were first listed for trading on 22 November 2021 – SEK 11.90 (33.26). The prices paid on 31 December 2022 represented a market capitalisation of SEK 1.4 billion (3.3).

During the financial year, the average daily turnover of ordinary shares was 189,562 (910,260). Total turnover for Logistea shares was 48.0 million (101.7) at a value of SEK 1,297.7 million (1,553.5). The lowest price paid for LOGI A was SEK 10.45 (4 October 2022), and the highest price SEK 66.40 (3 January 2022). The lowest price paid for LOGI B was SEK 9.3 (24 October 2022), and the highest price SEK 35.1 (3 January 2022). In 2022, the share price for LOGI A showed a decline of 75 per cent, as against a rise of 227 per cent in 2021. In the 2022 financial year, the OMXSPI Index fell 25.2 per cent (33.4).

Change of price of Series A shares, 2022



Price of Series B shares in 2022



	Price paid, SEK		Rate of turnover, annualised, %		Average trading volume per trading day, MSEK	
	31 Dec 2022	31 Dec 2021	2022	2021	2022	2021
Series A shares	12.52	49.50	133	130	2.0	5.0
Series B shares	11.90	33.26	35	19	3.1	1.2

Share-based incentive programmes

Logistea operates an option programme for its key personnel and employees. In total, option holders own 4,180,000 share options of the 2021/2025 series, which runs for four years.

The share options were acquired by the option holders at a price of SEK 2.06 per option. The price was calculated using the Black & Scholes model. Each share option confers on the holder the right to acquire one (1) Series B share in the Company in the period from 1 December 2025 until up to and including 15 December 2025. The options become valuable when the price of the ordinary B share exceeds the strike price, which was SEK 28.80 at year-end.

The maximum number of additional Series B shares is estimated at no more than 4,180,000 shares, representing around 3.5 per cent of the total number of shares in the Company and 2.0 per cent of the total number of votes in the Company, corresponding to 3.7 per cent of the total number of Series B shares in the Company, provided the options are fully subscribed and fully exercised. In that case, the increase in the share capital will amount to no more than SEK 2,090,000.

Dividend policy

The Board aims to annually propose to the Annual General Meeting a dividend amounting to no less than 30 per cent of the Company's unappropriated profit. Over the next few years, the Board intends to prioritise growth over dividends, which may result in little or no dividend to holders of ordinary shares.

The Board intends to propose to the 2023 AGM that no dividend be distributed for the 2022 financial year. The Company distributed no dividend for the 2021 financial year.

Equity and net asset value

Equity per ordinary share amounted to SEK 15.4 (10.9) at the end of the financial year. Net asset value per ordinary share for the same period was SEK 16.9 (11.8). The share price of ordinary Series A shares at the time represented 81 per cent (454) of the equity per share and 74 per cent (419) of the net asset value per ordinary Series A share.

The share price of ordinary Series B shares represented 77 per cent (305) of the equity and 70 per cent (282) of the net asset value per ordinary Series B share.

Share ownership

On 31 December 2022, the number of shareholders in Logistea was 12,964 (14,594) according to Euroclear Sweden AB. Logistea's ten largest shareholders held shares representing 66.5 per cent (68.1) of the capital and 71.1 per cent (68.8) of the votes in the Company. On 31 December 2022, foreign ownership represented around 6.7 per cent on (7.6).

Key performance indicators per ordinary Series B share

Key performance indicators	2022	2021
Profit from property management per ordinary share, SEK	0.6	0.2
Earnings per ordinary share, SEK	2.8	3.7
Net asset value (NAV) per ordinary share, SEK	16.9	11.8
Equity per ordinary share, SEK	15.4	10.9
Share price per Series A ordinary share, SEK	12.5	49.5
Share price per Series B ordinary share, SEK	11.9	33.3

Ten largest shareholders, 31 December 2022

Ten largest shareholders	Logi A	Holding, %	Logi B	Holding, %	Capital, %	Votes, %	Reconciled
Ilja Batljan, directly or via companies	2,395,851	25.0	24,150,511	21.7	21.9	23.2	31/12/2022
Dragfast AB	3,074,888	32.1	8,700,000	7.8	9.7	19.0	31/12/2022
M2 Capital Management AB	434,226	4.5	11,215,214	10.1	9.6	7.5	31/12/2022
Stefan Hansson, directly or via companies	614,787	6.4	6,995,921	6.3	6.3	6.3	31/12/2022
Phoenix Insurance Ltd	-	0.0	7,787,705	7.0	6.4	3.8	31/12/2022
Karlskoga Industrifastighets AB	20,000	0.2	6,500,000	5.8	5.4	3.2	31/12/2022
Kattvik Financial Services AB	51,223	0.5	4,359,386	3.9	3.6	2.4	31/12/2022
Avere Fastigheter AB	267,917	2.8	1,362,948	1.2	1.3	2.0	31/12/2022
Trenäs Förvaltning AB	394,182	4.1	41,828	0.0	0.4	1.9	31/12/2022
Futur Pension	171,995	1.8	2,005,277	1.8	1.8	1.8	31/12/2022
Total, 10 largest shareholders	7,425,069	77.6	73,118,790	65.6	66.5	71.1	
Others	2,143,323	22.4	38,366,875	34.4	33.5	28.9	
Total	9,568,392	100.0	111,485,665	100.0	100	100.0	31/12/2022

Ownership structure, 31 December 2022

No. of shares	No. of shareholders	Shareholders, per country	No. of owners	Share of votes
1–500	10,179	Sweden	12,820	96%
501–1,000	1,023	Israel	1	4%
1,001–2,000	821	USA	3	0%
2,001–5,000	485	Denmark	45	0%
5,001–10,000	212	Finland	37	0%
10,001–50,000	166	Switzerland	6	0%
50,001–	78	Other countries	52	0%
Total	12,964	Total	12,964	100%

Shareholder category	No. of owners	Share of votes
Private individuals resident in Sweden	12,630	27%
Companies/institutions in Sweden	190	69%
Private individuals/institutions/ companies abroad	144	4%
Total	12,964	100%

Changes in share capital

Year	Transaction	Increase in no. of shares	Total no. of shares	Increase in share capital, SEK	Total share capital, SEK
2002	Foundation	1,000	1,000	-	100,000
2003	New share issue	110	1,110	11,000	111,000
2005	Share split, 100:1	109,890	111,000	-	111,000
2005	New share issue	11,000	122,000	11,000	122,000
2007	Share split, 41:1	4,880,000	5,002,000	-	122,000
2007	Bonus share issue		5,002,000	378,200	500,200
2007	New share issue	750,000	5,752,000	75,000	575,200
2018	New share issue	2,667,333	8,419,333	266,733	841,933
2019	New share issue	500,000	8,919,333	50,000	891,933
2019	New share issue	5,946,222	14,865,555	594,623	1,486,556
2020	New share issue	22,903,427	37,768,982	2,290,343	3,776,898
2020	New share issue	17,326,778	55,095,760	1,732,678	5,509,576
2020	New share issue	16,797,607	71,893,367	1,679,760	7,189,336
2021	New share issue	3,837,500	75,730,867	383,751	7,573,087
2021	New share issue	926,735	76,657,602	92,673	7,665,760
2021	New share issue	2,166,667	78,824,269	216,667	7,882,427
2021	New share issue	912,330	79,736,599	91,233	7,973,660
2021	New share issue	1	79,736,600	0	7,973,660
2021	Reduction of share capital	-	79,736,600	-3,986,830	3,986,830
2021	Bonus share issue	797,366,000	877,102,600	39,868,300	43,855,130
2021	New share issue	62,400,000	939,502,600	3,120,000	46,975,130
2021	Reverse share split, 1:10	-845,552,340	93,950,260	-	46,975,130
2021	New share issue	2,338,912	96,289,172	1,169,456	48,144,586
2022	New share issue	488,569	96,777,741	244,285	48,388,871
2022	New share issue	362,925	97,140,666	181,463	48,570,333
2022	Rights issue	19,428,133	116,568,799	9,714,067	58,284,400
2022	New share issue	1,285,258	117,854,057	642,629	58,927,029
2022	New share issue	3,000,000	120,854,057	1,500,000	60,427,029
2022	New share issue	200,000	121,054,057	100,000	60,527,029

EPRA

In order to improve accessibility for investors and analysts in Sweden and abroad, Logistea publishes key performance indicators in line with those of EPRA, the European Public Real Estate Association. EPRA establishes a standard for the reporting of key performance indicators to allow for greater comparability in financial reporting by real estate companies. Logistea's annual report uses the key performance indicators EPRA EPS – Earnings Per Share, EPRA NAV – Net Asset Value, EPRA NRV – Net Reinstatement Value, EPRA NTA – Net Tangible Assets, EPRA NDV – Net Disposal Value and EPRA NIY – Net Initial Yield. For more information on how the key performance indicators are calculated, please see page 96.

	MSEK	SEK/share
Equity, in accordance with IFRS	1,864	15.4
Net asset value, EPRA NAV	1,864	15.4
<i>Reversal</i>		
Deferred tax on properties and derivatives	185	1.5
Net fair value of derivatives	-9	0.0
Net asset value, EPRA NAV	2,040	16.9
<i>Deductions</i>		
Estimated actual deferred tax, 5.15% ¹	-162	-1.4
Intangible assets	-1	0.0
Net asset value (NAV), EPRA NTA	1,877	15.5
<i>Reversal</i>		
Derivatives, as above	9	0.0
Deferred tax in full	-23	-0.1
Intangible assets	1	0.0
Net asset value, EPRA NDV	1,864	15.4

¹ Estimated actual net deferred tax liability is calculated at 5.15%, which is based on the market practice of deducting 25% of the deferred tax liability of 20.6%. It has also been assumed that tax loss carry-forwards are claimed with nominal tax relief at 20.6%.

Management Report

Management Report

The Board of Directors and the Chief Executive Officer of Logistea AB (publ), corporate identity no. 556627-6241, registered office in Stockholm, Sweden, hereby present their report for the Group and the Parent Company for the 2022 financial year.

Mission, goals and strategy

The Company's vision is to be the long-term partner of choice for companies seeking sustainable and modern premises for warehousing, logistics and light industry. The vision is realised via the Company's mission, to acquire, develop and manage properties and land.

The Company has an ambitious growth plan with the target that the value of the real estate portfolio will exceed SEK 15 billion by year-end 2024. The Company's strategic priorities are as follows:

- To acquire properties and sites for development in attractive locations in Sweden, and eventually in the other Nordic countries, suitable for warehousing, logistics and light industry.
- To continually develop the existing real estate portfolio and to carry out new construction and expansion of properties on our own land.
- To prioritise a well-diversified customer base with financially stable tenants and long lease terms.
- To operate a resource-efficient business, enabled by digitalisation and technology, and to take environmental impacts and social sustainability into account in all business decisions.

Operational targets

- Real estate portfolio value to exceed SEK 15 billion by year-end 2024.
- To complete no less than 25,000 square metres of new lettable space annually.
- To have 50 per cent of property operations digitalised by year-end 2026.
- To have 50 per cent of the debt portfolio consisting of green finance by year-end 2026.

Financial targets and risk mitigations

- Profit from property management per ordinary share to increase by on average no less than 10 per cent annually over a five-year period.
- Net asset value per ordinary share to increase by on average no less than 12 per cent annually over a five-year period.

- The long-term loan-to-value ratio to amount to no more than 60 per cent.
- The interest coverage ratio to be in excess of 1.8.

Sustainability goal

The Company has a clearly stated goal of contributing to UN Agenda 2030 and thus acting to support a sustainable society and protect the environment.

In the Company's judgement, its greatest opportunities for impact are in goals 7 (Affordable and Clean Energy), 8 (Decent Work and Economic Growth), 9 (Industry, Innovation and Infrastructure), 11 (Sustainable Cities and Communities), 12 (Responsible Consumption and Production) and 13 (Climate Action). In early 2022, Logistea signed up to the UN Global Compact. In 2023, the Company intends to deepen and develop its efforts towards the selected sustainability goals in dialogue with the Company's stakeholders. For more information, please refer to the Sustainability Report on pages 22–29 in this Annual Report.

Real estate portfolio

On 31 December 2022, Logistea's real estate portfolio was valued at SEK 4,623 million (2,607), comprising 68 investment properties (41) with total lettable space of 555,390 square metres (301,080). All properties are valued every quarter using cash-flow valuations.

All properties are valued externally at least once every year. During the year, 100 per cent of the real estate portfolio was externally valued. In the fourth quarter, 100 per cent of cash flow generating properties were externally valued, 94 per cent of the total portfolio. The remaining 6 per cent, consisting of project properties, were valued internally. During the period covered by the report, the Company engaged Cushman & Wakefield, Savills and Newsec. Logistea regularly collects market information from external valuation institutes, to support its internal valuation process. The average yield on 31 December 2022 of the Group's investment properties was 6.2 per cent (6.0).

Acquisitions

In 2022, Logistea acquired 29 investment properties with an underlying real estate value of SEK 1,489 million. Since the balance sheet date, acquisitions of properties with a combined value of SEK 292 million have been closed.

Divestment

In 2022, Logistea divested two investment properties with an underlying value of SEK 8.4 million.

Classification of acquisitions

The real estate acquisitions transacted in the form of acquisitions of companies are classified, as required by IFRS, as asset acquisitions.

Project development

In 2022, Logistea invested SEK 196 million (161) in refurbishment, new construction and extensions in both new and existing properties. All project properties, where SEK 93 million remains of the total estimated investment of SEK 190 million, are fully let with anticipated net operating income of SEK 15 million. The lettable area of the properties totals 14,520 square metres.

Divestment of the fashion business

During 2021, the fashion business was divested from the Parent Company to a subsidiary via transfer of net assets. The subsidiary, Odd Molly Sverige AB, was sold to a listed company MBRS Group AB (formerly We aRe SpinDye AB). Under the transaction, Logistea received new shares issued in MBRS representing around 53 per cent of the total number of shares outstanding.

At an extraordinary general meeting held in October 2021, a resolution was passed to distribute the shares in MBRS to Logistea's shareholders, through a "Lex Asea" distribution.

The divestment resulted in Logistea separating, in the income statement and statement of cash flows, the profit and cash flow that was attributable to the divested business.

Profit

Profit after tax totalled SEK 318 million (293), of which SEK 323 million (317) is attributable to the remaining business. During the year, changes in the value of properties amounted to SEK 339 million (378).

Income

The Group's income for the period totalled SEK 257 million (93). Contracted rental income for the real estate portfolio was SEK 298 million (154) in investment properties.

Logistea serves a well-diversified customer base of more than 150 tenants, with an average remaining lease term of 7.8 years (6.2). An economic occupancy rate was 98.1 per cent (95.2) was recorded.

Property expenses and net operating income

The Group's property expenses totalled SEK 71 million (28), as a result of expansion in the real estate portfolio. Net operating income was SEK 186 million (65) and the Group recorded a surplus ratio of 72 per cent (70). The adjusted surplus ratio, in which net operating income is expressed as a percentage of rental income excluding rent surcharges, was 86 per cent (80).

Central administration

Central administration expenses totalled SEK 38 million (24), showing the effect of a larger organisation and a larger real estate portfolio.

Net financial income

Net financial income totalled SEK 75 million (23), consisting for the most part of interest expenses on bank loans, bonds and promissory notes. At year-end, the interest rate averaged 4.8 per cent (3.1).

Profit from property management

The profit from property management totalled SEK 73 million (18).

Changes in the value of properties

Changes in the value of properties during the year amounted to SEK 339 million (378), consisting solely of unrealised value changes. The changes in value are largely due to higher yield requirements arising from changes in market conditions, but also the Company's development projects.

Tax

Tax for the financial year was SEK -97 million (-79). Current tax totalled SEK -3 million (-1) and deferred tax SEK -94 million (-78).

Interest-bearing liabilities

On 31 December, Logistea's interest-bearing liabilities excluding financing expenses amounted to SEK 2,605 million (1,686). Interest-bearing net debt, after deductions of interest-bearing receivables totalling SEK 0 million (10) and cash and cash equivalents of SEK 52 million (218), amounted to SEK 2,553 million (1,458). Of total outstanding liabilities, 79 per cent (66) was secured financing.

During 2021, a bond of SEK 500 million was issued within a total financing framework of SEK 1,000 million. The bond matures in September 2024.

Equity and financial position

The Group's equity at the end of the period totalled SEK 1,864 million (1,049), equal to SEK 15.4 per ordinary share (10.9). The net asset value per share (NAV) was SEK 16.9 (11.8).

Cash flow and cash and cash equivalents

The Group's cash flow from operating activities was SEK 76 million (-5), of which the divested business accounted for SEK -5 million (-24).

Cash flow from investing activities totalled SEK -682 million (-493), impacted by acquisitions and investments in existing properties.

Cash flow from financing activities was SEK 440 million (658). Loans raised during the year totalled SEK 1,072 million (1,257) and amortised loans SEK 970 million (642).

Cash and cash equivalents at year-end totalled SEK 52 million (218).

Parent Company

The Group's Parent Company is Logistea AB (publ). The Parent Company does not own any properties. Instead, its business comprises managing issues relating to the securities market and conducting Group-wide operating functions, such as administration, transactions, management, project development, legal affairs, marketing, accounting and financing. The costs are charged to the subsidiaries on a quarterly basis. Services between Group companies are charged at market rates and on commercial terms. Transactions internal to the Group consist of charges for property management services and Group interest rates.

The Parent Company's pre-tax profit amounted to SEK –3 million (-115). Net turnover for the financial year totalled SEK 74 million (27), consisting largely of internal Group revenue. Income from financial items amounted to SEK –8 million (115), mainly profit realised from the sale of shares in Odd Molly Sverige AB (the fashion business) to MBRS Group AB.

Organisation

On 31 December 2022, Logistea had 17 employees (9), 7 men (5) and 10 women (4). All were employees of the Parent Company.

Guidelines for remuneration to senior executives

The Board proposes not to make any changes to the guidelines for remuneration to senior executives.

Logistea's share and shareholders

Information about Logistea's share and shareholders is provided on pages 49–52.

Significant events during the financial year

Among significant events during the financial year, Logistea acquired properties in the warehousing, logistics and light industry segments. For more information about significant events during the year, please refer to page 2.

Significant events after the financial year-end

Information about significant events after the financial year-end is provided in Note 30.

Risks and uncertainties

On pages 57–61, Logistea describes risks and risk management in the following areas: business environment, transactions and investments, property management and real estate portfolio, employees and suppliers, environment, financial risks and operational risks. More information about financial risk management is provided in Note 18.

Legal structure

On 31 December 2022, the Group consisted of 83 companies (51). All properties are held via subsidiaries. All of the subsidiaries are owned 100 per cent, except one minor dormant company in which Logistea owns 95 per cent of the shares.

Corporate governance

Logistea is a Swedish listed limited liability company. Its registered office is in Stockholm. The framework for corporate governance at Logistea consists of the Company's Articles of Association, the Swedish Companies Act and other applicable laws and regulations. Logistea applies the Swedish Corporate Governance Code (the Code), the overall aim of which is to contribute to improved governance of Swedish companies whose shares are listed for trade on a regulated market.

Board of Directors

According to the Articles of Association, the number of Board members elected by the general meeting shall be no less than three and no more than ten, with no deputies. Information about the Board of Directors is provided on pages 44–45 as well as in the Corporate Governance Report on pages 36–47.

Auditor

Registered public accounting firm Ernst & Young AB, with Authorised Public Accountant Gabriel Novella as Key Audit Partner, has served as the Company's auditor since 2022. During the 2022 financial year, Logistea's auditor attended one Board meeting of the Company.

Proposed distribution of unappropriated profit

The following unappropriated profit is at the disposal of the Annual General Meeting, SEK:

Retained earnings	1,096,655,235
Profit/loss for the year	–3,383,458
Total	1,093,271,777

The Board of Directors proposes that the unappropriated profit be distributed as follows:

To be carried forward	1,093,271,777
Total	1,093,271,777

Risks and risk management

Logistea is continually exposed to a range of risks that may affect the Company's future operations, earnings and financial position. Logistea's systematic risk analysis focuses on preventing risks, as well as evaluating how risk management can be turned into opportunities.

Category of risk	Consequence	Probability	Management of risk
Business environment			
Business cycle	4	3	Diversified tenant structure and prioritisation of financially stable tenants
Infrastructure changes	2	1	Analysis and multiple transport modalities
Demand	3	2	Diversified structure for tenants
Geopolitical developments	3	3	Continuous analysis of market situation
Taxes	4	2	Independent tax expertise
Transactions and investments			
Acquisitions	2	2	Expertise and control
Sales	1	1	Descriptions of risk and limited-period guarantees
Projects	3	2	Capital efficiency with building rights and options
Management and real estate portfolio			
Rental income and rental growth	2	2	Long lease terms and CPI-adjusted leases
Rising operating and maintenance costs	2	3	High share of onward charging of operating costs
Change of value in properties	3	2	Accurate market and tenant analysis
Employees and suppliers			
Operational risk	2	2	Internal control and established models
Organisational risk	2	2	Market-based conditions and incentive programme
Compliance and business ethics	2	1	Policies and training
Environment			
Operational environment risks	2	2	Environmental analyses
Physical risks linked to climate change	2	2	Expertise and analysis
Financial risk			
Financing	4	3	Multiple sources of finance
Liquidity risk	3	2	Longer capital commitment periods and multiple sources of finance
Credit risk	2	2	High degree of diversification
Interest rate risk	4	3	Diversified maturity structure higher level of interest rate hedging
Operational risk			
IT disruptions	1	1	Cloud-based solutions
GDPR	3	1	Agreements are managed and archived in accordance with legislation

Logistea categorises risks and uncertainties relevant to the Company in seven categories, and evaluates them on the basis of potential consequences and probability on a five-point scale, where 1 is low and 5 high consequence/probability.

- Business environment
- Transactions and investments
- Management and real estate portfolio
- Employees and suppliers
- Environment
- Financial risk
- Operational risk

Logistea is exposed to a range of risks that may become material to the Company's future activities, earnings and financial position. The Company focuses actively on identifying and managing the risks and opportunities that are relevant to the Company's business. The Board of Directors are ultimately responsible for risk management at Logistea, while operational responsibility is delegated to the CEO. There are established policies, instructions

and mandates in place, which are regularly followed up, to counter risks identified that may arise in the business and from aspects of behaviour that could affect the Logistea brand and trust in the Company. Risks that arise from events beyond the Company's control and that could lead to a cessation of activities, are continually assessed. Logistea has classified the Company's risks and risk management as follows:

Business environment

Risk	Description	Risk management – how to prevent or mitigate the risk
Business cycle	Macroeconomic risks refer to risks associated with a general decline in demand in the economy, low inflation or deflation, or general difficulties in obtaining financing or only being able to obtain financing at high credit margins.	Monitoring the business environment. Strong balance sheet and low loan-to-value ratio. Well-structured lease portfolio with diversification in periods to termination, industry, types of premises, lease size and geography. Protection against deflation or minimal uprating in lease agreements. Multiple sources of finance. Real estate portfolio focused in markets that are growing. Natural macroeconomic mechanism for security, with higher/lower interest rates and rental income, though with a certain time delay.
Infrastructure changes	Logistea's tenants are dependent on proximity to and security of access to regional goods flows. Changes in conditions for access to motorways, railways, ports and airports due to lack of maintenance, major damage or political decisions may affect these goods flows.	Logistea continually engages in analyses and studies and actively monitors its business environment to protect its interests and those of its tenants. An important aspect of evaluating current and future logistics locations is diversity of transport modalities for better spread of risk, from both a financial and a sustainability perspective.
Demand	Global trade conflicts or other international political tensions are examples of changes in society that may impact on trade routes and trade patterns. This may in turn affect the conditions for Logistea's activities.	Logistea continually engages in analyses and studies and actively monitors its business environment to protect its interests and those of its tenants. Logistea has a wide range of customers.
Geopolitical developments	The war in Ukraine, which broke out at the end of February 2022, brought increased risks of impact on the global economy, with further cost inflation and volatility on the capital market.	Even if Logistea is not directly exposed financially to any of the countries involved, the Company may be indirectly affected by the changes in the security situation and their implications for the market. Change may also benefit Logistea's business, as tenants may relocate warehousing and production back to Sweden.
Taxes	Changes have been made to, or proposed for, tax law in recent years, primarily in the area of deductions for interest rate expenses and "packaging" in acquisitions. There is a risk of further regulatory changes. Draft government legislation (SOU 2017:27) will, if adopted, probably affect future taxation of real estate investments. The legislation proposes changes to current income tax, stamp duty and capital gains tax. Under the proposals, a deferred tax liability arising from the difference between the taxable residual value and the market value of a property will be taxed in the event of certain ownership changes by a real estate owning company, and indirect sales of properties will be subject to stamp duty. If the proposals are passed in their current form, tax will be payable on all of the Company's divestments of real estate owning companies in the future.	Management of fiscal issues at Logistea is based on interpretations of current and relevant tax legislation and other tax regulations, as well as on statements by the Swedish Tax Authority. The Company also obtains advice regularly on these issues from independent tax experts.

Transactions and investments

Risk	Description	Risk management – how to prevent or mitigate the risk
Acquisitions	Property acquisitions are part of the Company's day-to-day business and by their nature involve uncertainties. In the acquisition of properties, risks include future loss of tenants, environmental conditions, limitations to rights-of-use and technical failures. In the acquisition of real estate companies, further risks include taxes and legal disputes.	Logistea avoids risks by ensuring that it performs relevant checks and investigations and by ensuring that the right skills are present in the organisation or can be recruited as needed. Logistea always requires the seller to furnish satisfactory, customary guarantees.
Sales	With changes in patterns of consumption and movements of goods etc., after some time logistics properties become better suited to other uses. Logistea will sell properties such as these to a responsible buyer. Other divestments are driven by the desire of individual tenants to own the property in which they are operating.	In addition to having a well-structured sales process for selling properties to responsible buyers, the focus is on describing and managing the risks such as to ensure that the guarantees provided in connection with the sale are covered. When selling real estate companies, it is also normally guaranteed that there are no tax disputes or other legal disputes that may come to burden the company in the future. Such guarantees are normally limited in time.
Projects	Logistea engages in active project development in both new construction and refurbishment, which is important to the Company's continued growth. Investments are often made several years before the finished property can be put to use. Risks relating to project development include weather conditions during construction, lack of expertise/continuity in project management or construction and government decisions that may be delayed or cancelled (for example, in the planning process).	Cost control and follow-up of calculations are important instruments in identifying and mitigating such risks. Building rights and options are a capital-efficient method for ensuring a real estate portfolio that can be activated when the time is right and a tenant is in place.

Management and real estate portfolio

Risk	Description	Risk management – how to prevent or mitigate the risk
Rental income and rental growth	Logistea's revenues are affected by the long-term demand for warehousing, logistics and light industry premises, the occupancy rate of the properties and the rent levels obtained. The rent-level risk is attributable to trends in current market rents.	To limit Logistea's exposure to vacancies and rent losses, Logistea strives for long-term customer relationships and to prioritise tenants with a high credit-worthiness, even if this may result in somewhat lower earnings. This is of particular importance in relation to major tenants. Logistea continually engages in renegotiations of existing leases in order to minimise risk in the short term. Leases with terms longer than three years normally include provision for rent uprating linked to the consumer price index, which is to say that they are fully or partly inflation-adjusted.
Rising operating and maintenance costs	The operating costs that are of greatest importance are electricity and heating costs for the properties, as well as property tax expenses. Insofar as costs increase cannot be offset through changes to leases, they may negatively affect the Company's earnings. Where vacancies occur, the Company's earnings are affected not just by lost rental income but also by energy costs etc., which had previously been paid by tenants.	Terms and conditions for leases on premises for warehousing, logistics and light industry are often characterised by relatively major responsibilities for operations and maintenance being borne by the tenants. The majority of costs involved are charged to tenants directly or on charged onward by Logistea at cost. Logistea's exposure to changes in operating costs is thus relatively limited.
Change in value of the properties	Logistea recognises its real estate portfolio at fair value in accordance with the accounting standard IAS 40 Investment properties, according to which the book values of the properties at consolidated level correspond to their estimated market value. As a result, declining market values of the Company's properties may negatively affect both the Company's income statement and balance sheet. Declining market values may result from a deterioration in the general economy, rising interest rates or from property-specific circumstances such as tenant vacancies, a decline in technical standard or accidents resulting in material damage. In addition, the Company's Management must make judgements and assumptions that affect real estate valuations, as well as the asset and liability items and income and expense items recognised in the annual accounts, and other disclosures. Actual outcomes may differ from these judgements.	A detailed market and tenant analysis is based <i>inter alia</i> on transaction history and the tenant's financial position, which form the basis of Logistea's property valuations. Wide-ranging experience reduces the risk of impaired real estate values, which are also balanced by good opportunities for earnings. Logistea conducts internal and external valuations of its properties every quarter. Logistea's internal valuations are based on external valuations and transactions completed.

Employees and suppliers

Risk	Description	Risk management – how to prevent or mitigate the risk
Operational risk	Logistea may, within the scope of its day-to-day operations, incur losses due to inadequate routines and failures of control.	Fit-for-purpose administrative systems, effective internal control, skills development and access to standardised valuation and risk models form a solid base for reducing operational risk. Logistea strives continually to develop the Company's administrative security and control.
Organisational risk	Logistea's future development depends to a high degree on the knowledge, experience and commitment of its Management and other key individuals. The Company could be negatively affected if one or several key individuals were to leave their employment.	Employment agreements are deemed to have been entered into on competitive conditions, and the Board intends to establish an ongoing incentive programme to attract new talent and retain current employees.
Compliance and business ethics	Shortcomings in compliance may result in financial losses, regulatory sanctions and reputational losses. Some regulations are open to interpretation (IFRS), meaning that a supervisory authority and Logistea may have differing interpretations. Risks also exist relating to the work environment, business ethics and human rights risks. Logistea may be affected by these risks through the actions of employees or contractors.	Training in policies for all personnel. Acceptance of Logistea's Code of Conduct for Suppliers is a requirement in agreements.

Environmental risk

Risk	Description	Risk management – how to prevent or mitigate the risk
Operational environment risks	Under current environmental legislation, responsibility relating to pollution and other environmental damage is based on the assumption that the operating entity is responsible. Logistea is not engaged in any activities that require a special permit under the Swedish Environmental Code. However, Logistea may have tenants conducting operations that require a permit, and thus are operators as defined in the Swedish Environmental Code. However, if the operator cannot carry out or pay for remediation of a property, the entity that acquired the property and at the time of the acquisition knew of or should have discovered the pollution, is responsible. This means that, in certain situations, Logistea may be found liable to carry out remediation relating to a suspected or confirmed case of pollution in land, water areas or aquifers for the purpose of bringing the property into such condition as is required by the Swedish Environmental Code. Such requirements may affect Logistea negatively.	It is important that the property owner and the operator work together on issues bearing on the environmental impact of a business. Where appropriate, Logistea performs environmental analyses of the properties that the Company is considering acquiring.
Physical risks linked to climate change	Higher sea levels or other changes in the physical environment could cause damage to Logistea's properties. As a result, increased investment may be required for properties in affected areas. Climate changes may also lead to increased operating costs. There is also a risk that investments may turn out to be unprofitable if climate risk is not taken into account. In addition, decisions on environmental policy may affect Logistea, not least in the form of increased taxation or mandatory investments.	Logistea monitors changes in climate laws and regulations. The Company also takes potential future environmental impacts into account when acquiring and developing new properties.

Financial risk

Risk	Description	Risk management – how to prevent or mitigate the risk
Financing	Logistea's financing consists in the main of equity and interest-bearing liabilities. The Company's long-term financing consists primarily of bank and bond loans. Conditions in the capital or credit markets may change and as a result refinancing for existing liabilities may become unavailable or impossible to arrange on reasonable terms.	To limit the refinancing risk, Logistea seeks to maintain a low proportion of short-term interest-bearing financing, and to refinance long-term liabilities in good time. Logistea strives to employ several different sources of finance and to maintain a diversified and long capital commitment period for its interest-bearing liabilities. Collectively, this approach is regarded as limiting the Company's refinancing risk.
Liquidity risk	Logistea has a positive cash flow from its operations and a limited need for refinancing over the next few years.	Logistea endeavours to maintain a longer capital commitment period and carries out internal liquidity forecasts to control liquidity risk.
Credit risk	Logistea's principal counterparty risk is that tenants may be unable to fulfil their payments in accordance with their leases.	Logistea is well-diversified in terms of the geographical spread of its real estate portfolio and the sectors in which its tenants operate. Logistea's leasing structure helps to mitigate the risk of vacancies and rental losses.
Interest rate risk	Interest rates are the Company's biggest ongoing expense. Interest rate risk is defined as the risk that changes to interest rates will affect the cost of financing for Logistea. Interest rate risk arises from changes in current interest rates. Conditions on the interest rate market, and in turn for interest rates, may change. The monetary policy of the Swedish Central Bank, expectations of economic growth – internationally and nationally – and unexpected events all affect interest rates.	To reduce Logistea's exposure to rising interest rates, the Company operates a diversified maturity structure. In 2022, Logistea focused actively on hedging a significant share of its loan portfolio via various types of financial derivatives.

Operational risks

Risk	Description	Risk management – how to prevent or mitigate the risk
IT disruptions	Operating disruptions or targeted attacks (denial-of-service attacks, ransomware and the like) may affect Logistea's operational and IT security.	As far as possible, the Company uses cloud-based solutions.
GDPR	Logistea processes a variety of personally identifiable information, mainly in the form of information about representatives of current tenants and employees, in both electronic and physical formats. The information is processed above all for the purposes of entering into and executing employment and lease agreements. If the Company's systems for processing such data are hacked, if the Company has shortcomings in its processing of personal information or if it fails to comply with provisions of GDPR, it may be liable for substantial fines.	Agreements and personal information are handled and archived in accordance with GDPR legislation.

Consolidated financial statements

Consolidated income statement

MSEK	Note	2022	2021
Rental income	2	257	93
Property expenses	3	-71	-28
Net operating income		186	65
Central administration	3, 4, 5	-38	-24
Financial income	6	5	0
Financial expenses	6	-80	-23
Profit from property management		73	18
Changes in value of properties	10	339	378
Changes in value of derivatives		8	-
Profit before tax		420	396
Current tax	7	-3	-1
Deferred tax	7	-94	-78
Profit for the year from remaining operations		323	317
Profit/loss for the period from divested business	8	-5	-24
Profit for the year		318	293
<i>Profit for the period attributable to:</i>			
Parent Company's shareholders, remaining operations		323	317
Parent Company's shareholders, divested business		-5	-16
Non-controlling interests		-	-8
Total		318	293
<i>Earnings per share:</i>			
	20		
Earnings per share, basic, calculated on profit/loss for the year from remaining operations, attributable to Parent Company's shareholders, SEK		2.86	3.73
Earnings per share, basic, calculated on profit/loss for the year, attributable to Parent Company's shareholders, SEK		2.82	3.49
Earnings per share, diluted, calculated on profit/loss for the year from remaining activities attributable to Parent Company's shareholders, SEK		2.82	3.73
Earnings per share, diluted, calculated on profit/loss for the year attributable to Parent Company's shareholders, SEK		2.78	3.49

Consolidated statement of comprehensive income

MSEK	Note	2022	2021
Profit for the year		318	293
Items that may be reclassified as profit/loss for the year			
Translation differences etc.		1	-4
Comprehensive income for the year		319	289
<i>Comprehensive income for the year attributable to:</i>			
Parent Company's shareholders, remaining operations		323	317
Parent Company's shareholders, divested business		-4	-20
Non-controlling interests		-	-8
Total		319	289

Consolidated statement of financial position

MSEK	Note	31/12/2022	31/12/2021
Assets			
Non-current assets			
Intangible assets	9	1	1
Investment properties	10	4,623	2,607
Rights-of-use assets	11	12	2
Equipment	12	5	0
Derivatives	27	10	-
Financial assets	13	1	1
Total non-current assets		4,652	2,611
Current assets			
Trade receivables	14	18	6
Tax assets		6	3
Other receivables	15	62	65
Prepaid costs and accrued income	16	25	8
Cash and cash equivalents	17	52	218
Total current assets		163	300
TOTAL ASSETS		4,815	2,911
EQUITY AND LIABILITIES			
Equity attributable to Parent Company's shareholders, MSEK	26		
Share capital		61	48
Other contributed capital		1,291	808
Other reserves		-	-1
Retained earnings (incl. profit for the year)		512	194
Total equity		1,864	1,049
Non-current liabilities			
Interest-bearing liabilities	18, 27	2,505	1,514
Lease liabilities	11	10	-
Deferred tax liabilities	7	185	90
Total non-current liabilities		2,700	1,604
Current liabilities			
Interest-bearing liabilities	18, 27	100	172
Trade payables		28	29
Tax liabilities		5	4
Lease liabilities	11	2	2
Other liabilities		53	20
Accrued expenses and deferred income	19	63	31
Total current liabilities		251	258
TOTAL EQUITY AND LIABILITIES		4,815	2,911

Consolidated statement of changes in equity

Equity, MSEK	Note	Attributable to owners of Parent Company			Non-controlling interests	Total equity
		Share capital	Other contributed capital	Retained earnings incl. profit for the year		
Opening equity, 1 January 2021		7	525	3	-65	470
Profit for the year		-	-	-	301	293
Other comprehensive income for the year		-	-	-4	-	-4
Total comprehensive income		-	-	-4	301	289
<i>Transactions with shareholders</i>						
New share issue		41	276	-	-	317
Issue expenses		-	-1	-	-	-1
Tax on issue expenses		-	0	-	-	0
Share options		-	8	-	-	8
Non-cash issue, acquisition of MBRS Group		-	-	-	143	143
Divestment of holding in MBRS Group		-	-	-	-185	-177
Total transactions with shareholders		41	283	-	-42	290
Closing equity, 31 December 2021		48	808	-1	194	1,049
Opening equity, 1 January 2022		48	808	-1	194	1,049
Profit for the year		-	-	-	318	318
Other comprehensive income for the year		-	-	1	-	1
Total comprehensive income		-	-	-	318	319
<i>Transactions with shareholders</i>						
New share issue/non-cash issue		13	495	-	-	508
Issue expenses		-	-14	-	-	-14
Tax on issue expenses		-	2	-	-	2
Share options		-	0	-	-	0
Total transactions with shareholders		13	483	-	-	496
Closing equity, 31 December 2022		61	1,291	-	512	1,864

Consolidated statement of cash flows

MSEK	Note	2022	2021
Cash flow from operating activities			
Net operating income, remaining operations		186	65
Central administration expenses, remaining operations		-38	-24
Operating income from divested business	29	-5	-24
Adjustments for non-cash items		1	11
Interest received		4	0
Interest paid		-67	-17
Income tax paid		-6	-1
Cash flow from operating activities before changes in working capital		75	10
Cash flow from changes in working capital			
Increase(-)/Decrease(+) in inventories		-	-22
Increase(-)/Decrease(+) in current receivables		-7	-36
Increase(+)/Decrease(-) in current liabilities		8	43
Cash flow from operating activities		76	-5
Cash flow from investing activities			
Investments in existing properties		-196	-161
Acquisition of subsidiaries		-484	-331
Asset disposals via subsidiaries		4	-
Changes in other non-current assets		-6	-1
Cash flow from investing activities		-682	-493
Cash flow from financing activities			
New share issue		350	39
Issue expenses		-12	-1
Employee share options		0	8
Loans raised	28	1,072	1,256
Amortisation of loans	28	-970	-642
Amortisation of lease liability	28	-	-2
Cash flow from financing activities		440	658
Decrease/increase in cash and cash equivalents			
Cash flow for the year		-166	160
Cash and cash equivalents at beginning of year		218	58
Cash and cash equivalents at year-end		52	218

Parent Company financial statements

Parent Company income statement

MSEK	Note	2022	2021
Net turnover		74	27
Administration expenses	4, 5	-63	-32
Operating profit		11	-5
Profit from shares in Group companies		4	124
Interest income and similar items	6	77	11
Interest expenses and similar items	6	-89	-20
Impairment/reversal of earlier impairment		-	0
Profit after financial items		3	110
Appropriations		0	5
Profit before tax		3	115
Tax	7	-6	0
Profit for the year		-3	115

Parent Company's statement of comprehensive income

MSEK	Note	2022	2021
Profit for the year		-3	115
Items that may be reclassified as profit/loss for the year		-	-
Translation differences etc.		-	-
Comprehensive income for the year		-3	115

Parent Company balance sheet

MSEK	Note	2022	2021
ASSETS			
<i>Non-current assets</i>			
Intangible assets			
Capitalised expenditure on software	9	1	1
Total intangible assets		1	1
Property, plant and equipment			
Equipment	12	2	0
Total non-current assets		2	0
Financial assets			
Shares in Group companies	21	933	791
Receivables from Group companies	22	2,101	1,104
Deferred tax asset		-	6
Total financial assets		3,034	1,901
Total non-current assets		3,037	1,902
<i>Current assets</i>			
Trade receivables	14	2	-
Receivables from Group companies	22	215	218
Tax assets		1	2
Other receivables	15	4	17
Prepaid costs and accrued income	16	5	3
Cash and bank deposits		33	150
Total current assets		260	390
Total assets		3,297	2,292
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital		61	48
Statutory reserve		2	2
Total restricted equity		63	50
<i>Unrestricted equity</i>			
Share premium reserve		1,283	800
Retained earnings		-187	-303
Profit for the year		-3	115
Total unrestricted equity		1,093	612
Total equity		1,156	662
<i>Untaxed reserves</i>			
Tax allocation reserves		1	-
Excess depreciation		0	-
Total untaxed reserves		1	-
<i>Non-current liabilities</i>			
Interest-bearing liabilities	18, 27	1,827	1,491
Liabilities with Group companies	23	21	28
Total non-current liabilities		1,848	1,519
<i>Current liabilities</i>			
Interest-bearing liabilities	18, 27	81	38
Trade payables		3	3
Liabilities to Group companies	23	186	43
Other liabilities		6	15
Accrued expenses and deferred income	19	16	12
Total current liabilities		292	111
Total equity and liabilities		3,297	2,292

Parent Company statement of changes in equity

Equity attributable to the Parent Company's shareholders, MSEK	Note	Share capital	Statutory reserve	Share premium reserve	Fair value reserve	Retained earnings incl. profit for the year	Total equity
Opening equity, 1 January 2021		7	2	525	0	-136	398
Profit for the year		-	-	-	-	115	115
Other comprehensive income for the year		-	-	0	0	0	0
Total comprehensive income		-	-	0	0	115	115
<i>Transactions with shareholders</i>							
New share issue		41	-	276	-	-	317
Issue expenses		-	-	-1	-	-	-1
Divestment of holding in We aRe SpinDye		-	-	-	-	-159	-59
Transfer of net assets		-	-	-	-	-8	-8
Total transactions with shareholders		41	-	275	-	-167	149
Closing equity, 31 December 2021		48	2	800	-	-188	662
Opening equity, 1 January 2022		48	2	800	-	-188	662
Profit for the year		-	-	-	-	-3	-3
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income		-	-	-	-	-3	-3
<i>Transactions with shareholders</i>							
New share issue/non-cash issue		13	-	496	-	-	509
Issue expenses		-	-	-14	-	-	-14
Tax effect on equity		-	-	-	-	2	2
Total transactions with shareholders		13	-	482	-	2	497
Closing equity, 31 December 2022		61	2	1,282	-	-189	1,156

Parent Company statement of cash flows

MSEK	Note	2022	2021
Cash flow from operating activities			
Operating profit		11	-5
Adjustments for non-cash items		1	-
Interest received		55	-
Interest paid		-68	-13
Income tax paid		0	-
Cash flow from operating activities before changes in working capital		-1	-18
Cash flow from changes in working capital			
Increase(-)/Decrease(+) in inventories		-	29
Increase(-)/Decrease(+) in current receivables		-18	-108
Increase(+)/Decrease(-) in current liabilities		179	91
Cash flow from operating activities		160	-6
Cash flow from investing activities			
Acquisition of intangible assets		0	0
Acquisition of property, plant and equipment		-2	0
Acquisition of subsidiaries		-77	-247
Asset disposals via subsidiaries		6	-
Lending, Group companies		-926	-1,071
Cash flow from investing activities		-999	-1,318
Cash flow from financing activities			
New share issue		350	39
Issue expenses		-12	-1
Loans raised	28	527	1,407
Amortisation of loans	28	-143	-10
Cash flow from financing activities		722	1,435
Decrease/increase in cash and cash equivalents			
Cash flow for the year		-117	111
Cash and cash equivalents at beginning of year, net		150	39
Cash and cash equivalents at year-end, net		33	150

Accounting policies and notes

Note 1

Accounting policies

Information about the Company

The annual report and consolidated accounts for Logistea AB (publ), corporate identity no. 556627-6241, for the financial year ending on 31 December 2022, was approved by the Board of Directors and the CEO on the 31 April 2023 for publication, and will be proposed for adoption by the 2023 Annual General Meeting. The Parent Company is a listed Swedish limited liability company. Its registered office is in Stockholm, Sweden. The Company's address is Logistea AB, Box 5089, SE-102 42 Stockholm, Sweden. Logistea is a real estate company with the mission of acquiring, owning, managing and developing commercial properties in the warehousing, logistics and light industry segment. The Company's shares are traded on Nasdaq Stockholm Mid Cap.

Basis of accounting

General

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board (IASB), and the interpretations of the IFRS Interpretations Committee (IFRS-IC), as adopted by the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary reporting rules for groups has been applied. The consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act.

The Parent Company's functional currency is the Swedish krona, which is also the reporting currency of the Parent Company and the Group. All figures are in million Swedish kronor (SEK) unless otherwise stated, and refer to the financial year 1 January – 31 December 2022. Figures in parentheses refer to the corresponding point in time or period in the previous year. Rounding differences may occur.

Logistea's consolidated accounts are based on historical costs, with the exception of investment properties and certain financial assets and liabilities. These assets and liabilities are recognised at fair value and deferred tax is recognised at its nominal amount.

New and amended standards

A number of new standards and interpretations that came into force in the financial year beginning on 1 January 2022, had not yet been applied at the time this financial report was prepared. These new standards, amendments and interpretations are not expected to have material impact on the Group's financial statements in the current or future periods or on future transactions.

No other standards or interpretations that have not yet entered into force are expected to have material impact on the Group.

Critical assessments and estimates

In order to be able to prepare the annual accounts in accordance with IFRS and generally accepted accounting standards, it is necessary to make estimates and assessments that affect the assets, liabilities, income and costs recognised in the accounts and other disclosures. These assessments and estimates are based on past experience, as well as other factors that are considered reasonable in the circumstances. Actual outcomes may differ from these assessments, if other assumptions are made or other conditions apply.

Investment properties

In the valuation of investment properties, estimates and assumptions may have material impact on the Group's earnings and financial position. This valuation requires an assessment of and assumptions for future cash flow as well as the determination of discount factors (yield requirements). To reflect the uncertainties of the assessments and estimates made, a valuation is normally stated in a confidence interval of +/- 5 per cent of rental income and property expenses, and +/- 0.25 percentage points of the

yield requirement. Further information about this, and about the assessments and estimates made, is provided in Note 10.

Asset acquisitions versus business combinations

Acquisitions of companies may be classified either as business combinations or asset acquisitions. Acquisitions of companies whose primary purpose is to acquire the company's real estate, and where any management organisation or other administration in the company are of secondary value, are classified as asset acquisitions. Other acquisitions of companies are classified as business combinations. In the case of asset acquisitions, no deferred tax attributable to the property acquisition is carried. Instead, any rebates are offset against the property's cost. As a result, the changes in value are affected by the tax rebate when the next valuation is performed. Business combinations are recognised using the acquisition method. Determination of fair value often requires Management to make assumptions and assessments regarding future events. In general, this results in higher assessments and estimates. Changes in assumptions and assessments used to determine the fair value of acquired assets and liabilities may also affect the amounts established for assets, liabilities and goodwill arising from allocation of the purchase consideration.

Company acquisitions in the 2021 and 2022 financial years consisted solely of asset acquisitions.

Deferred tax liability

According to the rules on accounting, deferred tax is nominally recognised without discounting, calculated using the 20.6 per cent tax rate in Sweden as established by the Swedish parliament. The actual tax rate is significantly lower, partly due to how properties may be sold in a tax-efficient way, and partly due to the time factor.

Group

The consolidated accounts comprise Logistea and its subsidiaries. Subsidiaries are the companies in which the Parent Company has, directly or indirectly, a controlling influence. Logistea controls, directly or indirectly, 100 per cent of the votes in all its subsidiaries. The consolidated accounts are prepared using the acquisition method, meaning that acquisition of a subsidiary is recognised as a transaction in which the Parent Company indirectly acquires the subsidiary's assets and assumes its liabilities. As of the date of acquisition, the acquired company's income and expenses, as well as identifiable income and liabilities, are included in the consolidated accounts. Group internal transactions, receivables and liabilities are eliminated in their entirety.

Segment reporting

An operating segment is a part of the Group whose activities can generate income and incur expenses, and for which separate financial information is available. Logistea only operates in one segment, management of properties in warehousing, logistics and light industry. The most senior decision-making officer, the CEO, monitors income and profit for the Group as a whole, and on that basis the Group as a whole constitutes a single operating segment. From a reporting and monitoring point of view, the region in which the property is located is not yet of interest. Instead, the material aspect is whether the property fits with the Company's mission.

Classification

Non-current assets and non-current liabilities consist only of amounts that are expected to be regained or paid at a date later than twelve months from the reporting date. Current assets and current liabilities consist solely of amounts that are expected to be regained or paid at a date within twelve months from the reporting date.

Income

Income consists primarily of rent for the provision of premises. Rental income is allocated on a straight-line method in accordance with IFRS 16. Rental income from leases that from an accounting standpoint are termed operational leases are recognised in the period to which they relate. In cases where the lease specifies a reduced rent for a certain period, corresponding to an increased rent during another period, this deficit or surplus is distributed over the term of the lease. Prepaid rents are recognised as prepaid rental income in the statement of financial position. Also recognised as rental income are onward-invoiced costs, which mainly consist of real estate tax and provision of services (gas, electricity, water etc.), as these are directly linked to the rental agreements. Onward-invoicing of costs is regarded essentially as a performance obligation that, like rent, is fulfilled over time and recognised as income in the period concerned. Rental income from acquired properties is recognised as of the closing date.

Expenses

Expenses are recognised in the period to which they are attributable. Central administration expenses in the consolidated income statement consist, for example, of corporate administration expenses and costs for the retention of the securities listing. The Parent Company's expenses in relation to, for example, Group management, IT, auditing and financial reporting are included in central administration expenses.

Remuneration to employees

Remuneration to employees, such as wages and social security charges, paid vacation and paid sick leave etc. are recognised as and when employees perform services in exchange for such compensation. Bonuses are paid and expensed as and when they are granted, and pension premiums are paid and expensed monthly.

Pensions

The Group's employees are covered by various defined-contribution pension plans. Over and above defined fees to independent companies, Logistea has no further commitments. Logistea does not have any other post-employment commitments.

Financial expenses

Financial expenses consist of interest payments, fees and other costs incurred when Logistea assumes interest-bearing liabilities. Expenses incurred through the issue of mortgages are capitalised in the consolidated balance sheet. Financial expenses are recognised in the period to which they are attributable. Interest expenses during development for any major new construction, expansion or refurbishment projects are capitalised and are not included among financial expenses.

Taxes

Income tax consist of current and deferred tax. Income tax is recognised in profit or loss for the year, except when the underlying transaction is recognised in other comprehensive income or in equity, in which cases the associated tax effect is recognised in other comprehensive income or equity. Current tax is the tax payable or receivable for the current year, based on the tax rates enacted or substantively enacted on the balance sheet date. Current tax also includes adjustments to current tax relating to previous periods. The balance sheet method is used when accounting for deferred tax. Under this method, deferred tax liabilities and receivables are recognised for all differences – “temporary differences” – between the book value and the tax value of any asset or liability. As a result, a tax liability or tax receivable arises on the day the asset or the liability is realised. Temporary differences that arise at initial recognition of assets and liabilities and that are treated as asset acquisitions are not taken into account. Deferred tax is recognised for differences arising after the acquisition date between the carrying amount and the residual tax value of properties. At Logistea, temporary differences arise in connection with properties, derivatives and untaxed reserves. Deferred tax receivables relating to tax loss carry-forwards are recognised when it is probable that future taxable surpluses will arise and may have a tax loss carry-forward offset against them. The value of deferred tax assets is reduced when it is no longer considered probable that they can be utilised. Deferred tax receivables and tax liabilities are calculated using the tax rates that are expected to apply to the period in which the

receivables are offset or the liabilities paid, on the basis of the tax regulations that apply on the balance sheet date.

The Parent Company recognises untaxed reserves including deferred tax. However, in the consolidated accounts untaxed reserves are divided into deferred tax liabilities and equity.

Investment properties

Investment properties are properties that are owned for the purpose of obtaining rental income or capital appreciation, or a combination of the two. Investment properties are initially recognised at cost, including expenses directly attributable to the acquisition. Investment properties are recognised in the consolidated balance sheet at fair value. For more detail, please refer to Note 10. Logistea values all properties quarterly. In 2022, 100 per cent of cash-generating properties, representing 94 per cent of the total real estate portfolio, were valued by external valuers. The other properties, consisting of project properties, were valued by internal valuers. The valuation model used is yield-based via a cash flow model. The fair value of the property is based on the outcome of the cash flow model. Both unrealised and realised changes in value are recognised in the income statement. Unrealised changes in value are based on the valuation at the end of the period, compared with the valuation at the beginning of the period, or on the cost if the property had been acquired during the period, taking into account the investments during the period. Realised changes in value of properties are calculated as purchase consideration, less selling expenses, less book value including previously unrealised changes in value. Rental income and income from real estate sales are recognised in accordance with the principles described in the section Income recognition. Additional expenses are added to the carrying amount only if it is likely that future economic benefits associated with the asset will accrue to the Company. The crucial factor in determining when an expense is to be added to the carrying amount is whether the measure represents an improvement compared to the property's condition prior to the measure. Repairs and maintenance are capitalised at the time the expense is incurred. In major projects, any interest expense is capitalised during the period of production.

Leasing

Lessor

Leases in which essentially all risks and benefits associated with ownership are borne by or accrue to the lessor are classified as operating leases. Leases on investment properties are classified as operating leases.

Lessee

Logistea is a lessee of, above all, land leases, leasehold properties, commercial premises, vehicles and office equipment. Logistea has two land leases that are recognised as a right-of-use asset and a financial liability, respectively. Land leases are considered to be perpetual leases. They are recognised at fair value and will not be amortised. Instead, the value of the right-of-use will be unchanged until the next renegotiation of the land lease. The related lease liability is recognised at the same amount and remains unchanged until the next renegotiation. The annual land lease rent is recognised as an interest expense. Leases on commercial premises are recognised at discounted values in the balance sheet as a right-of-use asset and a lease liability. In the income statement, the right-of-use asset is amortised over the term of the lease and payments made to the landlord/lessor are recognised partly as amortisation of the lease liability and partly as interest expense in the income statement. Other leases, for example on cars and office equipment are recognised as either short-term leases or low-value assets. These leases have been defined as leases where the underlying asset is of low value and the practical expedient in IFRS 16 is applied. The effect is that the lease charge is recognised as an expense on a straight-line basis over the lease term in the income statement and no right-of-use asset or lease liability is recognised in the balance sheet.

Intangible assets

An intangible asset is a non-monetary asset with no physical form. The asset is capitalised only if it is likely that the future economic benefits associated with the asset will accrue to the Company and if the cost can be calculated reliably. Amortisation is calculated on

a straight-line basis over the estimated useful life of the asset. The useful life of software and trademarks is five years.

Equipment

Equipment consists primarily of office equipment, which is recognised at cost, with deductions for accumulated depreciation and any impairment losses. The cost consists of the purchase price plus costs directly attributable to the asset to bring it to the location and condition to enable it to be used in accordance with the purpose of the acquisition. Depreciation of equipment is based on historical cost less any subsequent impairment losses. The residual value is deemed to be non-existent. In the case of assets acquired during the year, depreciation is calculated taking the date of acquisition into account. Depreciation is calculated on a straight-line basis, which means depreciation by regular amounts over the useful life, normally five years, except for computers, which are estimated to have a useful life of three years.

Financial instruments

Financial instruments consist of three groups: financial assets measured at amortised cost (comprising balance sheet items rent receivables, receivables from Group companies, other current receivables and cash and cash equivalents), financial assets and liabilities measured at fair value (comprising the balance sheet item interest rate derivatives) and financial liabilities measured at amortised cost (comprising balance sheet items interest-bearing liabilities, trade payables, liabilities to Group companies and other liabilities). Financial instruments are initially recognised at cost, represented by the instrument's fair value at the time of acquisition, plus transaction costs for all financial instruments other than those in the category financial assets and liabilities recognised at fair value via the income statement.

A financial asset or financial liability is recognised in the balance sheet when the company becomes party to the contractual terms of the instrument. Accounts receivable are recognised in the balance sheet when an invoice has been sent. Liabilities are recognised when the counterparty has performed its obligation, and there is a contractual duty to pay, even if an invoice has not yet been received. Trade payables are recognised when an invoice has been received. A financial asset and a financial liability are offset and recognised net in the balance sheet only when there is a legally enforceable right to offset the amounts and there is an intention to settle the items on a net basis or to realise the asset and settle the liability simultaneously. A financial asset is cancelled from the balance sheet when the rights in the contract are realised, mature or the Company loses control of such rights. The same applies to any part of a financial asset. A financial liability is cancelled from the balance sheet when the commitment in the agreement is completed or otherwise extinguished. The same is true for any part of a financial liability. At each reporting date, the Company assesses whether there is objective evidence that a financial asset or group of financial assets is impaired.

Loans are initially recognised at fair value net of transaction costs. Subsequently, they are recognised at amortised cost. Accrued interest is recognised under accrued expenses.

Derivative instruments are measured at fair value in the consolidated accounts, with changes in value being recognised in the income statement. To determine the fair value of interest rate derivatives, market interest rates for each maturity quoted on the balance sheet date and generally accepted calculation methods are used, which means that fair value is determined in accordance with Level 2 of IFRS 13. Hedge accounting is not used.

Cash and cash equivalents

Cash and cash equivalents consist of cash funds, as well as readily available balances at banks and similar institutions. Cash and cash equivalents are subject to the requirements for provision for expected credit losses.

Equity

All ordinary Series A and Series B shares are recognised as share capital. Following resolutions by the Annual General Meeting regarding dividends, such dividends are recognised as a reduction in equity and are entered as liabilities pending payment.

Payments of share option premiums received in connection with incentive programmes are recognised as an increase in the Group's equity. Any exercise within outstanding share option programmes is settled directly in equity.

Earnings per ordinary share

Earnings per ordinary Series A and Series B share are defined as profit or loss for the year, in relation to the average number of ordinary Series A and Series B shares.

Presentation of the income statement

The Group applies the format that is general practice for a large number of companies in the real estate sector. As a result, the income statement reports outcomes for operating surpluses, profit from property management and profit before tax. Profit from property management includes net financial items, including realised changes in the value of derivatives. Unrealised changes in the value of derivatives and other changes in value are recognised after profit from property management.

Statement of cash flows

The statement of cash flows has been prepared using the indirect method, in which net operating income for the Group and operating income for the Parent Company are adjusted for transactions not resulting in incoming or outgoing payments during the period and for any income or expense attributable to the cash flows from investing and financing activities. The statement of cash flows presents the Company's incoming and outgoing payments for the period, allocating the payments to operating activities, investment activities or financing activities.

Cash flow from a divested business is reported in the cash flow from the operating activities, under the heading Operating profit from divested business.

Parent Company's accounting policies

The Parent Company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. The recommendation requires the Parent Company, in the annual accounts for the legal entity, to apply all EU-adopted IFRS and interpretations, as far as this is possible within the limits of the Swedish Annual Accounts Act, with due regard to the relationship between accounting and taxation. The accounting policies for the Parent Company described below have been consistently applied to all periods presented in the Parent Company's financial statements. The presentation of the income statement and the balance sheet are in accordance with the Swedish Annual Accounts Act.

Shares in Group companies

Shares in Group companies are recognised in the Parent Company using the cost method. Transaction costs are capitalised as part of the cost of these shares. The book value is regularly checked against the consolidated equity of the companies. In cases where the book value is lower than the consolidated equity of the companies, an impairment loss is recognised in the income statement. When an impairment loss recognised earlier is no longer justified, it is reversed.

Contingent liabilities

Contingent liabilities in favour of Group companies consist of financial guarantee agreements and are recognised in accordance with RFR 2, Accounting for Legal Entities. They are thus not recognised as an appropriation and instead reported in the form of a disclosure.

Group contributions and shareholder contributions for legal entities

Group contributions are recognised in profit or loss according to their financial effect, that is, as an appropriation of profits when receiving Group contributions, or as shares in subsidiaries when Group contributions are paid. Shareholder contributions are recognised directly in the equity of the receiver and are capitalised in shares in the provider, insofar as no impairment loss is required.

Leasing

The Parent Company has chosen to utilise the exemption for lessees in RFR 2, and lease payments are expensed on a straight-line basis over the lease term.

Note 2

Rental income

Lease terms for lease contracts at 31/12/2022

Disclosures regarding operating leases – Group as lessor

Year of maturity	Number of leases	Contracted annual rent, MSEK	Contracted annual rent, %
2023	36	16.9	5.7
2024	36	22.1	7.4
2025	30	29.1	9.8
2026	15	26.6	8.9
2027	5	3.5	1.2
2028+	59	199.9	67.0
Total	181	298.1	100

Contracted rental income per value of lease, MSEK

	Number of leases	Contracted rental income, %
>10.0	3	1.7
5.0–9.9	12	6.6
3.0–4.9	20	11.0
2.0–2.9	14	7.7
1.0–1.9	29	16.0
0.5–0.9	18	9.9
<0.5	85	47.1
Total	181	100.0

The Company's rental income in 2022, excluding surcharges, amounted to SEK 257 million (93). The increase in rental income is attributable to the expanded real estate portfolio following the Company's change of focus. Rental income is the sum of all rents.

The table showing the maturity structure indicates the proportion of annual rent that falls due at a given point in time. Logistea strives for a good relationship with its tenants and focuses actively on reducing the risk of vacancies. The average remaining lease term in the leases was 7.8 years (6.2). The economic occupancy rate increased somewhat, to 98.1 per cent (95.2). This arose from acquisitions of fully occupied properties and active letting activities.

Note 3

Property expenses and expenses for central administration

Property expenses (external)	2022	2021
Tariff-bound charges	-45	-16
Repairs and maintenance	-6	-6
Real estate tax	-5	-2
Other property expenses	-15	-4
Total	-71	-28

Central administration	2022	2021
Personnel expenses	-16	-3
Other external expenses	-18	-19
Depreciation	-4	-2
Total	-38	-24

Property expenses in 2022 amounted to SEK -71 million (-28). Property expenses include costs attributable to operation, maintenance, real estate taxes and insurance. The increase is due to expansion in the real estate portfolio.

Tariff-bound charges

Tariff-bound charges include costs of electricity, heating, water, broadband and telephone service. In most cases, these are invoiced onward directly to the tenant in the form of rent surcharges. Electricity costs increased in the fourth quarter of 2022 due to high market prices for electricity.

Central administration

Central administration costs totalled SEK -38 million (-24). The increase from the previous year is an effect of Company's expansion in 2022. Central administration expenses include all of the costs incurred by Logistea in Group management, personnel, IT, consultancy, auditing, annual accounts, depreciation of equipment etc.

Note 4

Fees and reimbursement of costs to auditors

	Group		Parent Company	
	2022	2021	2022	2021
Ernst & Young AB				
Audit assignment	2	0	2	-
Tax advice	-	-	-	-
Other services	0	-	0	-
Öhrlings Pricewaterhouse Coopers				
Audit assignment	1	2	1	2
Tax advice	-	-	-	-
Other services	0	1	0	1
Total	3	3	3	3

Note 5

Employees and personnel costs

	Group		Parent Company	
	2022	2021	2022	2021
Number of employees				
Average number of employees	15	4	15	4
– of whom, women	9	2	9	2
– of whom, men	6	2	6	2
TSEK				
	Group		Parent Company	
	2022	2021	2022	2021
Personnel expenses				
<i>Board of Directors and other senior executives</i>				
Salaries and remuneration etc.	15,563	7,319	15,563	7,319
Pension expenses	1,526	936	1,526	936
Social security contributions	5,260	2,527	5,260	2,527
Total	22,349	10,782	22,349	10,782
<i>Other employees</i>				
Salaries and remuneration etc.	6,374	1,400	6,374	1,400
Pension expenses	509	104	509	104
Social security contributions	2,126	465	2,126	465
Total	9,009	1,969	9,009	1,969
Total, personnel costs	31,358	12,751	31,358	12,751

In the accounts, some personnel costs have been capitalised in projects and as acquisition costs when the relevant rules were applicable. As a result, the personnel costs referred to in this note will not be consistent with the cost categories in Note 3.

Incentive programme

The Company operates a bonus scheme offered to all employees. The system is structured in three parts, each of which entitles the participant to one third of the maximum bonus amount. Two of the components are dependent on certain company-level targets, as stated in the Company's adopted annual report, being met while one is linked to individual targets. For the bonus to be paid at all, the component linked to individual targets has to be met, together with one of the bonus components linked to Company-level targets.

More information about the share warrant programme in force is provided in Note 26.

Remuneration and terms and conditions of employment for senior executives

Remuneration to the CEO and other members of Management consists of basic salary and pension benefits, plus variable remuneration in the form of bonuses.

The period of notice for the CEO is six months if the appointment is terminated by either party. The pension benefit for the CEO is 12 per cent of the CEO's pensionable salary.

TSEK	Basic salary/ Director's fee		Variable remuneration		Pension expense		Other remuneration	
	2022	2021	2022	2021	2022	2021	2022	2021
<i>Board of Directors</i>								
Patrik Tillman (Chairman)	300	235	-	-	-	-	-	-
Bengt Kjell	197	47	-	-	-	-	-	-
Sanja Batljan	197	87	-	-	-	-	-	-
Stefan Hansson	107	-	-	-	-	-	-	-
Anneli Lindblom	127	-	-	-	-	-	-	-
Caroline Thagesson	157	87	-	-	-	-	-	-
Johan Mark	177	150	-	-	-	-	-	-
Fredrik Palm	50	87	-	-	-	-	-	-
Mia Arnhult	-	63	-	-	-	-	-	-
Anna Frick	-	63	-	-	-	-	-	-
<i>Management</i>								
Former CEO Jennie Högstedt Björk*	-	2,400	1,200	-	272	726	558	550
CEO Niklas Zuckerman	2,025	127	175	600	261	15	111	-
Deputy CEO Anders Nordvall	2,025	127	175	600	261	15	167	-
Other Management 5 (2) persons	5,358	2,096	1,835	-	732	180	608	-
Total	10,720	5,569	3,385	1,200	1,526	936	1,444	550

* Jennie Högstedt Björk's salary, other remuneration and social security charges for the 2022 financial year are classified under profit/loss from divested business. The figures above comprise 100 per cent of Jennie's salary, other remuneration and social security charges for the 2021 and 2022 financial years. The variable remuneration for 2022 consists of severance pay corresponding to six months' salary, with additional pension benefits.

Note 6

Financial income and expenses

	Group		Parent Company	
	2022	2021	2022	2021
Financial income				
Interest income, subsidiaries	-	-	73	11
Interest income	5	0	4	0
Other financial income	0	0	-	0
Total	5	0	77	11
Financial expenses				
Interest expenses	-74	-22	-73	-19
Amortisation of accrued borrowing costs	-6	0	-5	-1
Interest expenses to subsidiaries	-	0	-11	0
Other financial expenses	0	-1	0	0
Total	-80	-23	-89	-20
Net financial income	-75	-23	-12	-9

Financial expenses are expenses attributable to the Company's debt and are accrued in connection with bank loans, bonds and external promissory notes. Of the Group's interest-rate expenses of SEK -74 million (-22), SEK -73 million (-22) was directly attributable to the Company's interest-bearing debt and SEK -1 million (0) to leasing. The Parent Company's interest expenses of SEK -73 million (-19) pertained to the Company's interest rate liabilities.

Note 7

Tax

The tax expense in the income statement consists of current tax and deferred tax. The corporation tax rate for the 2022 tax year was 20.6 per cent (20.6). The deferred tax has been calculated using the same tax rate. Current tax refers to the tax that is to be paid or received with regard to the taxable profit for the current year. The taxable profit for the year differs from the recognised profit or loss, as it has been adjusted for non-taxable and non-deductible items. Deferred tax is calculated using the balance sheet method, based on temporary differences between recognised and taxable values of assets and liabilities. However, in the case of property acquisitions treated as asset acquisitions no deferred tax is recognised on temporary differences arising at acquisition.

Recognised in statement of comprehensive income	Group		Parent Company	
	2022	2021	2022	2021
Current tax expense				
Tax expense for the year	-3	-1	0	0
Tax due to change in tax assessment	0	0	-	-
Total current tax	-3	-1	0	0
Deferred tax				
Investment properties	-80	-77	-	-
Tax loss carry-forwards	-6	-	-6	-
Financial instruments	-2	-	-	-
Untaxed reserves	-6	-1	-	-
Total deferred tax	-94	-78	-6	0
Total recognised tax expense	-97	-79	-6	0

Reconciliation of effective tax	Group		Parent Company	
	2022	2021	2022	2021
Profit before tax	420	396	3	115
Tax at current tax rate, 20.6% (21.4)	-87	-82	-1	-24
Effect of non-deductible costs incl. restrictions on interest deductions	-11	-3	-3	-2
Effect of non-taxable income	0	0	0	25
Adjustment of deferred tax assets for tax loss carry-forwards	-6	0	-6	0
Tax reduction for equipment	1	-	-	-
Other tax adjustments*	6	6	2	1
Recognised effective tax	-97	-79	-6	0

* Deductible expenses relating to new share issue that was booked directly to equity plus capitalised interest and capitalised direct deduction of modifications on behalf of tenants.

Capitalised deferred tax on tax deficits in the Group and the Parent Company totals SEK 0 million (6). Tax loss carry-forwards in the Group and the Parent Company total SEK 145 million (142). The scope for using loss carry-forwards is subject to tax rules on time limitations. Tax loss carry-forwards are not time-limited. In the statement of financial position, the deferred tax receivable and tax liability are reported net, as shown in the table below.

Deferred tax recognised in the financial statements	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Deferred tax asset				
Tax loss carry-forwards	-	6	-	6
Total	-	6	-	6
Deferred tax liability				
Investment properties	-174	-94	-	-
Interest rate derivatives	-2	-	-	-
Untaxed reserves	-9	-2	-	-
Total	-185	-96	-	-
Deferred tax liability, net	-185	-90	-	6

On 31 December 2022, the residual tax value of the real estate portfolio was SEK 1,471 million (702).

Note 8

Profit/loss from divested business

	2022	2021
Net turnover	-	195
Other operating income	-	1
Total income	-	196
Goods for resale	-	-72
Other external expenses	-2	-87
Personnel expenses	-3	-44
Depreciation	-	-16
Other operating expenses	-	-1
Operating profit	-5	-24
Financial expenses	0	0
Profit after financial items	-5	-24
Tax	-	0
Profit/loss for the period from divested business	-5	-24

During the 2021 financial year, Logistea sold all shares outstanding in the wholly-owned group Odd Molly Sverige AB to MBRS Group AB.

Note 9

Intangible assets

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Accrued cost				
Opening carrying amount	1	40	1	10
New acquisitions	0	143	0	1
Divested business	-	-182	-	-
Transfer of assets and liabilities	-	-	-	-10
Total	1	1	1	1
Accumulated amortisation				
Opening carrying amount	0	-24	0	-6
Disposals and retirements	-	-	-	-
Divested business	-	24	-	-
Transfer of assets and liabilities	-	-	-	6
Amortisation according to plan for the year on cost	0	0	0	0
Total	0	0	0	0
Carrying amount at year-end	1	1	1	1

The intangible assets as at 31/12/2022 consist of capitalised expenditure for software and trademarks and have been recognised at cost less accumulated amortisation. Intangible assets are amortised on a straight-line basis over five years.

Note 10

Investment properties

Investment properties by region

31/12/2022	Lettable area, TSQM	Net operating [*] income, MSEK	Fair value, MSEK
West	306,269	169	2,822
Central	98,182	34	512
South	96,697	45	711
East	22,599	10	166
North	17,123	6	79
Sub-total	540,870	264	4,290
Project properties	14,520	14	333
Total	555,390	278	4,623
31/12/2021	Lettable area, TSQM	Net operating [*] income, MSEK	Fair value, MSEK
West	154,035	69	1,152
Central	98,505	32	490
South	22,910	15	276
East	25,630	10	170
North	-	-	-
Sub-total	301,080	126	2,088
Project properties	44,074	32	519
Total	345,154	158	2,607

* Contracted income, less estimated property expenses.

Logistea's real estate portfolio by region is shown above. The real estate portfolio is not internally monitored by region and is not reported by segment. New form of presentation for the above tables from Q2 2022, when cities were replaced by regions.

Breakdown of change for the year

Group	2022	2021
Opening carrying amount	2,607	887
Acquisitions of properties*	1,489	1,181
Disposal of properties	-8	-
Investments in existing portfolio	196	161
Unrealised changes in value	339	378
Carrying amount at year-end	4,623	2,607

* Acquisition of properties totalled SEK 1,489 million (1,181) of which SEK 484 million (331) was paid in cash and cash equivalents.

Market values

The combined market value of Logistea's properties was SEK 4,623 million (2,607). Of the total real estate value, project properties – defined as properties where ongoing refurbishment or expansion will affect the rental value by more than 40 per cent – accounted for SEK 333 million (519).

The recognised unrealised change in value during the year totalled SEK 339 million (378), for the most part as a result of general changes in market values. Of the total change in value, SEK 321 million is attributable to an increase in net operating income mainly due to rent increases following a CPI adjustment, SEK -76 million is due to changes in assumptions for direct yield requirements and SEK 38 million pertains to profits from projects. The total change in value for the year includes a deferred tax rebate of SEK 56 million on company acquisitions. 100 per cent of the cash flow generating properties (excluding project properties), representing 94 per cent of the total portfolio, were externally valued on 31 December 2022. The remaining 6 per cent of the portfolio was valued internally. The Parent Company does not own any properties.

Unrealised changes in value

Group	2022	2021
Change in net operating income	321	-
Change in yield requirements	-76	354
Income recognition, ongoing projects	38	24
Deferred tax rebate	56	-
Total value changes in value	339	378

The average valuation yield for the Group's investment properties, excluding project properties, was 6.2 per cent (6.0) on the balance sheet date.

Valuation methodology – Analyses and general conditions

The real estate valuation is based on observable input data such as current leases, market rents, actual outcomes for operating and maintenance costs, planned investments and current vacancies, as well as non-observable input data such as yield requirements and future vacancy levels. The calculation period has been adjusted on the basis of remaining lease terms for existing leases and varies in the range 5 to 20 years. As a rule, the calculation period is 10 years. The cash flow calculations are based on assumptions for inflation by the valuation agencies, and fall within the range of 2.0–5.0 per cent per year. Estimation of future net operating income is based on an analysis of current leases and an analysis of the current rental market. Leases have been assessed individually in the calculation. Normally, existing leases have been assumed to run until the end of the lease term. In cases where the leasing conditions have been deemed as in line with the market, it has been assumed that the leases could be extended on unchanged conditions or that similar conditions could be established. In cases where the rent paid has been deemed to differ from the current market-level rent, this has been adjusted to the market level. The real estate valuations assume that the properties are used to their maximum extent and in an optimal way. The statement of cash flows takes into account market situation, rent levels, tenant's assessed ability to pay, alternative use and the long-term vacancy rate for each property. The long-term vacancy rate for each property is estimated on the basis of macro location, micro location, use, assessment of alternative use etc.

Operating and maintenance costs are partly based on an analysis of the historical costs for the property concerned, and partly on experiences and statistics relating to similar properties. However, these costs are not of major importance in valuation of Logistea's real estate portfolio, as tenants typically pay them in addition to the agreed rent.

The fair value of the Group's building rights is based on location price analyses from transactions in the area involving similar building rights. Costs incurred for groundworks, for example, are added to the fair value.

Assumed net operating incomes at valuation

The total net operating income for 2023, as estimated by the real estate valuers in their valuations was SEK 263 million. This net operating income may be compared to the net operating income of SEK 263 million, which Logistea reports in its Current earning capacity for the investment properties on 31 December 2022. As a result, the net operating income on which the valuation agency based its assessment of market values is regarded as reasonable as compared with the current earning capacity at the turn of the year.

Imputed interest rate and yield requirements

The imputed interest rate – the estimated return on investment requirement for each property plus inflation – is a nominal rate-of-return requirement for total capital. The point of departure for the imputed interest rate is the nominal rate on five-year government bonds, plus a general risk premium for properties and an investment-specific supplement. The selected yield requirement in the residual value assessment is based on market information from the sub-market concerned, adjusted for the property's phase in its economic life-cycle at the end of the calculation period. The imputed interest rate for present value calculation of cash flows and of residual values lies within the range of 6.25–10.30 per cent, and is based on analyses of transactions completed, plus individual assessments of risk levels and the position of the particular property in the market. On 31 December 2022, the weighted imputed interest rate for discounting cash-flows and residual values was 8.3 per cent (8.2). The weighted yield requirement (including for project properties) was 6.0 per cent (6.2). As a result, if Logistea's real estate portfolio were theoretically to be considered as a single property, the market value of SEK 4,623 million represents a yield requirement of 6.0 per cent, an imputed rate of 8.0 per cent on cash-flow and discounting of the residual value to present value. The table (right) illustrates the sensitivity of the real estate valuations to changes in assumptions.

Sensitivity analysis – real estate values

The parameters that significantly affect the value of a property are contractual yield requirements, rental income and property expenses. Other parameters that may affect a valuation are length of lease term, inflation assumptions, imputed interest rate and maintenance requirements. The discount rate includes assumptions such as level of interest rates, inflation assumptions, yield requirements for capital invested, micro location of the property, tenant structure etc. The sensitivity analysis on the next page is provided to illustrate how a change of +/- 0.25 per cent in the yield requirement and of +/- 5 percentage points in rental income and property expenses affect the real estate valuations.

Commitments

At the end of the financial year, Logistea was committed to complete ongoing expansions valued at SEK 93 million (193) in the real estate portfolio. 100 per cent of newly developed spaces are let to external tenants through signed leases.

Valuation categories for investment properties

All of the Group's properties have been categorised at level 3 in the valuation hierarchy. The Group's properties consist primarily of properties in the categories warehousing, logistics and light industry, which have similar risk profiles and valuation methodologies. The average lease term for all leases at the end of the financial year was 7.8 years (6.2).

Basis of valuation

Every assumption about a property is examined individually based on the knowledge available about properties and the market

information and experience-based assessments of the external valuers. Project properties are excluded from the calculation. The assumptions are described below.

Sensitivity analysis – property valuations

	Change	Effect on value		
		Warehousing and logistics	Light industry	Total
31/12/2022				
Direct yield requirements	+/- 0.25 pp	-101/110	-66/72	-167/182
Rental income	+/- 5%	139/-139	103/-103	242/-242
Property expenses	+/- 5%	-15/15	-12/12	-27/27
31/12/2021				
Direct yield requirements	+/- 0.25 pp	-58/63	-26/28	-84/61
Rental income	+/- 5%	85/-85	44/-44	129/-129
Property expenses	+/- 5%	-14/14	-11/11	-25/25

Valuation assumptions

31/12/2022

Category	Property value, MSEK	Rental income, MSEK	Property expenses, MSEK	Lettable area, TSQM	Long-term yield requirement (weighted average), %	Vacancy rate, weighted average, %
Warehousing and logistics						
West	1,930	126	14	213,701	4.93–7.30 (5.94)	6.96
Central	-	-	-	-	-	-
South	384	24	2	33,295	5.43–6.40 (5.62)	6.45
East	157	12	2	22,599	5.80–6.65 (6.49)	8.49
North	-	-	-	-	-	-
Sub-total	2,471	162	18	269,595	4.93–7.30 (5.92)	6.98
Light industry						
West	904	62	5	92,568	5.20–7.50 (6.14)	7.25
Central	512	45	11	98,182	6.49–7.00 (6.68)	7.54
South	324	23	0	63,402	6.00–7.50 (7.34)	9.84
East	-	-	-	-	-	-
North	79	6	0	17,123	7.25–8.00 (7.57)	11.88
Sub-total	1,819	136	16	271,275	5.20–8.00 (6.57)	7.99
Total	4,290	298	34	540,870	4.93–8.00 (6.20)	7.41

Basis of valuation

31/12/2021

Category	Property value, MSEK	Rental income, MSEK	Property expenses, MSEK	Lettable area, TSQM	Long-term yield requirement (weighted average), %	Vacancy rate, weighted average, %
Warehousing and logistics						
West	1,017	73	12	122,041	5.00–7.00 (5.56)	4.82
Central	-	-	-	-	-	-
South	276	16	1	22,910	5.23–7.00 (5.42)	5.25
East	143	11	3	25,630	6.50–6.50 (6.50)	9.00
North	-	-	-	-	-	-
Sub-total	1,436	101	16	170,581	5.00–7.00 (5.63)	5.32
Light industry						
West	162	12	3	31,994	5.50–7.25 (6.10)	7.98
Central	490	42	10	98,505	6.50–7.00 (6.68)	7.58
South	-	-	-	-	-	-
East	-	-	-	-	-	-
North	-	-	-	-	-	-
Sub-total	652	54	13	130,499	5.50–7.25 (6.54)	7.68
Total	2,088	155	29	301,080	5.00–7.25 (5.91)	6.06

Note 11

Right-of-use assets and lease liabilities

The Group's significant leases consist of agreements on land leases and a rental agreement on commercial premises. The table below presents the Group's opening and closing balances for right-of-use assets and lease liabilities for land leases and leasehold premises, as well as the changes during the year.

Group	Land leases	Com-mercial premises	Total right-of-use assets	Total lease liabilities
2022				
Opening carrying amount	-	2	2	2
New leases	5	9	14	14
Amortisation and impairment	-	-4	-4	-
Amortisation for the year	-	-	-	-4
Carrying amount at year-end	5	7	12	12
2021				
Opening carrying amount	-	7	7	7
New/terminated leases	-	-3	-3	-3
Amortisation and impairment	-	-2	-2	-
Amortisation for the year	-	-	-	-2
Carrying amount at year-end	-	2	2	2

	Group	
	31 Dec. 2022	31 Dec. 2021
Non-current lease liabilities	10	0
Current lease liabilities	2	2

Over and above the land leases and the lease on commercial premises, the Group has a few minor leases on cars and office machines etc. These leases have been defined as leases where the underlying asset is of low value and the practical expedient in IFRS 16 is applied. The effect is that the lease charge is recognised as an expense on a straight-line basis over the lease term in the income statement and no right-of-use asset or lease liability is recognised in the balance sheet. The amounts recognised in the consolidated income statement during the year relating to leasing activities are presented below.

	Group	
	31 Dec. 2022	31 Dec. 2021
Amortisation of right-of-use assets	4	2
Interest expense on lease liabilities	1	0
Cost of leases with low-value underlying asset	0	0
Total	4	2

Note 12

Equipment

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Accrued cost				
Opening carrying amount	0	22	0	22
New acquisitions	6	-	2	-
Disposals and retirements	-	-22	-	-22
Total	6	0	2	0
Accumulated amortisation				
Opening carrying amount	0	-21	0	-21
Disposals and retirements	-	21	-	21
Amortisation according to plan for the year on cost	-1	0	0	0
Total	-1	0	0	0
Carrying amount at year-end	5	0	2	0

Note 13

Financial assets

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Opening carrying amount	1	0	0	0
New acquisitions	-	1	-	0
Disposals and retirements	-	-	0	-
Carrying amount at year-end	1	1	-	0

Note 14

Trade receivables

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Rent and trade receivables	21	8	3	-
Provision for expected credit losses	-2	-2	-1	-
Trade receivables, net	18	6	2	-
Maturity structure, rent and trade receivables				
Not due	1	4	1	-
1–30 days overdue	7	1	-	-
31–60 days overdue	6	0	-	-
61–90 days overdue	1	0	-	-
91 days overdue	5	3	2	-
Provision for expected credit losses	-2	-2	-1	-
Carrying amount at year-end	18	6	2	-

Trade receivables are assessed every quarter and individual judgments are made regarding all receivables that are more than 30 days overdue. Credit losses are impaired prospectively in accordance with IFRS 9, and provision made for losses when there is an exposure to credit risk. In the event of bankruptcies or other confirmed customer losses, the receivable is recognised as a customer loss. Credit ratings for tenants are performed on new tenants.

Note 15

Other receivables

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
VAT receivable and tax account	44	53	2	8
Other receivables	18	12	2	9
Total	62	65	4	17

Note 16

Prepaid costs and accrued income

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Prepaid insurance	2	0	-	-
Accrued interest income	2	0	2	0
Accrued rental income	6	4	-	-
Prepaid operating expenses	14	0	-	-
Other	1	4	3	3
Total	25	8	5	3

Note 17

Cash and cash equivalents

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Cash and bank deposits	52	218	33	150
Total	52	218	33	150

Note 18

Interest-bearing liabilities and risk management

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
<i>Non-current liabilities</i>				
Secured bank loans	2,004	904	1,326	881
– Of which accrued loan costs	-5	-7	-4	-7
Bond loan	500	500	500	500
External auditors	1	110	1	110
Total non-current liabilities	2,505	1,514	1,827	1,491
<i>Current liabilities</i>				
Secured bank loans	42	151	23	17
– Of which accrued loan costs	-6	-4	-6	-4
External auditors	58	21	58	21
Total current liabilities	100	172	81	38
Total interest-bearing liabilities	2,605	1,686	1,908	1,529

Interest-bearing liabilities exclude lease liabilities.

	31 Dec. 2022	31 Dec. 2021
Net debt		
Interest-bearing liabilities	2,605	1,686
Interest-bearing assets	-	10
Cash and cash equivalents	52	218
Carrying amount at year-end	2,553	1,468

Non-secured bond loan

Term	Amount	Currency	Interest rate
2021–2024	500	SEK	3-month STIBOR +5.15% margin

Capital commitment 31/12/2022

Capital commitment, years	Group		Parent Company	
	Amount	Share	Amount	Share
0–1 years	56	2%	56	3%
1–2 years	1,420	54%	1,420	74%
2–3 years	886	34%	442	23%
3–4 years	0	0%	0	0%
4–5 years	210	8%	0	0%
>5 years	43	2%	0	0%
Total	2,615	100%	1,918	100%

Capital commitment 31/12/2021

Capital commitment, years	Group		Parent Company	
	Amount	Share	Amount	Share
0–1 years	172	10%	38	2%
1–2 years	146	9%	121	8%
2–3 years	1,368	81%	1,370	90%
3–4 years	0	0%	0	0%
4–5 years	0	0%	0	0%
>5 years	0	0%	0	0%
Total	1,686	100%	1,529	100%

The tables for capital commitment show nominal interest-bearing liabilities at the respective balance sheet date.

Average capital commitment for the Group on 31 December 2022 was 2.7 years (2.4). Average capital commitment for the Parent Company on 31 December 2022 was 1.7 years (2.5).

Fixed-interest term 31/12/2022

Fixed-interest term, years	Group		Parent Company	
	Amount	Share	Amount	Share
0–1 years	1,444	55%	915	48%
1–2 years	103	4%	103	5%
2–3 years	230	9%	200	10%
3–4 years	50	2%	0	0%
4–5 years	588	22%	500	26%
>5 years	200	8%	200	10%
Total	2,615	100%	1,918	100%

Fixed-interest term 31/12/2021

Fixed-interest term, years	Group		Parent Company	
	Amount	Share	Amount	Share
0–1 years	1,459	87%	1,326	86%
1–2 years	155	9%	131	9%
2–3 years	72	4%	72	5%
3–4 years	0	0%	0	0%
4–5 years	0	0%	0	0%
>5 years	0	0%	0	0%
Total	1,686	100%	1,529	100%

The average fixed-interest term for the Group on 31 December 2022 was 2.1 years (0.5). The average fixed-interest term for the Parent Company on 31 December 2022 was 2.4 years (0.4).

Interest-bearing liabilities

Logistea's interest-bearing liabilities increased in 2022 compared to the previous year as a result of expansion of the real estate portfolio. At the turn of the year, interest-bearing net debt totalled SEK 2,553 million (1,458), 79 per cent (62) of which consisted of secured bank loans, 19 per cent (30) bond loans and 2 per cent (8) external promissory notes. Logistea's non-current liabilities amounted to SEK 2,505 million (1,514), 96 per cent (90) of total interest-bearing liabilities. Current interest-bearing liabilities totalled SEK 100 million (172), 4 per cent (10) of total interest-bearing liabilities. The average capital commitment period is 2.7 years (2.4) and the average fixed-interest term 2.1 years (0.5). At the end of the period, the loan-to-value ratio was 55 per cent (56), and the average interest rate 4.8 per cent (3.1). The increase in the loan-to-value ratio arises from the bond loan, which carries a variable interest rate of STIBOR plus 5.15 per cent.

Financial risk management

Logistea's activities are characterised by stability and a long-term perspective, which require good access to capital. The goal of the financial activities is to maintain a robust and flexible financing structure at the lowest possible financing cost. The Group's financing requirements are to be aligned with its core business, and include planned investments and sales. Financing is to be diversified, with a focus on flexibility. Green finance is an aspiration, to the extent that it is available and permitted in terms of the total volume of assets.

The nature of the business means that financial risks continually arise. These risks must be identified, evaluated, quantified and managed. The most important types of financial risk that arise are: interest rate risk, financing and refinancing risk, liquidity risk, and credit and counterparty risk.

Liquidity risk

Liquidity risk is the risk that Logistea will lack the necessary cash and cash equivalents or credit to meet its payment obligations. To mitigate this risk, good communication routines are in place between Board, Management and the business as a whole during property acquisitions, when loans mature or when other major costs relating to projects fall due.

In credit agreements with credit institutions and bondholders, Logistea has set limits for equity/assets ratio, interest coverage ratio and loan-to-value ratio via covenants. As a rule, credit agreements are subject to a lower equity/assets ratio limit of 25–30

per cent. The target for interest coverage ratio is in excess of 1.50–1.75 times and the loan-to-value ratio is not to exceed 65–70 per cent. Should Logistea be in breach of any of the covenants, the lender may demand immediate repayment of the loan, or apply a higher interest rate temporarily during the period in which the covenant is breached. If Logistea fails to remedy the breach of covenant within a specified period of time, the lender may demand repayment of the loan. At the financial year-end, the Group had an equity ratio of 39 per cent (36), an interest coverage ratio of 2.2 times (1.8) and a loan-to-value ratio of 55 per cent (56).

The same key performance indicators are included in the Company's financial policy, which sets the limits of the established covenants at stricter levels. Logistea checks and reports on the covenants quarterly to the respective creditors.

Loan term analysis

31/12/2022	<1 year	1–3 years	3–5 years	>5 years	Total
Bond loan	-	500	-	-	500
External auditors	58	1	-	-	59
Trade payables	28	-	-	-	28
Total current liabilities	55	-	-	-	55
Total	188	2,280	194	36	2,698

31/12/2021	<1 year	1–3 years	3–5 years	>5 years	Total
Bond loan	-	500	-	-	500
External auditors	21	103	-	-	124
Trade payables	29	-	-	-	29
Total current liabilities	21	-	-	-	21
Total	222	1,514	-	-	1,736

Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect Logistea's cost of borrowing. Interest rate risk may arise from loans at variable interest rates leading to higher interest expenses, or from the conditions of new loans raised being less favourable and more costly. Changes in the market interest rates and credit margins may affect Logistea's borrowing costs. As a result, the fixed-interest term is an important factor in terms of interest-rate risk, whereby a short fixed-interest term means a lower average interest rate in the short term but a higher interest rate risk. To extend the fixed-interest term, Logistea may use various types of interest rate hedging derivatives, such as performance swaps, interest rate swaps and interest rate caps. At year-end 2022, Logistea had derivatives totalling SEK 1,149 million. The interest coverage ratio reflects the Company's resilience against a decline in net interest items. An interest coverage ratio of 100 per cent indicates that the Company's earnings cover its financial expenses. In 2022, Logistea's interest coverage ratio was 220 per cent.

Interest rate sensitivity analysis

	Change	Impact on profit	Impact on profit
		in 2022, MSEK	in 2021, MSEK
Interest-bearing liabilities	+/- 1 pp	-26/+26	-17/+17

Financing and refinancing risk

Financing risk is the risk that the Company will be unable to meet its requirements for financing, or that it will only be able to access financing on unfavourable terms. By maintaining good relationships, and having access to multiple sources of finance and many creditors, financing risk can be limited. The refinancing risk is limited by spreading the maturity of loans over time and ensuring that the proportion of current liabilities is not too high. At year-end, Logistea's proportion of non-current debt was 96 per cent of total interest-bearing liabilities.

Finance policy

Logistea's financial management is to be supportive and linked to the Company's operational activities and strategy. The main role of the Treasury department is to ensure that the Company has access to stable, balanced and cost-effective funding at all times by borrowing on the credit and capital markets. In addition, it is charged with managing the Company's cash flow and liquidity risks, collateral/pledges and managing other financial risks, including any currency risks and counterparty risks, in an efficient and secure manner.

Counterparty risk

Counterparty risk is the risk that a counterparty becomes unable to fulfil its commitments towards Logistea, and that this results in financial loss. To limit counterparty risk, Logistea works to clear guidelines on how cash and cash equivalents may be invested and are controlled on the basis of maturity, amount and counterparty.

Exchange rate risk

At the time these annual accounts were prepared, Logistea had no, or negligible, exposure to currencies other than the Swedish krona.

Note 19

Accrued expenses and deferred income

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Accrued salary-related expenses	2	2	2	2
Accrued interest payments	12	7	10	7
Deferred rental income	33	8	-	-
Other items	16	14	4	3
Total	63	31	16	12

Note 20

Earnings per share

Earnings per ordinary Series A and Series B shares are calculated as described below. Earnings are apportioned to the average number of ordinary Series A and Series B shares totalling 112,922,044 (78,767,747). The calculation of earnings per share in 2021 was adjusted for the effect of the bonus issue performed and the reverse split carried out in November 2021.

	2022	2021
Earnings per share, basic		
Profit for the year from remaining operations		
Profit/loss for the year from remaining activities per ordinary Series A and B share	323	316
Average number of ordinary Series A and B shares outstanding	112,922,044	78,767,747
Effect of bonus issue and reverse split in 2021		6,413,394
Earnings per share from remaining activities, basic	2.86	3.73
Profit for the year		
Profit for the year per Series A and B share	318	293
Average number of ordinary Series A and B shares outstanding	112,922,044	78,767,747
Effect of bonus issue and reverse split in 2021		6,413,394
Earnings per share, basic	2.82	3.49
Earnings per share, diluted		
Profit for the year from remaining operations		
Profit/loss for the year from remaining activities per ordinary Series A and B share	323	316
Average number of ordinary Series A and B shares outstanding	112,922,044	78,767,747
Effect of bonus issue and reverse split in Q4 2021		6,413,394
Effect of issue to Nordika Fastigheter in Q1 2023	1,416,617	
Earnings per share from remaining activities, diluted	2.82	3.73
Profit for the year		
Profit for the year per Series A and B share	318	293
Average number of ordinary Series A and B shares outstanding	112,922,044	78,767,747
Effect of bonus issue and reverse split in Q4 2021		6,413,394
Effect of placement with Nordika Fastigheter	1,416,617	
Earnings per share, diluted	2.78	3.49

In calculating diluted earnings per share, the weighted average number of ordinary shares outstanding is adjusted for the dilutive effect of all ordinary shares issued. The ordinary shares thus issued relate to the transaction announced in December 2022, through which Logistea is acquiring two properties in Gothenburg from Nordika Fastigheter. The ordinary shares issued are ordinary Series A and B shares.

Note 21

Shares in subsidiaries

	Parent Company					
	31 Dec. 2022	31 Dec. 2021				
Opening acquisition value	791	405				
Acquisitions and additions	167	621				
Impairment	-	0				
Mergers	0	-48				
Disposals/dividend	-25	-187				
Closing carrying amount	933	791				

Directly-owned subsidiaries	Corporate ID no.	Registered office	Holding, %	Number of shares/ participations	Book value 31/12/2022	Book value 31/12/2021
Odd Molly Inc.	06-1802963	Los Angeles	100		-	-
Logistea Kristianstad AB	556793-0739	Stockholm	100		77	77
Logistea Småland Fastigheter AB	559157-9817	Stockholm	100		29	29
Logistea Viran 8 AB	556715-3902	Stockholm	100		30	30
Logistea Grundstenen 7 AB	559260-7138	Stockholm	100		3	2
Logistea Räveskalla AB	559132-1996	Stockholm	100		-	6
Logistea Vindrosen 4 AB	559079-2940	Stockholm	100		36	36
Logistea Vindbryggan 6 AB	559106-5478	Stockholm	100		19	18
Logistea Vindtunneln 3 AB	559132-1434	Stockholm	100		11	11
Vaggeryd Logistikpark AB	556972-0385	Stockholm	100		226	162
Logistea Runen 18 AB	559195-7682	Stockholm	100		1	1
Logistea Vindan 1 AB	556705-2906	Stockholm	100		54	51
Logistea Skummeslöv 30:30 AB	559012-6222	Stockholm	100		2	2
Logistea Troentorp 1:88 AB	556588-8699	Stockholm	100		16	16
Logistea Troentorp 1:76 AB	556660-1828	Stockholm	100		3	1
Logistea Rotorn 4 AB	556609-9866	Stockholm	100		51	51
Logistea Tappen 1 AB	556519-4155	Stockholm	100		30	30
Logistea Källbäckstryd 1:400 AB	556735-6281	Stockholm	100		9	9
Logistea Förvaltning AB	559308-0657	Stockholm	100		0	0
Logistea Lagerhusen Selfstorage AB	559300-7155	Stockholm	100		2	0
Logistea Smedjan 2 AB	559043-2224	Stockholm	100		37	37
Logistea Ugglum 7:130 AB	556593-1382	Stockholm	100		24	24
Logistea Duved 2:51 AB	559313-6103	Stockholm	100		14	19
Logistea Tråget 3 AB	559313-6061	Stockholm	100		17	23
Logistea Fastigheter 2 AB	559338-5825	Stockholm	100		6	0
Fastighets AB Fåglabäck	559308-9716	Stockholm	100		0	0
OM Elektrikern 1 Fastighets AB	559321-4405	Stockholm	100		0	0
Karlskoga Bofors Holding AB	559338-5809	Stockholm	100		-	0
Logistea Kilsta 3:136 AB	559338-0198	Stockholm	100		40	40
Logistea Norra Höja 3:3 AB	559338-0206	Stockholm	100		42	40
Logistea Turbinen 2 AB	559338-0065	Stockholm	100		3	-
Logistea Bofors 1:46-48 AB	559338-0214	Stockholm	100		8	-
Kristinehamn Turbinen 2 Holding AB	559338-5833	Stockholm	100		-	0
Logistea Gårö 1:370 AB	559340-6100	Stockholm	100		-	19
Logistea Fastigheter AB	559338-5817	Stockholm	100		1	0
Logistea Lockryd Park AB	559352-7608	Stockholm	95		0	0
Falksmedjan HB	969721-6167	Stockholm	99.9		59	58
INPENSA AB	559362-5832	Stockholm	100		0	-
Logistea Högsbo 38:11 KB	916852-5047	Stockholm	99		81	-
Logistea Fastigheter 3 AB	559383-3956	Stockholm	100		1	-
Logistea Fastigheter 5 AB	559404-5782	Stockholm	100		0	-
Logistea Fastigheter 6 AB	559412-5725	Stockholm	100		0	-
Logistea Fastigheter 7 AB	559412-5733	Stockholm	100		0	-
Logistea Fastigheter 8 AB	559412-5741	Stockholm	100		0	-
Logistea Fastigheter 9 AB	559412-5758	Stockholm	100		0	-
Logistea Fastigheter 10 AB	559412-5766	Stockholm	100		0	-
Total					933	791

Indirectly owned subsidiaries	Corporate ID no.	Registered office
Logistea Vaggeryd AB	559172-9693	Stockholm
Logistea Flahult 77:7 AB	559156-2540	Stockholm
Logistea Gänget 11 AB	559184-2231	Stockholm
Logistea Rotorn 1 Ljungby AB	559331-6598	Stockholm
Logistea Transformatorn 2 AB	556095-4017	Stockholm
Logistea Målaren 4 AB	559170-6105	Stockholm
Logistea Hyveln 2 AB	559018-0476	Stockholm
Logistea Björkelund 2 AB	559263-9529	Stockholm
Logistea Gårö 1:370 AB	559340-6100	Stockholm
Logistea Generatorn 1 AB	559296-6245	Stockholm
Logistea Vetet 1 AB	556919-2650	Stockholm
Logistea Lockryd 2:73 AB	559278-3319	Stockholm
Logistea Gyljeryd 1:43 AB	559226-7255	Stockholm
Logistea Hoberg Holding AB	559366-9228	Stockholm
Logistea Västra Åkralt 1:97 AB	556609-4446	Stockholm
Logistea Traversen 4 AB	559012-8541	Stockholm
Logistea Vivsta 13:92 AB	559369-0430	Stockholm
Logistea Ödeshög AB	559374-3569	Stockholm
Logistea Kopparn AB	559323-3132	Stockholm
Logistea Fastigheter 4 Holding AB	559356-5129	Stockholm
Logistea Rösjö 1:23 AB	559356-5152	Stockholm
Logistea Ånge 31:25 AB	559356-5145	Stockholm
Logistea Öjebyn 144:79 AB	559356-5137	Stockholm
Logistea Skogarp AB	559236-0894	Stockholm
Logistea Lexby 1:113 AB	559045-1737	Stockholm
Logistea Duved 2:29 AB	559002-7677	Stockholm
Logistea Tornum 9:75 AB	556770-2294	Stockholm
Logistea Kamaxeln 1 AB	559286-9357	Stockholm
Logistea Backen 1:138 AB	559286-9282	Stockholm
Logistea Assmundtorp 2:139 AB	559286-9365	Stockholm
Logistea Omne AB	559146-1958	Stockholm
Logistea Hammaren 4 AB	556831-4818	Stockholm
Logistea Tanumshede 3:28 AB	556714-5759	Stockholm
Logistea Kvarntorp 1:7 och 1:15 AB	559384-2916	Stockholm
Logistea Alingsås Bulten 1 AB	559402-9604	Stockholm
Logistea Fastigheter 5 Holdco AB	559405-5161	Stockholm

Note 22

Receivables from Group companies

	Parent Company	
	31 Dec. 2022	31 Dec. 2021
Opening balance	1,322	90
Receivables added/subtracted	994	1,232
Closing balance	2,316	1,322

Note 23

Liabilities to Group companies

	Parent Company	
	31 Dec. 2022	31 Dec. 2021
Opening balance	71	68
Receivables added/subtracted	136	3
Closing balance	207	71

Note 24

Pledged assets and contingent liabilities

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Pledged assets				
Property mortgages*	2,183	1,147	-	-
Pledged shares in subsidiaries	2,744	1,034	868	642
Floating charges	-	-	-	-
Pledged receivables as collateral for invoice discounting	-	-	-	-
Total pledged assets	4,927	2,181	868	642
Contingent liabilities				
Contingent liabilities	93	40	53	40
Total contingent liabilities	93	40	53	40

* Mortgage deeds utilised to secure debts total SEK 2,056 million (1,015).

Logistea's financial guarantee agreements consist mainly of guarantees in favour of subsidiaries. A contingent liability is recognised when there is a possible obligation arising from past events whose existence is confirmed only by one or more uncertain future events, or when there is an obligation that is not recognised as a liability or provision because it is not probable that an outflow of resources will be required. On 31 December 2022, contingent liabilities totalled a maximum of SEK 93 million in additional purchase considerations (of which SEK 33.75 million may be effected via shares issued in the Company).

Note 25

Transactions with related parties

In October 2022, Logistea signed an agreement with Hansson-Gruppen Seekat AB (a company 50 per cent owned by Board member Stefan Hansson) regarding the sale of all shares in Logistea Räveskalla AB (which owns the properties Borås Räveskalla 1:435 and Borås Räveskalla 1:506). The properties were transferred at an underlying property value of approximately SEK 8.4 million, which was five per cent above the valuation and book value of the properties. The agreement was entered into on market terms. Otherwise, Logistea did not carry out any related-party transactions in 2022.

On 7 February 2023, the Company announced that it had signed a partnership agreement with Ra Solar Energy for the deployment of solar energy and batteries for support services in frequency trading and arbitrage trading. Under the agreement, Logistea and Ra Solar Energy are assisting in increasing the volume of renewable electricity generated and compensating for the capacity shortage at certain locations in the electricity grid via stabilising support services for the Swedish power system. The agreement is conditional on shareholder approval at Logistea's Annual General Meeting on 5 May 2023, as the co-founder of Ra Solar Energy, Stefan Hansson, is a member of Logistea's Board of Directors.

Outside of the above, no transactions took place with related parties other than remuneration to senior executives.

Note 26

Equity

Share class	No. of owners	Voting rights per share	No. of votes	Number of votes	Percentage of share capital
Series A shares	9,568,392	1	9,568,392.0	46%	8%
Series B shares	111,485,665	0.1	11,148,566.5	54%	92%
Total	121,054,057		20,716,958.5	100%	100%

Changes in share capital 2020–2022, SEK

Period	Event	Change in share capital	Total share capital	Total no. of Series A shares	Total no. of Series B shares	Total no. of shares
2020 January	Cash issue and two private placements, as per resolutions in December 2019	2,290,343	3,766,898	37,768,982	-	37,768,982
2020 September	Private placement	426,011	4,202,909	42,029,092	-	42,029,092
2020 September	Private placement	291,667	4,494,576	44,945,760	-	44,945,760
2020 September	Private placement	340,000	4,834,576	48,345,760	-	48,345,760
2020 October	Private placement	375,000	5,209,579	52,095,760	-	52,095,760
2020 October	Private placement	300,000	5,509,576	55,096,760	-	55,096,760
2020 December	Rights issue	918,263	6,427,839	64,278,386	-	64,278,386
2020 December	Private placement	761,498	7,189,337	71,893,367	-	71,893,367
2021 April	Private placement	143,750	7,333,087	73,330,867	-	73,330,867
2021 April	Private placement	240,000	7,573,087	75,730,867	-	75,730,867
2021 May	Private placement	92,673	7,665,760	76,657,602	-	76,657,602
2021 July	Private placement	216,667	7,882,427	78,824,269	-	78,824,269
2021 September	Private placement	91,233	7,973,660	79,736,599	-	79,736,599
2021 October	Private placement	0	7,973,660	79,736,600	-	79,736,600
2021 October	Reduction of share capital	-3,986,830	3,986,830	79,736,600	-	79,736,600
2021 November	Bonus share issue	39,868,300	43,855,130	79,736,600	797,366,000	877,102,600
2021 November	Private placement	3,120,000	46,975,130	79,736,600	859,766,000	939,502,600
2021 November	Reverse share split, 1:10	-	46,975,130	7,973,660	85,976,600	93,950,260
2021 December	Private placement	1,169,456	48,144,586	7,973,660	88,315,512	96,289,172
2022 January	Private placement	244,285	48,388,871	7,973,660	88,804,081	96,777,741
2022 Mars	Private placement	181,463	48,570,333	7,973,660	89,167,006	97,140,666
2022 April	Rights issue	9,714,011	58,284,400	9,568,392	107,000,407	116,568,799
2022 May	Private placement	642,629	58,927,029	9,568,392	108,285,665	117,854,057
2022 June	Private placement	1,500,000	60,427,029	9,568,392	111,285,665	120,854,057
2022 October	Private placement	100,000	60,527,029	9,568,392	111,485,665	121,054,057

The quota value per share increased from 0.1 to 0.5 in connection with the bonus issue of Series B shares.

Share option programme

At an Extraordinary General Meeting held on 22 October 2021, a resolution was passed to introduce an incentive programme for senior executives, key individuals and other Company employees through the issue of share warrants. The issue consists of no more than 4,180,000 share warrants conferring the right to acquire no more than 4,180,000 Series B shares in December 2025. The take-up rate for the share option programme is 100 per cent.

Rights issue April 2022

In March 2022, Logistea announced its proposal to carry out a rights issue in support of Logistea's growth strategy. The issue was fully underwritten by a group of existing shareholders and was completed in April 2022. The subscription price was set at SEK 18 per ordinary share, irrespective of share class, resulting in proceeds of SEK 350 million before issue costs.

Through the rights issue, Logistea's share capital increased by SEK 9.7 million through the issue of 1,594,732 new Series A and 17,833,401 new Series B shares. The number of ordinary shares increased by 19,428,133 ordinary shares, representing dilution of approximately 16.7 per cent of the total number of shares and 16.7 per cent of the total number of votes in Logistea.

Share issues in connection with acquisitions

On the basis of authorisation of the Board to issue shares by the Annual General Meeting on 6 May 2022, Logistea has continued to part-pay for property acquisitions via the issue of new shares. This is expected to create shareholder value for existing shareholders. During the 2022 financial year, 5,336,752 new Series B shares were issued in connection with acquisitions.

Note 27

Financial instruments

Group	31 Dec. 2022		31 Dec. 2021	
	Financial assets and liabilities measured at amortised cost	Financial assets and liabilities measured at fair value via income	Financial assets and liabilities measured at amortised cost	Financial assets and liabilities measured at fair value via income
Other financial assets	1	-	1	-
Interest rate derivatives	-	10	-	-
Trade receivables	18	-	6	-
Other receivables	18	-	12	-
Cash and cash equivalents	52	-	218	-
Financial assets	89	10	237	-
Interest-bearing liabilities	2,605	-	1,686	-
Lease liabilities	12	-	2	-
Trade payables	28	-	29	-
Total current liabilities	27	-	20	-
Financial liabilities	2,672	-	1,737	-

Parent Company	31 Dec. 2022		31 Dec. 2021	
	Financial assets and liabilities measured at amortised cost	Financial assets and liabilities measured at fair value via income	Financial assets and liabilities measured at amortised cost	Financial assets and liabilities measured at fair value via income
Receivables from Group companies	2,101	-	1,104	-
Trade receivables	2	-	-	-
Other receivables	2	-	12	-
Cash and cash equivalents	33	-	150	-
Financial assets	2,138	-	1,266	-
Interest-bearing liabilities	1,907	-	1,529	-
Liabilities, Group companies	21	-	28	-
Trade payables	3	-	3	-
Total current liabilities	13	-	9	-
Financial liabilities	1,944	-	1,569	-

The financial receivables and liabilities of the Group and the Parent Company are measured at amortised cost, less provision for losses or fair value via income. In the case of financial assets and liabilities measured at amortised cost, the carrying amount is considered a good approximation of fair value, as the assets and liabilities either have a relatively short term or, where the term is longer, have a short fixed-interest term.

Note 28

Reconciliation of liabilities arising from financing activities

Group	Changes not affecting cash flow				31/12/2022
	01/01/2022	Cash flow	Acquisitions	Accrual of borrowing costs	
Bond loan	492	-	-	3	495
Liabilities to credit institutions	1,062	165	819	5	2,051
Other interest-bearing liabilities	132	-3	-10	-	59
Total liabilities attributable to financing activities	1,686	162	809	8	2,605

Group	Changes not affecting cash flow				31/12/2021
	01/01/2021	Cash flow	Acquisitions	Accrual of borrowing costs	
Bond loan	-	492	-	-	492
Liabilities to credit institutions	365	122	575	-	1,062
Other interest-bearing liabilities*	95	-2	41	-	134
Total liabilities attributable to financing activities	460	612	616	-	1,688

Parent Company	Changes not affecting cash flow				31/12/2022
	01/01/2022	Cash flow	Acquisitions	Accrual of borrowing costs	
Bond loan	492	-	-	3	495
Liabilities to credit institutions	905	447	-	2	1,354
Other interest-bearing liabilities	132	-63	-10	-	59
Total liabilities attributable to financing activities	1,529	384	-10	5	1,908

Parent Company	Changes not affecting cash flow				31/12/2021
	01/01/2021	Cash flow	Acquisitions	Accrual of borrowing costs	
Bond loan	-	492	-	-	492
Liabilities to credit institutions	0	905	-	-	905
Other interest-bearing liabilities	76	-	56	-	132
Total liabilities attributable to financing activities	76	1,397	56	-	1,529

* Includes leasing liabilities on 01/01/2021 and 31/12/2021.

Note 29

Statement of cash flows from divested business

MSEK	2022	2021
Cash flow from operating activities	-5	-24
Cash flow from investing activities	-	-
Cash flow from financing activities	-	-
Cash flow for the period from divested business	-5	-24

Note 30

Significant post balance sheet events

In January 2023, the Vindan 1 property in Borås was awarded BREEAM In-Use (Very Good) level certification.

During January and February 2023, Logistea bought back bonds in its own bond issue to a total value of SEK 86.3 million. The total outstanding nominal amount of the senior unsecured bonds, maturing in October 2024, amounts to SEK 500 million, of which Logistea has repurchased SEK 86.3 million.

In February 2023, Logistea signed an agreement with Ra Solar Energy AB regarding an expansion of solar energy and energy storage via batteries on Logistea's properties.

On 7 March 2023, Logistea published a prospectus regarding the admission to trading of the ordinary A and B shares issued to Nordika Fastigheter AB.

Note 31

Proposed distribution of unappropriated profit

The Board intends to assess annually whether there is any scope to pay dividends. The aim of the Board is to annually propose to the Annual General Meeting a dividend corresponding to at least 30 per cent of the Company's profit. Prior to making such a proposal, the Board will consider whether a dividend of that size can be paid. Accordingly, the Board will take multiple factors into account, including the activities of the Company, its operating profit and financial position, current and expected liquidity requirements, expansion plans and other material factors. Over the next few years, the Board intends to prioritise growth over dividends, which may result in little or no dividend on ordinary shares, and no dividend will be paid for the 2022 financial year. No dividend was distributed for the 2021 financial year. Proposal for the appropriation of the Company's unappropriated profit:

The following funds are at the disposal of the Annual General Meeting (SEK):

Share premium reserve	1,283,249,397
Retained earnings	-186,594,163
Profit for the year	-3,383,458
Total	1,093,271,777

The Board of Directors proposes that the unappropriated profit be distributed as follows:

To be carried forward	1,093,271,777
Total	1,093,271,777

Board of Directors' declaration

The undersigned hereby declare that the consolidated accounts and the annual report have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and generally accepted accounting standards, and provide a true and fair view of the Company's financial position and results, and that the Management Report provides a fair view of the developments in the Group's and the Company's activities, financial position and earnings, and describes material risks and uncertainties that affect the companies that are part of the Group.

Stockholm, on the date indicated by the electronic signatures

Patrik Tillman
Chairman of the Board

Bengt Kjell
Deputy Chairman of the Board

Sanja Batljan
Board Member

Johan Mark
Board Member

Anneli Lindblom
Board Member

Caroline Thagesson
Board Member

Stefan Hansson
Board Member

Niklas Zuckerman
CEO

Our audit report was submitted on the date indicated by our electronic signature

Ernst & Young AB

Gabriel Novella
Authorised Public Accountant

Auditor's Report

To the general meeting of the shareholders of Logistea AB, corporate identity number 556627-6241

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Logistea AB (publ) for the year. The annual accounts and consolidated accounts of the company are included on pages 56–89 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 2022 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 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. 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 Group.

Our opinions in this report on 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 information

The audit of the annual report for the year 2021 has been carried out by another auditor who submitted an auditor's report dated April 12, 2022 with unmodified statements in *Report on the annual 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of Investment Properties

Description

The fair value of investment properties in the Group as at 31 December 2022 was SEK 4 623 million and changes in the value of properties of SEK 339 million. As of the closing day 31 December 2022, the entire property portfolio has had its value appraised externally. Investment properties are the most significant item in the consolidated balance sheet. Valuation at fair value is inherently subject to subjective assessments, where a small change in assumptions underlying the valuations can have a significant impact on reported values. Valuations are return based on the cash flow model, which means that future cash flows are forecasted. The property's yield is assessed based on the unique risk of each property and actual market transactions. Due to the various assumptions and assessments that are made in connection with the valuation of investment properties, we considered this area as a key audit matter in the audit. A description of the valuation principles of the property holdings can be found in the section Property portfolio on page 54, Note 10 Investment properties and Note 1 regarding significant estimates and assessments.

How our audit addressed this key audit matter

In our audit, we have evaluated the company's property valuation process, including by evaluating the applied valuation method and input data in the valuations.

We have evaluated the competence and objectivity of both the externally hired valuation experts and the company's internal valuation managers.

We have discussed important assumptions and assessments with the company's valuation managers and management.

We have made comparisons against known market information.

We have substantively reviewed completed sales and compared the sale price against the latest valuation in order to analyze the reliability of the valuations.

With the support of valuation specialists within the audit team, we have reviewed the company's model for property valuation. With the support of these valuation specialists, we have also reviewed the reasonableness of assumptions made for a sample of the properties such as yield requirements, vacancy rates, rental income and operating expenses.

We have also calculated a selection of valuations. Our sample has mainly included the largest properties in the portfolio in terms of value, as well as the properties with the largest variations in value compared to previous quarters and previous years.

We have reviewed the disclosures in the annual report.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–52 and 94–104. The Remuneration report for the year 2022 also represents other information. The Board of Directors and the CEO are responsible for this other information. 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.

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 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 intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

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.

A further description of our responsibilities for the audit of the annual accounts and the consolidated accounts is located at the Swedish Inspectorate of Auditors website. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Report on the audit of the administration and the proposed appropriations of the company's profit or loss *Opinions*

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Logistea AB (publ) for the year and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the Company's and the Group's type of operations, size and risks place on the size of the Parent Company's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the Company's organization and the administration of the Company's affairs. This includes among other things continuous assessment of the Company's and the Group's financial situation and ensuring that the Company's organization is designed so that the accounting, management of assets and the Company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the Company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the Company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the Company, or that the proposed appropriations of the Company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibilities for the audit of the administration is located at the Swedish Inspectorate of Auditors website. This description forms part of our auditor's report.

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 Logistea AB (publ) for the financial year 2022.

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 Logistea AB (publ) 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 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 ISQC 1 *Quality Control for Firms*

that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and 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 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 audit 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 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.

Ernst & Young AB, Box 7850 103 99 Stockholm, was appointed auditor of Logistea AB by the general meeting of the shareholders on the 6 May 2022 and has been the company's auditor since 6 May 2022.

Stockholm on the date indicated by our electronic signature

Ernst & Young AB

Gabriel Novella
Authorised Public Accountant

Other



Calculation of EPRA key performance indicators

Reporting standard

To enable stakeholders and shareholders to compare and evaluate Logistea's operations in a more transparent and accurate way, we report key performance indicators and information according to EPRA BPRs (European Public Real Estate Association Best Practices Recommendations). In the annual report for the 2022 financial year, we will include the financial key performance indicators and in subsequent reports will also provide sustainability reports according to EPRA.

The following performance indicators have been developed in accordance with the best practices defined by EPRA in its latest edition of the Best Practices Recommendations Guidelines (BPRs). EPRA BPRs focus on making the financial statements of public property companies clearer and more comparable across Europe. For further information about EPRA, please go to www.epra.com.

Summary of EPRA performance indicators

		Currency/per cent	31/12/2022	31/12/2021
A	EPRA Earnings	SEK	64	16
	EPRA earnings per share (EPS)	SEK	0.6	0.2
B	EPRA NRV	SEK	2,040	1,139
	EPRA NRV per share	SEK	16,8	11.8
	EPRA NTA	SEK	1,877	1,049
	EPRA NTA per share	SEK	15.5	10.9
	EPRA NDV	SEK	1,864	1,049
	EPRA NDV per share	SEK	15.4	10.9
C	EPRA net initial yield	%	6.2	6.0
	EPRA "topped-up" net initial yield	%	6.2	6.1
	EPRA vacancy ratio	%	2	5
	EPRA cost ratio (including direct vacancy expenses)	%	42.4	55.9
	EPRA cost ratio (excluding direct vacancy expenses)	%	42.4	55.9

Details on how the calculations of the ratios are carried out are presented later in the chapter.

EPRA capital expenditure

All figures in SEK million	31/12/2022	31/12/2021
Acquisitions	1,489	1,181
Development	196	161
– Newbuild projects	166	145
– Redevelopment projects ¹	30	16
– Refurbishments ¹	-	-
Investment properties	4	3
– Incremental lettable space	-	-
– Non-incremental lettable space and incentives for tenants	1	-
– Other material unallocated type of cost	3	3
Capitalised interest	13	3
Total capital costs	1,702	1,348
Conversion from accrued to cash and cash equivalents	-	-
Total capital expenditure as cash and cash equivalents	1,702	1,348

¹ Also includes change of tenant and maintenance costs on completion as part of refurbishment and major maintenance.

A. EPRA Earnings

EPRA earnings is a measure of the performance of the property portfolio. EPRA earnings are based on the income statement, adjusted for earnings from associated companies, changes in the value of investment properties, changes in the market value of financial instruments and any other potential earnings effects from property sales with associated tax costs.

All figures in SEK million	2022	2022	2022	2022	2021	2021	2021	2021
	Reported as per IFRS	EPRA adjustments	Non-controlling interest ¹	EPRA earnings	Reported as per IFRS	EPRA adjustments	Non-controlling interest ¹	EPRA earnings
Rental income	257	-	-	257	93	-	-	93
Property expenses	-71	-	-	-71	-28	-	-	-28
Net operating income	186	-	-	186	65	-	-	65
Other income	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Central administration	-38	-	-	-38	-24	-	-	-24
Income from associated companies and JVs	-	-	-	-	-	-	-	-
Net financial income	-75	-	-	-75	-23	-	-	-23
Profit from property management	73	-	-	73	18	-	-	18
Changes in the value of properties, net	347	347	-	-	378	-378	-	-
Profit before tax/ EPRA earnings before tax	420	-	-	73	396	-	-	18
Current tax	-3	-	-	-3	-1	-	-	-1
Change in deferred tax	-94	88	-	-6	-78	77	-	-1
Profit/loss for the period from divested business	323	-	-	64	317	-	-	16
Average number of ordinary shares outstanding (millions)	-	-	-	112.9	-	-	-	78.8
EPRA earnings per share (SEK)	-	-	-	0.57	-	-	-	0.20

¹ Excludes non-controlling interest in relation to EPRA adjustments.

B. EPRA Net Asset Value Metrics

Net asset value is the sum of the equity capital managed on behalf of its owners. Net asset value may be calculated in many different ways, with the difference in most cases explained by the return on the property portfolio. Logistea presents three different net asset value calculations that are included in EPRA's BPR guidelines: EPRA NRV, EPRA NTA and EPRA NDV.

EPRA Net Reinstatement Value (NRV)

The aim of the EPRA NRV metric is to highlight the value of the net assets in the long term, and it is based on the assumption that no asset sales are made. Assets and liabilities that are not expected to be crystallised in normal circumstances, for example, changes in the fair value of financial derivatives and deferred tax on unrealised changes in the value of real estate, are therefore excluded. Corporate transactions with real estate as the underlying asset, which have accounted for the major share of Logistea's acquisition methodology, are currently not burdened by any real estate transfer taxes and so such costs are not included in Logistea's valuation certificate. Consequently, no adjustments for real estate transfer taxes are made in Logistea's EPRA NRV calculations.

All figures in SEK million	31/12/2022	31/12/2022	31/12/2022	31/12/2021	31/12/2021	31/12/2021
	Total	Attributable to non-controlling interests	Attributable to Parent Company shareholders (EPRA NRV)	Total	Attributable to non-controlling interests	Attributable to Parent Company shareholders (EPRA NRV)
Equity, as per IFRS	1,864	-	1,864	1,049	-	1,049
Net asset value (NAV), fair value	1,864	-	1,864	1,049	-	1,049
Deferred tax on properties and derivatives	185	-	185	90	-	90
Net fair value of derivatives	-9	-	-9	-	-	-
Goodwill from deferred tax	0	-	0	-	-	-
EPRA Net Reinstatement Value (NRV)	2,040	-	2,040	1,139	-	1,139
Shares outstanding at the end of period (millions)	121.1	-	121.1	96.3	-	96.3
EPRA NRV per ordinary share (SEK)	16.9	-	16.9	11.8	-	11.8

EPRA Net Tangible Assets (EPRA NTA)

EPRA NTA focuses on reflecting the Company's property, plant and equipment and is based on the Company buying and selling assets, whereby some portion of the deferred tax liability is inevitably realised. Logistea has adopted the second option in the EPRA guidelines in adjusting for deferred tax. Estimation of the actual deferred tax liability is based on how Logistea has carried out property transactions in recent years.

All figures in SEK million	31/12/2022	31/12/2022	31/12/2022	31/12/2021	31/12/2021	31/12/2021
	Total	Attributable to non-controlling interests	Attributable to Parent Company shareholders (EPRA NTA)	Total	Attributable to non-controlling interests	Attributable to Parent Company shareholders (EPRA NTA)
Equity, as per IFRS	1,864	-	1,864	1,049	-	1,049
Net asset value (NAV), fair value	1,864	-	1,864	1,049	-	1,049
Reversal of deferred tax	185	-	185	90	-	90
Estimated actual deferred tax	-162	-	-162	-89	-	-89
Net fair value of derivatives	-9	-	-9	-	-	-
Goodwill from deferred tax	-	-	-	-	-	-
Intangible assets	-1	-	-1	-1	-	-1
EPRA Net Tangible Assets (NTA)	1,877	-	1,877	1,049	-	1,049
Shares outstanding at the end of period (millions)	121.1		121.1	96.3		96.3
EPRA NTA per ordinary share (SEK)	15.5		15.5	10.9		10.9

Estimated actual deferred tax liability

The Group's estimated actual deferred tax liability arising from temporary differences in real estate values has been calculated at 5.15 per cent, which is based on Logistea's perception of market practice which is a 25 per cent deduction for deferred tax estimated at 20.6 per cent. Furthermore, the actual deferred tax liability related to deferred profit/loss is estimated at 20.6 per cent, which is the current tax rate in Sweden for the financial years 2022 and 2023.

All figures in SEK million	31/12/2022 Nominal tax liability	31/12/2022 Actual tax liability	31/12/2021 Nominal tax liability	31/12/2021 Actual tax liability
Non-current assets	174	153	94	93
Financial instruments	2	-	-	-
Untaxed reserves	9	9	2	2
Tax loss carry-forwards	-	-	-6	-6
Deferred tax liability	185	162	90	89

EPRA Net Disposal Value (NDV).

The EPRA NDV metric provides the reader of the financial statement with a scenario where deferred tax, financial instruments and a number of other adjustments are calculated in relation to the entire liability. This enables the reader to understand the full extent of liabilities and resulting shareholder value in the event of an orderly sale of the business and/or if liabilities are not held to maturity. The metric should not be regarded as a "liquidation NAV" for Logistea, as fair values may not represent liquidation values and as any immediate realisation of Logistea's assets may be structured as company sales, resulting in only part of the deferred tax liability being realised.

All figures in SEK million	31/12/2022	31/12/2022	31/12/2022	31/12/2021	31/12/2021	31/12/2021
	Total	Attributable to non-controlling interests	Attributable to the owners of the Parent Company	Total	Attributable to non-controlling interests	Attributable to the owners of the Parent Company
Equity, as per IFRS	1,864	-	1,864	1,049	-	1,049
Net asset value (NAV), fair value	1,864	-	1,864	1,049	-	1,049
Goodwill from deferred tax						
EPRA Net Disposal Value (NDV)	1,864	-	1,864	1,049	-	1,049
Shares outstanding at the end of period (millions)	121.1		121.1	96.3		96.3
EPRA NDV per ordinary share (SEK)	15.4		15.4	10.9		10.9

C. EPRA Net Initial Yield (NIY)

The EPRA Net Income Yield (NIY) metric measures the annual rental income based on the cash payments up to the balance sheet date, less non-rechargeable operating costs, divided by the market value of the property, plus estimated acquisition costs. The EPRA "topped up" NIY is based on the EPRA NIY with an adjustment for rental discounts on the balance sheet date or other non-expiring lease incentives such as rent escalators.

All figures in SEK million	31/12/2022	31/12/2021
Investment properties – wholly owned	4,623	2,607
Investment properties – part of JV	-	-
Total real estate portfolio	4,623	2,607
Excluding projects, land and buildings	-333	-519
Total managed portfolio	4,290	2,088
Estimated costs for buyers	8	4
Updated valuation of managed portfolio	4,298	2,092
12-month rolling rental income	298	155
Estimated operational charges	-34	-29
Net annual rent	264	126
Rent discounts	-	-
Topped-up net annual rent	264	126
EPRA NIY (net initial yield)	6.2	6.0
EPRA "Topped up" NIY net return	6.2	6.0

D. EPRA Vacancy

Estimated Market Rental Value (ERV) for vacant space, divided by estimated market rents for the entire real estate portfolio. All key performance indicators are adjusted for the actual ownership share for each property.

All figures in SEK million	31/12/2022	31/12/2021
Market rents for vacant space	6	8
Total market rent	304	163
EPRA Vacancy Rate	2%	5%

E. EPRA Cost Ratio

Central administration expenses and property expenses (including and excluding direct vacancy expenses) divided by gross rental income.

All figures in SEK million	31/12/2022	31/12/2021
Property expenses	-71	-28
Central administration expenses	-38	-24
Reversal: Ground rent	0	0
EPRA cost (including direct vacancy expenses)	-109	-52
Direct vacancy costs	0	0
EPRA cost (excluding direct vacancy expenses)	-109	-52
Gross rental income, less ground rent	257	93
Total gross rental income, less ground rents	257	93
EPRA cost ratio (including direct vacancy expenses)	42.4%	55.9%
EPRA cost ratio (excluding direct vacancy expenses)	42.4%	55.9%

Alternative key performance indicators and other definitions

Reconciliation tables for Logistea's key performance indicators are available on Logistea's website, in the Financial Reports section.

Share price per ordinary share

Share price on balance sheet date.

Number of investment properties

Number of investment properties recognised on the balance sheet consists of properties that are actively managed and project properties.

Number of ordinary shares outstanding

Number of ordinary shares outstanding on the balance sheet date.

Return on equity

Profit after tax, annualised, divided by the average of opening and closing equity¹.

Loan-to-value ratio

Interest-bearing liabilities less cash and cash equivalents, in relation to the fair value of the properties.

Building rights

Estimated gross area for development, in square metres.

Central administration

Central administration expenses are costs incurred for Group Management and Group-wide functions.

Yield

Net operating income in relation to the fair value of the properties (excluding project properties).

Net operating income

Rental income less property expenses, such as operating costs, maintenance costs and property tax.

Equity per ordinary share

Equity¹ in relation to the number of shares outstanding.

Economic occupancy rate

Annual lease value divided by rental value excluding project properties.

EPRA

The mission of the European Public Real Estate Association (EPRA) is to

improve transparency in the listed European property sector. Logistea reports key performance indicators based on EPRA's definitions, please see pages 96–99.

Profit from property management per ordinary share

Profit from property management in relation to the average number of shares outstanding.

Investment properties

Investment properties are properties that are owned for the purpose of receiving rental income or capital appreciation, or a combination of the two.

Average number of ordinary shares outstanding

The average number of ordinary shares outstanding during the period.

Average interest rate

The average interest rate on interest-bearing liabilities, including interest-rate derivatives, on the balance sheet date.

Average fixed-interest term

The average remaining term for the interest on interest-bearing liabilities.

Rental value

The annual contractual value, including surcharges, of the estimated market rent for vacant premises.

Unrealised changes in value

Changes in the fair value, excluding acquisitions, divestment and invest-

ments, of remaining investment properties at the end of the period. The effect of acquisitions and investments is taken into account in the change of value.

Project properties

Properties where ongoing refurbishment or expansion will affect the rental value by more than 40 per cent.

Earnings per ordinary share

Earnings after tax in relation to the average number of ordinary shares outstanding. Calculated according to IAS 33.

Interest-bearing net debt

Interest-bearing liabilities less interest-bearing assets and cash and cash equivalents.

Interest coverage ratio

Net operating income less central administration, divided by interest expense and interest income (excluding leasehold and effects of IFRS 16).

Equity/assets ratio

Equity as a percentage of the balance sheet total.

Net asset value (NAV) per ordinary share

Equity¹ after reversal of deferred tax liability in relation to the number of ordinary shares outstanding.

Surplus ratio

Net operating income as a percentage of revenues.

Logistea follows the guidelines of the European Securities and Markets Authority (ESMA) on Alternative Performance Measures. The guidelines are intended to make alternative performance measures in financial reports more comprehensible, reliable and comparable, and thereby to promote their usefulness. According to these guidelines, an alternative performance measure refers a financial measure of historical or forecast changes in earnings, financial position, financial performance or cash flows that are not defined or specified in applicable rules for financial reporting stated in IFRS and the Swedish Annual Accounts Act.

¹ Equity attributable to shareholders in the Parent Company.

Information to shareholders

Annual General Meeting

Logistea's Annual General Meeting will be held at 14.00 CET on Friday 5 May 2023 on the premises of Advokatfirman Cederquist, at Hovslagargatan 3, Stockholm.

Notification of intention to participate

Shareholders wishing to participate in the Annual General Meeting must

- by Wednesday, 26 April 2023 be entered in the register of shareholders maintained by Euroclear Sweden AB; and
- have registered with the Company their intention to participate by no later than Friday 28 April 2023, by mail using the address:
Advokatfirman Cederquist, Box 1670, SE-111 96 Stockholm, Sweden, Att: Ursula Sörqvist
or via e-mail to: ursula.sorqvist@cederquist.se.

The notification must specify name, personal/corporate identity no., shareholdings, address, telephone number and details of any assistants, as well as of any proxies. Where appropriate, the notification must be accompanied by authorisation documents in full, such as registration certificates or the like.

Nominee-registered shares

Shareholders whose shares are held by an intermediary such as a bank or another nominee must, in order to be entitled to participate in the AGM, temporarily register their shares in their own name with Euroclear Sweden AB. Shareholders wishing to reregister their shares must notify their intermediary to that effect in accordance with the intermediary's routines, in such sufficient time in advance as the intermediary requires.

Dividend

The Board aims to annually propose to the Annual General Meeting a dividend corresponding to no less than 30 per cent of the Company's unappropriated profit.

Over the next few years, the Board intends to prioritise growth over dividends, which may result in little or no dividend on ordinary shares.

In order to support the Company's growth targets, the Board proposes to the AGM that no dividend be distributed for the 2022 financial year. No dividend was distributed for the 2021 financial year.

Financial calendar

- The interim report for the first quarter, January – March 2023, will be published on 5 May 2023.
- The 2023 Annual General Meeting will be held in Stockholm on 5 May 2023.
- The interim report for the second quarter, April – June 2023, will be published on 14 July 2023.
- The interim report for the third quarter, July – September 2023, will be published on 27 October 2023.

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For more information, please go to www.logistea.se

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