



CATENA
2014
Annual Report

**A leading
property company
in logistics**

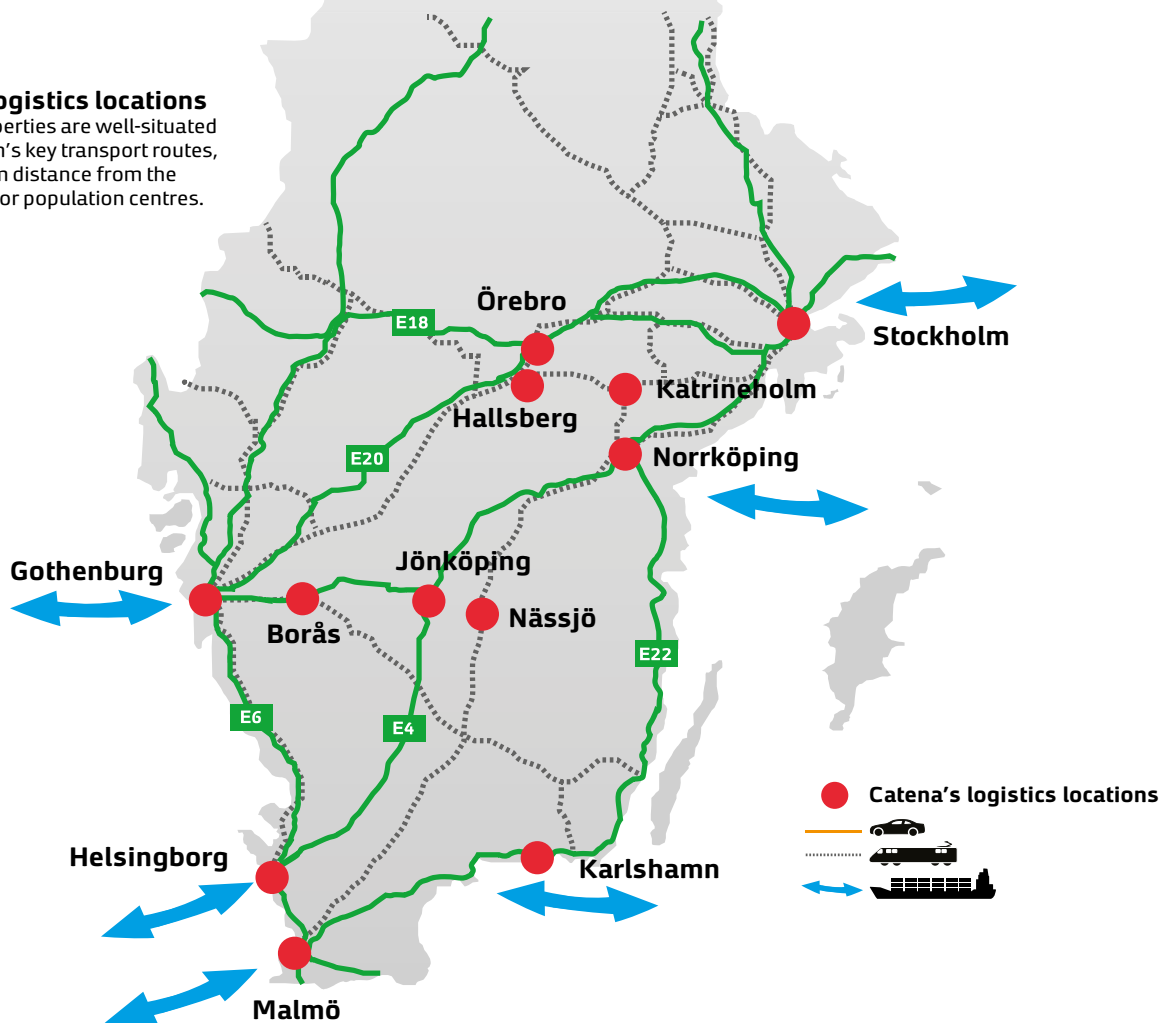
Flows of goods generate cash flow

Catena has a clear business concept: To link Scandinavia's freight flows by developing and providing logistics, trading and manufacturing companies cost and environmentally efficient logistics facilities that serve the Scandinavian metropolitan regions. In this way, the company generates strong cash flow, enabling stable development of operations and dividends for shareholders.

Number of logistics properties: **46**
 Total logistics space: **710** thousand sq. m.
 Rental value of logistics properties: SEK **450,000**
 Value of logistics properties: SEK **4,500,000**

Catena's logistics locations

Catena's properties are well-situated along Sweden's key transport routes, at an optimum distance from the country's major population centres.



Management generates cash flows

On its own or in partnership, Catena's main business is managing strategically located logistics properties that generate strong cash flows. The company also offers customers various different types of premises, adapted specifically to their principal function. The company also offers a number of supplementary services for a complete solution or function that can rationalise tenants' operations. Catena offers clear advantages in terms of sustainability and cost with:

- Attractive locations near key national transport routes, with good local accesses.
- Flexible spaces and logistics solutions for varying needs.
- Environmentally efficient solutions in both development and operation.
- Commitment to both customer relationships and logistics development.
- Security with full protection against burglary, fire, flooding or other damage.
- Security that only a leading, responsible and sustainable landlord can offer.
 - ▶ *Read more about Catena's business model and development on pages 9-13.*

Project development generates value growth

Catena conducts active property development that generates value growth. This is also a prerequisite for successful management. Development begins with acquisitions of well-situated properties that are identified by mapping both national and local freight flows. In this way, the foundation is laid for a good logistics property. The buildings are designed to be optimally suited to their location and purpose. The property portfolio is continuously updated with facilities not meeting Catena's criteria for an attractive logistics property being further developed or divested. This frees up resources for new property projects. In this way, the company can always offer attractive logistics premises.

Four reasons to invest in Catena

- The leading position with a clear vision for growth and well-defined strategies.
- Its streamlined business model based on strategically located, attractive logistics properties that generate stable cash flows.
- The attractive project portfolio with developable logistics locations.
- Improvements in profitability, demonstrating that Catena's business model works well.

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▶ Audited section.

Increased lettings and improved surplus ratio

Following active marketing efforts, Catena is able to demonstrate a record level of new tenants moving in over the year. The letting ratio rose from 87 to 96 percent. The surplus ratio also improved, amounting to 76 percent, compared with 70 percent at the start of last year. The improvement is attributable to, among other things, extensive work to enhance energy efficiency, which helps customers lower their costs and reduce environmental impact. The considerable demand for logistics facilities has also increased investment in new projects. Catena now has a platform with well-functioning, developable and profitable logistics operations that generate cash flow. In addition, the company has a portfolio of property development projects that add further value.

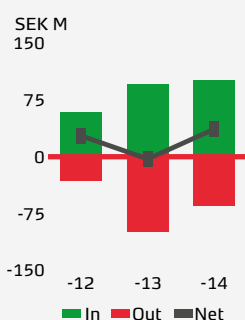
Key performance indicators ¹⁾	2014	2013	Change, %
Rental income, SEK M	431.3	316.8	36
Net operating surplus, SEK M	325.7	221.3	47
Profit from property management, SEK M	204.9	147.0	39
Pre-tax profit, SEK M	440.3	184.7	138
Profit for the year, SEK M	344.2	138.4	149
Return on equity, %	19.0	11.7	62
Interest-coverage ratio, multiple	3.1	2.8	-11
Equity ratio, %	32.4	32.6	-1

1) As a consequence of the approved detailed development plan, the value of the Solna project has been revalued upwards in the company's balance sheet. Since the project is not yet generating income on a par with its value, the company's key performance indicators have been negatively affected.

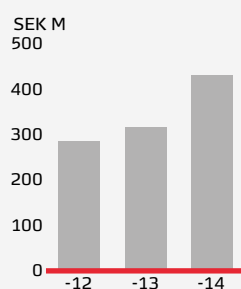
The year in brief

- As a result of increased space and effective marketing, which resulted in an increased letting ratio, rental income increased to SEK 431.3 million (316.8).
- As a result of the improved letting ratio and efficiency, not least in the area of energy, the net operating surplus rose, by 47 percent to SEK 325.7 million (221.3).
- As a result of the improved net operating surplus, profit from property management increased 39 percent to SEK 204.9 million (147.0).
- Cash flow before changes in working capital increased by 9 percent to SEK 204.8 million (187.8), primarily as a result of the improved management result.
- Profit for the year was SEK 344.2 million (138.4), of which negative changes in the value of derivatives are included by SEK 150.6 million (4.4) and changes in value of properties are included by SEK 386.0 million (33.3), most of which relate to an increase in the value of the property in the Solna project.

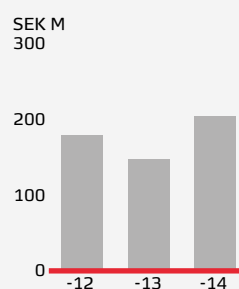
New tenancies/vacancies



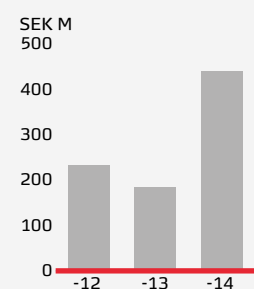
Rental income



Profit from property management



Pre-tax profit



- Earnings per share rose to SEK 13.49 (9.81).
- The value of the property portfolio rose by 22 percent to SEK 5,750.9 million (4,722.3).
- The Board of Directors proposes a dividend of SEK 3.00 per share (2.00).

Significant events

During the year

- Catena acquired two properties valued at a total of SEK 396.0 million in Haninge and Nässjö. A new share issue of 446,469 shares was carried out in connection with the acquisition.
- The Swedish Land and Environment Court rejected all appeals regarding the detailed development plan, which has now entered legal force, for Catena's project properties at "Haga Norra", in Solna.
- During the period, Catena signed a financing agreement for SEK 3.5 billion, of which SEK 2 billion has a maturity of three years and the remainder a maturity of up to two years. This increased the loan framework by SEK 0.9 billion.
- Through a jointly owned company Catena and Peab have commenced an investment of SEK 240 million in a new terminal building for DHL Freight in Sunnanå outside Malmö.

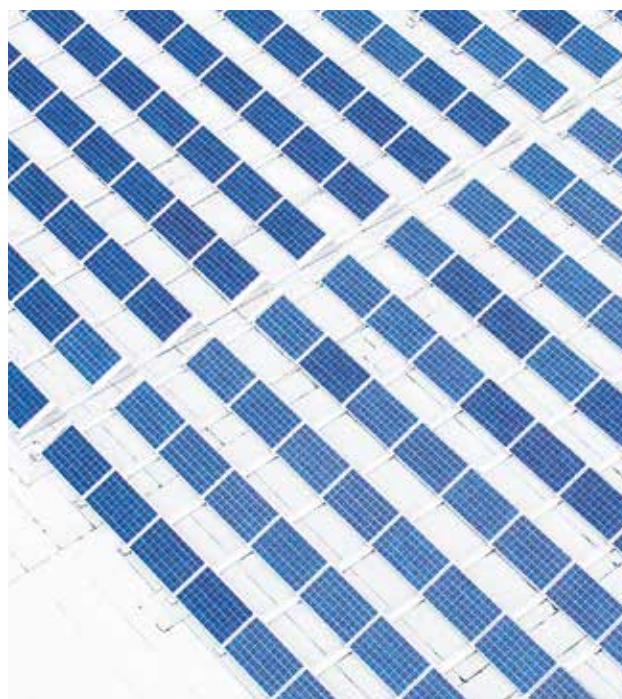
After the end of the year

- In January 2015, Nya Svensk FastighetsFinansiering AB was launched – a newly formed finance company with a covered MTN programme of SEK 8,000 million.
- A smaller property in Luleå was sold for a property value of SEK 7 million with 1 April 2015 as the transfer date.
- Catena has agreed with the Municipality of Katrineholm

to acquire the municipality's holding in the jointly owned company, Logistikposition Katrineholm AB. An agreement has also been signed to acquire approximately 75,000 square metres of land adjacent to the existing properties Sothönan 3 and 19.

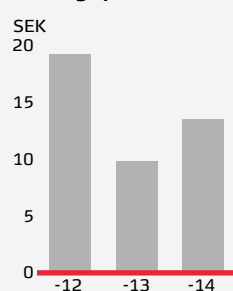
- In March, an agreement was signed to acquire the 22,200 square metre logistics property Förmannen 4 in Ängelholm, strategically located on the E6 motorway outside Ängelholm.

► *Read more about events during the year on page 46.*

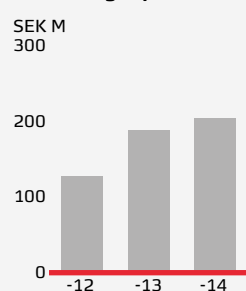


Solar panels on the roof of the Backa 23:5 property, Gothenburg. An initiative to make Catena more energy neutral.

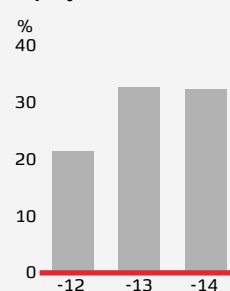
Earnings per share



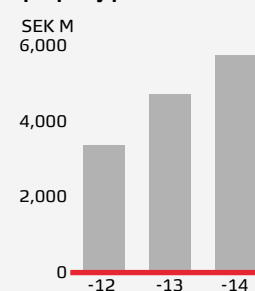
Cash flow before changes in working capital



Equity ratio



Development of property portfolio



The leading property company in logistics

We have reason to be satisfied with the company's development during our second year of operation as a logistics property company. At the end of 2014, the letting ratio was 96 per cent, compared with 87 percent at the start of the year. This is despite the fact that during the year the lettable area increased by 9 percent and many major contracts expired. The surplus ratio improved by fully 6 percentage points to 76 percent.



“ **Although we are not yet the largest player, we are leading and driving development in the field in various ways.** ”

Overall, we are well on the way to establishing Catena as Sweden's leading logistics property company. Although we are not yet the largest player, we are leading and driving development in the field in various ways. Alongside our expertise in property, we have unique knowledge of cargo flows and logistics premises, which for us are rationally designed premises meeting high standards adapted to their specific purpose.

Following several years of collaboration with qualified advisors, we have a good understanding of where cargo from different parts of the world arrives in Scandinavia and how it is redistributed. We are able to offer our customers attractive logistics locations along these transport routes. This is where we build logistics premises that are rational in terms of cost and the environment for specific purposes, including transshipment, consolidated shipment or interim storage. Or for city logistics, which can provide inner-city shops with frequent deliveries of goods, thus saving costs, capital and the environment. Through extensive investments in better lighting, ventilation and heating, we are enhancing the environmental efficiency of our buildings. This reduces our operating costs and is important for us to reach our objective of becoming environmentally neutral by the end of 2020. Naturally this also gener-

ates value for our customers. So do several of our own concepts and services that enable us to deliver a flexible complete solution or function with regard to safety, staffing and other services that simplify or improve the customer's business. We have an attractive customer offering that we know many people appreciate.

“ We are continuing with active project development, which is a prerequisite for continued aggressive growth.

We are continuing with active project development, which is a prerequisite for continued aggressive growth. As long as they have the right location and generate stable cash flow, we can acquire existing logistics properties. However, at least for the time being, we are focusing our investments on development projects and new construction. This generally provides the customer with the best solution from all perspectives and provides us with the best return. Over time, the urban areas are growing and our logistics locations are growing increasingly attractive for other purposes, such as housing and recreation. We are well aware of this and have included it in our calculations from the outset, both in terms of depreciation and residual value. Today, our portfolio encompasses proprietary land and development rights/options with developable space. The latter is a capital-efficient method for safeguarding a project portfolio that we can activate when the time is right and the customer is in place, and that can generate future values.

Our management portfolio, which generates continuous stable cash flows, is a prerequisite for being able to pursue active project development. We also expect to strengthen our financial capacity further through the development of the “Haga Norra” project in Solna, outside Stockholm. Our plan, now that the new detailed plan for the project has gained legal force, is, in collaboration with established players in the office and residential sectors, to drive the process forward. In this way, we free up both financial and human resources to continue developing our core business and strengthening our position as a leading property company in logistics.

During the year we also renegotiated and extended credit lines for a total of SEK 3.5 billion. We have also been involved in setting up a new company: Nya Svensk FastighetsFinansiering, which as recently as in February issued its first covered bonds.

With an average return on our logistics properties at just over 7 percent and an average secured loan rate of a little less than 3 percent, our operations generate a good surplus. Since our logistics properties do not require major on-going investments to maintain their rental income level or in connection with changes of tenants, profit from property management is “genuine” cash flow.

“ We currently generate about SEK 0.50 in cash flow for each SEK 1.00 of income. We can use this for new investments to continue being the leading logistics property company and to even become the largest, while still being able to pay a dividend to shareholders.

We currently generate about SEK 0.50 in cash flow for each SEK 1.00 of income. We can use this for new investments to continue being the leading logistics property company and to even become the largest, while still being able to pay a dividend to shareholders. And by using our cash flow for growth and dividends while reducing our net debt, we can generate shareholder value, both now and in the future.

Consequently, my co-workers and I, whose skills are crucial to our success, look forward to a continued exciting 2015 and to being able to continue developing our leading position.

Solna, March 2015
Gustaf Hermelin, CEO



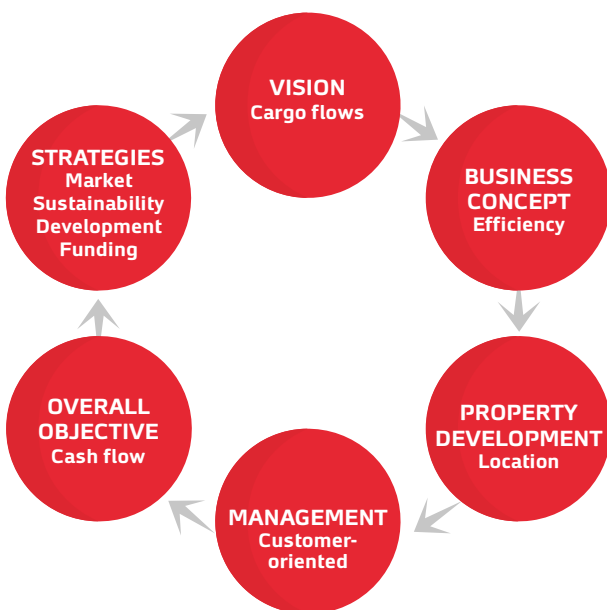
Terminalen 3

The Terminal 3 property in Mellersta hamnen in Malmö is a well-known logistics location in the city. Today the property is used as a city warehouse by DHL. The location, close to central Malmö and with direct contact with the sea means the property will be attractive for other purposes when DHL moves out to Logistikposition Malmö in Sunnanå.



Business model

Catena is a leading property company in logistics, offering companies and third party operators customised, cost-effective and sustainable logistics facilities in strategic locations adjacent to the country's cargo flows. In this way, the company generates strong cash flow, enabling stable development of operations and dividends for shareholders.



Vision

Catena links Scandinavia's cargo flows.

Cargo flows to and from Scandinavia currently utilise maritime, air, rail and road transport, separately or combined, to collect and store cargo at selected logistics hubs. At these locations, from which the metropolitan regions of Scandinavia can also easily be reached, Catena continues to develop modern and well-suited logistics facilities.

Business concept

Catena shall sustainably and through partnerships develop efficient logistics facilities that serve the metropolitan regions of Scandinavia.

In Sweden, with its substantial distances and considerable dependency on exports, transport efficiency constitutes an important factor in companies' profitability. At the same time, the challenges faced in terms of climate change impose stricter new demands on reducing environmental impact. Catena offers premises solutions that provide benefits in terms of both costs and the environment, along superior green corridors adjacent to key transport routes and hubs.

Property development

Active property development generates value while also being a prerequisite for successful management. Catena's property development begins with an acquisition or an option to acquire well-located properties that can provide benefit in terms of cost and the environment.

Location

Through extensive studies and analyses, Catena has a good understanding of where in Scandinavia goods from different parts of the world arrive and how they are redistributed. This knowledge forms the basis for Catena's investments in land and development properties. To continue being able to find the best locations, which is crucial for logistics properties, Catena continues to map Scandinavia's national and local cargo flows in different ways. In these efforts, Scandinavia's container terminals are central because they handle all modes of transport.

Premises

Catena occasionally acquires well situated, modern logistics facilities with good cash flows to more rapidly increase its property volume, establish new locations or broaden its customer base. However, development projects and land acquisition are prioritised since they afford the company greater opportunities to design a logistics location or property with the optimum logistics solution for the purpose.

Not infrequently, the first building is a terminal from which a large number of companies can distribute their goods to end users via distribution centres, such as city logistics and logistics warehouses. The terminal is often the first step in the establishment of a complete logistics location that is gradually developed with other types of properties. This is a long process that can begin already during work on comprehensive and detailed plans. Some property development is carried out in partnership with others. This allows the project portfolio to be expanded while maintaining a strong financial position.

Logistics locations along key transport routes

Catena's properties are well-situated along Sweden's key transport routes, at an optimum distance from the country's major population centres.



City logistics and distribution centres are usually located on the outskirts of population centres where detailed planning is complete, which is why development work can focus on solutions to improve customers' financial and environmental performance.

► Read more about Catena's types of properties on pages 14-19.

Development of the property portfolio

The property portfolio is renewed continuously. Individual properties and buildings are improved. Occasionally, particularly when it comes to capital or energy efficiency, Catena initiates improvements itself, and sometimes in coordination with an existing or new tenant. A current example is the Ättehögen 2 property in Jönköping, which, during the year, was equipped with a geothermal heating system, which is fully in line with the company's ambition of becoming energy self-sufficient.

The three phases of a logistics property

New purchasing patterns and cargo flows impose new demands on logistics properties. Catena calculates that a logistics property can satisfy a major operator's requirements for about 15 years.

Then, in a second phase, the property is particularly attractive to be shared by a number of smaller logistics operators or companies.

In a third phase, many logistics properties out-lived their role as logistics locations. Following divestment to a responsible buyer, when the city or town in question has grown, redevelopment of the property as homes and offices awaits. Catena takes these possibilities into account right from the start of the project.

Properties considered to be of less strategic importance and that cannot be developed into major logistics locations or where future value growth is limited may also be divested.



Another reason for disposal is that certain customers seek to own the property where they operate. A disposal frees up resources for Catena, and these can be used in the development of new, modern logistics properties. This ensures that Catena always has an attractive property portfolio that generates strong cash flows.

► Read more about acquisitions and disposals during the year on pages 43-46.

Concept development

Alongside traditional property development, Catena has also initiated a process to develop logistics concepts that generate value for tenants and other stakeholders in different ways.

Interesting concepts include, for example, coordinated transports to facilitate the development of city logistics, staffing that allows tenants to more easily adjust their costs to current demand, or customised security solutions. At the macro-level, Catena's studies of commodity flows can also provide a foundation for future transport and logistics infrastructure.

Management

On its own or in partnership, Catena's main business is managing strategically located logistics properties that generate stable cash flows. This is driven not only by development in earnings, but also by the recurring investments required to keep Catena's logistics properties up-to-date.

Catena's offering

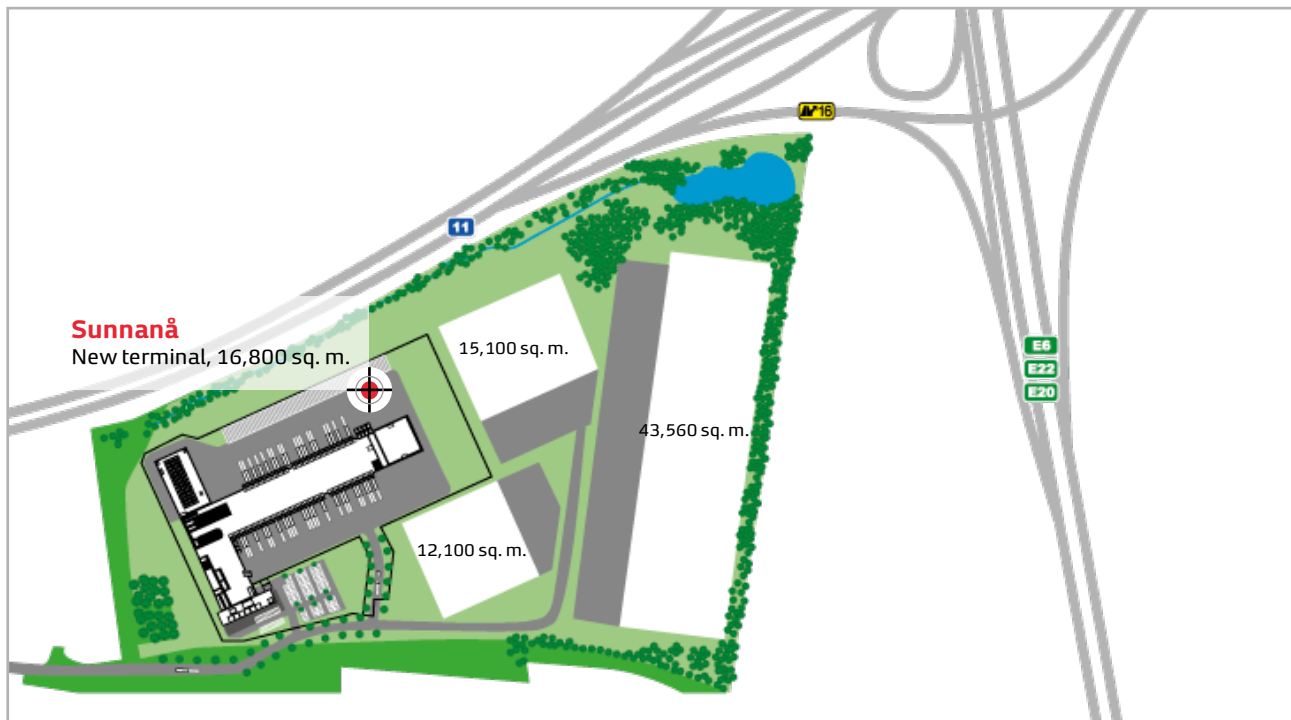
At some of the company's logistics locations, customers are offered container terminals, where several modes of transport converge. In the future, these will become increasingly important, not least due to reasons of cost and the environment, even though a large part of current transports are still made by road. As a leading property company in logistics, Catena also offers customers various other types of premises,

adapted specifically to the customer's principal mission. There are premises designed for reloading, warehouse premises for products waiting to be sold and premises for goods requiring shorter-term storage before onward transport. The company's extensive and diverse property portfolio also makes it possible to regulate space flexibly and in pace with customer development. Catena also operates as a customer-oriented logistics consultant for its tenants, who can develop a complete solution or function for more rational operations.

► *Read more about Catena's offering on pages 14-15.*

Local management organisation

Catena also offers extensive commitment to both customer relationships and logistics development. Having a competent management organisation in place in the prioritised regions ensures close relationships with customers in particular, but also with the local business community and society in general. This makes it possible to develop effective customer solutions that reduce both costs and environmental impact. This also makes it possible to quickly resolve the problems that can arise, while new needs can be captured that can lead to new business.



The Sunnanå project, within Logistikposition Malmö, which is owned jointly with Peab, is an example of Catena's property development work. The picture shows how the future logistics location may be expanded with other logistics properties such as warehouses. In 2014, following a long planning process, building began of 16,800 square meters for DHL. In accordance with Catena's plans, the ambition for the building to be completely energy-neutral.

Active trend monitoring

To improve its offering, Catena proactively monitors trends and new players in the logistics market. Another example of this commitment is Catena’s well-attended annual conference “Logistics Trends” and video broadcasts that analyse and discuss logistics issues with leading representatives from transport and distribution.

Increased lettings

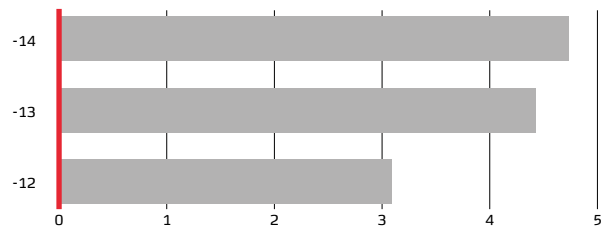
Catena’s active management allowed the company to significantly increase the number of customers over the year, increase its letting ratio by 9 percentage points and extend contract periods to 4.7 years despite lettable space having increased and a large number of contracts having expired over the year.

Overall objective

Catena’s overriding objective is to show strong cash flow to enable stable development and dividends for shareholders.

Compared with other properties, a modern logistics property

Average remaining lease duration, years



has a relatively short useful life, which is driven by technological development and changes in cargo flows over time.

Combined with the fact that operating costs are often borne directly by the tenant, this means that about half of Catena’s rental income is cash flow.

► *Read more on page 67.*

Strategies

To best achieve the vision and financial targets, management and the Board of Directors defined four strategic areas during the year: sustainability, customers and market, property development and financing.



Sustainability

Catena is involved in social progress through its commitment in priority logistics areas. The company contributes to a better environment by enhancing the energy efficiency of properties and developing economically and environmentally efficient logistics locations. In addition, the company shall also be a responsible employer that attracts engaged and competent employees.

► *Read more on pages 22-31.*

VISION
Catena links
Scandinavia's cargo flows

Customers and market

Catena focuses on innovative, successful and financially sound companies with whom it works closely to rationalise their operations. In this way, long-term customer relationships are built and long-term leases are secured. The company proactively monitors trends and new players in the logistics market.

► *Read more on pages 33-41.*

Property development

The portfolio is to grow with modern, cost-efficient properties in strategically located, existing or expected, logistics hubs that also have stable cash flows. In this way, Catena becomes an even better alternative for customers, investors and employees.

► *Read more on pages 9-11.*

Funding

Catena shall ensure long-term stable funding in the form of equity and loan capital in the form of bank loans and covered bonds.

► *Read more on pages 53-59.*

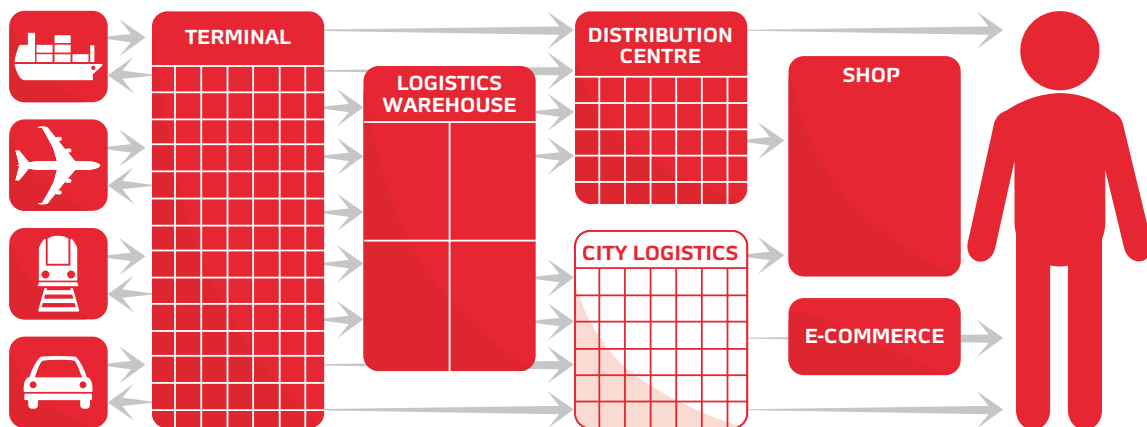
**Capacity to achieve targets**

Catena, its Board of Directors, management and employees have considerable experience in logistics, property development and management. With its short decision-making paths, the organisation, which has a clear strategic expertise, is also competent to make decisions. Catena also maintains a local, customer-oriented management organisation in the metropolitan regions, and these are also well prepared to handle major volumes. An attractive portfolio of logistics properties provides good cash flow, continuously improving the already strong balance sheet. Catena also has a portfolio of developable projects to generate future value. On the whole, this provides good opportunities for keep paying dividends and to continue developing the business.

Köpingegården 1. A terminal and logistics warehouse strategically located close to the European highways outside Helsingborg.

Customer offering

Catena primarily manages logistics properties. This is a collective term for buildings whose purpose is the collection, storage and distribution of goods. The goods, volumes, timing and, above all, the task impose different requirements on logistics premises. Consequently, Catena provides different types of premises.



Terminal A terminal is a property that is primarily suited to reloading. Goods arrive there from manufacturers and distributors in Sweden, or elsewhere in the world, by sea, air, rail and road. Some are container terminals that are especially well equipped for transferring cargo from one mode of transport to another. The terminals are strategically located close to population centres. But above all, with an effective connection to a port, close to the railway, where major traffic routes meet and where there are good connections that make it easy to get to and from the property. Operations at the terminal are generally operated by one of the major players in third-party logistics. From one and the same terminal, the operator can service several hundred customers, limiting Catena's commercial risk.



Terminalen 1, Hallsberg.

Logistics warehouse Both manufacturing and trading companies place goods in logistics warehouses while those goods are waiting to be sold. The warehouse thus represents a buffer layer between the customer and the supplier, regardless of whether consumer products or an industrial input goods are concerned. Warehouse properties are often located at the producer's warehouse or the importer's port. Or at a collection point shared by several units that is located so that transports to the next stage in the logistics chain can be minimised. Collection points are often adjacent to a terminal. Operations at a logistics warehouse are often conducted by a single tenant or a small number of tenants, who may be the manufacturer, wholesaler, importer or a third-party operator. The risk with the smaller number of customers served is offset by the underlying cargo flow being relatively stable, given a strategic warehouse location.



Backa 23:5, Gothenburg.

Distribution centre

A distribution centre is designed to store goods in a central location, over a shorter period of time, to then be transported on to retailers or consumers in the region the distribution centre is intended to serve. In particular, this requires good loading and unloading opportunities. Distribution centres are often located along ring roads surrounding population centres. Operations are often conducted by third-party logistics companies such as DHL, Schenker, Green Cargo and others.



Ädelmetallen 1, Jönköping.

City logistics

Certain distribution centres are specially designed for frequent, fast and short distance transports of fast-moving consumer goods to retailers. This is referred to as city logistics. The premises are specifically designed for rational picking because an individual, often small, shipment may consist of several different products. In this way, shops, which are often have expensive locations, can minimise storage space, save costs and tie up less capital. Producers also get their products out to the shops where there is a relevant demand.

E-warehouse is a variant of city logistics that specialises in serving the growing e-commerce segment. They also often have equipment for packing goods prior to delivery to distribution points where end users can collect their goods.



Högsbo 21:2, Västra Frölunda.

Flexible service offering

Alongside sustainable logistics properties in prime locations with a layout for the efficient handling of goods, Catena offers:

- Warehousing in cooperation with ports.
- Handling and storage equipment that may be included in the offer.
- Security solutions, since security requirements from product owners, carriers and authorities alike are increasing.
- Staffing through partners.
- Monitoring of efficiency by means of various IT systems.
- Internet-based system for the operation and control of warehouses.
- Supply chain systems that allow deliveries to the warehouse to be tracked – all the way from the Far East, for example.
- Flexibility, with it being possible to adjust spaces and services as the customer's needs change.

Terminal

Our terminals are designed for fast reloading. These include the Köpingsgården 1 property in Helsingborg, a 24,522 square-meter truck terminal. Trucks arrive at the terminal, reloading takes place and the goods are moved rapidly along. The Terminal 1 property in

Hallsberg, with 25,850 square meters, is a good example of one of our container terminals where goods are transferred from one mode of transport to another.



Logistics warehouse

Our logistics warehouses are built to be able to store large quantities of goods. Third-party logistics companies, as well as manufacturers and distributors gather their goods here while awaiting sale and delivery. Examples include the Kopparverket 11 property in

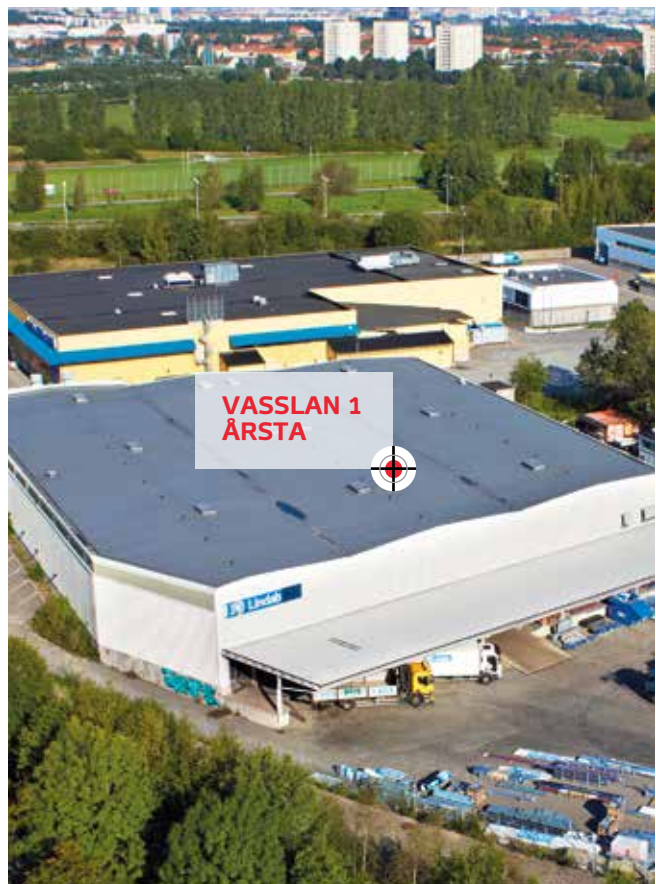
Helsingborg, of about 26,600 square meters, the Godsvagnen 6 property in Örebro, of about 19,600 square meters, and the Jordbromalm 4:33 property in Haninge, of about 23,547 square meters are some examples.



Distribution centre

Our distribution centres are strategically located and built to store goods briefly before they are transported onwards. Our property Bronsringen 1 and 3 on the outskirts of Malmö, totalling about 5,150 square meters, is one example. As is Vasslan 1 in Årsta, with

about 5,399 square meters, which serves Lindab's customers. Another is our distribution warehouse, Backa 23:5, Building 1, with about 7,659 square feet leased by Posten, which has numerous smaller shipments.



City logistics

Some of our distribution warehouses are optimised for rapid, short shipments directly to retailers or end-customers. We call this city logistics. Some examples are the 65,838 square-meter Högsbo 21:2 property, which is centrally located in Västra Frölunda, and

22,000 square meters of which are used for City Logistics, which also offers packing facilities. From there, fast-moving consumer goods (FMCGs) are distributed directly to consumers.



Financial and operational targets

Catena’s overriding objective is to show strong cash flow, enabling stable development and dividends for shareholders. To realise this, the operations apply a number of measurable financial targets that are communicated externally. These focus primarily on profitability and financial stability. Catena includes a number of different functions with different conditions. These are monitored by means of a number of internal operational targets adapted to the operations concerned. Additionally, there are a number of qualitative customer and sustainability targets. The outcome of the latter is described on pages 23-29.

Targets	Comment	Outcome																				
Financial targets																						
<p>Average capital tied-up</p> <p>The average period during which capital is tied-up should be at least two years. In this way, the company has secured funding over a period of time that reduces financing risk, while the company can, at any time, secure optimum credit terms for the continued funding of operations.</p>	<p>In connection with the refinancing of the company, the average period during which capital was tied up could be extended from 2.3 to 2.9 years, which is significantly longer than the target of 2 years.</p>	<table border="1"> <caption>Average capital tied-up (Year)</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>-12</td> <td>5.0</td> </tr> <tr> <td>-13</td> <td>2.3</td> </tr> <tr> <td>-14</td> <td>2.9</td> </tr> <tr> <td>Target</td> <td>2.0</td> </tr> </tbody> </table>	Year	Value	-12	5.0	-13	2.3	-14	2.9	Target	2.0										
Year	Value																					
-12	5.0																					
-13	2.3																					
-14	2.9																					
Target	2.0																					
<p>Interest-coverage ratio</p> <p>The interest-coverage ratio shall not be less than a multiple of 1.75. This level provides an adequate safety margin, for example, in the event of rising market interest rate.</p>	<p>The interest-coverage ratio is still above target. The increased level over the year, compared with 2013, can mainly be explained by the improved net operating surplus.</p>	<table border="1"> <caption>Interest-coverage ratio (multiple)</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>-12</td> <td>4.0</td> </tr> <tr> <td>-13</td> <td>2.8</td> </tr> <tr> <td>-14</td> <td>3.2</td> </tr> <tr> <td>Target</td> <td>1.75</td> </tr> </tbody> </table>	Year	Value	-12	4.0	-13	2.8	-14	3.2	Target	1.75										
Year	Value																					
-12	4.0																					
-13	2.8																					
-14	3.2																					
Target	1.75																					
<p>Equity ratio</p> <p>The equity ratio should be at least 30 percent, which is deemed to provide favourable return potential while balancing the risk in the operations.</p>	<p>Despite the increased property volume and the year’s dividends, the lower loan-to-value ratio and strong cash flow meant that the equity ratio was unchanged and consequently above target.</p>	<table border="1"> <caption>Equity ratio (%)</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>-12</td> <td>22</td> </tr> <tr> <td>-13</td> <td>32</td> </tr> <tr> <td>-14</td> <td>32</td> </tr> <tr> <td>Target</td> <td>30</td> </tr> </tbody> </table>	Year	Value	-12	22	-13	32	-14	32	Target	30										
Year	Value																					
-12	22																					
-13	32																					
-14	32																					
Target	30																					
Operational targets																						
<table border="1"> <caption>Growth, SEK M</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>-12</td> <td>3,500</td> </tr> <tr> <td>-13</td> <td>5,000</td> </tr> <tr> <td>-14</td> <td>6,000</td> </tr> <tr> <td>Target</td> <td>6,000</td> </tr> </tbody> </table>	Year	Value	-12	3,500	-13	5,000	-14	6,000	Target	6,000	<table border="1"> <caption>Surplus ratio, %</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>-12</td> <td>65</td> </tr> <tr> <td>-13</td> <td>70</td> </tr> <tr> <td>-14</td> <td>75</td> </tr> <tr> <td>Target</td> <td>80</td> </tr> </tbody> </table>	Year	Value	-12	65	-13	70	-14	75	Target	80	<p>In addition to the growth of the property portfolio and the surplus ratio, a number of internal operational targets are followed up, such as the return on new projects and growth through proprietary projects.</p>
Year	Value																					
-12	3,500																					
-13	5,000																					
-14	6,000																					
Target	6,000																					
Year	Value																					
-12	65																					
-13	70																					
-14	75																					
Target	80																					

Backa 23:5

The Backa 23:5 property in Hisings Backa, Gothenburg houses a freezer storage facility that Catena developed for Dagab. The building has a clear and prominent environmental profile. Surplus heat from cooling systems heats the property, doors and loading platforms. Additionally, up to 20 percent of the energy consumed is produced solar by panels on the roof of the property.



Sustainable operations

For several years we have considered sustainability to be an important area, and in 2014, we took several concrete steps forward on these issues. To begin with, we have developed a new business plan for the company, in which sustainability is one of four priority areas. We have also identified areas of focus for our sustainability work and have formulated six targets for continued efforts. The targets, which are supported by the Board of Directors and all employees, entail Catena:

- Being engaged in networks and holding regular meetings with local government leaders in our market areas.
- Building its own renewable energy to a capacity equivalent to our total energy consumption in 2020.
- Offering green leases for all major tenants.
- Environmentally certifying all newly produced properties.
- Participating in job fairs, and offering internships and holiday jobs to young people.
- Having an eNPS of at least 40*.

During 2014, we also maintained considerable focus on energy saving projects in several of our properties and these are described in more detail in this sustainability report. These are efforts we will be continuing in 2015, while also taking the next step with other parts of the sustainability strategy through activities designed to steer us towards our established targets.

The focus continues to be on acquiring and developing properties and developable land in the right locations with the potential for smart logistics solutions. We believe that the right location means proximity to major cargo flows and access to rail, road and water transport. Over the next few years, we also see great potential in establishing logistics properties in locations near urban centres – providing opportunities for efficient city logistics solutions, which lead to fewer urban transports. Catena is a force to reckon with when it comes to sustainable logistics properties.

Solna, March 2015
Gustaf Hermelin, CEO

* Read more eNPS on page 30.



Catena's sustainability activities

Sustainability is one of Catena's four prioritised strategic areas. Our work focuses on participating in social progress by establishing the conditions for more sustainable logistics, reducing environmental impact and being an attractive employer.

In connection with Catena's development of a new business plan in 2014, we clarified the focus of our sustainability work and developed targets for the next five years. The focus and targets are based on a continuous dialogue with Catena's stakeholders and on the results of a survey regarding sustainability work that we carried out in late 2013.

Catena's new sustainability strategy focuses on the following areas:

Social progress and sustainable logistics

Environmentally efficient properties

Being an attractive employer

In this sustainability report, we describe in more detail each focus area and the targets related to those areas.

About Catena's sustainability report

Catena's sustainability report was prepared in accordance with the Global Reporting Initiative (GRI), the world's most widely used sustainability reporting framework. The report was prepared in accordance with the GRI's G4 and comprises a self-declaration at the Core reporting level.

See www.catenafastigheter.se for more information on the contents of the sustainability report, as well as the company's assumptions, limits and GRI index.



Jönköping Barnarps-Kråkebo 1:44

The 34,126 square-metre property is located in the Torsvik area. During the year, a project to install geothermal heating was initiated to replace the existing oil-fired boilers. This entails Catena's last larger, oil-fired boiler being phased out. In connection with the project, the existing lighting is being replaced by lighting with dynamic control.

Social progress and sustainable logistics

Efficient logistics means lower social costs and reduced environmental impact. Catena shall be a driving force in making logistics in Scandinavia more sustainable.

There are many opportunities for reducing the environmental impact of the logistics system. Catena's objective is to be engaged in networks and hold regular meetings with local government leaders in our market areas to support development towards more sustainable logistics. As an owner of logistics properties, we can exert influence by, for example, building properties in locations that facilitate consolidated shipment, minimise driving distances and provide opportunities for modes of transport that have less of an impact on the climate.

The future is flexible

A large, growing portion of Catena's premises are located in areas with access to container terminals. This means that the properties are located near several forms of transportation – usually various combinations of roads, railways, ports and dry ports. In turn, this means greater flexibility for tenants who are able to optimise their logistics by combining several modes of transport.

While road transport still accounts for 80 percent of all transport in Sweden, rail transport is more energy efficient and can therefore help reduce environmental impact. Furthermore, the energy consumed in rail transport is based to a greater extent on renewable sources, while most road transports are still dependent on oil-based fuels. Catena's logistics locations

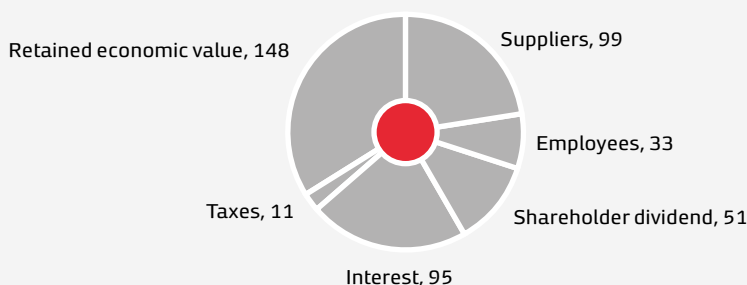
afford tenants opportunities to optimise their transport options – whether the objective is efficiency in terms of cost, time or the environment.

City logistics creates opportunities for consolidated shipment

For Catena, city logistics is about enhancing transport efficiency in dense urban environments. The traffic situation in many Swedish cities has become strained with passenger traffic and commercial traffic sharing limited road space. The result is inefficient logistics. This traffic situation also causes drivers of both passenger and commercial vehicles to become irritated and thus could potentially increase the risk of personal injury.

By placing warehouses and terminals outside urban centres, incoming cargo can be delivered to these transshipment terminals. There, goods to be forwarded into the urban centre can be reloaded in a manner that enables higher load factors, flexibility in truck sizes and more accurate route planning. This creates opportunities for more cost-effective solutions while increasing comfort for those receiving goods by making it possible to reduce the number of delivery times. While each situation is unique, we have ample opportunities to improve the efficiency of logistics in Sweden's urban centres.

Created and distributed economic value, SEK M



The diagram to the left shows how the company's income in 2014 was distributed among various stakeholder groups. The total value created in 2014 amounted to SEK 437 million.

Catena shall drive development

Successful change is often the result of improved working methods combined with a long-term, methodical change process. This also holds in the implementation of new solutions for city logistics and increased use of rail transport – none of this is achieved automatically, but is the result of conscious choices. Catena shall be a driving force in communicating these solutions to more people and in developing their application in partnership with local businesses and decision makers. Catena works to establish forums of discussion on both a larger and smaller scale, and to bring various stakeholders together to drive the development of sustainable logistics forwards. Consequently, maintaining good relationships with people in business, politics and various organisations

around Sweden is critical to our success. We believe that the key to success is having a local presence, being engaged in existing networks and regularly meeting decision makers in our market areas. Our actions should always be pervaded by professionalism and good business ethics. Our four core values shall permeate our actions:

- Openness, dialogue and straightforward communication, which will make us efficient, prompt and reliable.
- Simplicity, which means that our work approach is straightforward and avoids bureaucratic red tape.
- Proximity, which permits us to create good relations and gain an insight into problems and opportunities.
- Genuine commitment, which permits us to go further in identifying superior solutions.



Nattskiftet 11, Stockholm

The property is located in Västberga, south of Stockholm. Two new ventilation units with heat recovery have been installed while air flows and heating circuits were adjusted. The result is that heat consumption decreased by 28 percent.

Environmentally efficient properties

The key environmental aspects for Catena's internal environmental efforts are the properties' energy consumption and the consequential environmental impact. Our environmental management system is certified in accordance with ISO 14001.

Catena has identified five areas where operations have a significant environmental impact: electricity consumption, heat usage, choice of building materials in new construction and remodelling, waste management and reduced transport through efficient logistics locations. Overriding environmental targets and business goals exist for these aspects that are monitored and evaluated on an annual basis. Within the framework of Catena's business plan, three targets have been developed for 2020. These state that Catena shall:

- Build its own renewable energy to a capacity equivalent to our total energy consumption in 2020.
- Offer green leases for all major tenants.
- Environmentally certify all newly produced properties.

Catena has internal managers at regional level and engages external contractors for the practical work on site. Catena's managers and the external contractors conduct regular meetings with our tenants to discuss items including development projects and environmental initiatives. In 2014, regional managers and contractors received training in the environmental management system to further enhance control of environmental efforts.

A tool for placing focus on and enhancing the environmental performance of buildings is to work with environmental certifications for buildings. Catena is a member of the Sweden Green Building Council network and can offer environmentally-certified buildings under all recognised standards to customers seeking that.

Environmental policy

Catena

- Strives to outperform environmental legislation
- Strives to minimise the use of energy, water and materials
- Strives to minimise the use of products that are hazardous to health and the environment
- Strives to reduce environmental impact in partnership with tenants.

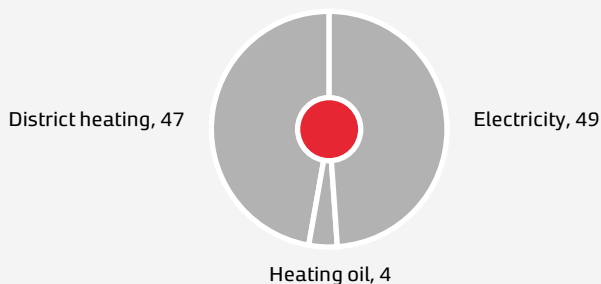
Energy use

In 2014, the focus of our environmental work was to study all of the properties' energy consumption and the potential for increased efficiency. Central to this work has been improving methods for the analysis of consumption statistics.

Purchased energy, MWh	2014	2013
Electricity	12,664	12,091
Heating oil	1,100	1,168
District heating	12,380	13,311
Fuel (petrol, diesel)	88	98
Total	26,232	26,668
<i>Of which, renewable energy</i>	47%	67%
Sold to tenants	26,144	26,570
Of which sales with individual meters	14,283	13,289
Percentage of energy sold with individual meters	55%	50%

The table shows the energy purchased by Catena and sales of energy distributed between standard rate and individually measured sales. In 2013, energy consumption divided by lettable space decreased, from 38.6 GWh per square metre to 34.8 GWh per square metre.

Distribution of energy purchased, %



The diagram shows the distribution of Catena's purchased energy in 2014. Projects have been initiated to completely phase out oil as a heating option at Catena's properties.

Examples of energy saving projects implemented in 2014

For more examples, see pages 23 and 25.



Slotshagen 2:1, Norrköping

We have completed a lighting project on the property, with old fixtures being exchanged for new lighting with motion detectors. The estimated saving in electricity amounts to 60 percent.



Törsjö 2:49, Örebro

In 2014, Catena completed a lighting project in the property, which comprises 55,255 square meters of logistics space. The project has entailed new lighting fixtures with motion detectors and this is expected to generate electricity savings of about 30 percent.



Regulatorn 2, Huddinge

Five older ventilation units have been replaced by a new unit with heat recovery and comfort cooling. In combination with new control systems, valves and operating optimisation, measures have resulted in heat consumption decreasing by 44 percent.

Continuous monitoring increases the comparability between similar properties and makes the potential savings clearer. Over the year, our phase-out of fossil fuels entered its final stage – a project has commenced in which the last oil-powered unit is being converted to geothermal heating.

A number of major projects focusing on energy optimisation were carried out in 2014. In several of the projects, the tenant was directly responsible for energy supply and, therefore, we designed the investment in partnership with the customer to ensure Catena participated in the energy saving.

Overall, heat consumption in comparable properties decreased by 17 percent in 2014. This is the result of methodical work with large and small-scale measures to reduce energy consumption in properties where we have identified substantial potential for savings. The measures we implemented in 2014 will not reach their full effect until during 2015 and, over the year, we will continue our savings projects in additional properties.

Greenhouse gas emissions

Catena monitors the greenhouse gas emissions of operations in line with the Greenhouse Gas Protocol (GHG Protocol), the most widely used method for conducting voluntary greenhouse gas emission inventories of organisations. In 2014, Catena’s total greenhouse gas emissions were 1,175 tonnes of CO_{2e}, of which 94 percent derived from purchased energy. Emissions in 2013 totalled 1,329 tonnes of CO_{2e}, meaning that our emissions decreased by 12 percent. The reduction is due to the successful work to reduce heat consumption and to more properties being added to our framework agreement with Vattenfall whereby carbon dioxide emissions are very small.

Emissions from business travel and commuting

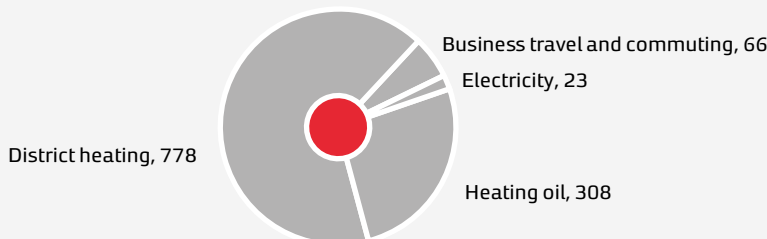
Environmental impact arising from our employees’ business travel and commuting is extremely minor in relation to the environmental impact of energy use in our properties. In 2014, emission from business travel and commuting amounted to 66 tonnes CO_{2e}. Of these emissions, 19 tonnes of CO_{2e} were attributable to our employees’ commutes.

Greenhouse gas (GHG) emissions by scope

	Direct GHG emissions (Scope 1)	Indirect GHG emissions (Scope 2)	Other indirect GHG emissions (Scope 3)
Description	Emissions resulting from combustion in the company’s plants or vehicles. For Catena, this mainly involves combustion of oil. Catena only has a few properties that are heated by oil. Direct greenhouse gas emissions are also caused through the combustion of fossil fuels in our company cars.	Greenhouse gas emissions that arise from the production of electricity and district heating that is purchased by Catena and used in the properties we own.	Other indirect GHG emissions arising from the company’s operations. Catena reports emissions from electricity and heat bought in by Catena but consumed by tenants with separate individual metering of consumption. Emissions from business travel and employees’ commuting are also reported.
Emissions in 2014 (tonnes of CO_{2e})	23	441	711

The table shows Catena’s GHG emissions for 2014 allocated according to the respective scope.

Greenhouse gas emissions by activity (tonnes of CO_{2e})



The diagram shows the distribution of Catena’s greenhouse gas emissions in 2014. Total emissions amounted to 1,175 tonnes of CO_{2e}, 12 percent lower than last year when emissions totalled 1,329 tonnes of CO_{2e}. Emissions in 2013 have been revised with new emission factors, see the GRI appendix on www.catenafastigheter.se for more information.

Cooperation with suppliers

Catena has very few employees in relation to the number of properties the company owns, which means that business partners and suppliers are key parts of our management operations. This applies equally for new build and conversion projects under Catena's management. Therefore, it is important that suppliers have well-functioning environmental efforts. Catena only uses direct suppliers based in Sweden and, accordingly, our supplier requirements and assessments have been adapted based on local conditions.

In supplier assessments, we primarily require environmental management systems certified under ISO 14001. For smaller local companies lacking the resources to develop and certify comprehensive management systems, Catena offers a

simpler system for managing the environmental aspects of their operations. This system provides smaller suppliers with the possibility of working in similar ways to ISO 14001, with guidelines, targets and training – but at a significantly lower cost.

In addition to standard supplier requirements, for any construction project exceeding SEK 5 million, we require the preparation of an environmental plan. For contracts exceeding SEK 250,000, we require systems for assessing and following up the construction materials used. Suppliers must use one of the three most common systems for assessing construction materials – Byggvarubedomningen (BVB), SundaHus Miljodata or BASTA.

Interview with Anders Agerberg, Dagab

Sealed building and solar cells show the way towards sustainable logistics properties

When Catena built a new freezer storage facility at Dagab in Gothenburg, solar cells were chosen to provide part of the building's electricity supply. Dagab had closely monitored developments in the field of solar cells for several years and had noted that prices for solar cells had dropped dramatically. The company now felt it was time to test the technology.

“The Axfood Group has high ambitions in its sustainability work and solar cells are an area where we perceive great potential. We see opportunities for solar cell installations both at logistics properties and at the Group's shops around the country,” says Anders Agerberg, former CEO of Dagab and now senior adviser to Axfood's group management.

To date, the solar cell system has produced as expected. In 2014, production was even slightly higher than expected – a result of the unusually sunny weather.

“In 2014, the solar cells produced 99,000 kWh, which covers 5 percent of the total electricity needs for the building on an annual basis. On sunny days, the solar cells can account for a fifth of the building's electricity consumption,” says Anders.

Although production can fluctuate somewhat from year to year, previous projects show that the difference is not as great as you might think – the variation is somewhere around +/- 10 percent between different years.

“The solar cells are a significant reason behind why we have been able to keep operating costs down at the Gothenburg warehouse. But you have to remember that it's important to work with the actual building too. We have worked with Catena to ensure the building is as well sealed and insulated as possible. Combined with an energy efficient cooling system, this means the facility consumes about half as much as older facilities with the equivalent capacity,” says Anders.



Catena as an employer

Catena has a small but effective organisation comprised of individuals with substantial industry experience and strategic competence. This allows us to quickly identify and understand the needs of customers in our markets and to then translate these into reality.

In Catena's business plan, we state that we should be an exciting and responsible employer that attracts engaged and skilled employees, both new and existing. To continue developing as a workplace, we work with workplace health, equality and continuous professional development.

An attractive employer

Catena seeks to create a healthy and pleasant working environment. Our employees should feel that there is a balance between work and leisure, and feel able to manage their own time and assume a personal responsibility. Low sickness absenteeism at Catena is a sign that this is working well. All employees at Catena are covered by collective agreements.

Catena conducts an annual online survey in which all employees are given the opportunity to submit comments on our role as an employer and on our sustainability efforts. All employees except one responded to the survey in 2014 and we received high grades on our attractiveness as an employer – 5.0 on a six-point scale, which was also significantly higher than last year's 4.4.

In 2014, we measured for the first time how motivated employees are contributing to Catena's commercial success and the result was very high; 5.7 on a six-point scale. For the first time, we also measured eNPS (Employee Net Promoter Score), which is a measure of how many of our employees are

inclined to recommend the company as a workplace. Our result was 40, which is very high in comparison with Swedish and international companies and shows that our employees are good ambassadors for Catena.

eNPS (Employee Net Promoter Score)

Since 2014, Catena monitors employee loyalty through an annual eNPS survey. The entails employees responding to the question "How likely are you to recommend your workplace to a friend or acquaintance?" on a scale of 0-10. The eNPS measure is then calculated by subtracting the percentage of people who responded 0-6 ("detractors") from the percentage of people who responded 9-10 ("promoters"). The result is a figure between -100 and +100. Our result was 40, which holds up very well in comparison with other companies and indicates that we have highly loyal employees.

Skills development

Catena works actively with training and skills development for employees. The aim is both to create a work environment in which employees feel they develop in their work and for Catena to continue developing as a company.

Personal development plans are prepared in conjunction with the annual employee dialogues carried out with all employees. All of our employees are given a wide range of

Gender distribution, %, all employees, 2014



The diagram shows the distribution between women and men. The total number of employees at the end of the year was 21.

possibilities for choosing training, courses and seminars they wish to participate in on Catena's account. Central and prioritised training areas are management issues, finance, the environment and law.

Equal opportunities for all

Skills, experience and personal qualities should always be the criteria assessed in recruitment, promotion and continuous evaluation. We do not discriminate individuals, favourably or unfavourably, based on aspects unrelated to how well the individual performs his/her work. We have an equality plan and conduct salary surveys to ensure that no unfair discrimination

Employee mobility	2014		2013	
	Number	Proportion women, %	Number	Proportion women, %
Recruitments				
Under 30	0	0	1	100
30-50 years	1	0	9	44
Over 50	1	0	9	22
Total:	2	0	19	37
<i>Proportion new employees, %</i>	<i>10</i>	<i>0</i>	<i>100</i>	<i>0</i>

Individuals who left during the year	2014		2013	
	Number	Proportion women, %	Number	Proportion women, %
Under 30	0	0	0	0
30-50 years	0	0	0	0
Over 50	0	0	2	0
Total:	0	0	2	0
<i>Proportion of departing employees, %</i>	<i>0</i>	<i>0</i>	<i>11</i>	<i>0</i>

The table above illustrates the number and percentage of new employees and people who left the company. In 2013, recruitments were made in connection with the acquisition of Brinova's logistics properties.

Sickness absence	2014	2013
Average for all employees, %	0.8	0.2
Women, %	1.1	na
Men, %	0.7	na

The table above illustrates sickness absence as a proportion of the planned number of working hours. No work-related injuries, accidents or illnesses were reported.

occurs. We also follow up gender and age distribution in different parts of the company on an annual basis. Although a woman joined the management team in 2014, we see a continued need for a more even gender balance both on the Board and in management. We also see great potential in attracting additional young and highly educated people to seek employment at Catena. In 2015, we will therefore participate in job fairs and offer internships and holiday jobs for young people.

Hours of training per person (h)	2014	2013
Management		
Women	40	-
Men	6	2
Other Employees		
Women	32	5
Men	10	2

The table above shows the average number of training hours per employee. Note that for 2013, the figures pertain to training in the fourth quarter only.

Composition of the company	2014		2013	
	Number	Proportion women, %	Number	Proportion women, %
Board	6	17	6	17
<i>Under 30 years</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>30-50 years</i>	<i>1</i>	<i>100</i>	<i>1</i>	<i>100</i>
<i>Over 50 years</i>	<i>5</i>	<i>0</i>	<i>5</i>	<i>0</i>
Management	7	14	5	0
<i>Under 30 years</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>30-50 years</i>	<i>3</i>	<i>33</i>	<i>1</i>	<i>0</i>
<i>Over 50 years</i>	<i>4</i>	<i>0</i>	<i>4</i>	<i>0</i>
Other Employees	14	43	14	50
<i>Under 30 years</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>100</i>
<i>30-50 years</i>	<i>8</i>	<i>50</i>	<i>8</i>	<i>50</i>
<i>Over 50 years</i>	<i>6</i>	<i>33</i>	<i>5</i>	<i>40</i>

The table shows the composition of the company by gender and age category.



Köpingegården 1

At the Köpingegården 1, SRS 2 property in Helsingborg, Svenska Retursystem collects, disinfects and distributes 60 million food crates annually to grocery stores. This is a good example of Catena's property development in partnership with customers.



The market for logistics properties

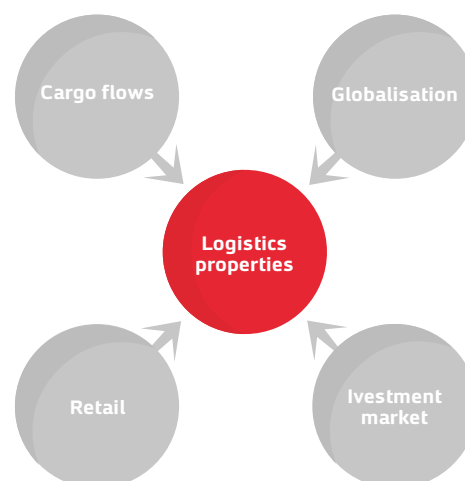
An increasingly globalised world has a growing need for international transport. In turn, this increases demand for logistics services, such as interim storage and local relocation. Along with increased consumption and new patterns of consumption, increased demands on capital and cost efficiency and environmental concerns are driving this need for customised and well-situated logistics facilities.

Swedish GDP at fixed prices rose by 1.7 percent in 2014 and according to the December 2014 forecast by the National Institute of Economic Research, will rise by 2.3 percent in 2015.

At the same time, industrial production is expected to rise by 4 percentage points. Unemployment is expected to remain high, although a certain improvement could be discerned in the second half of 2014. High unemployment is also considered one of the reasons behind the low level of inflation, which is, in turn, the reason for the low repo rate.

Above all, increased private consumption in Sweden, driven by tax breaks and the build-up of wealth, is what has pushed up GDP growth. The increased consumption in Sweden has also driven flows of goods, especially among retailers in Sweden.

Improved financing terms, which have increased liquidity in the market, have, along with a low rate of return on alternative investments, also increased investor demand for commercial property in general, and for properties with stable cash flow in particular. These include logistics properties.

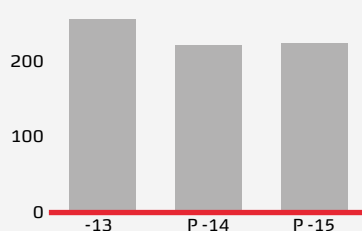


Cargo flows

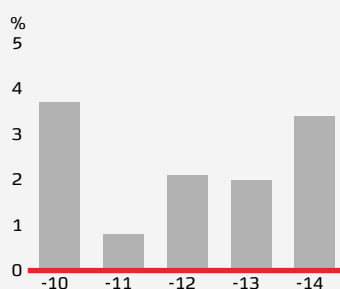
Conditions in the logistics sector have changed. Globalisation entails increasing separation of production and consumption. This trend, along with the strong rise in e-commerce, is imposing increased demands on an efficient logistics system. As part of this globalised trend, international production networks are becoming increasingly commonplace. Produc-

Current account, current prices

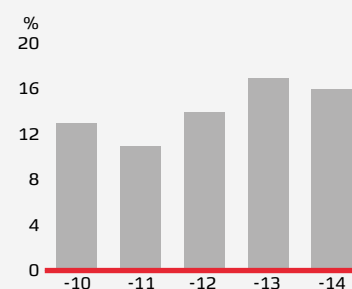
SEK billion
300



Retail trend, current prices



e-commerce trend, growth



Source: HUI Research, December 2014.

tion is gradually becoming more specialised. Different stages are performed in several countries before the product finally reaches the country where it will be consumed. This trend is helping increase trade flows globally while demanding increased systems integration and good logistics.

Sweden's foreign trade, like world trade in general, has accelerated dramatically since the 1970s. Today, Sweden's exports account for nearly 50 percent of the country's GDP, which is above the average for both the EU and the OECD countries, while world trade has tripled since the early 1970s.



The Nattskiftet 11 property in Stockholm is a logistics warehouse from which Grönsakshallen Sorunda distributes its products to retailers.

The Swedish balance on current account, which fell in 2014, is expected to rise again during 2015.

Increased trade imposes high demands on both logistics facilities and transport. In terms of goods leaving or arriving in Sweden, maritime transport is dominant. Fully 95 percent of all Swedish exports and imports pass through the country's ports and Sweden offers several advantages in terms of logistics centres. In 2010, 180 million tonnes of goods, including both domestic and international traffic, were handled by Swedish ports, of which 12 million tonnes were transported within Sweden.

Retail

Retail sales rose by 3.4 percent in 2014, with consumers daring to make purchases again after a few years of more cautious consumption. Household confidence is fluctuating steadily around the historical average, and households remain considerably more optimistic than during the toughest times of the financial crisis. With wage growth, low interest rates and inflation and a high level of savings, households also have spending power.

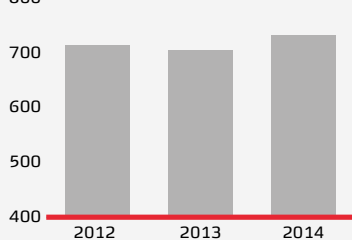
Supermarket sales in Sweden showed growth in 2014. Most sub-sectors in infrequently purchased commodities increased its sales over the year. The sectors that were most successful over the year are associated with the home, with furniture, home furnishings and electronics providing impetus. The furniture sector grew by 8.2 percent in 2014. Retail electronics made a complete about-turn in 2014. Having declined for three consecutive years, the sector now showed positive growth of 5.3 percent for 2014.

E-commerce

E-commerce continues to show strong growth and, over the year, its share of total retail sales grew from 5.7 to 6.4 percent. Looking solely at infrequently purchased commodities online, e-commerce accounted for more than 10 percent of total retail in infrequently purchased commodities. Sweden has all the prerequisites for e-commerce to grow, consumers embrace

Average rent levels

SEK/sq. m.



The rental levels presented in the table are an average of four similar listed property companies, although the type of properties in the portfolios varies slightly between the companies.

new technologies relatively quickly, smartphone penetration is high, Internet accessibility is even stronger and consumers are beginning to mature. The proportion of e-commerce is therefore likely to increase over the coming years, with new ventures by the retail chains, new players becoming established, consumers maturing and the technology continuing to evolve.

E-commerce increased by 16 percent in 2014. This is almost in line with 2013, when sales rose 17 percent. That was the strongest growth since 2007. In total, e-commerce accounted for sales of almost SEK 43 billion in 2014. The children's items/toys and building materials sectors showed the strongest increase in sales, although electronics also performed well in 2014. Although e-commerce has shown strong growth for a long time, it was in 2012 that consumers began to take e-commerce seriously. This was particularly noticeable during the holiday shopping season, when 40 percent of consumers bought their Christmas presents online – an increase of 5 percent compared with 2011. In 2014, the proportion was estimated at 42 percent.

Increased e-commerce imposes strict demands on logistics with regard to flexibility, speed and reliability. Today, consumers expect e-commerce companies to be reliable and

that their Internet purchases will be expedited quickly. In the highly competitive e-commerce sector, efficient logistics, short lead times and access to storage are a winning formula. In this competitive environment, the players who come out on top are those who are fastest to adapt to digital developments.

The leasing market

In an international perspective, Sweden has high rents for warehouse and logistics properties, which is attributable to higher building costs and limited speculative development. Despite increasing new construction since 2010, most new spaces are built for pre-contracted tenants, meaning that vacancies in new and modern logistics spaces are very limited. Despite the limited supply, development in rent levels has been weak. Even looking ahead, this will be limited by the sizeable supply of developable land and stable production costs, but also by strong competition among contractors and project developers for new assignments in the segment. In Stockholm, the supply of developable land is lower than in the rest of the country while payroll expenses are generally higher, which has driven up rents for newly built spaces in attractive locations.



The Plantehuset 1 property, a logistics location outside Helsingborg, strategically placed adjacent to the E6 and E4 motorways.



During the year, the Ättehögen 2 logistics warehouse in Jönköping was equipped with a geothermal heating system that reduces both costs and environmental impact.

As e-commerce continues its sharp growth, the need for logistics premises will increase among both new and established retail players, as well as suppliers of logistics solutions. According to a report by Property Investor Europe from 2012, about 90 percent of growth in the retail sector over the next few years is expected to be through mail order.

There is a trend toward major distribution centres serving a growing trading area at the same time as European infrastructure is improved and transportation times shortened. E-commerce is also creating a need for end-customer distribution via delivery points located near residential areas.

As a result of increased environmental awareness, rail transport now accounts for a larger portion of the overall logistics mix, generating demand for improved access to container terminals, where cargo can be transferred between rail and road, for example.

Investment market

Warehouse and logistics properties represent a sub-segment of the wider property market, which has been undergoing a struc-

tural transformation since the early 2000s. Previously, the portfolio was largely owned by the companies using the premises, but a consolidation of ownership is now underway. Domestic companies such as Catena, Kilenkryssset, Sagax and Tribona, as well as foreign players such as Goodman and ProLogis, specialise in the ownership of warehouse and logistics properties.

However, warehouse and logistics properties have gradually become a segment of the property market in which institutional players also seek exposure, either indirectly through companies and property funds or directly through property investments, individually or in partnership. The growing interest in warehouse and logistics properties is partly attributable to the breakthrough of e-commerce, which in the longer term will entail a change to the distribution chain in the retail sector. The logistics and warehouse market continues to be characterised by a lack of attractive investment objects and a wide spread with respect to such parameters as ownership, size, modernity and efficiency.

This means that most institutional investors have a smaller

allocation, particularly of logistics properties, than the segment's share of the total commercial property stock. Transaction activity in the segment has increased since the financial crisis in 2008-2009, when the level of activity in the property market was generally low. Norges Bank Investment Management's acquisition of 50 percent of ProLogis' European logistics portfolio for approximately SEK10 billion in 2012 is an example of this increased interest from institutional players. Major transactions involving institutional investors in 2014 include Sveareal's sale to Starwood Capitals of approximately 850,000 square meters, of which more than half was logistics premises. They also include Pareto Securities' acquisition of approximately 100,000 square meters of logistics premises in Västerås, which was divested by Tribona. Also, Cordea Savills Nordic Logistics Fund acquired approximately 185,000 square meters in Gothenburg, Borås, Jönköping and Halmstad. The seller was NRP, Ness Risan & Partners.

In 2012 and 2013, total transaction volumes approached the levels noted in the years preceding the financial crisis. In the first three quarters of 2013, properties for a value of almost SEK 10 billion were sold. The largest transactions in 2013 included Catena's acquisition of Brinova Logistik AB, Danish PFA Pension's acquisition of half of NREP Logistics and ICA's and Alecta's acquisition of ICA's central warehouse in Helsingborg.

In 2014, a total of more than 1 million square meters of logistics space gained new owners. Alongside Catena, the year's most active property companies included Tribona and Corem, which both made several acquisitions. The year's major transactions included Stendörren's acquisition of approximately 100,000 square meters in Upplands-Bro, which was sold by CBNR Global Investors, and Hemfosa's acquisition of approximately 90,000 square meters at various locations in central Sweden, which Kilenkryset exited. Consequently, the transaction market is active and we expect at least the same level this year as last in terms of the number of transactions, although the volume will increase.

Players

Property companies

Few property companies specialise in logistics properties. In addition to Catena, the larger listed Swedish companies include the aforementioned Sagax and Corem, which also have premises for light industry, and Tribona. Privately owned Kilenkryset and international companies ProLogis and Goodman also operate in Sweden.

Customers

Apart from a certain degree of annual growth, the need for logistics space is relatively constant, while the supply of new space is more limited. This means that demand for logistics properties increases steadily since existing freight volumes must be handled in existing spaces, regardless of who currently manages the flow of goods.

The sector's customers include logistics companies to whom producers and wholesalers outsource their logistics function through so-called third-party logistics. The largest companies in the area are, to name a few: DHL, which is owned by Deutsche Post; PostNord, the development of the Nordic postal operations; Schenker, DFDS and Green Cargo, which operates primarily rail traffic throughout Sweden.

The sector's customers also include producers and suppliers who handle their logistics in-house. This applies particularly to heavy industrial companies such as Volvo and Electrolux, and major trading companies including ICA and IKEA.

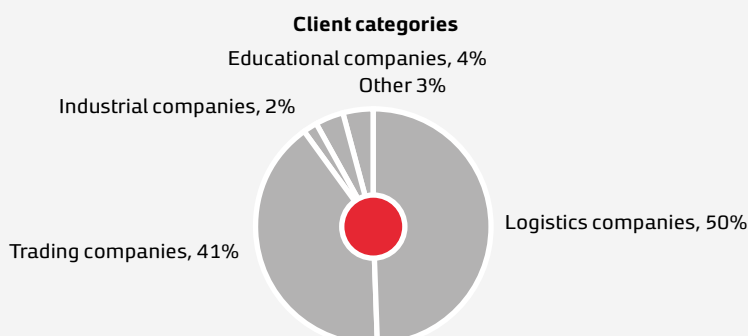
Catena's customers

With its properties, Catena can include logistics, industrial and commercial companies among its customers.

Customers are primarily large, solvent companies, which reduces the risk of customer losses driven by customers that become insolvent. Also, customer dependency is not as great as the table of Catena's largest customers would suggest, since many of the companies are represented by a number of local units.

Catena's ten largest shareholder per 31 December 2014

1. DHL
2. Rusta AB
3. Bilia AB
4. TD Tech Data AB
5. Grönsakshallen Sorunda AB
6. City of Gothenburg – Education Department
7. DS Smith Packaging AB
8. Logent AB
9. Lindab Sverige AB
10. PostNord



Regions

Catena is present in Sweden's main population centres, which also forms the basis for the company's business structure.

Stockholm Region

Along with the rest of the Mälardalen region and other key logistics areas such as Örebro, Norrköping, Katrineholm and Södertälje, Stockholm represents a significant population centre. The region accounts for a large portion of the country's cargo flows.

Stockholm Region - key performance indicators	2014	2013	2012
Number of properties	21	21	19
Lettable area, thousand sq. m.	311.3	293.1	247.4
Fair value, SEK M	2,193.9	1,883.7	1,625.2
Rental value, SEK M	210.7	191.0	174.0
Economic letting ratio, %	94.9	85.1	92.0
Surplus ratio, %	78.5	71.6	69.8
Contracted annual rent, SEK M	200.0	162.5	160.2
Rental income, SEK M	194.3	142.1	145.9
Net operating surplus, SEK M	152.7	101.8	101.9
Profit from property management, SEK M	131.6	77.1	71.4
Number of contracts	76	58	40

Companies managing logistics properties in the region

In addition to Catena, Corem, Kilenkryset, Sagax and certain local players offer logistics premises. In terms of project development, competition derives primarily from the major building companies.

Catena's customers

Customers include DHL, one of the largest companies in third-party logistics, as well as reputable companies such as Kopparbergs bryggeri, DS Smith and Tech Data, one of the world's leading IT distributors, all of whom impose considerable demands on security. The list of customers also includes Internet distributors, such as Footway and Caliroots, and, in the area of food distribution, Grönsakshallen Sorunda.

Significant events in 2014

- Active marketing that significantly improved the letting ratio to 95 percent.
- Renegotiations and new leases increased the average lease period from 4.4 to 4.7 years.
- The completion of Building 2 on the Dikartorp 3:12 property as a purpose-built property that meets the tenant's needs.
- The acquisition of the Jordbromalm 4:33 property, a modern property that increased the lettable space in the region.

Nattskiftet 11, Stockholm.



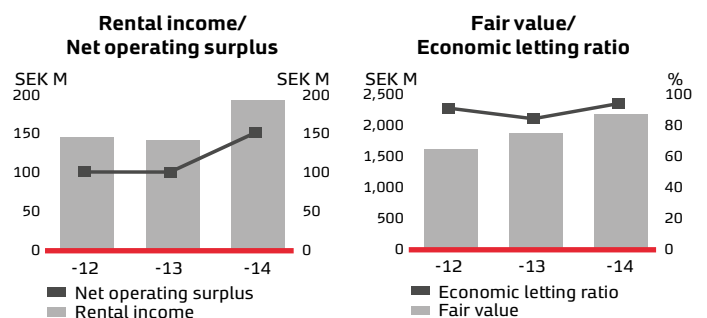
- An improved surplus ratio, which rose from 71.6 to 78.5 percent.

Priorities in 2015

- Continued focus on energy efficiency that is in line with the company's sustainability responsibilities and that improves the surplus ratio at the same time.
- Increase lettable space. Primarily through new construction but, to grow faster, also through acquisitions of well situated modern logistics properties.
- The revitalisation of Logistikposition Katrineholm.

Project portfolio

The region offers a limited number of developable logistics locations. Catena's more attractive development projects include acquisition options in Järfälla, Nykvarn, Katrineholm, Örebro and Norrköping. The projects have reached various stages ranging from lease negotiations to detailed development planning.



Gothenburg Region

The country's second-largest city, Gothenburg, is the centre for a region that also includes logistics-intensive towns and cities such as Borås, Jönköping and Nässjö, all of which have thriving business communities. The city is also home to Sweden's largest port, making Gothenburg one of the most important locations in the country for incoming and outgoing cargo.

Gothenburg Region – key performance indicators

	2014	2013	2012
Number of properties	12	10	10
Lettable area, thousand sq. m.	235.3	184.4	177.1
Fair value, SEK M	1,505.2	1,152.3	1,055.2
Rental value, SEK M	158.6	116.9	108.2
Economic letting ratio, %	97.8	81.9	79.4
Surplus ratio, %	71.9	68.2	71.6
Contracted annual rent, SEK M	155.1	95.7	85.9
Rental income, SEK M	125.8	90.9	52.5
Net operating surplus, SEK M	90.4	62.0	37.6
Profit from property management, SEK M	80.8	47.2	80.0
Number of contracts	75	52	47

Companies managing logistics properties in the region

In addition to Catena, major property companies in logistics, such as NREP, Prologis, Tribona and Corem offer specialised premises. In addition, a few traditional property managers, such as Klöver and Platzer offer logistics facilities, as do certain local players, such as Eklandia and Harry Sjögren AB. In terms of project development, competition derives primarily from the major building companies, such as NCC and Skanska.

Catena's customers

Customers include the major third-party logistics companies, such as DHL, PostNord and Logent, as well as well-established institutions, such as Erikshjälpen and companies with their own logistics function such as Rusta, Santa Maria and Dagab (Axfood).

Significant events in 2014

- Active marketing that significantly improved the letting ratio to 98 percent.
- Two key acquisitions increased the region's lettable area by approximately 50,000 square metres. This strengthened Catena's position as a leading company in logistics properties and helped establish new relationships.
 - The Varla 6:15 property in Kungälv is a leased but developable property in a growing municipality.
 - The Lagret 1 property in Nässjö is a modern logistics property that is fully leased.
- The development of one of Catena's major projects, the Högsbo 21:2 property in Gothenburg, formerly the Pripps brewery, was completed and is now virtually fully let.

Building 1 at the Backa 23:5 property in Hisings Backa.



Among other things, Mat.se increased the amount of space it leases.

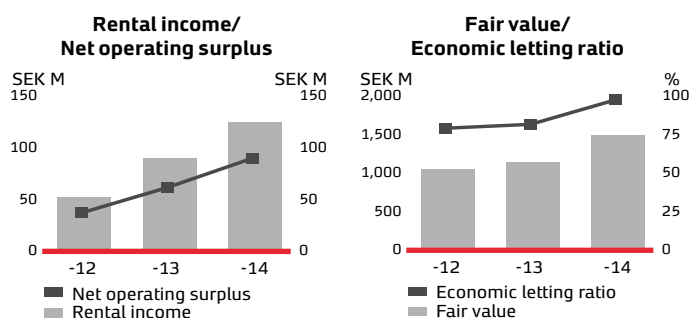
- A decision was made to modernise the Barnarps Kråkebo 1:44 property situated at the Jönköping logistics hub. The property will be given a new facade but, above all, investments are to be made in geothermal heating and new dynamic lighting.
- An improved surplus ratio, which rose from 68.2 to 71.9 percent.

Priorities in 2015

- Continued focus on energy efficiency that is in line with Catena's sustainability responsibilities. The surplus ratio is improved at the same time.
- Continued focus on increasing lettable logistics space by:
 - Actively collaborating with municipalities to find new construction projects in developable areas in Gothenburg and in other priority areas.
 - Acquiring and developing existing modern logistics facilities, since the availability of developable industrial land is limited.
- Continue to raise awareness of Catena in the Gothenburg area.

Project portfolio

The region offers a limited number developable industrial locations and consequently acquisitions of developable land and developable logistics facilities is a priority.



Öresund Region

Öresund is the largest region in the Nordic countries in terms of population. It is also the gateway to the continent. Major cargo flows for export, import or local consumption are transported via the Öresund Bridge and a large number of ports in the Swedish provinces of Skåne and Blekinge, as well as in Denmark.

Öresund Region – key performance indicators	2014	2013	2012
Number of properties	13	13	16
Lettable area, thousand sq. m.	165.8	172.4	151.3
Fair value, SEK M	816.8	801.3	702.0
Rental value, SEK M	84.2	84.4	74.0
Economic letting ratio, %	93.5	96.1	97.0
Surplus ratio, %	70.1	68.5	51.7
Contracted annual rent, SEK M	78.7	81.1	71.8
Rental income, SEK M	85.5	77.2	87.8
Net operating surplus, SEK M	59.9	52.9	45.4
Profit from property management, SEK M	56.3	41.9	26.9
Number of contracts	80	73	59

Companies managing logistics properties in the region

In addition to Catena, Tribona, Svea Real, Corem, Wihlborg and certain local players offer logistics premises. In terms of project development, competition derives primarily from the major building and property companies.

Catena's customers

In addition to the major third-party logistics companies such as DHL and PostNord, customers also include well-established and stable companies such as Lindab and Cramo.

Significant events in 2014

- New contract with DHL regarding a logistics property at the jointly-owned Sunnanå site outside Malmö. This will be the first building in a new logistics location, strategically situated close to the European highways connecting to the ring road around the city.
- An improved surplus ratio, which rose from 68.5 to 70.1 percent.

Priorities in 2015

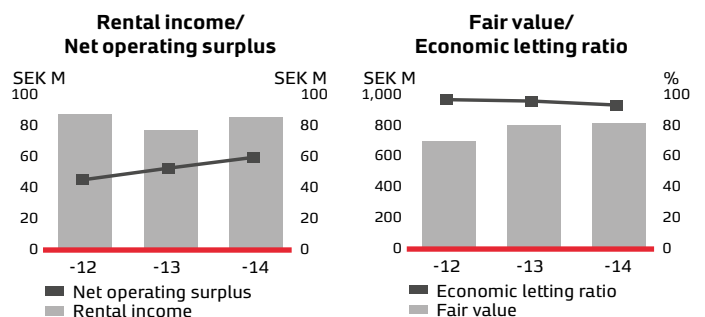
- Continued focus on filling the remaining vacancies.
- Continued focus on energy efficiency that is in line with Catena's sustainability responsibilities and that improves the surplus ratio at the same time.
- Increase lettable space, both through investments in existing properties, as well as acquisitions.

Köpingegården 1, Helsingborg.



Project portfolio

The region offers two major sites that are owned jointly with Peab; the Logistikposition project in Sunnanå, outside Malmö, which offers total developable property area of 270,000 square metres, and the Logistikposition Helsingborg project in Tostarp, which offers an equal area. The region also includes the Terminal 3 and 4 properties, which will soon be repurposed when current tenant DHL moves to Logistikposition Malmö.



The Solna project

Development – “Haga Norra” project

“Haga Norra” is part of Stora Frösunda in Solna, outside Stockholm. To date, the area has mostly been known for the automotive dealership and workshop facility that Bilia has operated on the site for 40 years. It is a strong, well-established office location with a stable rent level.

Catena’s property portfolio includes the development properties Stora Frösunda 2 and Hagalund 2:2 in Solna, commonly known as the “Haga Norra” project. Since Catena’s acquisition of Brinova Logistics in September 2013, the development of the project has been part of Catena’s streamlining as a property company focusing on logistics.

Planning complete

The detailed development plan established for the area came into legal force at the end of 2014. The area, which enjoys excellent communications and is situated directly adjacent to the expanding Arenastaden, Nya Karolinska and Hagastaden districts, includes development rights for 60,000 square metres of commercial space and 90,000 square metres of housing. The latter corresponds to some 900 apartments. Additionally, it includes about 75,000 attractive square metres below ground level, intended to be used, among other things, as a garage. In total, there will be eight new city blocks offering a well-balanced mix of offices, housing and services



in the heart of “Haga Norra”. With a climate-smart concept for the entire district, conditions will be created for a vibrant, safe neighbourhood.

Continued development

With the project entering a new phase, Catena plans to transfer the continued development of the project, thus freeing up resources for the continued development of its own core operations – logistics properties. Consequently the plan is now to advance the process strategically in partnership with established players in the office and residential sectors.

“Haga Norra”, Solna.





Lagret 1

The Lagret 1 property in Nässjö is one of the year's acquisitions that is generating stable cash flow. The property is a strategically situated modern terminal that is fully leased to retail chain Rusta.



The property portfolio

The lease portfolio for the collective portfolio, which primarily comprises logistics properties, is long-term and tenants largely include well-established logistics companies.

Summary of property portfolio

At 31 December 2014, Catena's property portfolio comprised 46 warehouse and logistics properties located near key transport arteries in southern Sweden and one development property at Haga Norra in Solna, outside Stockholm.

The total lettable area comprises about 753,000 square metres (690,000), of which 95 percent (91) consists of warehouse and logistics premises. The total rental value amounted to SEK 480.1 million (419.3) and contractual annual rental income totalled SEK 459.8 million (365.7). The economic letting ratio was 96 percent (87). Of the contractual rental income, 51 percent (44) falls due in 2019 or later.

Project portfolio and development rights

Catena has an expressed ambition to grow, primarily through new construction. Despite the fact that the market offers only a

limited number of available logistics locations, the company has a developable project portfolio, including two major objects/options that are owned jointly with Peab: the Sunnanå project, outside Malmö, which offers total developable property area of 270,000 square metres, and the Logistikposition Helsingborg project, which offers an equal area. The project portfolio also includes acquisition options on projects having reached various stages ranging from lease negotiations to detailed development planning, particularly in the Stockholm region.

The portfolio is continuously developed by means of on-going search processes. Taking the limited availability of undeveloped logistics sites, these processes also encompass developable existing buildings.

Catena's project portfolio also includes the "Haga Norra" project. The plan is to advance project development strategically in partnership with established players in the office and residential sectors.

► Read more on page 41.

► A complete list of properties is given on pages 50-51.

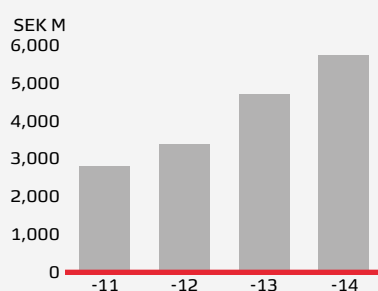
Portfolio by region

	Stockholm	Gothenburg	Öresund	Projects
Number of properties	21	12	13	1
Lettable area, thousand sq. m.	311.3	235.3	165.8	40.7
Carrying amount, SEK M	2,193.9	1,505.2	816.8	1,235.0
Rental value, SEK M	210.7	158.6	84.2	26.6
Economic letting ratio, %	94.9	97.8	93.5	97.7
Surplus ratio, %	78.5	71.9	70.1	88.3

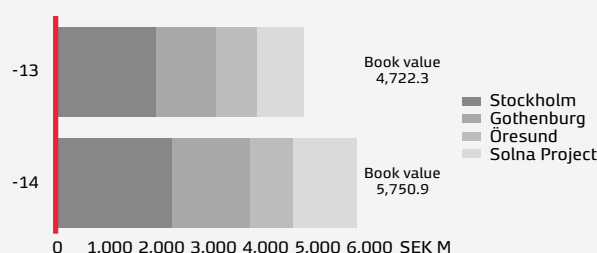
Income and rent

Income from contracts with a maturity of more than three years accounts for approximately 73 percent of Catena's contracted annual rent. This entails stable income with no appreciable variation between periods, except when affected

Development of property portfolio



Property portfolio by region, SEK M



by acquisitions and sales. The average remaining lease period is slightly less than five years. Rental income for the year rose by 36 percent to SEK 431.3 million (316.8) over the year, mainly due to acquired properties and completed projects.

The letting ratio rose from 87 to 96 percent as a result of strategically located logistics facilities and focused leasing efforts.

In the second quarter of 2014, compensation of SEK 9.9 million was received in connection with a lease settlement and, in the fourth quarter, insurance compensation of about SEK 8 million was received for fire damage to a building. The scrapping of the building was charged against realised changes in value.

Letting and occupancy

During the year, 56 new contracts were signed for a total area of 127,300 square metres and a contract value of SEK 79.1 million. At the same time, 27 contracts for a total area of 59,400 square meters and a contract value of SEK 32.9 million were cancelled.

The contract value on new tenancies during the year amounted to SEK 101.5 million, but only SEK 64.2 million for discontinued tenancies. This entails a net increase in new tenancies of SEK 37.3 million.

Lease structure

The lease portfolio is long-term and the majority of tenants comprise well-established companies, primarily logistics companies. At 31 December 2014, Catena's ten largest tenants accounted for approximately 65 percent (73) of the Group's contractual rental income. However, it is worth noting that the major customers have several contracting units. The leases for these ten tenants expire within one to 19 years. Over the

period, the average remaining lease period rose from 4.4 to 4.7 years.

- ▶ A table showing the maturity structure of the leases is presented on page 67.
- ▶ A table showing the ten largest tenants is presented on page 37.

Net operating surplus and surplus ratio

The net operating surplus, that is, rental income minus property expenses, including operating and maintenance expenses, property taxes, ground rent and property management, rose by 47 percent over the year to SEK 325.7 million (221.3). This is primarily a consequence of the improved letting ratio and efficiency, not least in the area of energy. Among other things, Catena has invested in alternative and more sustainable heating, as well as improved lighting and ventilation systems.

Property expenses rose by 11 percent over the year to SEK 105.6 million (95.5) due to acquired properties. For comparable portfolios, property expenses were unchanged, with increased maintenance expenses being offset by lower operating expenses as a result of implemented energy measures.

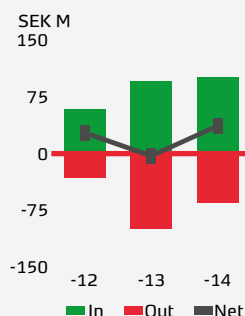
The surplus ratio thus rose from 69.9 to 75.5 percent.

Profit from property management

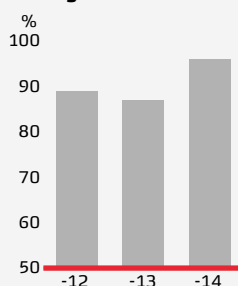
Profit from property management, that is, reported profit with changes in value and tax having been reversed, increased as a result of the improvement in net operating income by 39 percent to SEK 204.9 million (147.0).

Financial expenses, which also affect profit from property management, amounted to SEK 95.1 million (88.7) during the year. The increase of 6.4 million was primarily attributable to higher credit volumes.

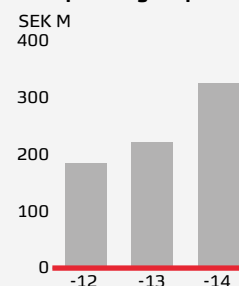
New tenancies/vacancies



Letting ratio



Net operating surplus



Results

Profit for the year rose by SEK 205.8 million to SEK 344.2 million (138.4) due to changes property values, and this was mainly attributable to the “Haga Norra” project properties in Solna, outside Stockholm. The effect was offset by increased negative values of derivatives, which were due to lower market interest rates, although without affecting existing cash flow.

► *Read more about profit for the year on pages 62-63.*

Development of property portfolio

Acquisitions

During the year, Catena acquired:

- The Lagret 1 logistics property in Nässjö totalling approximately 24,000 square meters, which is currently leased. Rental income amounted to approximately SEK 15 million.
- The Jordbromalm 4:33 logistics property in Haninge, also approximately 24,000 square meters and currently fully leased. Rental income amounted to approximately SEK 17 million.
- The Varla 1 property in Kungsbacka. The acquisition strengthens Catena’s position in one of the company’s priority areas, Gothenburg. The property has approximately 50,000 square metres of land and 25,000 square metres of developed, lettable space. Rental income is estimated at about SEK 15 million per year.

Investments made

Over the year, investments in existing properties amounted to SEK 180.4 million (186.7). Major projects included:

- New construction at the Högsbo 21:2 property in Gothenburg.

- New construction at the Ättehögen 2 property in Jönköping.
- The Hästhagen 4 property in Helsingborg, where a number of tenant customisations were completed.
- Reallotment regarding the Dikartorp 3: 6 property in Järfälla. The property is subsequently included in the property designation Dikartorp 3:12.

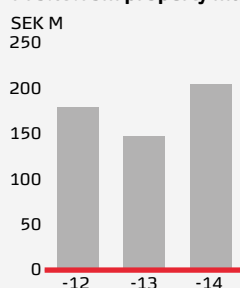
Disposals

- The Jakobsbergsgatan 22:16 property in Järfälla, which is not within a priority area, was divested in May. The property had 2,455 square metres of space and the divestment was completed for a book value of SEK 15 million.
- The building on the Släggan 1 property in Ljungby was scrapped due to a fire that occurred during the year.

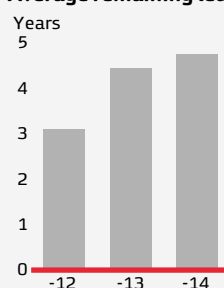
Property portfolio SEK M	Fair value	Number of prop- erties
Property portfolio at beginning of year	4,722.3	45
Acquisitions	477.2	3
Investments in existing properties	180.4	
Sales	-15.0	-1
Other ¹⁾	-6.5	
Unrealised changes in value	392.5	
Total investment properties	5,750.9	47

1) Including insurance compensation for completely damaged property.

Profit from property management



Average remaining lease duration



Significant events during the year

- From 2 January 2014, Catena's share has been traded on NASDAQ Stockholm – Nordic List, Mid Cap.
- A new share issue of 446,469 shares was carried out in connection with the acquisitions of the Jorbromalm 4:33 property in Haninge and the Lagret 1 property in Nässjö, which increased the number of shares in Catena to 25,641,921 and the share capital by about SEK 2 million to SEK 112.8 million.
- Johan Franzen was appointed as the new Regional Manager for Gothenburg.
- The Swedish Land and Environment Court rejected all appeals regarding the detailed development plan, which has now entered legal force, for Catena's project properties at "Haga Norra" in Solna. The county administrative board's decision on the detailed plan therefore stands firm, enabling Catena to proceed with plans to develop a new, modern neighbourhood with both residential and commercial premises.
- During the year, Catena signed a financing agreement for SEK 3.5 billion, of which SEK 2 billion with a maturity of three years and the remainder a maturity of up to two years, which extended the credit framework by SEK 0.9 billion. Over the year, two new swap contracts were signed for SEK 1,000 million, maturing in 2024 with fixed interest rate of 1.7 and 1.4 percent respectively.
- Catena determined that HR Manager Sofie Bennsten would become a member of senior management.
- Catena adopted a new business plan with somewhat revised financial targets.
- Through a jointly owned company, Catena and Peab commenced an investment of SEK 240 million in a new terminal building for DHL Freight in Sunnanå outside Malmö. The building will have 17,300 square meters of space and the lease is for ten years.
- At the end of the year, Catena's headquarters were moved from Ängelholm to premises in a building owned by the company in Helsingborg.

Significant events after the end of the year

- A smaller property in Luleå, which is not a priority area for Catena, was sold for a property value of SEK 7 million with 1 April 2015 as the transfer date.
- Catena has agreed with the Municipality of Katrineholm to acquire the municipality's 49 percent holding in the jointly owned company, Logistikposition Katrineholm AB. An agreement has also been signed to acquire land through a reallocation between Logistikposition Katrineholm AB and the Municipality of Katrineholm. The company will acquire approximately 75,000 square metres of land located adjacent to the existing properties Sothönan 3 and 19. The purchase consideration has been set at SEK 7.8 million, with Catena gaining access once land parcelling has been completed.
- On 17 March 2015, Catena signed an agreement with related party Backahill to acquire the Förmanen 4 logistics property in Ängelholm, strategically located by the E6 motorway outside Ängelholm. The property, whose 22,200 square metres are fully leased, predominantly with long-term contracts, can be further developed with Catena's specific logistics expertise. Rental income amounts to SEK 12 million per year and the transaction was made at a property value of SEK 120 million. The transaction is conditional on a decision by Catena's Annual General Meeting on 28 April 2015.

Market outlook

Demand for premises within Catena market segment is good. Completed contract negotiations suggest somewhat higher rent levels compared with previous quarters, albeit with shorter contract durations. With its core business of developing well-situated, and for their purpose, well-suited, environmentally efficient logistics facilities with access to different modes of transport, Catena perceives opportunities for expansion over the coming years. The market for efficient, energy-smart and correctly located logistics properties remains attractive due to increased demands for deliveries that are efficient in terms of costs and the environment.

Appropriation of earnings and attestation

Proposed appropriation of accumulated profit

The following amounts are at the disposal of the Annual General Meeting:

	SEK
Retained earnings	1,173,431,373.62
Profit for the year	-134,115,741.85
Total	1,039,315,631.67

The Board of Directors and CEO propose that the available profit be distributed in the following manner:

	SEK
To be distributed to shareholders:	
SEK 3.00 per share	76,925,763.00
To be carried forward	962,389,868.67
Total	1,039,315,631.67

The Board of Directors' statement pursuant to Chapter 18, Section 4 of the Companies Act

The Board of Directors' proposal

In the proposed appropriation of earnings, the Board of Directors proposes to the 2015 Annual General Meeting that Catena pay a dividend of SEK 3.00 per share for the 2014 financial year, which entails a total dividend payment of SEK 76,925,763. From the annual accounts it can be seen that Catena's consolidated equity ratio amounts to 32.4 percent.

Following the proposed dividend, the consolidated equity ratio is expected to be approximately 31.4 percent. One of Catena's financial targets is that the consolidated equity ratio should be a minimum of 30 percent.

Explanatory statement by the Board

In light of the aforementioned, the Board believes that the proposed dividend to shareholders is warranted considering the stipulations in Chapter 17, Section 3, Paragraph 2 and 3 of the Swedish Companies Act. The Board is of the opinion that there is full cover for the Company's restricted equity following the proposed dividend. After the proposed dividend, the Board believes that the company's and Group's equity and liquidity will be sufficient considering the nature, scope and risk of the operations. The Board is of the opinion that the proposed dividend will not affect Catena's capacity to meet its short or long-term commitments. Moreover, the Board believes that the investments required for the company's operations will not be adversely impacted. While Catena's financial position could potentially enable a higher dividend, the Board took due consideration of the fact that Catena is currently in an acquisition and project implementation phase.

As regards the company's earnings and overall financial position in other respects, please refer to the financial statements further on in this report and the notes to the financial statements on pages 61-97.



The office space at the site where DHL's new terminal is being built in Sunnanå outside Malmö.

Property valuation

Combined with effective procedures, clear guidelines and a thorough approach create the right conditions for an accurate valuation of assets, as well as for stable earnings and financing.



The Lagret 1 property in Nässjö, a terminal that is fully leased to Rusta.

Valuation model

Like most listed property companies, Catena has opted to recognise its investment properties at fair value, in accordance with IAS 40.

Catena performs quarterly internal valuations of all of its investment properties. The internal valuation is used to determine the fair values recognised in the balance sheet, and is based on a six-year cash-flow model for each individual property. The model is based on actual income and expenses, adjusted for a normalised future earnings capacity in terms of both income and expenses. When assessing the future earnings capacity, factors taken into account include the expected changes in the rent level based on the current rent of the individual lease compared with the market rent for each date of maturity, and changes in letting ratio and property costs. The yield value has then been calculated in a cash-flow statement per property. The yield value includes the value of the assessed future payment flows over the next five years and the present value of the assessed value of the property in five years' time. The yield value has then been adjusted for the value of on-going projects and land with unutilised development rights.

Changes in value of investment properties

To ensure the accuracy of the internal valuation, external valuations are normally carried out on a selection of our properties. During the third and fourth quarters, DTZ valued about 74 percent of the portfolio, equivalent to a value of SEK 4.3 billion.

The "Haga Norra" project in Solna, outside Stockholm has been valued at SEK 1.2 billion. Catena's value has been assured by DTZ's independent valuation at the same level.

A certain discrepancy is permitted between the internal valuation and the fair value before the fair value is adjusted. The discrepancy should be within a range controlled by a permitted discrepancy from the established direct yield requirement of +/-0.25 percent. Only when the discrepancy

exceeds or falls below this range is the fair value adjusted. This discrepancy is accepted because there is always some uncertainty in the calculated values.

Significant variables

Compilation of outcomes for significant variables and the normalised amounts used in the internal valuation model:

<i>For definitions, see pages 109.</i>	Actual outcome, total	Normalised values ¹⁾ , total
Rental value, SEK M	480.1	464.5
Economic letting ratio, %	95.8	94.3
Contracted annual rent, SEK M	459.8	437.9
Net operating surplus before property admin., SEK M	348.8	374.4
Property yield before property admin. %	6.1	6.5
Surplus ratio before property admin. %	80.9	85.5
Discount rate		8.5

1) Based on the property portfolio at the end of the year. The normalised surplus ratio is based on contractual annual rent.

The parameters that significantly impact the value of a property are the discount rate and the rental value. Assumptions including interest rates, debt/equity ratio, inflation assumptions, the required return on paid-in capital, property location, tenant structure, etc. are included in the discount rate. Rental value reflects the market's view of what tenants are willing to pay for property space. A change of +/-1 percent in these parameters impacts the estimated fair value:

Change	Effect	
	+1%	-1%
Discount rate, SEK M	-231	131
Rental value, SEK M	185	-282

Other corrective parameters are the property's development potential in the form of, for example, development rights.



The Törsjö 2:49 logistics warehouse, located in Örebro.

List of properties

Property	Postal address	Address	Valuation year ¹⁾	Taxable value, SEK T
Mörby 5:28	Nykvarn	Mörbyvägen 21	2009	33,000
Tuvängen 1	Södertälje	Morabergsvägen 25	2000	19,587
Dikartorp 3:12, Building 1	Järfälla	Passadvägen 8	2002	34,200
Dikartorp 3:12, Building 2	Järfälla	Passadvägen 10	1977	136,994
Nattskiftet 11	Stockholm	Elektrav. 15 / Drivhjulsv. 42	1996	14,528
Slottshagen 2:1	Norrköping	Kommendantvägen 5	Spec.	0
Regulatorn 2	Huddinge	Elektronv. 1 / Regulatorv. 10	1967	144,117
Vanda 1	Kista	Vandagatan 3	1990	168,200
Sothönan 3	Katrineholm	Industrigatan 7	1986	11,886
Sothönan 19	Katrineholm	Terminalgatan 8	Land	864
Terminalen 1	Hallsberg	Hallsbergsterminalen 12, 14, 19	Spec.	0
Jordbromalm 4:33	Haninge	Lillsjövägen 19	2005	157,267
Storheden 1:75	Luleå	Betongvägen 40	1990	3,764
Östanvinden 5	Karlstad	Östanvindsgatan 4	1983	2,585
Basfiolen 7	Norrköping	Moa Martinsons gata 10 A	1983	4,196
Vasslan 1	Årsta	Sockengränd 2	1986	42,510
Värdshuset 3	Sundsvall	Värdshusvägen 5	1985	3,114
Sörby Urfjäll 38:2	Gävle	Elektrikergatan 4	1990	4,427
Törsjö 2:49	Örebro	Paketvägen 1, 3	2004	172,620
Mosås 4:66	Örebro	Paketvägen 10	Spec.	0
Mosås 4:57	Örebro	Paketvägen 6	1970	31,199
Godsvagnen 6	Örebro	Terminalgatan 2	1992	65,916
Total, Stockholm Region				1,050,974
Tappen 1	Borås	Lamellgatan 1	1984	15,568
Vindtunneln 1	Borås	Vevgatan 18	2002	69,011
Barnarps-Kråkebo 1:44	Jönköping	Möbelvägen 39	1991	50,488
Backa 97:10	Hisings Backa	Exportgatan 43	1979	48,873
Lagret 1	Nässjö	Terminalgatan 6	2004	52,158
Varla 6:15	Kungsbacka	Kabelgatan 5	1980	69,164
Älghunden 3	Jönköping	Mutternvägen 3	1983	13,212
Källbäcksröd 1:408	Brämhult	Tvinnargatan 17	1990	4,580
Högsbo 21:2	Västra Frölunda	J A Pripps gata 2	1976	321,969
Ädelmetallen 1	Jönköping	Industrigatan 7	1976	53,798
Ättehögen 2	Jönköping	Herkulesvägen 56	1987	24,825
Backa 23:5, Building 1	Hisings Backa	Exportgatan 14-16	1992	540
Backa 23:5, Building 2	Hisings Backa	Exportgatan 14-16	Spec.	0
Total, Gothenburg Region				724,186
Remmen 1	Åstorp	Ji-Te gatan 9/Persbogatan 1-3	1985	10,569
Lejonet 6	Åstorp	Bangatan 7	1973	2,401
Lejonet 7	Åstorp	Bangatan 9A	1995	8,232
Släggan 1	Ljungby	Kännnavägen 40	Land	4,004
Terminalen 3	Malmö	Terminalgatan 7	Spec.	0
Köpingegården 1	Helsingborg	Trintegatan 10, 13	2004	38,726
Köpingegården 1, SRS 2	Helsingborg	Trintegatan 15	2013	82,123
Kopparverket 11	Helsingborg	Stormgatan 11	2007	96,000
Hästhagen 4	Helsingborg	Landskronav. 5, 7 A-E	2005	69,177
Terminalen 4	Malmö	Terminalgatan 5	1979	14,111
Kroksabeln 17	Helsingborg	Muskötgatan 11	1971	18,776
Arnulf Överland 1	Kristianstad	Estrids väg 2	1992	4,113
Bronsringen 1, 3	Oxie	Bronsgjutaregatan 4	2008	45,159
Konen 5	Halmstad	Kristinehedsvägen 10	2011	4,586
Total, Öresund Region				397,977
Stora Frösunda 2, etc.	Solna	Frösundaleden 4	1972	141,929
Total, Projects				141,929
TOTAL				2,315,066

1) Valuation year spec. refers to special buildings with category code 820 to 829,890 without assessed valuation year.

Rental value, SEK T	Contracted rent, SEK T	Logistics, sq. m.	Distribution, sq. m.	Terminal, sq. m.	Other, sq. m.	Total, sq. m.
11,947	11,947	0	0	186	0	186
2,369	2,369	0	2,640	0	0	2,640
5,371	5,371	5,616	0	0	0	5,616
10,068	10,068	23,970	0	0	0	23,970
27,076	26,929	25,484	0	0	0	25,484
8,233	7,978	0	0	15,126	0	15,126
30,283	27,114	45,203	0	0	0	45,203
21,118	15,258	23,240	0	0	0	23,240
4,022	2,769	0	0	12,157	0	12,157
0	0	0	0	0	0	0
11,950	11,950	0	0	25,850	0	25,850
18,657	18,657	23,547	0	0	0	23,547
710	710	0	1,450	0	0	1,450
726	726	0	1,330	0	0	1,330
523	523	0	1,318	0	0	1,318
4,685	4,685	0	5,399	0	0	5,399
763	763	0	1,512	0	0	1,512
764	764	0	1,427	0	0	1,427
30,390	30,390	55,255	0	0	0	55,255
7,181	7,181	0	0	8,885	0	8,885
4,186	4,186	12,089	0	0	0	12,089
9,672	9,672	19,600	0	0	0	19,600
210,693	200,009	234,004	15,076	62,204	0	311,284
2,732	2,613	5,700	0	0	0	5,700
10,749	10,749	16,897	0	0	0	16,897
16,787	16,032	34,126	0	0	0	34,126
8,512	8,512	13,878	0	0	0	13,878
16,245	16,245	0	0	24,404	0	24,404
14,950	14,854	25,006	0	0	0	25,006
1,787	1,787	0	3,738	0	0	3,738
542	542	0	1,247	0	0	1,247
56,930	55,840	0	65,838	0	0	65,838
7,424	7,424	0	20,757	0	0	20,757
5,733	4,248	8,709	0	0	0	8,709
9,828	9,828	0	7,659	0	0	7,659
6,369	6,369	7,300	0	0	0	7,300
158,588	155,042	111,616	99,239	24,404	0	235,259
3,261	2,966	0	6,765	0	0	6,765
908	908	0	1,785	0	0	1,785
2,673	2,673	0	3,624	0	0	3,624
0	0	0	0	0	0	0
12,368	12,368	0	0	33,300	0	33,300
17,323	17,323	0	0	24,522	0	24,522
7,892	7,892	14,403	0	0	0	14,403
6,882	6,882	26,600	0	0	0	26,600
18,461	14,237	38,481	0	0	0	38,481
2,377	2,373	0	1,290	0	0	1,290
2,739	1,681	7,416	0	0	0	7,416
715	715	0	1,750	0	0	1,750
7,610	7,610	0	5,150	0	0	5,150
1,047	1,047	0	727	0	0	727
84,255	78,675	86,900	21,091	57,822	0	165,813
26,611	26,033	0	0	0	40,723	40,723
26,611	26,033	0	0	0	40,723	40,723
480,146	459,760	432,520	135,406	144,430	40,723	753,079



Törsjö 2:49

The Törsjö 2:49 property in Örebro is a logistics warehouse built and customised for tenant DHL. The warehouse has an excellent location for serving Stockholm and its environs.

Interest bearing liabilities

Catena's financial strategy, mandate and risk taking are regulated by the Group's financial policy, as adopted by the Board of Catena.

Policy and exposure

The Group's treasury management, which is carried out by the Parent Company, Catena AB, ensures that funding and liquidity are secured, that payment systems are appropriate and that the Group's risk exposure is kept within the framework of the policy. Catena has a policy that borrowing should mainly have a loan term of at most ten years. All borrowing is to be conducted in SEK. The policy also states that, to the extent this is possible, the fixed-interest term structure is to be adapted to the duration of leases signed. Consideration is also given to the current business plan for each property. To manage interest-rate risks, Catena uses financial instruments such as interest-rate swaps and interest-rate caps, as mandated by the Board.

Capital structure

The Group is financed partly through equity, which amounted to SEK 1,984.8 million (1,641.9) and through liabilities to credit institutions, which amounted to SEK 3,457.6 million (2,963.0), representing a total equity ratio of 32.4 percent (32.6). Catena targets its long-term equity ratio target not exceeding 30 percent.

Working capital and cash flow

In Catena's assessment, it has sufficient working capital to meet its needs over the upcoming 12-month period. Rental income is normally paid in advance while most operating expenses and interest expenses are paid in arrears. Consequently, there is normally no working capital to finance.

Cash flow for the year was negative in the amount of SEK 14.2 million (213.4). Cash flow before changes in working capital for the year amounted to SEK 204.8 million (187.8). On 31 December 2014, consolidated cash and cash equivalents were SEK 199.4 million (213.6).

► See also page 67.

Liabilities to credit institutions

On 31 December 2014, liabilities to credit institutions amounted to SEK 3,457.6 million (2,963.0). The credit framework amounted to SEK 4,201.5 million (3,270.0). During the year, Catena signed a financing agreement for SEK 3.5 billion, of which SEK 2 billion with a maturity of three years and the remainder a maturity of up to two years, which extended the credit framework by SEK 0.9 billion.

► Read more about our interest-bearing liabilities on page 65.

Bond financing

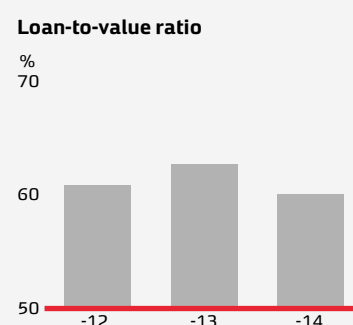
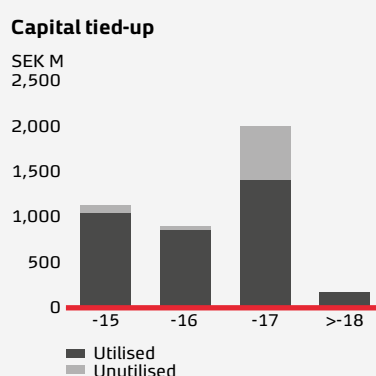
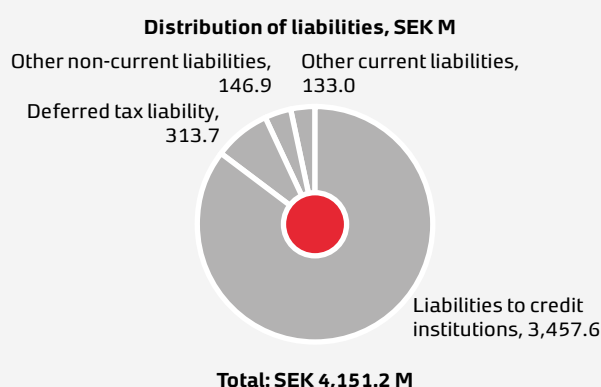
In January 2015, Nya Svensk FastighetsFinansiering AB was launched – a newly formed finance company with a covered MTN programme of SEK 8,000 million. In this way, the basis of the company's borrowing is broadened in a situation where there is great demand for bonds in the capital market. In addition to Catena AB the company is owned by Diös Fastigheter AB, Fabege AB, Platzer Fastigheter Holding AB and Wihlborgs Fastigheter AB – each with a holding of 20 percent. Operations commenced in February 2015.

Interest rate risks

Catena has interest rate swap contracts for SEK 2,000.0 million (1,087.6) with an interest rate of less than 3 percent. The fair value of the interest rate swap contracts was SEK 1,853.1 million (1,092.0) on the closing date. In the third quarter, a swap contract was signed for SEK 500 million, maturing in 2023 and with a fixed interest rate of 1.7 percent. In the fourth quarter, a swap contract was signed for SEK 500 million, maturing in 2024 and with a fixed interest rate of 1.4 percent.

The nominal value of the derivatives is equivalent to 58 percent of consolidated liabilities to credit institutions. The average interest rate, including the cost of unused credit frameworks and derivatives, amounted to 2.8 percent for the year.

► Read more on pages 57 and 63 and in Note 18.



Shares and shareholders

Catena's shares were listed on the Stockholm Stock Exchange on 26 April 2006. Effective from 2 January 2014, Catena's shares have been traded on the NASDAQ Stockholm, Nordic Mid Cap list in the Real Estate sector, under the ticker symbol CATE.

Price trend and turnover

During 2014, the share price rose about 5.8 percent (59), from SEK 100.00 to SEK 105.75. On the balance sheet date, the market capitalisation was SEK 2,712 M (2,520). The highest price quoted for the share was SEK 115.00 on 8 May and the lowest quote was SEK 94.00 on 16 October. The NASDAQ Stockholm's all share index (OMXSPI) rose 11.9 percent (22) and the Carnegie Real Estate Index (CREX) climbed 35.1 percent (21).

Catena's total return, that is, the change in share price over the year plus dividends paid in relation to the share price at the beginning of the year amounted to slightly less than 8 percent.

During the year, a total of 2,981,762 Catena shares (1,536,773) were traded on the Nasdaq Stockholm and Burgundy exchanges, corresponding to a turnover rate of 11.6 percent (6.1).

Shares and share capital

The share capital of Catena AB is to be no less than SEK 50,000,000 and no more than SEK 200,000,000. The total number of shares is not permitted to be less than 10,000,000 and more than 40,000,000. At 31 December 2014, the share capital in Catena AB totalled SEK 112,824,452.40 distributed among 25,641,921 ordinary shares. The quotient value per share is SEK 4.40. Each share confers one vote and each person entitled to vote at the General Meeting of shareholders may vote for the full number of shares held and represented.

All shares confer equal rights to participate in the company's assets and earnings.

The shares are not subject to any limitations as regards the right to transfer of ownership.

The company's shares are not the subject of any mandatory offer, squeeze-out right or sell-out right. No public offer for the company's shares was made during the current or the preceding financial year.

New share issue

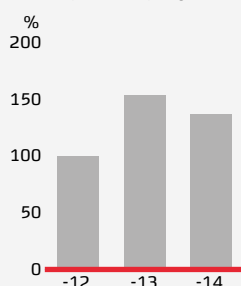
A new share issue of 446,469 shares was carried out in connection with the acquisitions of the Lagret 1 property in Nässjö and the Jorbromalm 4:33 property in Haninge, which increased the number of shares in Catena to 25,641,921 and the share capital by SEK 1,964,464 to SEK 112,824,452 million.

The development of share capital is described in Note 17 on page 81.

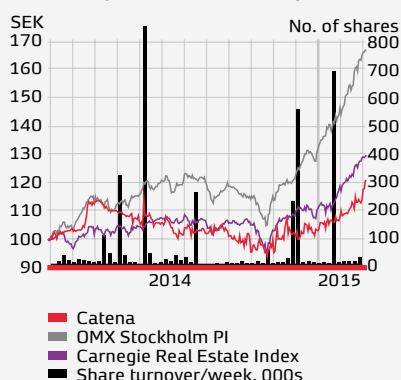
Owners

At 31 December 2014, Catena AB had 14,545 shareholders (15,084). The largest shareholders are Backahill Kil AB with 45.6 percent (46.4) of the share capital, Endicott Sweden AB with 13.5 percent (13.8) and Fabege with 10.2 percent (13.8) of the capital respectively. No other shareholder held 10 percent or more of the shares outstanding on 31 December 2014.

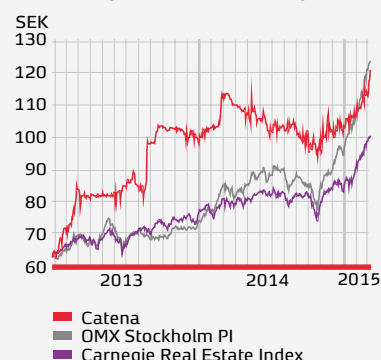
Share price/equity



Share price trend
01 January 2014 – 27 February 2015



Share price trend
01 January 2013 – 27 February 2015



Owners outside of Sweden accounted for 6.1 percent (5.6) of the share capital. Owners in Sweden accounted for 93.9 percent (94.4) of the share capital and votes, of which legal entities accounted for 86.9 percentage points and private individuals for 7.0 percentage points of the share capital and votes. Catena AB did not own any treasury shares in Catena at the end of 2014.

Shareholder agreements

The Board is not aware of any shareholder agreements between the company's shareholders and is not aware of any other agreements or their equivalents that could later lead to a change in control of Catena.

Data per share	2014	2013	2012
Share price at year end, SEK	105.75	100.00	63.00
Price trend over the year, %	5.8	59.0	9.5
Earnings per share, SEK	13.49	9.81	19.26
Profit from property management per share, SEK	8.02	10.29	15.41
P/E ratio	8	10	3
Equity per share, SEK	77.22	64.95	62.93
Dividend per share, SEK	3.00 ¹⁾	2.00	1.00
Dividend yield, %	2.8 ¹⁾	2.0	1.6
Total return on the share, %	7.8	60.3	13.0
No. of shares at year end, 000s	25,642	25,195	11,564
Average number of shares, 000s	25,556	14,291	11,564

No dilution effects.

1) In accordance with the Board's proposal to the Annual General Meeting.

Ownership structure, at 27 February 2015	No. of shares, thousands	Votes, %
Backahill	11,681	45.6
Endicott Sweden AB (CLS Holding plc)	3,469	13.5
Fabege AB (publ)	2,619	10.2
SFU Sverige AB	1,847	7.2
Länsförsäkringar fondförvaltning AB	1,811	7.1
Prior & Nilsson Fond- och Kapitalförvaltning AB	729	2.8
Banque Carnegie Luxembourg SA	223	0.9
JP Morgan Europe Limited	165	0.6
Livförsäkringbolaget Skandia ÖMS	158	0.6
Handelsbanken Fonder AB	125	0.5
Caesar Åfors	100	0.4
CBNY-DFA-INT SML CAP V	97	0.4
Swedbank Robur fonder	89	0.4
Gamla Livförsäkringsaktiebolaget	80	0.3
Other shareholders	2,449	9.5
	25,642	100.0

Incentive programme

Catena has no share-based incentive programmes, options or convertible securities. Nor are there any authorisations to issue any such financial instruments. Accordingly, none of the Board members or any of the senior executives in Catena hold any warrants in Catena.

Dividend policy

In the long-term, Catena's dividends to shareholders should amount to 50 percent of profit from property management less standard rate tax. For the 2014 financial year, the Board of Directors and CEO proposes a dividend of SEK 3.00 per share (2.00). That corresponds to a yield of 2.8 percent (2.0).

Stock market information

To give a true and fair view of its situation, the company maintains immediate, transparent and regular contacts with the stock market. The publication of information is characterised by openness, simultaneity and consistency. It is provided in accordance with current legislation, NASDAQ's regulations, the Swedish Code of Corporate Governance and the Company's IR policy.

In conjunction with the publication of interim reports, the interim financial statements are presented to investors at meetings arranged by the banks. In addition, the company plans in its own individual meetings with investors and banks. Interim and annual reports are sent by post to those who request this. These are also posted on the company's website immediately on being published. Information about the company, financial statistics and share data are also posted there on an on-going basis.

Ownership, distribution by size of shareholding at 27 February 2015

Size of holding	Owners	
	Number	Share, %
1-500	13,845	95.9
501-1,000	376	2.6
1,001-5,000	173	1.2
5,001-10,000	17	0.1
10,001-15,000	5	0.0
15,001-20,000	5	0.0
20,001-	25	0.2
Total:	14,446	100.0

* Capital/votes, %.

Risks and opportunities

Risk	Management	Exposure																
Rental income and expenses																		
<p>Vacancies</p> <p>The letting ratio is influenced by factors including general economic conditions, the pace of production for new properties, infrastructure changes, as well as population growth and employment. Changes in these factors can impact vacancy rates and rent levels.</p>	<p>The majority of Catena’s properties are located at key logistic hubs by ports and along the major European motorways adjacent to population centres in southern Sweden. This makes Catena less sensitive to market fluctuations and their impact on the overall letting ratio.</p>	<p>Lettable space and letting ratio in terms of space by region</p> <table border="1"> <caption>Letting ratio by region</caption> <thead> <tr> <th>Region</th> <th>Letting Ratio</th> </tr> </thead> <tbody> <tr> <td>Solna Project</td> <td>96.6%</td> </tr> <tr> <td>Öresund</td> <td>90.7%</td> </tr> <tr> <td>Stockholm</td> <td>93.6%</td> </tr> <tr> <td>Gothenburg</td> <td>96.6%</td> </tr> </tbody> </table>	Region	Letting Ratio	Solna Project	96.6%	Öresund	90.7%	Stockholm	93.6%	Gothenburg	96.6%						
Region	Letting Ratio																	
Solna Project	96.6%																	
Öresund	90.7%																	
Stockholm	93.6%																	
Gothenburg	96.6%																	
<p>Cancelled leases</p> <p>When a tenant vacates a property, there is a risk pertaining to the length of time that elapses before a new tenant is in place. The risk of substantial changes in vacancies and rental income increases in line with the number of individual major tenants a property company has.</p>	<p>Through close collaboration with customers, the risk of unexpected termination of leases is reduced. Catena’s lease portfolio pertains primarily to logistics properties and is relatively long term. New leases on these property types are generally signed for a term of more than five years.</p>	<p>Distribution lease durations, per year</p> <table border="1"> <caption>Distribution of lease durations per year</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>-15</td> <td>7</td> </tr> <tr> <td>-16</td> <td>20</td> </tr> <tr> <td>-17</td> <td>18</td> </tr> <tr> <td>-18</td> <td>4</td> </tr> <tr> <td>-19</td> <td>6</td> </tr> <tr> <td>-20</td> <td>13</td> </tr> <tr> <td>-21+</td> <td>32</td> </tr> </tbody> </table>	Year	Percentage	-15	7	-16	20	-17	18	-18	4	-19	6	-20	13	-21+	32
Year	Percentage																	
-15	7																	
-16	20																	
-17	18																	
-18	4																	
-19	6																	
-20	13																	
-21+	32																	
<p>Bad debt losses</p> <p>Commercial tenants are not always able to discharge their obligations.</p>	<p>Risk decreases through a solid understanding of customers. In certain leases, tenants’ obligations are guaranteed by a parent company or by way of bank guarantees. Accordingly, Catena’s bad debt losses have been marginal over the past five years.</p>	<p>Bad debt losses</p> <table border="1"> <caption>Bad debt losses (SEK M)</caption> <thead> <tr> <th>Year</th> <th>Losses (SEK M)</th> </tr> </thead> <tbody> <tr> <td>2012</td> <td>0.1</td> </tr> <tr> <td>2013</td> <td>2.4</td> </tr> <tr> <td>2014</td> <td>0.1</td> </tr> </tbody> </table>	Year	Losses (SEK M)	2012	0.1	2013	2.4	2014	0.1								
Year	Losses (SEK M)																	
2012	0.1																	
2013	2.4																	
2014	0.1																	
<p>Increased operating and maintenance costs</p> <p>Earnings can be impacted if increases in Catena’s operating and maintenance costs outpace growth in compensation to Catena in the form of contractual rents. Unforeseen and extensive renovation needs can also negatively impact earnings.</p>	<p>To counter these effects, Catena works continuously with identifying cost-efficient solutions, not least in the area of energy. Leases for logistics properties are normally linked to the Consumer Price Index (CPI). Any unforeseen renovation needs should primarily only arise for damage, for which Catena has arranged insurance solutions.</p>	<p><i>Leases with terms exceeding three years normally have an indexation clause. Customers normally pay the operating costs. The earnings impact of increased property expenses is presented in the sensitivity analysis on page 59.</i></p>																

Risk

Management

Exposure

Rental income and expenses, cont.

Increased ground rents

Ground rents are periodically renegotiated and there is no guarantee that the ground rent will not increase at the respective renegotiation, which can negatively impact Catena's earnings.

Catena has freehold ownership of most of its properties. Increases in ground rents are generally offset through indexation in the lease contract or through renegotiation of the lease.



A total of 86 percent of the Group's total square meterage is owned by the company.

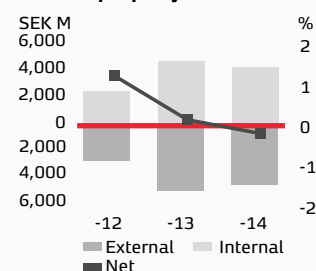
Fair value adjustments

Properties

Catena reports its property portfolio at its assessed market value. This means that changed market values as a result of changed rent levels and vacancy rates, changed yield requirements and detailed development plan processes, etc. will impact Catena's financial statements.

Payment of reasonable acquisition prices, the number of properties and, in particular, a thorough analysis based on extensive experience reduces the risk of impaired property values, which is also balanced by the favourable earnings potential. Each quarter, Catena performs an internal valuation of its properties. Most of the portfolio was valued by external appraisers in 2014. The external valuations and completed transactions confirm Catena's internal valuations.

Internal property valuation vs. external

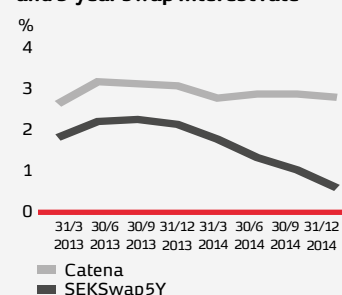


Financial instruments

Catena has a large proportion of loans with short fixed-interest terms. As part of managing interest-rate risk, Catena utilises financial instruments in the form of interest-rate derivatives, primarily nominal interest-rate swaps. Interest-rate derivatives are recognised in the balance sheet on an on-going basis.

In pace with changes in market interest rates, theoretical positive or negative values arise that do not impact cash flow. On reaching maturity, the value of derivatives is always zero. Positive or negative values are recognised in the statement of financial position.

Catena's average interest rate and 5-year swap interest rate



Risk	Management	Exposure																															
Financing risks																																	
<p>Liquidity risk</p> <p>This is defined as the risk of not having access to the liquid funds or credit facilities necessary to meet payment obligations, which can negatively impact Catena's earnings and financial position.</p>	<p>At the closing date, Catena had unutilised lines of credit totalling SEK 743.9 million and cash and cash equivalents of SEK 199.4 million.</p>	<p>Cash funds available</p> <table border="1"> <caption>Cash funds available (SEK M)</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>-12</td> <td>0</td> </tr> <tr> <td>-13</td> <td>200</td> </tr> <tr> <td>-14</td> <td>199.4</td> </tr> </tbody> </table>	Year	Value	-12	0	-13	200	-14	199.4																							
Year	Value																																
-12	0																																
-13	200																																
-14	199.4																																
<p>Refinancing</p> <p>The properties and shares owned by Catena are financed by a combination of loans and equity. The majority of financing comprises bank loans. There are no guarantees that existing credit providers will renew loans when they fall due.</p>	<p>The Group's financial policy stipulates how funding and liquidity is to be secured. Borrowing is preferably secured in SEK applying a fixed-loan term of one to ten years. Existing credit frameworks have a remaining contract term of up to 3.5 years.</p>	<p>Loan maturity structure</p> <table border="1"> <caption>Loan maturity structure (SEK M)</caption> <thead> <tr> <th>Year</th> <th>Utilised</th> <th>Unutilised</th> </tr> </thead> <tbody> <tr> <td>-15</td> <td>1,000</td> <td>0</td> </tr> <tr> <td>-16</td> <td>800</td> <td>0</td> </tr> <tr> <td>-17</td> <td>1,400</td> <td>500</td> </tr> <tr> <td>>-18</td> <td>100</td> <td>0</td> </tr> </tbody> </table>	Year	Utilised	Unutilised	-15	1,000	0	-16	800	0	-17	1,400	500	>-18	100	0																
Year	Utilised	Unutilised																															
-15	1,000	0																															
-16	800	0																															
-17	1,400	500																															
>-18	100	0																															
<p>Interest</p> <p>Catena's single largest cost item is interest, which can vary over time. These changes can substantially impact Catena's earnings. Property values are also impacted by raised interest rate levels.</p>	<p>Catena's properties have been financed at market interest rates and financing costs are secured through derivatives equivalent to 58 percent of the Group's liabilities. Fixed-interest terms are set in line with the duration of the lease, the type of property and with reference to the current business plan for the respective property. Catena expects to be able to maintain a low interest rate level that follows changes in the market with a time lag. The derivatives are specified in Note 18 to the consolidated accounts.</p>	<p>Interest maturity year</p> <table border="1"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="3">Interest rate,</th> </tr> <tr> <th>SEK M</th> <th>%¹⁾</th> <th>Share, %</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>1,457.6</td> <td>2.0</td> <td>42.0</td> </tr> <tr> <td>2021</td> <td>500.0</td> <td>4.3</td> <td>14.5</td> </tr> <tr> <td>2022</td> <td>500.0</td> <td>3.6</td> <td>14.5</td> </tr> <tr> <td>2023</td> <td>500.0</td> <td>3.1</td> <td>14.5</td> </tr> <tr> <td>2024</td> <td>500.0</td> <td>2.7</td> <td>14.5</td> </tr> <tr> <td>Total:</td> <td>3,457.6</td> <td>2.8</td> <td>100.0</td> </tr> </tbody> </table> <p><small>1) Refers to the current average interest rate as per 31 December 2014. Interest rates change in pace with the general interest situation, although this is limited by applicable interest rate caps.</small></p>	Year	Interest rate,			SEK M	% ¹⁾	Share, %	2015	1,457.6	2.0	42.0	2021	500.0	4.3	14.5	2022	500.0	3.6	14.5	2023	500.0	3.1	14.5	2024	500.0	2.7	14.5	Total:	3,457.6	2.8	100.0
Year	Interest rate,																																
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2023	500.0	3.1	14.5																														
2024	500.0	2.7	14.5																														
Total:	3,457.6	2.8	100.0																														
Indemnity risks																																	
<p>Acquired environmental damage</p> <p>According to the Swedish Environmental Code, those who conduct operations that contribute to contamination are responsible for the ensuing treatment and remediation thereof. If the party that has conducted such operations cannot carry out or defray the cost of subsequent treatment and remediation, then the party that acquired the property – and who at the time of acquisition was aware of or should have been aware of the contamination – is liable.</p>	<p>Prior to each acquisition, Catena conducts a thorough analysis and risk assessments.</p>	<p><i>No complete investigation of possible environmental contamination in the property portfolio has been carried out. It cannot be precluded that environmental contamination exists that could result in costs and/or claims for compensation on Catena.</i></p>																															

Risk	Management	Exposure
Indemnity risks, cont.		
<p>Injury to person or property</p> <p>Property belonging to Catena can be destroyed by fire, theft or other damage. Similarly, through, for example, negligence Catena can cause injury to another person or another person's property.</p>	<p>Insurance has been contracted to cover any liability or property damage claims. The properties are covered by unlimited buildings insurance.</p>	<p><i>In recent years, no company in the Catena Group has had any significant insurance claim. The exception was 2014, when the company suffered two fires. The insurance company compensated Catena for the damage.</i></p>
Other risks		
<p>Key individuals</p> <p>The company has a relatively small organisation, which means a relatively high dependency on individual employees. To a great degree, Catena's future development depends on the knowledge, experience and commitment of the senior management and other key individuals.</p>	<p>All of Catena's executives have extensive experience of the property sector. On-going dialogues and development together with market terms contribute to low employee turnover. Furthermore, excellent prerequisites exist for successful succession for key individuals.</p>	<p><i>Catena's current management has been active in the company or its predecessor, Brinova's, management for up to 11 years. No one has left the management team since 2013 in connection with the reverse acquisition, in which management and staff were transferred from Brinova.</i></p>
<p>Deficient procedures</p> <p>The company may suffer harm as a result of criminal or irresponsible behaviour by the its employees or other representatives.</p>	<p>The company has developed procedures for how executives should be bound to the company and duties should be delegated. In addition, there are clear policies and instructions regarding how all processes should be implemented. Well-developed internal control monitors operations continuously. In the event that damage nonetheless occurs, the company is insured.</p>	<p><i>Over the past five years, the company has not suffered any damage attributable to criminal or irresponsible behaviour.</i></p>
<p>Disputes</p> <p>It cannot be excluded that Catena may become involved in a legal dispute or arbitration proceedings that have significant impact on Catena's earnings or financial position.</p>	<p>The risk of disputes is reduced through diligently prepared contracts and agreement.</p>	<p><i>Over the past three years, Catena has not been involved in any significant disputes.</i></p>

Sensitivity analysis

The table presents the theoretical effect on pre-tax profit of Catena's annual earnings capacity after financial items with full disclosure of an isolated change in each variable.

Factor	Change, %	Impact on earnings,
		SEK M
Contractual rental income	+/- 1.0	+/- 4.3
Economic letting ratio	+/- 1.0 percentage point	+/- 4.8
Interest on interest-bearing liabilities	+/- 1.0 percentage point	+/- 34.6
Property expenses	+/- 1.0	+/- 1.1
Change in value of investment properties	+/- 1.0	+/- 57.5

Högsbo 21:2

At the Högsbo 21:2 property in Gothenburg, MatHem is one of our tenants. In their distribution warehouses, groceries from a large number of suppliers are collected and stored in purpose built storage places. From there, ordered goods are picked, resulting in smaller dispatches that are then distributed to the consumer.



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Financial statements – Group

Statement of comprehensive income

SEK M	Note	1 January 2014 31 December 2014	1 January 2013 31 December 2013
Rental income	4	431.3	316.8
Property expenses	5,7	-105.6	-95.5
Net operating surplus		325.7	221.3
Central administration	5,6,7,8	-28.9	-8.6
Other operating income		9.6	2.1
Other operating expenses		-8.1	-2.1
Participations in profit of associated companies	13	0.8	4.6
Financial income	9	0.9	18.4
Financial expenses	9	-95.1	-88.7
Profit from property management		204.9	147.0
Realised changes in value of investment properties	11	-6.5	2.4
Unrealised changes in value of investment properties	11	392.5	30.9
Changes in values of derivatives	18	-150.6	4.4
Pre-tax profit		440.3	184.7
Tax paid	10	-1.9	-
Deferred tax	10	-94.2	-46.3
Profit/loss for the year	17	344.2	138.4
Other comprehensive income for the year		-	-
Comprehensive income for the year		344.2	138.4
Attributable to:			
Parent Company's shareholders	17	344.8	140.2
Non-controlling interests		-0.6	-1.8
Earnings per share			
Earnings per share prior to and after dilution, SEK	17	13.49	9.81
Dividend per share, SEK		3.00 ¹⁾	2.00

1) The Board's proposed dividend.

Quarterly earnings, SEK M	2014				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Rental income	100.1	111.5	105.4	114.3	76.2	69.8	81.1	89.7
Net operating surplus	71.0	89.4	81.5	83.8	49.1	51.0	56.5	64.7
Profit from property management	42.7	59.4	52.9	49.9	37.4	37.9	40.0	31.7
Pre-tax profit	29.2	30.8	337.4	42.9	41.6	43.6	63.4	36.1
Profit after tax	22.8	24.0	263.3	34.1	32.4	40.4	44.9	20.7

Rental income

Rental income rose by 36 percent over the year, mainly due to acquired properties, completed projects and increased net letting. Over the year, the letting ratio rose from 87 to 96 percent. Income from contracts with terms of more than three years accounted for approximately 73 percent of Catena's contracted annual rent. Over the year, Catena received two non-recurring compensation payments: in part, SEK 9.9 million in connection with a lease settlement and, in the fourth quarter, insurance compensation of about SEK 8 million was received for fire damage to a building. The scrapping of the building was charged against realised changes in value.

During the year, 56 new contracts were signed for a total area of 127,300 square metres and a contract value of SEK 79.1 million. At the same time, contracts for a total area of 59,400 square meters and a contract value of SEK 32.9 million were cancelled.

Lettable area and letting ratio per region in terms of floor space

	Rental income	Lettable area, thousand sq. m.	Letting ratio, floor space, %
Stockholm	194.3	311.3	93.6
Gothenburg	125.8	235.3	96.6
Öresund	85.5	165.8	90.7
The Solna project	25.7	40.7	96.6
Total	431.3	753.1	94.1

Over the year, the average remaining lease period rose from 4.4 to 4.7 years.

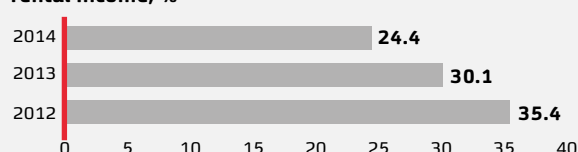
Duration of leases

Duration	Number contracts	Contracted annual rent, SEK M	Contracted annual rent, %
2015	84	33.1	7
2016	44	90.5	20
2017	52	80.2	18
2018	9	19.6	4
2019	8	25.9	6
2020	19	59.4	13
2021+	19	151.1	32
Total	235	459.8	100

Net operating surplus

The surplus ratio rose from 70 to 76 percent over the year. In 2014, property costs decreased in relation to rental income from 30.1 percent to 24.4 percent as a result of the increased property space, tenants assuming a portion of these costs, and energy-efficiency measures.

Property expenses in relation to rental income, %



Profit from property management

Profit from property management for the year rose by 39 percent. Financial expenses, which increased to SEK 95.1 million (88.7), were primarily attributable to a larger loan portfolio. The average interest rate over the year was 2.8 percent (3.1). During the year, two new swap agreements were signed for SEK 500 million apiece.

Changes in value of

investment properties, SEK M	2014	2013	2012
Opening unrealised values	778.5	250.8	274.5
Unrealised change in value in accordance with profit or loss, for each year	392.5	30.9	26.0
Acquired unrealised changes in value	0.0	496.7	0.0
Of which, realised	1.4	0.1	-49.8
Remaining unrealised values	1,172.4	778.5	250.8

Changes in value

Pre-tax profit was affected by changes in the value of the properties in the amount of SEK 392.5 million, which was mainly attributable to the properties in the "Haga Norra" project in Solna. The effect has been offset by increased deficits in derivatives. The increased deficits in derivatives are due to lower market interest rates. The changes in value are of an accounting nature and do not affect the existing cash flow.

Total comprehensive income for the year

Total comprehensive income for the year amounted to SEK 344.2 million (138.4). Deferred tax is largely attributable to changes in the value of properties and derivatives. Tax paid amounted to SEK 1.9 million (0.0).

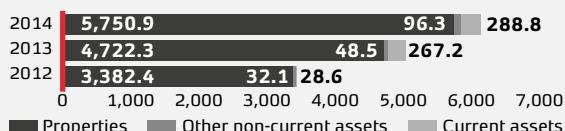
Return

Return on total capital increased to 12.3 percent (6.3), mainly due to the increase in rental income, the implemented efficiency improvements and lower average interest rates.

Statement of financial position

SEK M	Note	31 December 2014	31 December 2013
ASSETS			
Non-current assets			
Investment properties	11	5,750.9	4,722.3
Property, plant and equipment	12	1.8	1.1
Participations in associated companies	13	28.0	26.2
Deferred tax asset	10	63.9	16.1
Other non-current receivables		2.6	5.1
Total non-current assets		5,847.2	4,770.8
Current assets			
Accounts receivable	14	1.6	11.9
Other receivables	15	65.9	21.6
Prepaid expenses and accrued income	16	21.9	20.1
Cash and cash equivalents	18	199.4	213.6
Total current assets		288.8	267.2
TOTAL ASSETS		6,136.0	5,038.0
EQUITY AND LIABILITIES			
Share capital		112.8	110.9
Other capital contributions		733.9	685.8
Profit brought forward		1,133.3	839.8
<i>Equity attributable to Parent Company shareholders</i>		1,980.0	1,636.5
<i>Non-controlling interests</i>		4.8	5.4
Total equity	17	1,984.8	1,641.9
Liabilities to credit institutions	18,19,20	2,404.1	674.5
Deferred tax liabilities	10	413.7	272.6
Other long-term liabilities	18,19	146.9	0.8
Total long-term liabilities		2,964.7	947.9
Liabilities to credit institutions	18,19,20	1,053.5	2,288.5
Accounts payable		22.0	25.8
Liabilities to associated companies		14.2	14.1
Other liabilities		17.7	43.0
Accrued expenses and deferred income	21	79.1	76.8
Total current liabilities		1,186.5	2,448.2
TOTAL EQUITY AND LIABILITIES		6,136.0	5,038.0

Assets



Investment properties

Catena's capital employed is mainly invested in 46 logistics properties located along key transport routes adjacent to Stockholm, Gothenburg and Malmö, and a development property in Solna.

Return on capital employed %

Stockholm	6.9
Gothenburg	6.0
Öresund	6.8
The Solna project	3.3
Total	5.5

Development of property portfolio

Catena has the express ambition of growing to become an even better alternative for customers, investors and employees by acquiring strategically located properties in existing or anticipated logistics hubs. The target is for the property portfolio to have grown to a value of SEK 10 billion by 2018. Over the year, the value of the property portfolio increased by 22 percent.

Property portfolio SEK M	Fair value	Number of properties
Property portfolio at beginning of year	4,722.3	45
Acquisitions	477.2	3
Investments in existing properties	180.4	
Sales	-15.0	-1
Other	-6.5	
Unrealised changes in value	392.5	
Total investment properties	5,750.9	47

For specification see Group Note 11.

Property acquisition

Property designation	Transfer date	Region	Municipality	Space, sq. m.
Lagret 1	13 February 2014	Gothenburg	Nässjö	24,404
Jordbromalm 4:33	13 February 2014	Stockholm	Haninge	23,547
Varla 6:15	28 May 2014	Gothenburg	Kungsbacka	25,006
Total				72,957

Property sales

Property designation	Transfer date	Region	Municipality	Space, sq. m.
Jakobsberg 22:16	26 May 2014	Stockholm	Järfälla	2,455
Total				2,455

Current assets

Through its favourable liquidity, Catena is well equipped for future acquisitions and investments.

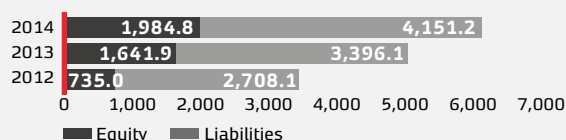
Liabilities and equity

Capital structure

Catena manages its capital to provide a return to the shareholders. A well-considered balance between equity, debt and capital employed is pursued so that capital is sufficient considering the operations being conducted.

The profitability of the Group's financing, as measured by the return on capital employed, amounts 5.5 percent.

Capital structure, SEK M



Liabilities to credit institutions

Over the year, the average amount of time for which capital was tied up increased from 2.3 years to 2.9 years.

In the previous year's comparison figures, SEK 2,280 million was reclassified from non-current to current liabilities to credit institutions, following a new assessment that determined the maturity of such liabilities to be less than 12 months. These liabilities were refinanced in 2014.

Reduction in the rate of interest through interest-rate swaps

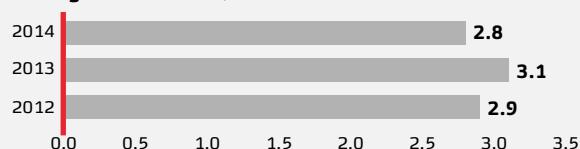
Start year	End year	Interest rate, %	SEK M
2011	2021	2.9	500.0
2012	2022	2.3	500.0
2014	2023	1.7	500.0
2014	2024	1.4	500.0
Total			2,000.0

Liabilities to credit institutions

Fixed interest, year	SEK M	Interest rate, % ¹⁾	Share, %
2015	1,457.6	2.0	42.0
2021	500.0	4.3	14.5
2022	500.0	3.6	14.5
2023	500.0	3.1	14.5
2024	500.0	2.7	14.5
Total	3,457.6	2.8	100.0

1) Refers to the current average interest rate as per 31 December 2014. Interest rates change in pace with the general interest situation, although this is limited by applicable interest rate caps.

Average interest rate, %



Capital tied-up

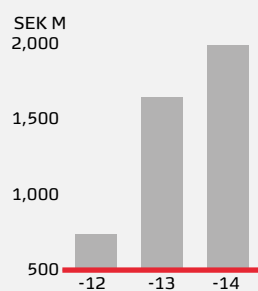
Year	Contract volume, SEK M	Utilised, SEK M	Unutilised, SEK M
2015	1,135.1	1,037.8	97.3
2016	900.0	849.3	50.7
2017	2,000.0	1,404.1	595.9
>2018	166.4	166.4	-
Total	4,201.5	3,457.6	743.9

Statement of Changes in Equity

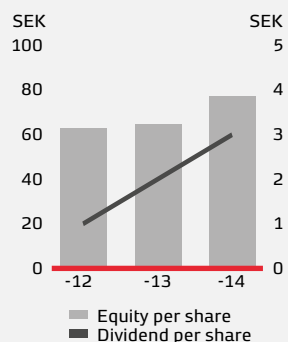
Equity attributable to:	1 January 2013	Comprehensive income for the year	Dividend	Reverse ac- quisition of subsidiary	Capital contribu- tion	New share issue	31 Decem- ber 2013
Parent Company's shareholders							
Share capital	0.1	-	-	110.8	-	-	110.9
Other capital contributions	-	-	-	505.6	180.2	-	685.8
Profit brought forward	727.6	140.2	-28.0	-	-	-	839.8
Total, Parent Company shareholders	727.7	140.2	-28.0	616.4	180.2	-	1,636.5
Non-controlling interests	7.3	-1.9	-	-	-	-	5.4
Total equity	Note 17	735.0	138.3	-28.0	616.4	180.2	1,641.9

Equity attributable to:	1 January 2014	Comprehensive income for the year	Dividend	Reverse ac- quisition of subsidiary	Capital contribu- tion	New share issue	31 Decem- ber 2014
Parent Company's shareholders							
Share capital	110.9	-	-	-	-	1.9	112.8
Other capital contributions	685.8	-	-	-	-	48.1	733.9
Profit brought forward	839.8	344.8	-51.3	-	-	-	1,133.3
Total, Parent Company shareholders	1,636.5	344.8	-51.3	-	-	50.0	1,980.0
Non-controlling interests	5.4	-0.6	-	-	-	-	4.8
Total equity	Note 17	1,641.9	344.2	-51.3	-	50.0	1,984.8

Equity, SEK M



Equity and dividend per share, SEK

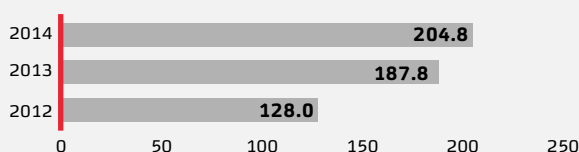


Cash-flow statement

SEK M	Note 24	1 January 2014 31 December 2014	1 January 2013 31 December 2013
Operating activities			
Pre-tax profit		440.3	184.7
Adjustments for non-cash items		-235.5	3.1
Cash flow before changes in working capital		204.8	187.8
Changes in working capital			
Change in operating receivables		9.2	3.9
Change in operating liabilities		-39.8	-9.8
Cash flow from operating activities		174.2	181.9
Investing activities			
Acquisition of assets via subsidiaries		-171.3	89.2
Acquisitions of investment properties		-180.4	-268.9
Divestment of investment properties		15.0	4.8
Acquisitions of property, plant and equipment		-1.8	-1.3
Disposals of non-current assets		0.5	-
Acquisitions of other financial assets		-56.8	-425.2
Divestment of financial assets		-	194.3
Cash flow from investing activities		-394.8	-407.1
Financing activities			
Borrowings		1,432.3	456.9
Amortisation of loans		-1,174.6	-18.3
Dividend paid		-51.3	-
Cash flow from financing activities		206.4	438.6
Cash flow for the year		-14.2	213.4
Opening cash and cash equivalents		213.6	0.2
Closing cash and cash equivalents		199.4	213.6

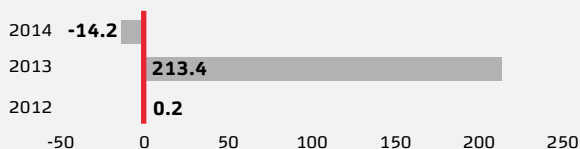
Cash flow before changes in working capital

Cash flow before changes in working capital improved by SEK 17 million as a consequence of acquisitions, increased net occupancy and energy efficiency enhancements.



Cash flow

Cash flow for the year was negative in the amount of SEK 14.2 million. Cash flow was affected by the acquisitions of properties in Haninge and Nässjö, for the portion of the payment not consisting of rights issue to the sellers of these properties, as well as the acquisition of the property in Kungsbacka. Investments in existing properties and dividends paid also affected cash flow. The acquisitions have partly been financed by raising new loans. Additional loans were raised to fund further investments.



Notes – Group

NOTE 1

General information

Catena AB (publ), corporate registration number 556294-1715, has its registered office in Solna, in the County of Stockholm, Sweden. The company is the parent company of a group with its subsidiaries. The address of the company's headquarters is PO Box 5003, SE-250 05 Helsingborg, Sweden and the visiting address is Landskronavägen 7A in Helsingborg.

Catena shall actively manage, enhance and proactively develop its property portfolio by identifying and conducting value-enhancing programs that raise the attractiveness of the properties and their yield, with due consideration of risk. Catena also sells properties when the opportunity to create further growth is deemed to be limited.

Operations in the Parent Company Catena AB are comprised exclusively of inter-Group activities and the assets mainly consist of shares and participations in subsidiaries which, in their turn, own properties or shares in property companies.

The Parent Company is listed on NASDAQ Stockholm, Mid Cap.

The Annual Report and the consolidated accounts were approved for publication by the Board of Directors and the CEO on 23 March 2015 and will be presented to the Annual General Meeting on 28 April 2015.

NOTE 2

Accounting and valuation principles

Amounts in SEK million unless otherwise specified.

Compliance with legislation and standards

The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act, the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretation statements issued by the International Financial Reporting Interpretations Committee (IFRIC) as approved by the European Commission for application in the EU. The Group also applies the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary accounting rules for groups.

The Parent Company applies the Swedish Financial Reporting Board's recommendation RFR 2 (Accounting for Legal Entities), which entails the same accounting policies as for the Group except in the cases provided for in Note 1 to the Parent Company's accounts. Those deviations that occur between the Parent Company's and the Group's policies are caused by limitations in the possibilities for applying IFRS in the Parent Company as a consequence of the Swedish Annual Accounts Act and, in some cases, for tax reasons.

Preconditions for the preparation of the Parent Company's and the Group's financial statements

The Parent Company's functional currency is the Swedish krona (SEK), which is also the reporting currency for the Parent Company and the Group. This means that the financial statements are presented in SEK. All amounts, unless otherwise stated, are stated in SEK million. Assets and liabilities are recognised at historical cost, except for investment properties and certain financial assets and liabilities, which are recognised at fair value. Those financial assets and liabilities that are recognised at fair value comprise derivative instruments.

Preparing the financial statements in accordance with IFRS requires that senior management makes assessments, estimates and assumptions that affect the application of accounting policies and the recognised amounts of assets, liabilities, income and expenses. The estimates and the assumptions are based on historical experience and on a number of other factors that seem reasonable under the prevailing circumstances. The result of these estimates and assumptions is then used to assess the carrying amounts for assets and liabilities that are otherwise not clearly specified from other sources. The actual outcome may deviate from these estimates and assessments.

Those assessments made by the senior management on application of IFRS that have a material impact on the financial statements and estimates made that can entail material adjustment of following years' financial statements are described in the note for the item that could be the subject of any such adjustment.

The accounting principles presented below for the Group have been applied consistently for all periods presented in the consolidated financial statements, unless otherwise stated below. The Group's accounting principles have been applied consistently in the reporting and consolidation of the Parent Company, subsidiaries and associated companies.

A reclassification has been made between non-current and current liabilities to credit institutions of SEK 2,280 million relating to the closing balance in 2013, necessitated by the fact that the contractual maturity of these liabilities was less than 12 months. These liabilities were refinanced in 2014.

New and amended standards applied by the Group

The following standards are applied by the Group for the first time for financial years commencing 1 January 2014 and have an impact on the consolidated financial statements:

The implementation of IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interest in Other Entities" has only had an impact with regard to supplementary disclosures.

Other standards, amendments and interpretations that came into effect for financial years commencing 1 January 2014 have had no material impact on the consolidated financial statements.

New standards and interpretations yet to be adopted by the Group

A number of new standards and interpretations will come into effect for financial years commencing after 1 January 2014 and have not been applied in the preparation of this financial report. None of these are expected to have a material impact on the consolidated financial statements except for the following:

IFRS 9 – Financial Instruments, addresses classification, measurement and accounting for financial assets and liabilities. The full version of IFRS 9 was issued in July 2014. It replaces those parts of IAS 39 that address the classification and measurement of financial instruments. The standard shall be applied for financial years commencing 1 January 2018. Earlier application is permitted. The Group has yet to assess the impact of the introduction of the standard.

IFRS 15 "Revenue from Contracts with Customers" regulates the reporting of income. The principles that IFRS 15 builds on will provide users of financial statements with more useful information about the company's income. The expanded disclosure requirements mean that information shall be provided about the type of income, date of settlement, uncertainties related to income recognition, and cash flow attributable to the company's customer contracts. According to IFRS 15, income shall be recognised when the customer gains control of the

sold goods or services and has the opportunity to use and benefits from the product or service.

IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts, and related statements and guidelines from SIC and IFRIC. IFRS 15 will come into effect on 1 January 2017. Early application is permitted. The Group has yet to assess the impact of the introduction of the standard.

IFRIC 21 "Levies" is an interpretation of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". IFRIC 21 addresses the recognition of levies, that is, different types of fees that may be charged to a company by a state, or equivalent body, through legislation and/or regulation, which, for the Group, would have an impact on the reporting of property taxes. The event that entails a commitment giving rise to a liability is the event that triggers the payment of a fee (levy). In accordance with application within the EU, this statement is effective for financial years commencing after 17 June 2014. The statement will not affect the Group on an annual basis, although the liability for property taxes will be reported as per January 1, with the expense subsequently being distributed over the year on a straight-line basis.

None of the other IFRS or IFRIC interpretations that have not yet entered into force are expected to have a significant impact on the Group.

Segment reporting

Operating segments are recognised in a manner that corresponds to the internal reporting submitted to the Chief Operating Decision Maker (CODM). The CODM is the function that is responsible for allocating resources and assessing the performance of the operating segments. In Catena, this function is identified as the CEO and senior management, that is, the unit at Catena that makes strategic decisions.

Classification

Non-current assets and non-current liabilities, essentially, consist of amounts expected to be recovered or paid after more than 12 months of the balance-sheet date. Current assets and current liabilities, essentially, consist only of amounts expected to be recovered or paid within 12 months of the balance-sheet date.

Consolidation principles

Subsidiaries

Subsidiaries are companies in which Catena AB has a controlling influence. A controlling influence implies directly or indirectly a right to determine a company's financial and operational strategies in order to gain financial benefits, which is the general rule with a shareholding of 50 percent or more of the voting rights. In assessing the existence of a controlling influence, potential voting shares that can be utilised or converted promptly are taken into consideration.

Subsidiaries are recognised in accordance with the acquisition method if the acquisition of a subsidiary meant the acquisition of a business and not solely of assets and liabilities. This method entails that the acquisition of a subsidiary is treated as a transaction through which the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The consolidated cost is established through an acquisition analysis in conjunction with the acquisition of operations. The analysis establishes the cost of the participation rights or the business, the fair value of the identifiable assets acquired and the liabilities and contingent liabilities assumed. The acquisition value of the shares in the subsidiary or business comprises the fair values as of the day of transfer for assets, liabilities arising or assumed and issued equity instruments paid in consideration for the net assets acquired. The acquisition value includes the fair

value of all assets and liabilities resulting from an agreed conditional purchase price. Acquisition related costs are expensed as incurred. Identifiable assets and liabilities assumed in a business combination are initially measured at fair value on the acquisition date. For each acquisition, the Group determines if the non-controlling interest in the acquired company should be recognised at fair value or at the holding's proportional share of the acquired company's net assets.

If the cost exceeds the fair value of the identifiable assets acquired and the liabilities and contingent liabilities assumed, this difference is recognised as goodwill. If the cost is less than the fair value of the identifiable net assets acquired and the contingent liabilities, this difference is recognised in profit or loss.

When the acquisition of subsidiaries means the acquisition of investment properties that are not part of a business, the cost is allocated over the individually identifiable assets and liabilities based on their relative fair values at the acquisition date. All acquisitions of subsidiaries in 2013 and 2014 were recognised as asset acquisitions.

The financial statements of subsidiaries are incorporated in the consolidated financial statements from the moment controlling influence arises until the date the controlling influence ceases.

Associated companies

Associated companies are those in which the Group has a significant, but not controlling, influence over operational and financial control. From the point at which a significant influence is obtained, and until it ceases, holdings in associated companies are reported in the consolidated accounts in accordance with the equity method. The equity method means that the Group's carrying amounts for shares in associated companies correspond to the Group's share of the associated companies' equity as well as consolidated goodwill and any other remaining values of consolidated surplus and deficit values. In the consolidated income statement the Group's share of associated companies' net earnings after taxes adjusted for any depreciation, amortisation, impairment losses or reversals of acquired surplus and deficit values is reported as participations in the earnings of associated companies. Dividends received from associated companies reduce the carrying amounts of the investment. "Participations in the earnings of associated companies" are reported as part of profit from property management

Where the Group's share of losses reported by the associated company exceeds the reported value of the Group's holdings, the value of the holdings is reduced to zero. The equity method is applied until the time the significant influence ceases.

Joint ventures

For accounting purposes, a joint venture is an associated company for which the Group, through partnership agreements with one or more parties, has shared control over the operational and financial management. Participations in joint ventures are recognised according to the equity method. For a description of the equity method, see above under Associated companies. The equity method is applied from the moment that shared controlling influence arises and until the time when the shared influence ceases.

Transactions that are eliminated on consolidation

Intra-Group receivables and liabilities, income or expenses and unrealised gains or losses arising from intra-Group transactions among Group companies are entirely eliminated in the preparation of the consolidated financial statements.

Unrealised gains that arise from transactions with associated companies and jointly controlled companies are eliminated to an extent that corresponds with the Group's

1 participation in the company. Unrealised losses are elim-
2 inated in the same manner as unrealised gains, but only
3 to the extent that no indication of a need for impairment
4 exists.

5 **Transactions with holdings without controlling 6 influence**

7 The Group treats transactions with non-controlling inter-
8 ests as transactions with the Group's shareholders. In the
9 case of acquisitions from non-controlling interests, the
10 difference between the price paid and the actual share
11 acquired of the carrying amount of the subsidiary's net
12 assets is recognised in equity. Gains and losses on divest-
13 ments to non-controlling interests are also recognised in
14 equity.

15 **Divestment of a controlling influence, significant 16 influence and shared influence respectively**

17 When the Group no longer exercises a controlling in-
18 fluence, significant influence or shared influence, each
19 remaining holding is re-measured at fair value and the
20 change recognised in profit or loss. The fair value is used
21 as the first carrying amount and comprises the basis for
22 continued reporting of the remaining holding in the associ-
23 ated company, joint venture or financial asset. All amounts
24 pertaining to the divested operations that were previously
recognised in other comprehensive income are recognised
as if the Group had directly divested the attributable assets
or liabilities. This means that amounts previously rec-
ognised in other comprehensive income are reclassified to
profit or loss.

25 **Transactions in foreign currency**

26 Transactions in foreign currency are translated to the
27 functional currency at the exchange rate on the transac-
28 tion date. The functional currency is the currency in the
29 primary economic environments where the companies
30 conduct their operations. All units in the Group use the
31 Swedish krona (SEK) as their functional currency. Mone-
32 tary assets and liabilities in foreign currency are translated
33 to the functional currency at the closing exchange rate.
34 Exchange-rate differences that arise on translation are
35 recognised in profit or loss.

Transactions with countries outside of Sweden only
arise in exceptional cases.

36 **Operating income**

37 Income is recognised in profit or loss when material risks
38 and benefits have been transferred to the counterparty.
39 If any material uncertainty exists regarding payment,
40 attached costs or risk, and if the seller retains an involve-
41 ment in the day-to-day management such as would usual-
42 ly be associated with ownership, the payment is not taken
43 up as income. Income is recognised at the fair value of
44 what has been received or is expected to be received after
deductions for any discounts given.

45 *Rental income*

46 Income from property and rental discounts are recognised
47 on a straight-line basis in profit or loss, based on the terms
48 and conditions of the lease. Advance rents are recognised
49 as prepaid rental revenue. Income from early redemption
50 of leases is recognised as income in the period when the
51 payment is received unless any additional performance is
52 required from Catena. Invoiced property tax and utilities
53 costs are recognised as income in the period in which they
54 are invoiced by Catena.

55 *Income from property sales*

56 Catena recognises income and costs from the acquisition
57 and sale of property at the date risks and benefits are
58 transferred to the purchaser, which normally coincides
59 with the occupancy date.

Any agreement between the parties pertaining to risks and
benefits, and involvement in the day-to-day operations is
taken into account when assessing the moment in time for
recognising income. Furthermore, any circumstances that
could impact the outcome of the transaction which are
outside the seller's and/or the buyer's control are taken
into account.

Criteria for income recognition are applied individually
for each transaction.

60 **Operating expenses and financial income and 61 expenses**

62 *Central administration*

63 This includes the cost at overall Group level for items in-
64 cluding Group management, personnel administration, IT,
65 investor relations, audits, financial statements and listing
66 costs.

67 *Expenses for operational leases*

68 Expenses relating to operational leases are recognised in
69 profit or loss on a straight-line basis over the term of the
70 lease. Benefits received in connection with the signing
71 of an agreement are recognised in profit or loss on a
72 straight-line basis over the term of the lease.

73 *Financial income and expenses*

74 Financial income and expenses comprise interest income
75 on bank account funds, receivables and interest-bear-
76 ing securities, interest expenses on loans, and dividend
77 income.

78 Interest income on receivables and interest expenses on
79 liabilities are calculated using the effective interest meth-
80 od. Effective interest is the interest-rate at which the pres-
81 ent value of all future incoming and outgoing payments
82 during the fixed-interest term is equal to the carrying
83 amount of the receivable or liability.

84 Interest income and interest expense respectively
85 include amounts distributed over time for transaction ex-
86 penses and any discounts, premiums and other differenc-
87 es between the initial carrying amount of the receivable or
88 liability and the amount settled when the item falls due for
89 payment.

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

92 **Profit from property management**

93 Catena's operations focus on growth in cash flow from
94 on-going property management operations. Catena has
95 elected to present a single performance measure called
96 "profit from property management", which reflects the
97 cash flow generated from its on-going property manage-
98 ment operations. Changes in the value of investment prop-
99 erties and derivative instruments are not included in cash
100 flow from on-going property management operations and
are therefore not included in this performance measure.

101 **Tax**

102 Income taxes consist of current tax and deferred tax.
103 Income tax is recognised in profit or loss except where
104 the underlying transaction is recognised directly in equity,
105 in which case the underlying tax effect is recognised in
106 equity. Current tax is the tax payable or receivable for the
107 current year, which includes adjustment of current tax
108 attributable to preceding periods.

109 Deferred tax is calculated in accordance with the
110 balance-sheet method, based on temporary differences
111 between the accounting and tax values of assets and lia-
112 bilities. The following temporary differences are not taken
113 into consideration: temporary differences arising on initial
114 recognition of goodwill, the initial reporting of assets and
115 liabilities that are not business combinations and that, at
116 the transaction date, do not impact the carrying amount
117 or the taxable earnings. Nor are temporary differences

attributable to participations in subsidiaries and associated companies that are not expected to be reversed within the foreseeable future taken into account. The valuation of deferred tax is based on how the carrying amounts of assets or liabilities are expected to be realised or settled.

Deferred tax assets pertaining to deductible temporary differences and loss carry-forwards are recognised only insofar as they are likely to result in lower tax payments in the future.

Deferred tax is calculated by applying the tax rates and tax rules that have been decided or were, for all practical purposes, decided at the balance-sheet date.

In legal entities, untaxed reserves are recognised including the deferred tax liability. However, in the consolidated financial statements untaxed reserves are divided into deferred tax liabilities and equity.

Financial instruments

Financial instruments recognised in the balance sheet include assets such as cash and cash equivalents, accounts receivable, loan receivables and derivatives. Equity and liabilities include financial instruments in the form of accounts payable, borrowings and derivatives.

A financial asset or liability is recognised in the balance sheet when the company becomes a party to the commercial terms and conditions of the instrument. Accounts receivable including rent claims, termed accounts receivable in the Annual Report, are recognised when the invoice has been sent. A liability is recognised when the counterparty has performed and a contractual obligation to pay exists, even if an invoice has not yet been received. Accounts payable are recognised when invoices are received. A financial asset is removed from the balance sheet when the rights inherent in the agreement are realised or expire or if the company loses control over them. This applies equally for part of a financial asset. A financial liability is removed from the balance sheet when the obligation arising from the agreement has been met or has otherwise been extinguished. This applies equally for part of a financial liability.

Acquisitions and disposals of financial assets are recognised on the transaction date, which is the date on which the company agrees to acquire or dispose of the asset.

Financial instruments are classified at initial recognition based on the purpose for which the instrument was acquired. Financial instruments are initially recognised at a cost corresponding to the instrument's fair value with an addition for transaction expenses. Exceptions are those categorised as financial assets recognised at fair value through profit or loss, which are recognised at fair value excluding transaction expenses. Subsequent reporting depends on how the financial instruments are classified in accordance with what is outlined below.

In conjunction with every report, the company makes an assessment of whether there are objective indications that a group of financial assets requires impairment. For further information, please refer to the Impairment section below.

Financial assets measured at fair value via profit or loss

This category includes financial assets held for sale and other financial assets that the company has chosen to place in this category. Catena reports derivatives under this category that are not held for hedge accounting purposes.

Loan receivables and accounts receivable

Loan receivables and accounts receivable are financial assets that are not derivatives with fixed payments or payments that can be determined, and are not listed on an active market. The receivables arise on cash lending and when Catena provides services directly to the credit recipient without intending to trade in the receivables. This category also includes acquired receivables. Receivables

are measured at amortised cost. Amortised cost is determined on the basis of the effective interest rate calculated at the time of acquisition. This means that surplus and deficit values and direct transaction expenses are accrued over the term of the instrument. Accounts receivable are recognised in the amount expected to be received after deduction of doubtful receivables, which are assessed on a case-by-case basis. The expected maturity of accounts receivable is short and, accordingly, amounts are recognised at the nominal amount without discounting. A provision for impairment of accounts receivable is made when objective evidence exists that the Group will not be able to receive all the amounts due in line with the original terms of the receivable. Significant financial difficulties for debtors, the likelihood that the debtor will go into receivership or undergo financial reconstruction and default or late payment (more than 30 days overdue) are considered indicators that there may be a need for impairment of an account receivable. The size of the provision comprises the difference between the asset's carrying amount and the present value of future cash flows. An impairment of accounts receivable is recognised in profit or loss as a reduction in operating income and impairment of a loan receivable is recognised under the item, financial expenses.

Financial liabilities measured at fair value via profit or loss

This category comprises derivatives (stand-alone and embedded) that are not used for hedge accounting. Liabilities in this category are measured at fair value on an on-going basis and any value changes are recognised in profit or loss.

Financial liabilities measured at amortised cost

This category includes loans and other financial liabilities, for example, accounts payable. Financial liabilities are initially valued at fair value, net after transaction expenses. Thereafter, financial liabilities are measured at amortised cost and any difference between amounts received (net after transaction expenses) and the repayment amount is recognised in profit or loss allocated over the term of the loan using the effective interest method. Early repayment charges on early redemption of loans are recognised in profit or loss at the redemption date. Non-current liabilities have an expected maturity exceeding one year, while current liabilities have a maturity of less than one year. Accounts payable and other operating liabilities with short expected maturities are therefore normally recognised at nominal value. Dividends paid are recognised as a liability from the moment the AGM adopts the dividend.

Derivative and hedge accounting

Catena does not apply hedge accounting. All derivatives are reported in the categories: "Financial assets measured at fair value via profit or loss" and "Financial liabilities measured at fair value via profit or loss."

Fair value of financial instruments

The fair value of loans and interest-rate hedge agreements is determined by discounting future cash flows by the quoted market interest rate for each maturity. Values of interest-rate cap agreements are determined using the option pricing model. In all cases level 2 is applied under IFRS 13.

Set-off of financial assets and liabilities

Financial assets and liabilities are offset and the net amounts recognised in the statement of financial position only when the following criteria are met:

- A legal right exists to offset the recognised amounts, and
- The company intends to settle the items with a net amount or, in parallel, realise the assets and liabilities.

Financial income and expenses are offset in profit or loss

when they are connected to the offset financial assets and liabilities.

More information is available about accounting policies and financial risk management in Note 18, Financial instruments and financial risk management.

Cash and cash equivalents!

Cash and cash equivalents include liquid funds and immediately available balances at banks and equivalent institutions as well as current liquid investments with maturities of less than three months from the acquisition date that are exposed to only insignificant risk of changes in value.

Property, plant and equipment

Property, plant and equipment is recognised as an asset in the balance sheet if it is likely that future economic benefit will accrue to the company, and the cost of the assets can be reliably determined.

Property, plant and equipment are recognised in the Group at cost after the deduction of accumulated depreciation and any impairment. The cost includes the purchase price and directly attributable expenses for bringing the asset on site and to working condition for its intended use. Where property, plant and equipment comprise components with significant differences in useful life, these are treated as separate components of property, plant and equipment.

The recognised amount of an item of property, plant and equipment is derecognised from the balance sheet on disposal or sale or when no future economic benefits can be expected from its use. Gains or losses from the disposal or scrapping of an asset consist of the difference between the selling price of the asset and its carrying amount less direct selling expenses. Gains or losses are recognised as other operating income/expenses.

Additional expenses

Additional expenses are added to the cost only if it is likely that the future economic benefits associated with the asset will accrue to the company, and that the cost can be reliably determined. All other additional expenses are recognised as a cost in the period they arise. Any undepreciated carrying amounts for exchanged components or parts of components are scrapped and expensed in conjunction with the exchange. Repairs are expensed on an on-going basis.

Depreciation methods for property, plant and equipment

Depreciation is performed on a straight-line basis over the estimated useful life of the asset. Equipment, fixtures and fittings are depreciated over 5–20 years. The applied depreciation methods and the residual value and useful lives of the assets are reassessed at the end of each year.

Investment properties

Investment properties are those held with the purpose of generating rental income, value appreciation or a combination of the two. Investment properties are initially recognised at cost in the balance sheet, which includes expenses directly attributable to the acquisition. Investment properties are subsequently recognised at fair value in the balance sheet. If the Group begins refurbishing an existing investment property for continued use as an investment property, during the renovation, the property is recognised as an investment property. Reassessments of fair value over the course of the year take place through an internal valuation, which is described in more detail in Note 11. The valuation model entails a present value estimate of assessed future payment flows. If, during the current year, any significant value changes exist for individual properties, revaluation is carried out in conjunction with the quarterly reports. Quality assurance is carried out of any internal valuations performed through taking samples, which are then externally valued every year, after which a

reconciliation is carried out for internal and external valuations. Investment properties are at level 3 in the valuation hierarchy.

Both unrealised and realised value changes are recognised in profit or loss. Realised value changes pertain to changes in value over the past quarterly reporting period for properties sold. Unrealised changes in value pertain to other value changes. On the acquisition of properties or companies, the transaction is usually recorded as of the occupancy date, since the risks and benefits of ownership typically accrue as of that date. Rental income and income from property sales are recognised in accordance with the principles described in the section on operating income.

Additional expenses

Additional expenses are added to carrying amounts. Additional expenses are added to the recognised value only if it is likely that the future financial benefits associated with the asset will accrue to the company and the cost can be estimated in a reliable manner. All other additional expenses are recognised as a cost in the period they arise. Repairs are expensed as expenditures are incurred.

Borrowing costs that are directly attributable to purchases, construction or production for larger new builds, extensions and conversions of assets that take considerable time to complete for the intended use or sale are included in the cost of the asset. Capitalisation of borrowing costs is carried out on the condition that it is likely that these will lead to future financial benefits and that the costs can be reliably measured.

Impairment

The carrying amounts for the Group's assets are reviewed on each balance-sheet date to ascertain whether any need for impairment exists. IAS 36 is applied for testing the need for impairment of assets other than financial assets, which are tested under IAS 39, investment properties carried at fair value, which are tested under IAS 40 and deferred tax assets. The valuation of the excepted assets as noted above is tested in accordance with the applicable standard.

Impairment testing of tangible assets and participations in subsidiaries, associated companies, joint ventures, etc.

If an indication of a need for impairment exists, the recoverable amount of the asset is estimated under IAS 36 as the higher of the asset's value in use and fair value less selling expenses. When calculating the value in use, future cash flows are discounted at an interest rate before tax that takes into account the market's assessment of the risk-free interest rate and the risk associated with the specific asset. If it is not possible to establish substantially independent cash flows to individual assets, the assets are grouped for impairment testing at the lowest level where substantially independent cash flows can be identify (known as a cash generating unit). Impairments are recognised when the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Impairment losses are expensed in profit or loss.

Impairment tests for financial assets

In conjunction with every report, the company makes an assessment of whether there is objective evidence that a group of financial assets requires impairment. Objective evidence consists partly of observable conditions which have occurred and which have a negative impact on the ability to recover the cost, as well as from significant or prolonged decline in the fair value of a financial investment classified as an available-for-sale financial asset.

Any impairment of loan receivables and accounts receivable, which are recognised at amortised cost, is calculated as the present value of future cash flows discounted at the effective interest rate applicable when the asset was initially recognised. Assets with short maturities are

not discounted. Impairment losses are expensed in profit or loss.

Reversal of impairments

Impairments are reversed if indications exist that the impairment need no longer exists and a change has occurred in the underlying assumptions for the calculation of the recoverable amount. A reversal is only carried out to the extent that the asset's carrying amount does not exceed the carrying amount that would have been reported after any applicable deduction for depreciation, if no impairment had been carried out.

Impairment of loan receivables and accounts receivable that are recognised at amortised cost are reversed if a subsequent increase in amortised cost can objectively be attributed to an event occurring after the impairment was made.

Cash-flow statement

The cash-flow statement is prepared in accordance with the indirect method. The recognised cash flow only comprises transactions that entail payments in or out. Cash and cash equivalents in the cash-flow statement correspond to the definition of cash and cash equivalents in the balance sheet.

Share capital

Buyback of Catena shares

Holdings of treasury shares and other equity instruments are recognised as a reduction in equity. The acquisition of such instruments is reported as a deduction from equity. Proceeds from disposals of equity instruments are recognised as an increase in equity. Transaction expenses directly attributable to the issue of new shares or warrants are recognised, net of tax, in equity as a deduction from the issue proceeds.

Earnings per share

Calculation of earnings per share is based on consolidated profit for the year attributable to the Parent Company's shareholders and the number of shares outstanding at year-end. No instruments that entail dilution effects exist for the 2013 and 2014 financial years.

Employee benefits

Current employee benefits in the form of salaries, holiday pay, paid sick leave, etc. as well as social security contributions are recognised as these are earned.

Pensions

Catena has various pension plans. Generally, the pension plans are funded through payments to insurance companies or nominee registered funds, where payments are determined by periodic actuarial calculations. Agreements regarding pensions and other compensation paid after termination of employment are classified as defined-contribution or defined-benefit pension plans. A defined-contribution pension plan is a pension plan, whereby Catena pays defined premiums to a separate legal entity. Catena has no legal or informal obligations to make further payments if the legal entity has insufficient assets to discharge all payments of employee benefits relating to employee service in current or prior periods. A defined-benefit pension plan is a pension plan without defined contributions. Instead, defined-benefit plans specify an amount that the employee will receive as a pension benefit following retirement. This is normally based on several factors including age, length of service and salary. Catena has defined-contribution pension plans and commitments for pensions under the so-called ITP plan which, according to a statement issued by the Swedish Financial Reporting Board RFR 6, is a multi-employer defined-benefit plan.

The company has not been provided with information

for the 2004-2014 financial years that would allow the reporting of its commitments under the ITP plan as a defined-benefit plan. Accordingly, commitments under the ITP plan, which are secured through insurance with Alecta, are reported as a defined-contribution plan. The year's fees for pension insurance contracted with Alecta amounted to SEK 0.4 million (12.1). For 2015, the company is expected to pay about SEK 1.0 million to Alecta. Alecta's surplus can be distributed to the policy owners and/or insured parties. At the end of 2014, Alecta's surplus in the form of the collective consolidation level was 144 percent (148). The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance obligation calculated in line with Alecta's actuarial assumptions, which do not comply with IAS 19.

Commitments as regards fees for defined-contribution plans are recognised as an expense in profit or loss as they arise.

Termination benefits

Termination benefits are payable when employment is terminated by Catena in advance of the normal retirement date or if an employee accepts leaving service voluntarily to receive such benefits. Catena recognises termination benefits when the Group is demonstrably required to terminate employees according to a detailed formal plan without possibility of withdrawal. Benefits that fall due more than 12 months after the balance-sheet date are discounted to present value.

Provisions

A provision is recognised in the balance sheet when the Group has an existing legal or informal commitment due to an event that has occurred and it is likely that an outflow of resources will be required to settle the commitment, and a reliable estimate of the amount can be made. A present value calculation is made to take into account significant time values for future payments.

Contingent liabilities

A contingency is recognised when there is a potential commitment that stems from events that have occurred and whose existence is confirmed only if one or more uncertain future events, which are outside of the company's control, occur or do not occur, or when there is a commitment that stems from events that have occurred, but which is not recognised as a liability or provision because it is unlikely that an outflow of resources will be required to settle the commitment or because the amount cannot be reliably calculated.

Leasing – lessee

Leases are classified in the consolidated financial statements either as financial or operational leasing. Financial leasing exists when the economic risks and benefits associated with ownership are, essentially, transferred to the lessee, and where this is not the case the lease is defined as operational leasing. Operational leasing means that the leasing fee is recognised as a cost in profit or loss, and allocated over the term, starting from initial utilisation, which may differ from what has actually been paid in the form of leasing fees during the year.

Leasing – lessor

The Group enters into operational leases with customers in its capacity as landlord, see Note 4. Accounting policies for the recognition of rental income are stated above.

NOTE 3

Operating segment information

Statement of comprehensive income	Stockholm		Gothenburg		Öresund		The Solna project		Central administration and eliminations		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Rental income	194.3	142.1	125.8	90.9	85.5	77.2	25.7	6.6	-	-	431.3	316.8
Property expenses	-41.6	-40.3	-35.4	-28.9	-25.6	-24.3	-3.0	-2.0	-	-	-105.6	-95.5
Net operating surplus	152.7	101.8	90.4	62.0	59.9	52.9	22.7	4.6	-	-	325.7	221.3
Central administration	-	-	-	-	-	-	-	-	-28.9	-8.6	-28.9	-8.6
Other operating income	-	-	-	-	-	-	-	-	9.6	2.1	9.6	2.1
Other operating expenses	-	-	-	-	-	-	-	-	-8.1	-2.1	-8.1	-2.1
Participations in the earnings of associated companies	-	-	-	-	0.8	4.6	-	-	-	-	0.8	4.6
Financial income	11.0	9.0	11.8	9.5	7.5	5.5	12.8	2.4	-42.2	-8.0	0.9	18.4
Financial expenses	-32.1	-33.7	-21.4	-24.3	-11.9	-21.1	-7.8	-1.1	-21.9	-8.5	-95.1	-88.7
Profit from property management	131.6	77.1	80.8	47.2	56.3	41.9	27.7	5.9	-91.5	-25.1	204.9	147.0
Realised changes in value of investment properties	-	-	-	-	-6.5	2.2	-	-	-	0.2	-6.5	2.4
Unrealised changes in value of investment properties	62.5	1.4	15.2	17.8	3.3	12.5	311.5	-	-	-0.8	392.5	30.9
Changes in values of derivatives	-	-	-	-	-	-	-	-	-150.6	4.4	-150.6	4.4
Pre-tax profit	194.1	78.5	96.0	65.0	53.1	56.6	339.2	5.9	-242.1	-21.3	440.3	184.7
Tax											-96.1	-46.3
Total comprehensive income for the year											344.2	138.4

Statement of financial position	Stockholm		Gothenburg		Öresund		The Solna project		Central administration and eliminations		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Investment properties	2,193.9	1,883.7	1,505.2	1,152.3	816.8	801.3	1,235.0	885.0	-	-	5,750.9	4,722.3
Property, plant and equipment	-	-	-	-	-	-	-	-	1.8	1.1	1.8	1.1
Participations in associated companies	-	-	-	-	27.0	26.2	-	-	1.0	-	28.0	26.2
Other assets	415.1	337.3	363.9	382.3	245.0	127.4	4.4	311.4	-673.1	-870.0	355.3	288.4
Total assets	2,609.0	2,221.0	1,869.1	1,534.6	1,088.8	954.9	1,239.4	1,196.4	-670.3	-868.9	6,136.0	5,038.0
Equity	908.3	731.7	752.1	631.2	450.0	298.2	562.5	772.3	-688.1	-796.9	1,984.8	1,636.5
Liabilities to credit institutions	1,459.6	1,307.7	950.6	790.3	547.4	558.6	500.0	306.4	-	-	3,457.6	2,963.0
Other liabilities	241.1	181.6	166.4	113.1	91.4	98.1	176.9	117.7	17.8	-72.0	693.6	438.5
Total equity and liabilities	2,609.0	2,221.0	1,869.1	1,534.6	1,088.8	954.9	1,239.4	1,196.4	-670.3	-868.9	6,136.0	5,038.0
Other disclosures												
Investments in non-current assets	262.8	257.4	337.6	79.3	18.7	90.4	38.5	885.0	1.8	0.2	659.4	1,312.3
Amortisation and depreciation	-	-	-	-	-	-	-	-	-0.6	-0.1	-0.6	-0.1
Unrealised changes in value, investment properties	62.5	1.4	15.2	17.8	3.3	12.5	311.5	-	-	-0.8	392.5	30.9
Fair value of derivatives	-	-	-	-	-	-	-	-	-150.6	4.4	-150.6	4.4

Operating segments

Catena's operating segments, which consist of regions, have been established based on information, which Catena's Board (the CODM at Catena) has gathered to evaluate and make strategic decisions.

The Group's segments comprise the following regions:

Stockholm – comprises 21 properties in Norrköping, Karlstad, Katrineholm, Sodertälje, Örebro, Hallsberg, northern and southern Stockholm as well as individual properties in the north of Sweden.

Gothenburg – consists of 12 properties in Gothenburg, Borås, Jönköping and Nässjö.

Öresund – comprises 13 properties in Helsingborg, Åstorp, Malmö, Kristianstad, Halmstad and Ljungby.

The Solna project – comprises one development property in "Haga Norra" in Solna, outside Stockholm.

Transfer prices between the Group's various segments are calculated at market rates.

Directly attributable items and items that can be allocated to segments on a reasonable basis are included in the earnings, assets and liabilities for each segment. The allocation of property administration costs was primarily based on the area. The segments' investments in property, plant and equipment and investment properties include all investments apart from investments in current inventories and inventories of minor value.

The Parent Company's earnings, after allocation of the results of sales of participations in Group companies, are included in the unallocated amount. Following elimination of participations in Group companies and intra-Group settlement as well as redistribution of participations in associated companies, the Parent Company's assets and liabilities are included in the unallocated amount.

Income of about SEK 126.9 million (130.2) pertains to one individual external customer. This income is spread across the various regions.

All operations are carried out in Sweden and, accordingly, all turnover was generated and all non-current assets located in Sweden.

NOTE 4

Rental income

Duration of leases as per 31 December 2014

Information on operating leases – the Group as lessor.

Year of maturity	Number of contracts	Contracted annual rent, SEK M	Contractual annual rent, %
2015	84	33.1	7.2
2016	44	90.5	19.7
2017	52	80.2	17.4
2018	9	19.6	4.3
2019	8	25.9	5.6
2020	19	59.4	12.9
2021+	19	151.1	32.9
Total	235	459.8	100.0

Contracted rental

Contracted rental income by contract size, SEK M	Number of contracts	Contractual rental income, %
>10.0	11	41.6
5.0 – 10.0	21	35.4
3.0 – 5.0	10	6.8
2.0 – 3.0	9	5.0
1.0 – 2.0	13	4.5
0.5 – 1.0	18	2.8
<0.5	153	3.9
Total	235	100.0

NOTE 5

Property expenses and central administration

Property expenses	2014	2013
Operating costs	24.4	23.8
Repair and maintenance	20.2	12.9
Property maintenance and technical inspection	10.1	8.6
Property tax and ground rent	20.0	18.5
Other external expenses	7.8	8.0
Property administration	23.1	23.7
Total	105.6	95.5

Central administration	2014	2013
Personnel expenses	13.8	7.3
Services purchased	14.5	1.2
Depreciation of property, plant and equipment	0.6	0.1
Total	28.9	8.6

Within the Group, part of the Parent Company's costs are invoiced on to subsidiaries and classified at subsidiaries and the Group respectively as property expenses.

NOTE 6

Fees and expenses to auditors

	2014	2013
Audit engagement	1.2	1.5
Audit activities in addition to the audit engagement	0.2	1.1
Tax consultancy	0.5	0.2
Other services	0.1	0.5
Total	2.0	3.3

Fees for audit engagements pertain to fees for the statutory audit, that is, all work necessary to prepare the auditors' report, as well as audit advice provided in conjunction with the audit engagement.

Audit activities in addition to the audit engagement pertain to fees for various types of quality assurance services.

Other services pertain to activities not included in the audit engagement, audit activities or tax consultancy services.

Costs for audits and other assignments from PwC pertaining to all subsidiaries were charged to the Parent Company.

NOTE 7

Leasing fees pertaining to operational leasing

	2014	2013
Minimum lease fees ¹⁾	9.2	8.7
Total	9.2	8.7

1) There were no variable fees.

Contractual future minimum leasing fees pertaining to non-cancellable leases fall due:

	2014	2013
Within one year	9.3	9.0
Between one and five years	35.8	34.6
Longer than five years	255.2	253.6
Total	300.3	297.2

Consolidated operating leases consist primarily of leasehold agreements and an insignificant portion consists of operating car leases.

NOTE 8

Employee and personnel expenses

Average number of employees	of whom		of whom	
	2014	men	2013	men
Employees in Sweden	20	67%	5	66%

Gender distribution	2014		2013	
	Men	Women	Men	Women
Board	83%	17%	83%	17%
Management	86%	14%	100%	0%

Salaries, fees, benefits and other remuneration

	2014	2013
Chairman of the Board	0.2	0.1
Other Board members	0.4	0.1
Chief Executive Officer		
Base salary	2.6	0.9
Other remuneration	1.6	0.0
Other senior executives (6 and 4 individuals respectively)		
Base salary	4.9	1.1
Other remuneration	2.4	0.1
Other employees	9.8	1.9
Total	21.9	4.2

Pension costs

	2014	2013
Chief Executive Officer	0.8	0.3
Other senior executives (6 and 4 individuals respectively)	1.2	0.7
Other employees	1.1	3.1
Total	3.1	4.1

Statutory social security contributions incl. payroll tax

	2014	2013
Chairman of the Board	0.1	0.0
Other Board members	0.1	0.0
Chief Executive Officer	1.5	0.4
Other senior executives (6 and 4 individuals respectively)	2.5	0.4
Other employees	3.3	1.3
Total	7.5	2.1
Total	32.5	10.4

Fees, Board member, SEK T

	2014	2013
Henry Klotz (Chairman of the Board)	200	200
Gustaf Hermelin	-	-
Bo Forsén	100	100
Erik Paulsson (effective from Sep 2013-Mar 2014)	58	-
Andreas Philipson	100	100
Christer Sandberg (effective from Apr 2013-Aug 2013)	42	100
Lennart Schönning (effective from Apr 2013-Aug 2013)	42	100
Katarina Wallin	100	-
Total	642	600

Remuneration to the Board and CEO pertains to the Board and CEO of the Parent Company. No fees were paid to Board members for participation in the Remuneration Committee.

For the comparison year 2013, Catena AB's acquisition of Catena Logistik AB (formerly Brinova Logistik AB) was reported as a reverse acquisition, which means that, for accounting purposes, Catena Logistics AB is considered to be the acquirer in the transaction and consequently, the first three quarters of 2013 are eliminated.

Directors' fees and terms of employment and dismissal for senior executives

Policies

Remuneration paid to the CEO and other senior executives comprises base salary, other remuneration (which comprises bonus and mileage allowance) and pension. The term senior executives refers to the six individuals at Catena (four) who, together with the Chief Executive Officer, comprise the senior management. For the composition of management, see page 107.

Pension benefits and other remuneration paid to the CEO and other senior executives are paid as part of total remuneration.

Fees are paid to the Board fees in accordance with a decision by the Annual General Meeting. For 2014, fees totalled SEK 0.6 million (0.6), of which the Chairman received SEK 0.2 million (0.2). No other fees or benefits were paid to the Board.

For services rendered in respect of business management as well as financial and real estate advice, remuneration at market rates of SEK 1.9 million (0.2) and SEK 2.2 million (0.2) respectively was paid to companies owned by the Board members Erik Paulsson and Andreas Philipson, who was CEO for part of 2013. The amounts are not included in the above table. Board fees to Board member Catherine Wallin have been paid to one of Wallin's own companies.

Bonus

Bonus is payable to the CEO in an amount of 1 percent of consolidated pre-tax profits, to the extent this amount exceeds the budget set by the Board, with a cap set at an amount corresponding to 50 percent of fixed salary in the same calendar year. Bonus decisions are made on an annual basis and do not imply any entitlement to bonuses in coming years, nor do bonuses qualify for pension purposes. In addition, senior executives can receive a bonus in addition to their fixed salaries. Other senior executives can receive a maximum bonus of 25 percent of their fixed annual salary.

The main principle in the Group is fixed monthly salary. For a number of individuals engaged in renting and development work at the company, a performance-based bonus system exists within the framework of the remuneration policy, whereby renting and development performance that exceeds budget provides possibilities for a maximum bonus of one month's salary. In some cases the target is not measurable. This type of bonus is only permitted to amount to 20 percent of the total bonus.

The Remuneration Committee considers the matter of the Company's obligations, and provisions have been made for bonus of SEK 4.4 million for 2014, including social security contributions.

The bonus system only comprises one year at a time, currently only 2014. The Remuneration Committee is responsible for evaluation of the system and the outcome.

Pensions

The pension age of the Chief Executive Officer is 65. Pension contributions are made equal to 35 percent of pensionable pay. Contractual ITP is utilised first and, thereafter, the remainder is allocated to other pension insurances. Pensionable salary is calculated according to the ITP plan's rules.

The pension age for the Deputy CEO and other senior executives, 6 individuals in total (4), is 65. Their pensions are secured through insurances. The pension agreements stipulate pension premiums of 15-35 percent of pensionable salary. In

addition, other senior executives are also covered by the ITP agreement.

The pension expense corresponds to expenses for defined-benefit plans under IAS19.

Severance pay

On termination by the Company, in addition to salary for the 12-month (6) notice period, a severance payment amounting to at most amount to 12 months' salary is payable to the Chief Executive Officer. Should the CEO secure other employment or start his own operations, the severance payment is offset by income from the new employer. In the event of notice being provided by the CEO, the notice period is six months.

The employment contracts with the Deputy CEO and other senior executives can be terminated by Catena with a notice period of four to six months. In addition to salary during the notice period, severance pay corresponds to four to six months' salary and is paid at the end of the notice period. Should Catena release the executives from the obligation to work during the notice period, any income from new employment or own operations is offset against salary from Catena. In the event of termination by a senior executive, a notice period of four to six months applies. In this case no severance payment is made.

No severance payment was made to senior executives whose employment ended.

Preparation and decision process

During the year the Remuneration Committee provided the Board with recommendations for policies for remuneration to senior executives. The recommendations included the proportions between fixed and variable remuneration and the amount of any pay increases. The Remuneration Committee appointed by the Board prepares, negotiates and submits proposals to the Board regarding the terms for the CEO. Following proposals from the CEO, the Remuneration Committee determines remuneration to other senior executives. The Remuneration Committee also decides whether any bonus is payable and then evaluates the system and the outcome.

All decisions taken by the Remuneration Committee are reported back to the Board.

The Remuneration Committee met on one occasion in 2014.

NOTE 9

Financial income and expenses

Financial income	2014	2013
Interest income	0.9	18.4
Total	0.9	18.4
Financial expenses		
Interest expenses	-89.1	-87.5
Other financial expenses	-6.0	-1.2
Total	-95.1	-88.7
Net financial items	-94.2	-70.3

NOTE 10

Tax

Recognised in the statement of comprehensive income	2014	2013
Current tax		
Tax for the year	-0.1	-
Tax attributable to amended tax assessment	-1.8	-
Total	-1.9	-
Deferred tax		
Investment properties	-134.8	-49.7
Derivatives	33.2	-1.0
Tax loss carry-forwards	7.4	4.4
Total	-94.2	-46.3
Total recognised tax	-96.1	-46.3
Reconciliation of effective tax		
Pre-tax profit	440.3	184.7
Tax according to current rate: 22%	-96.9	-40.6
Non-deductible expenses	-0.4	-0.9
Tax attributable to preceding years	-0.4	-6.6
Other non-taxable income	1.5	0.8
Re-measurement of deferred tax	-0.1	-
Tax on participations in profit of associated companies	0.2	1.0
Recognised effective tax	-96.1	-46.3

The recognised effective tax rate in percent totalled 21.8 (25.1)

Tax recognised in the financial statements

	2013				2014			
	OB 2013	Recognised in profit or loss	Acquisitions/ divestments of companies	CB 2013	Recognised in profit or loss	Acquisitions/ divestments of companies	CB 2014	
Deferred tax asset								
Investment properties	3.9	-	8.3	12.2	-	-1.1	11.1	
Tax loss carry-forwards	1.3	4.4	-1.8	3.9	7.4	9.3	20.6	
Derivatives	-	-	-	-	32.2	-	32.2	
Total deferred tax assets	5.2	4.4	6.5	16.1	39.6	8.2	63.9	
Deferred tax liabilities								
Investment properties	212.2	49.7	9.7	271.6	134.8	7.3	413.7	
Derivatives	-	1.0	-	1.0	-1.0	-	-	
Total deferred tax liabilities	212.2	50.7	9.7	272.6	133.8	7.3	413.7	

NOTE 11

Investment properties

Investment properties are recognised at fair value.

Change for the year	2014	2013
Opening balance	4,722.3	3,382.4
Acquisitions	477.2	1,125.6
New builds, extensions and conversions ¹⁾	180.4	186.7
Sales	-15.0	-3.3
Other ²⁾	-6.5	-
Unrealised changes in value	392.5	30.9
Carrying amount	5,750.9	4,722.3

Assessed value	2014	2013
Assessed value, buildings	1,554.8	1,445.3
Taxable value, land (of which leaseholds, SEK 107.4 M)	760.3	744.1
Total	2,315.1	2,189.4

Impact on profit for the year	31 December 2014	31 December 2013
Rental income	431.3	316.8
Property expenses before property management for investment properties that generate rental income	81.6	78.9
Property expenses before property management for investment properties that do not generate rental income	0.4	0.9

1) Borrowing costs are expensed to earnings in the period to which they pertain except for the interest expense under the production time pertaining to larger new builds, extensions and conversions that take considerable time to complete. These are organised as their own companies where all borrowing pertains to these new builds, extensions and conversions, which means that interest expense attributable loans in these companies is capitalised. The capitalised interest expense was SEK 1.6 million (2.0).

2) Including insurance compensation for completely damaged property.

Fair value

Fair value is established based on an internal valuation model that is updated every quarter. The calculation of fair value for each individual property is performed using a six-year cash flow model.

Valuation categories for investment properties

All of the Group's properties are assessed as being at level 3 in the valuation hierarchy. The Group's properties comprise primarily logistics properties, which have similar risk profiles and valuation methods. The Group also has one significant project property. Since the risk profile and valuation method differ to some extent between project and logistics properties, the Group has made the assessment that disclosures should be provided for these two classes of properties. The assessed value of a project property is based on the value of the development rights where the flow in progress is also taken into account.

Yield and real growth

The most significant variables in the model, which are decisive for assessed fair value, are the yield requirement and the estimated real growth, i.e. the inflation assumption. Other key variables are net operating surplus and the long-term vacancy rate.

Among other items, the applicable market risk-related interest rate for property investments is used to estab-

Change for the year	Logistics properties	The Solna project	2013
Opening balance	3,382.4	-	3,382.4
Acquisitions	240.6	885.0	1,125.6
New builds, extensions and conversions	186.7	-	186.7
Sales	-3.3	-	-3.3
Unrealised changes in value	30.9	-	30.9
Carrying amount	3,837.3	885.0	4,722.3

Change for the year	Logistics properties	The Solna project	2014
Opening balance	3,837.3	885.0	4,722.3
Acquisitions	477.2	-	477.2
New builds, extensions and remodelling ¹⁾	141.9	38.5	180.4
Sales	-15.0	-	-15.0
Other ²⁾	-6.5	-	-6.5
Unrealised changes in value	81.0	311.5	392.5
Carrying amount	4,515.9	1,235.0	5,750.9

Investment properties by region	Number properties	Lettable area, thousand sq. m.	Fair value, SEK M
Stockholm	21	311.3	2,193.9
Gothenburg	12	235.3	1,505.2
Öresund	13	165.8	816.8
The Solna project	1	40.7	1,235.0
Total	47	753.1	5,750.9

lish the yield requirement. This is based on a number of factors including market interest rates, debt/equity ratio, inflation forecasts and the required return on paid-in capital. However, property-specific conditions also affect the yield requirement. The yield requirement is the property's net operating surplus in relation to its fair value.

The approved yield is used as the discount rate with a supplement for annual inflation. The level of annual future inflation is assessed as being 2 percent.

Net operating surplus and vacancy rate

Net operating surplus is the difference between income from property and operating and maintenance costs (property expenses before property administration costs).

The starting point is the current forecast for net operating surplus based on the previous year's outcome. However, income and operating and maintenance costs for an individual year can be impacted by factors that are not regularly recurring under the long life of the property. If this should prove to be the case for the actual forecast values, the amounts for the individual year are normalised.

Income can be normalised if the estimated rent trend over the six-year period is assessed as deviating from the initial forecast. In which case, this is performed based on expected changes in rental income based on the individual contract's current rent versus the assessed market rent at the contract maturity date and changes in long-term vacancy rates.

In addition, operation and maintenance costs can be the subject of normalisation, based on an analysis of historical as well as current costs with respect to the tenant's and the landlord's obligations under the lease.

Development rights

The fair value recognised in the balance sheet with regard to development rights represents the estimated values of planned development rights on each property. The valuation method applied for the development rights is based on the location price method whereby the value has been assessed relative to each location. Following an assessment whereby the locations of Catena's development rights have been weighed in, deductions are made for estimated costs for demolition, planning, etc. Deductions have also been made for waiting times and assessed risk associated with development rights.

Calculation

When all variables have been established based on the above description, a calculation of the present value is carried out for the next five years' net operating surplus in the cash-flow model. In addition, the present value of the residual value is based on the net operating surplus from year six in this model. Thereafter, any adjustment for the value of on-going projects and land with unutilised development rights is carried out.

The total of these values comprises the estimated fair value. A certain discrepancy is, however, permitted between the calculated value and the carrying amount prior to adjustment of the carrying amount. The discrepancy should be within a range controlled by a permitted discrepancy from the established direct yield requirement of +/-0.25 percent. Only when the discrepancy exceeds or falls below this range is the carrying amount adjusted. This discrepancy is accepted since there is always an element of uncertainty in the estimated value.

Compilation of outcomes for significant variables and the normalised amounts used in the internal valuation model:

For definitions, see page 109.

	Outcome					Normalised values ¹⁾	
	Stockholm	Gothenburg	Öresund	Projects Solna	Total	Total	
Rental value, SEK M	210.7	158.6	84.2	26.6	480.1	464.5	
Economic letting ratio, %	94.9	97.8	93.5	97.7	95.8	94.3	
Contracted annual rent, SEK M	200.0	155.1	78.7	26.0	459.8	437.9	
Net operating surplus before property admin., SEK M	162.0	97.8	65.1	23.9	348.8	374.4	
Property yield before property admin. %	7.4	6.5	8.0	1.9	6.1	6.5	
Surplus ratio before property admin. %	83.4	77.7	76.1	93.0	80.9	85.5	
Discount rate						8.5	

1) Based on the property portfolio at the end of the year. The normalised surplus ratio is based on the contractual annual rent.

The discrepancy between the actual outcome for the net operating surplus before property administration and the normalised value depends largely on projects that, during parts of 2014, only generated costs but that, in the normalised values, have been calculated on the annualised values of the net operating surplus generated when the project is completed.

The market value of a property can be ascertained first when it is sold. The fair value calculations under the above model include various assessment factors that contain an element of uncertainty.

To ensure the accuracy of the internal valuation, external valuations are conducted of a selection of the portfolio, with DTZ valuing about 74 percent of the portfolio, corresponding to a value of SEK 4.3 billion, during the third and fourth quarters of 2014.

No. of properties valued	2014	2013
Number of properties	21	45
External valuation, SEK M	4,272.9	4,733.0
Corresponding internal valuation, SEK M	4,277.8	4,722.3
Deviation, SEK M	-4.9	10.7
Deviation, %	-0.1	0.2
Carrying amount	5,750.9	4,722.3
Proportion valued externally, %	74.4	100.0

In addition to the above, the valuation of the Solna project is based on the valuation of the development rights in line with the adopted local plan and according to the following criteria. The properties comprise a site of approximately 51,100 square meters and about 225,000 square meters of development rights for residential and commercial spaces, as well as other spaces such as garages and storage/warehouses. In addition to the internal valuation, the Solna project has also been valued externally.

Since all property valuations contain assessment factors with varying degrees of uncertainty, normally, a specific uncertainty interval is stated for the estimated values. Accordingly, on comparison of the internally calculated values and the external valuations, a deviation interval of +/-10 percent between these values is accepted before the internal values are subjected to any retesting. Comparison is made at the total level for the externally valued portfolio.

Sensitivity analysis

The parameters that significantly impact the value of a property are the discount rate and the rental value. Assumptions including interest rates, debt/equity ratio, inflation assumptions, the required return on paid-in capital, property location, tenant structure, etc. are included in the discount rate. Rental value reflects the market's view of what tenants are willing to pay for property space.

To illustrate how a change of +/-1 percent in these parameters impacts the estimated fair value, the following sensitivity analysis can be carried out:

Change	Effect	
	+1%	-1%
Discount rate, SEK M	-231	131
Rental value, SEK M	185	-282

NOTE 12

Property, plant and equipment

Equipment	2014	2013
Opening cost	1.2	-
Acquisitions	1.8	1.2
Sales and disposals	-0.7	-
Closing cost	2.3	1.2
Opening depreciation	-0.1	-
Sales and disposals	0.2	-
Depreciation for the year	-0.6	-0.1
Closing depreciation	-0.5	-0.1
Carrying amount	1.8	1.1

Depreciation is distributed over the following items in profit or loss.

	2014	2013
Central administration	0.6	0.1

NOTE 13

Participations in associated companies

Joint ventures	2014	2013
<i>Accumulated cost</i>		
Opening balance	26.2	25.9
Acquisitions	-	-4.3
The year's participation in profit after tax	0.8	4.6
Carrying amount at year end	27.0	26.2
<i>Associated companies</i>	2014	2013
<i>Accumulated cost</i>		
Opening balance	-	-
Acquisitions	0.1	-
Shareholder contributions	0.9	-
Carrying amount at year end	1.0	-
Total	28.0	26.2

Pertains to the percentage of share capital, which corresponds to the proportion of voting rights.

PeBri Projektutveckling AB is carrying out a joint venture project outside Halmstad.

Log. Sunnanå AB runs projects and develops logistics facilities in Burlöv, outside Malmö.

Log. Tostarp AB is a property owning company that develops logistics facilities in eastern Helsingborg.

All of the joint ventures are owned together with Peab.

Catena's associated company, SFF Holding AB, will through the subsidiary Nya Svensk FastighetsFinansiering AB (publ) engage in financing activities in the form of raising loans on the capital market through the issuance of bonds (MTN-Medium Term Notes) and lending operations, by providing cash loans the partners: Catena, Diös, Fabega, Platzer and Wihlborg.

The difference between the equity value using the equity method in the consolidated financial statements compared with the value of the participation if recognised under the acquisition cost method amounts to SEK 5.5 million (4.6).

In addition to the proportion of ownership and the consolidated recognised values, the following table displays the associated companies' income statements and balance sheets, SEK million (100 percent).

2014

Joint ventures/ Associated companies	Corp. Reg. No.	Reg. office	Share	Assets	Liabilities	Income	Earnings	Carrying amount
PeBri Projektutveckling AB	556752-1108	Ängelholm	50%	1.2	0.0	-	-0.1	0.6
Log. Sunnanå AB	556699-7788	Ängelholm	50%	121.7	116.5	-	0.0	2.6
Log. Tostarp AB	556667-8784	Ängelholm	50%	118.2	70.7	3.5	1.7	23.8
SFF Holding AB	556958-5606	Stockholm	20%	5.0	0.0	0.0	0.0	1.0
Total				246.1	187.2	3.5	1.6	28.0

2013

Joint ventures/ Associated companies	Corp. Reg. No.	Reg. office	Share	Assets	Liabilities	Income	Earnings	Carrying amount
PeBri Projektutveckling AB	556752-1108	Ängelholm	50%	1.3	0.0	-	-0.1	0.7
Log. Sunnanå AB	556699-7788	Ängelholm	50%	5.3	0.1	0.1	0.1	2.6
Log. Tostarp AB	556667-8784	Ängelholm	50%	117.1	71.2	3.5	0.5	22.9
Total				123.7	71.3	3.6	0.5	26.2

NOTE 14

Accounts receivable

Time analysis of accounts receivable	31 December 2014	31 December 2013
< 30 days	-0.7	0.8
31-60 days	1.0	0.7
61-90 days	0.1	0.0
>91 days	0.6	1.2
Total	1.0	2.7
Not yet due	0.6	9.2
Total	1.6	11.9

Impaired receivables

Opening provision	3.0	0.6
Provision for probable losses	0.1	2.4
Previous probable losses, paid	0.0	0.0
Acquired provisions	0.0	0.0
Confirmed losses	-0.8	0.0
Closing provision	2.3	3.0

The Group's total accounts receivable amounted to SEK 3.9 million (14.9).

A provision is made for accounts receivable in excess of 30 days unless the assessment is that the customer's payment problems are of short-term transient nature.

NOTE 17

Equity and earnings per share

Number of registered shares		No. of shares	Total No. of shares
New share issue	17 May 1999	490,754	11,555,662
Bonus issue	9 March 2006	8,838	11,564,500
Private placement	18 October 2013	13,630,952	25,195,452
Private placement	13 February 2014	446,469	25,641,921
Number of registered shares			25,641,921

Earnings per share, calculated on earnings attributable to the Parent Company's shareholders during the year, (expressed in SEK per share)

	2014	2013
<i>Earnings per share prior to and after dilution</i>		
Profit for the year	344.8	140.2
Ordinary shares outstanding	25,641,921	25,195,452
Weighted average of ordinary shares outstanding	25,556,348	14,290,690
Earnings per share prior to and after dilution, SEK	13.49	9.81

Financial targets

	Targets 2014	Outcome 2014
In the long-term, dividends should amount to 50 percent of the total result, less standard rate tax	>SEK 79.9 M	SEK 76.9 M
Interest-coverage ratio	>1.75 multiple	3.10 multiple
Average capital tied-up	>2 years	2.91 years
Equity ratio	>30%	32.4%

NOTE 15

Other receivables

	31 December 2014	31 December 2013
Current receivable, Backahill Holding AB	-	15.8
Receivable, associated companies	55.7	-
VAT and other tax receivables	10.1	4.9
Other receivables	0.1	0.9
Total	65.9	21.6

NOTE 16

Prepaid expenses and accrued income

	31 December 2014	31 December 2013
Administration and property expenses	2.0	1.0
Prepaid fee for credit facility	2.1	0.1
Prepaid project expenses	13.5	17.1
Prepaid ground rent	2.7	1.8
Accrued income	1.6	0.1
Total	21.9	20.1

Capital

Catena's goal with asset management is to ensure that funding and liquidity is secured, that financial risk exposure is kept within the mandate decided by the Board and that payment systems are appropriate.

Catena defines capital as total equity as recognised in the statement of financial position.

Financial policy

Catena has prepared a financial policy that regulates which financial instruments may be used, which investments may be made, how lending is to be carried out, as well as the management of interest rate exposure on borrowings.

External capital requirements

The main external capital requirements that Catena is subject to as regards property loans are an interest-coverage ratio of 1.5, a loan-to-value ratio of less than 70-75 percent and an equity ratio in excess of 25 percent. Catena has met all external requirements on Group companies.

NOTE 18

Financial instruments and financial risk management

Financial policy

The Group's assumption of financial risk is governed by the risk mandate set by Catena's Board. The Group's treasury management is carried out by Catena AB, which is tasked with ensuring that funding and liquidity is secured, that financial risk exposure is kept within the mandate decided by the Board and that payment systems are appropriate.

Catena's policy is that net debt (interest-bearing liabilities less cash and cash equivalents) will be mainly covered by borrowing with a loan term between nought and ten years. All borrowing is to be conducted in SEK. Catena's aim is, where possible, that loan terms should be adapted to the duration of leases signed. The loan portfolio has been adapted to the risk strategy through the use of fixed-rate loans, interest-rate swaps and interest-rate cap agreements to adjust fixed-interest terms.

Financing and financing risks

Interest-bearing liabilities at Catena comprise mainly liabilities to credit institutions and liabilities to associated companies. On 31 December 2014, liabilities to credit institutions amounted to SEK 3,457.6 million (2,963.0).

Financing consists of property loans with mortgages as collateral, in some cases, the subsidiaries' shares are also pledged and guarantees are provided by the Parent Company. Property loans are subject to the following covenants: the interest-coverage ratio must exceed 1.5, the loan-to-value ratio may not exceed 70-75 percent of market value and the equity ratio must exceed 25 percent. See Note 17 for more information about target fulfilment.

The aim of Catena's liquidity planning is to ensure that liquidity is always available to meet payment obligations at a given time. Catena makes overall liquidity forecasts each quarter, which then form the basis for on-going work. To minimise the cost of Catena's borrowing and to ensure that financing can be obtained, the company has committed credit facilities in place that cover the need for operating loans. Furthermore, Catena endeavours to distribute loan maturities evenly over time and to diversify sources of capital. At 31 December 2014, lines of credit totalling SEK 4,201.5 million (3,270.0) were available, of which SEK 743.9 million (307.0) was unutilised.

The table below shows when the financial assets and liabilities fall due for renegotiation or amortisation.

Maturity structure of financial assets and liabilities, 31 December 2014

Year	Financial assets	Financial liabilities	Unutilised lines of credit	Payment flows, interest
2015	256.8	1,122.0	97.3	50.2
2016	-	849.3	50.7	33.8
2017	-	1,404.1	595.9	15.0
>2018	-	166.4	-	82.4
Total	256.8	3,541.8	743.9	181.4

Maturity structure of financial assets and liabilities, 31 December 2013

Year	Financial assets	Financial liabilities	Unutilised lines of credit	Payment flows, interest
2014	245.7	2,356.4	260.6	45.2
2015	-	507.6	46.4	16.0
>2018	-	166.9	-	124.8
Total	245.7	3,030.9	307.0	186.0

The properties owned by Catena are financed by a combination of loans and equity. The majority of financing comprises loans from banks and other credit institutions. Financing risk is the risk that future financing in the form of new loans has a negative impact on Catena's earnings due to increased borrowing costs. Catena manages this risk by allocating borrowing to various maturity dates.

Loan maturity structure

Year of maturity	2014	2013
2014	-	2,288.5
2015	1,037.8	500.8
2016	849.3	-
2017	1,404.1	-
>2018	166.4	173.6
Total	3,457.6	2,963.0

Maturity structure for recognised liabilities to credit institutions

	31 December 2014	31 December 2013
Maturity, 1-5 years from balance-sheet date	2,237.7	500.8
Maturity, > 5 years from balance-sheet date	166.4	173.6
Total	2,404.1	674.5

Loan terms and conditions, effective interest rate and tenors

	Nominal amount in original currency		Average effective interest rate	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Liabilities to credit institutions	3,457.6	2,963.0	2.8%	3.1%

The average interest rate takes in to consideration interest-rate swap contracts and interest-rate caps.

The total volume outstanding was SEK 2,000.0 million (1,087.6) for interest-rate swap agreements and SEK 0 million (28.0) for interest-rate caps.

Interest-rate risk

The interest-rate risk is the risk of changes in market interest rates negatively impacting cash flow or the fair value of financial assets and liabilities. Catena's financial policy stipulates a framework for how work with managing interest-rate risk should be carried out. One overriding goal is that the maturity structure of leases should be taken into consideration when determining the fixed-interest term. This is performed mainly through adapting the loan portfolio to the risk strategy through the use of derivatives, interest-rate swaps and interest-rate cap agreements.

At 31 December 2014, total interest-bearing liabilities were SEK 3,457.6 million (2,963.0), of which SEK 17.0 million (8.5) will be amortised in 2015. At the same time, the average effective interest rate was 2.8 percent (3.1) and the average fixed-interest term was about 0.2 years (0.3), without taking derivatives into consideration. Taking derivatives into account, the average period of fixed interest was

3.5 years (3.0). The Group's earnings can be impacted by the continuous changes to these factors. All of the Group's interest-bearing liabilities have a fixed-interest term of less than one year with a floating interest rate. Interest rates on variable loans are based on the 3-month STIBOR with the addition of a margin. To limit the interest-rate risk of floating-rate loans, interest-rate swaps are held in an amount of SEK 2,000.0 million (1,087.6) and interest-rate cap agreements are held in an amount of SEK 0.0 million (28.0). The average protection after taking into account the interest-rate swap and interest-rate cap agreements limits the interest rate to 3.4 percent (4.0).

Interest rate maturity structure

Year	SEK M	Effective interest rate, % ¹⁾	Share in %
2014	1,457.6	2.0	42.0
2021	500.0	4.3	14.5
2022	500.0	3.6	14.5
2023	500.0	3.1	14.5
2024	500.0	2.7	14.5
Total	3,457.6	2.8	100.0

1) Average interest rate, taking into account the contractual interest-rate swap agreements.

	Nominal value		Fair value (excl. accrued interest)		Carrying amount	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Interest-rate swap contracts (receive floating, pay fixed interest)	2,000.0		-146.9	4.4	-146.9	4.4

Of the carrying value of interest rate swap agreements, the full amount, SEK -146.9 million (4.4), pertains to the non-current portion.

The above table shows that the fair value and book value of the Group's derivatives do not differ. Also in the case of other contracted financial assets and liabilities in the Group and the Parent Company, fair values correspond to the carrying amounts as of 31 December 2014.

Net profit/loss on financial instruments recognised in profit or loss

Net profit/loss comprises earnings attributable to financial instruments excluding interest. For information about interest income and interest expense, refer to Note 9 Financial income and expenses.

	Net profit/loss in comprehensive income for the year
2014	
Loan receivables and accounts receivable	-0.1
Financial assets measured at fair value via profit or loss	-150.6
2013	
Loan receivables and accounts receivable	-2.4
Financial assets measured at fair value via profit or loss	4.4

Credit risks

Credit risk is defined as the risk of making a loss as a result of the failure of a counterparty to discharge its obligations. Credit risk can primarily be attributed to accounts receivable outstanding. Losses on accounts receivable arise when customers are put in receivership or for other reasons are unable to meet their payment obligations. Credit risk from financial activities is minimal since Catena's customers have high credit ratings. A credit check is made in respect of the customers' creditworthiness and, where any uncertainty exists, Catena requires bank guarantees or guarantee commitments. All rents are invoiced in advance. In 2014, Catena was not impacted by any financial loan losses nor were there any significant loan losses in operations. For a time analysis of overdue accounts receivable, and information on bad debt losses, refer to Note 14.

Concentration risk

Concentration risk means, for example, the risk of substantial dependence on a few customers. As of 31 December 2014, Catena's ten (ten) largest tenants accounted for 65 percent (73) of the Group's contracted income from property.

	31 December 2014	31 December 2013
Credit risk exposure		
Cash and cash equivalents	199.4	213.6
Accounts receivable	1.6	11.9
Other current receivables	65.9	21.6
Other non-current receivables	2.6	5.1
Total	269.5	252.2

NOTE 19

Classification of financial instruments

2014

Measurement categories

	Measured at fair value via profit or loss	Measured at amortised cost	Loan and accounts receivable	Carrying amount
Financial assets				
Accounts receivable	-		1.6	1.6
Other current receivables	-		55.8	55.8
Cash and cash equivalents	-		199.4	199.4
Total	-	-	256.8	256.8
Non-financial assets				5,879.2
Total				6,136.0

Financial liabilities

Non-current liabilities to credit institutions		-2,404.1		-2,404.1
Interest-rate derivatives		-146.2		-146.2
Current liabilities to credit institutions		-1,053.5		-1,053.5
Accounts payable		-22.0		-22.0
Current liabilities to credit institutions		-14.2		-14.2
Accrued expenses		-48.0		-48.0
Total	-	-3,688.0	-	-3,688.0
Non-financial assets				-463.2
Total				-4,151.2

Carrying amounts correspond to fair values for all balance-sheet items.

2013

Measurement categories

	Measured at fair value via profit or loss	Measured at amortised cost	Loan and accounts receivable	Carrying amount
Financial assets				
Accounts receivable	-		11.9	11.9
Interest-rate derivatives	4.4		-	4.4
Other current receivables	-		15.8	15.8
Cash and cash equivalents	-		213.6	213.6
Total	4.4	-	241.3	245.7
Non-financial assets				4,792.3
Total				5,038.0

Financial liabilities

Non-current liabilities to credit institutions	-	-674.5		-674.5
Current liabilities to credit institutions	-	-2,288.5		-2,288.5
Accounts payable	-	-25.8		-25.8
Current liabilities to associated companies	-	-14.1		-14.1
Accrued expenses	-	-28.0		-28.0
Total	-	-3,030.9	-	-3,030.9
Non-financial assets				-365.2
Total				-3,396.1

Carrying amounts correspond to fair values for all balance-sheet items.

NOTE 20

Pledged assets and contingent liabilities

Pledged assets	31 Decem- ber 2014	31 Decem- ber 2013
Property mortgages for liabilities to credit institutions	3,836.5	2,955.9
Shares for liabilities to credit institutions ¹⁾	2,838.6	1,476.6
Guarantee obligations	20.9	20.8
Total	6,696.0	4,453.3

Contingent liabilities

Responsibility for Group companies' liabilities (HB/KB)	535.6	241.2
Guarantees given for Group companies	3,451.3	2,840.5
Guarantees given for associated companies	10.0	10.0
Other contingent liabilities	0.1	0.1
Total	3,997.0	3,091.8

1) Pertains to shares in Group companies.

NOTE 21

Accrued expenses and deferred income

	31 Decem- ber 2014	31 Decem- ber 2013
Advance payment of rents	31.1	48.9
Accrued operating expenses	12.5	5.8
Prepaid media expenses	10.9	-
Accrued interest expenses	9.9	7.2
Accrued selling expenses	-	5.7
Accrued salary-related expenses	9.7	4.7
Other items	5.0	4.5
Total	79.1	76.8

NOTE 23

Significant events after the end of the financial year

In January 2015, Nya Svensk FastighetsFinansiering AB was launched – a newly formed finance company with a covered MTN programme of SEK 8 billion. The company is owned by Catena AB, Diös Fastigheter AB, Fabega AB, Platzer Fastigheter Holding AB and Wihlborgs Fastigheter AB – each with a holding of 20 percent and commenced financing operations in February 2015.

A smaller property in Luleå, which is not a priority area for Catena, was sold for a property value of SEK 7 million with 1 April 2015 as the transfer date.

Catena has agreed with the Municipality of Katrineholm to acquire the municipality's 49 percent holding in the jointly owned company, Logistikposition Katrineholm AB, which owns the properties Sothönan 3 and 19 in Katrineholm. The purchase consideration amounts to SEK 6 million. The acquisition is conditional on a decision by the Katrineholm Municipal Council. Ahead of the above acquisition, an agreement has also been signed to acquire land through a reallocation between Logistikposition Katrineholm AB and the

NOTE 22

Related parties

Related-party transactions

The Group is under a significant influence from Erik Paulsson, with his family and companies. At 31 December 2014, his holding amounted to 45.6 percent (46.4) of the voting rights in the Group's Parent Company. Erik Paulsson is a Board member of Catena. Erik Paulsson's influence means that the Group has related-party transactions with Backahill AB and Hansan AB. Related-party transactions were also conducted with the company TAM Group AB, owned by Board member Andreas Philipson and with Dina el Midani Architect for consulting services.

In addition to the above related-party relationships Catena owns the following associated companies through subsidiaries: Log. Sunnanå AB, Log. Tostarp AB, PeBri Projektutveckling AB and SFF Holding AB. See Note 13 Participations in associated companies.

In 2014, no Board member or senior executives in Catena AB or its subsidiaries have themselves, via companies or related parties, had any direct involvement in business transactions carried out by Catena that were or are unusual in their nature or their terms and conditions. See Note 8 Employee and personnel expenses.

In one case, Catena has given guarantees for Group companies' associated companies, see Note 20 Pledged assets and contingent liabilities.

	2014	2013
Transactions with the Group's associated companies		
Sales	8.7	-
Interest expenses	-	0.1
Current receivables	55.7	-
Interest-bearing liabilities	14.7	14.1
Guarantees given	10.0	10.0
Transactions with other related parties		
Purchases	4.8	0.4
Interest income	-	0.2
Current receivables	-	15.8

Other information

Liabilities and receivables with related parties pertain to the settlement account, to which interest is charged.

Transactions with related parties are priced at market rates.

NOTE 24

Cash-flow statement

	1 January 2014 31 December 2014	1 January 2013 31 December 2013
Supplementary disclosures to the cash-flow statement		
Interest paid and dividends received		
Interest received	0.9	17.8
Interest paid	-90.2	-77.2
Adjustments for non-cash items		
Amortisation, depreciation and impairment of assets	0.6	0.1
Change in value of investment properties	-392.5	-30.9
Change in value of derivatives	150.6	-
Participations in the earnings of associated companies	-0.6	-4.6
Net capital loss from the divestment of non-current assets	-6.5	-2.4
Other non-cash profit/loss items	-0.1	40.9
	-235.5	3.1
Acquisition of assets via subsidiaries		
No business combinations were carried out during the year and the year's acquisitions of shares in subsidiaries have been classified as asset acquisitions and net proceeds comprised the following items:		
<i>Assets acquired and liabilities assumed:</i>		
Investment properties	477.2	1,042.4
Operating receivables	-6.3	30.3
Cash and cash equivalents	12.8	133.5
Provisions	-	-14.5
Deferred tax liabilities	0.8	-
Long-term liabilities	-236.9	-411.5
Current operating liabilities	-13.5	-119.6
Total net assets	234.1	660.6
Purchase consideration paid	163.1	660.6
Payment for redemption of the Company's debt to the Parent Company	71.0	-
Non-cash issue	-50.0	-616.2
Total	184.1	44.4
Less: Cash and cash equivalents in the acquisition	-12.8	-133.6
Impact on cash and cash equivalents	171.3	-89.2
Acquisitions of other financial assets		
Capital contribution made	-	28.0
Acquisitions of associated companies	1.0	-
Changes in interest-bearing items	55.8	397.2
Total investments in financial assets	56.8	425.2
Divestment of financial assets		
Shareholder contribution received	-	180.2
Settlement of financial receivables	-	14.1
Total divestment of financial assets	-	194.3

Financial statements – Parent Company

Income Statement

SEK M	Note	1 January 2014	1 January 2013
		31 December 2014	31 December 2013
Net turnover	4	27.2	9.9
Cost of services performed	5,6,7,8	-54.7	-21.4
Operating profit/loss		-27.5	-11.5
Financial income and expenses	9		
Interest income and similar profit/loss items		41.7	26.5
Profit from participations in Group companies		49.2	11.1
Interest expense and similar profit/loss items		-219.6	-24.6
Pre-tax profit		-156.2	1.5
Tax on profit for the year	10	22.1	-2.9
Comprehensive income for the year	16	-134.1	-1.4

No items in the parent company are recognised in other comprehensive income and total comprehensive income is therefore consistent with profit for the year.

Balance sheet

SEK M	Note	31 December 2014	31 December 2013
ASSETS			
Non-current assets			
<i>Property, plant and equipment</i>			
Equipment	11	1.8	1.1
<i>Financial fixed assets</i>			
Participations in Group companies	12	1,227.4	1,227.3
Deferred tax asset	10	39.1	2.4
Other long-term receivables		2.3	4.7
Total financial fixed assets		1,268.8	1,234.4
Total non-current assets		1,270.6	1,235.5
Current assets			
<i>Current receivables</i>			
Accounts receivable	13	0.6	0.1
Receivables from Group companies	14	1,373.3	1,200.7
Other receivables		57.1	16.2
Prepaid expenses and accrued income	15	3.4	0.2
Total current receivables		1,434.4	1,217.2
<i>Cash and bank balances</i>		198.7	209.9
Total current assets		1,633.1	1,427.1
TOTAL ASSETS		2,903.7	2,662.6
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital		112.8	110.9
Statutory reserve		10.0	10.0
Total restricted equity		122.8	120.9
<i>Unrestricted equity</i>			
Share premium reserve		1,130.2	1,082.2
Profit brought forward		43.2	95.8
Comprehensive income for the year		-134.1	-1.4
Total unrestricted equity		1,039.3	1,176.6
Total equity		1,162.1	1,297.5
Liabilities			
<i>Provisions</i>			
Other provisions	18	0.7	0.8
Total provisions		0.7	0.8
<i>Long-term liabilities</i>			
Deferred tax liabilities	10	-	1.0
Interest-rate derivatives	14	146.2	-
Total long-term liabilities		146.2	1.0
<i>Current liabilities</i>			
Accounts payable		1.5	13.2
Liabilities to Group companies	14	1,553.9	1,315.3
Other liabilities		16.0	15.7
Accrued expenses and deferred income	19	23.3	19.1
Total current liabilities		1,594.7	1,363.3
Total liabilities		1,741.6	1,365.1
TOTAL EQUITY AND LIABILITIES		2,903.7	2,662.6
20 31 December 2014 31 December 2013			
Pledged assets		20.9	20.8
Contingent liabilities		3,385.6	1,416.0

Statement of Changes in Equity

SEK M	Restricted equity		Unrestricted equity			Total equity
	Share capital	Statutory reserve	Share premium reserve	Profit brought forward	Comprehensive income for the year	
Opening equity, 1 January 2013	50.9	10.0	-	107.4		168.3
New share issue	60.0		1,082.2			1,142.2
Comprehensive income for the year					-1.4	-1.4
Dividend				-11.6		-11.6
Closing equity, 31 December 2013	110.9	10.0	1,082.2	95.8	-1.4	1,297.5
Opening equity, 1 January 2014	110.9	10.0	1,082.2	94.4		1,297.5
New share issue	1.9		48.1			50.0
Comprehensive income for the year					-134.1	-134.1
Dividend				-51.3		-51.3
Closing equity, 31 December 2014	112.8	10.0	1,130.2	43.2	-134.1	1,162.1

Cash-flow statement

SEK M	1 January 2014 Note 21 31 December 2014	1 January 2013 31 December 2013
Operating activities		
Pre-tax profit	-156.2	1.5
Adjustments for non-cash items	151.5	-15.7
Cash flow before changes in working capital	-4.7	-14.2
Changes in working capital		
Change in operating receivables	-6.5	-14.1
Change in operating liabilities	-7.6	4.1
Cash flow from operating activities	-18.9	-24.2
Investing activities		
Acquisitions of property, plant and equipment	-1.8	-1.2
Sales of property, plant and equipment	0.5	-
Acquisitions of financial assets	-0.1	-
Sales and net amortisation of financial assets	60.4	204.3
Cash flow from investing activities	59.0	203.1
Financing activities		
Dividend	-51.3	-11.6
Cash flow from financing activities	-51.3	-11.6
Cash flow for the year	-11.2	167.3
Opening cash and cash equivalents	209.9	42.6
Closing cash and cash equivalents	198.7	209.9

Notes – Parent Company

NOTE 1

Accounting policies

Amounts in SEK million unless otherwise specified.

Catena AB (publ), 556294-1715, is the Parent Company of a Group comprising companies that own and operate properties or run property-related projects. All inter-Group functions are centralised to the Parent Company.

The Parent Company has prepared its Annual Report in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation no. RFR 2 Accounting for legal entities, which entails that the Parent Company in its annual report for the legal entity applies all of the EU-approved IFRS and statements, to the fullest extent possible, within the framework of the Annual Accounts Act, and taking into consideration the connection between accounting and taxation. Recommendations indicate the exceptions and the supplements to be made to the IFRS.

The Parent Company applies the same accounting policies as the Group, detailed in Note 2 for the Group, except in the cases stated below.

Differences between the Group's and the Parent Company's accounting policies

The following accounting policies for the Parent Company have been applied consistently for all periods presented in

the Parent Company's financial reports, unless specifically stated otherwise.

Subsidiaries, associated companies and joint ventures
Participations in subsidiaries, associated companies and joint ventures are recognised in the Parent Company under the cost method.

Shareholder contributions and Group contributions

Shareholder contributions are recognised directly in equity by the recipient and capitalised in shares and participations by the payer. Group contributions paid to subsidiaries are recognised as an increase in the shares in the subsidiary and, thereafter, tested to identify whether any impairment need exists. The tax effect is recognised in profit or loss. Group contributions received from subsidiaries are treated as dividends and are recognised as financial income in profit or loss. The tax effect is recognised in profit or loss.

Presentation of income statement and balance sheet

The Parent Company follows the presentation format in the Swedish Annual Accounts Act for the income statement and balance sheet, which means a different presentation format for equity and that other provisions are reported as a separate item in the balance sheet.

NOTE 2

Financial risk management

The Group applies common risk management for all units. Consequently, the description included in Note 18 is, to all intents and purposes, also applicable to the Parent Company.

NOTE 3

Significant estimates and assumptions for accounting purposes

Estimates and assessments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For accounting purposes, the Group's descriptions of key estimates and assessments are also applicable to the Parent Company.

NOTE 6

Employee and personnel expenses

Average number of employees	2014		2013	
		of whom men		of whom men
Employees in Sweden	20	67%	5	66%

Gender balance of senior management	Board		Senior executives	
	2014	2013	2014	2013
Men	83%	83%	86%	100%
Women	17%	17%	14%	0%

NOTE 4

Net turnover

Turnover primarily comprises intra-Group administration fees.

NOTE 5

Cost of services performed

	2014	2013
Personnel costs	32.5	11.6
Other external expenses	21.6	9.7
Depreciation of property, plant and equipment	0.6	0.1
Total	54.7	21.4

	2014	2013
Salaries, fees, benefits and other remuneration		
Chairman of the Board	0.2	0.2
Other Board members	0.4	0.5
Chief Executive Officer		
Base salary	2.6	1.3
Other remuneration	1.6	0.0
Other senior executives (6 and 4 individuals respectively)		
Base salary	4.9	1.1
Other remuneration	2.4	0.1
Other employees	9.8	2.0
Total	21.9	5.2
Pension costs		
Chief Executive Officer	0.8	0.3
Other senior executives (6 and 4 individuals respectively)	1.2	0.7
Other employees	1.1	3.1
Total	3.1	4.1

	2014	2013
Statutory social security contributions incl. payroll tax		
Chairman of the Board	0.1	0.1
Other Board members	0.1	0.1
Chief Executive Officer	1.5	0.5
Other senior executives (6 and 4 individuals respectively)	2.5	0.5
Other employees	3.3	1.1
Total	7.5	2.3
Total	32.5	11.6

For information about directors' fees, the terms and conditions governing the employment and dismissal of senior executives, remuneration of related parties, bonuses, pensions, severance pay, etc. please refer to Note 8 for the Group.

NOTE 7

Fees and expenses to auditors

	2014	2013
Audit engagement	1.2	1.3
Audit activities in addition to the audit engagement	0.2	1.3
Tax consultancy	0.5	0.2
Other services	0.1	0.5
Total	2.0	3.3

Fees for audit engagements pertain to fees for the statutory audit, that is, all work necessary to prepare the auditors' report, as well as audit advice provided in conjunction with the audit engagement.

Audit activities in addition to the audit engagement pertain to fees for various types of quality assurance services.

Other services pertain to activities not included in the audit engagement, audit activities or tax consultancy services.

Costs for audits and other assignments from PwC pertaining to all subsidiaries were charged to the Parent Company.

NOTE 8

Leasing fees pertaining to operational leasing

	2014	2013
Minimum lease fees ¹⁾	0.6	0.1

1) There were no variable fees.

Contractual future minimum leasing fees pertaining to non-cancellable leases fall due:

	2014	2013
Within one year	0.6	0.4
Between one and five years	0.7	0.2
Total	1.3	0.6

The Parent Company's operational leases comprise operational vehicle leases.

NOTE 9

Financial income and expenses

	2014	2013
Interest income and similar profit/loss items		
Interest income, Group companies	41.0	21.0
Interest income, other	0.7	0.8
Interest-rate derivatives, changes in value	-	4.7
Total	41.7	26.5

	2014	2013
Profit from participations in Group companies		
Group contributions received	104.8	22.6
Impairment of shares in subsidiaries	-55.6	-11.5
Total	49.2	11.1

	2014	2013
Interest expense and similar profit/loss items		
Interest expense, Group companies	-44.8	-19.4
Interest expense, other	-20.9	-5.2
Interest-rate derivatives, changes in value	-150.9	-
Other financial expenses	-3.0	-
Total	-219.6	-24.6

Net financial items	-128.7	13.0
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NOTE 10

Tax

	2014	2013
Recognised in profit or loss		
<i>Current tax</i>		
Tax for the year	-15.6	-3.2
<i>Deferred tax</i>		
Deferred tax for temporary differences, derivatives	37.7	0.3
Total recognised tax	22.1	-2.9

Reconciliation of effective tax	2014	2013
Pre-tax profit	-156.2	1.5
Tax according to current rate: 22%	34.4	-0.4
Non-deductible expenses	-12.3	-2.5
Recognised effective tax	22.1	-2.9

The recognised effective tax rate in percent totalled 14.1 (193.3).

Deferred tax asset	OB 2013	Recognised in	CB 2013	Recognised in	CB 2014
		profit or loss		profit or loss	
		2013		2014	
Pension provisions	1.1	-0.2	0.9	-0.2	0.7
Interest-bearing liabilities	-	-	-	32.2	32.2
Loss carry-forwards	-	1.5	1.5	4.7	6.2
Total deferred tax assets	1.1	1.3	2.4	36.7	39.1
Deferred tax liabilities					
Interest-bearing liabilities	-	1.0	1.0	-1.0	-
Total deferred tax liabilities	-	1.0	1.0	-1.0	-

NOTE 11

Property, plant and equipment

Equipment	2014	2013
Opening cost	1.2	-
Acquisitions	1.8	1.2
Sales and disposals	-0.7	-
Closing cost	2.3	1.2
Opening depreciation	-0.1	-
Sales and disposals	0.2	-
Depreciation for the year	-0.6	-0.1
Closing depreciation	-0.5	-0.1
Carrying amount	1.8	1.1

Depreciation is distributed over the following items in profit or loss

	2014	2013
Cost of services performed	0.6	0.1

NOTE 12

Participations in Group companies

	31 December 2014	31 December 2013
<i>Accumulated cost</i>		
Opening balance	1,238.8	56.5
Acquisitions	0.1	1,154.8
Group contributions paid ¹⁾	55.6	11.5
Capital contribution made	-	16.0
Closing balance	1,294.5	1,238.8
<i>Accumulated impairment</i>		
Opening balance	-11.5	-
Impairment for the year ²⁾	-55.6	-11.5
Closing balance	-67.1	-11.5
Carrying amount at year end	1,227.4	1,227.3

1) Group contributions paid to subsidiaries are recognised as an increase in the shares in the subsidiary and, thereafter, tested to identify whether any impairment need exists. Group contributions received from subsidiaries are treated as dividends and are recognised as financial income in profit or loss.

2) Impairment for the year is included under the profit/loss item "Profit from participations in Group companies", see Note 9.

Specification of Parent Company's direct holdings of shares in subsidiaries

Subsidiary	Corp. No.	Domicile	No. of shares	Holding in % ¹⁾	31 December 2014	31 December 2013
					Carrying amount	Carrying amount
Catena Logistik AB	556922-7363	Ängelholm	1,000	100.0	1,154.8	1,154.8
Catena Byggnads AB	556048-4726	Ängelholm	50,000	100.0	47.7	47.7
Catena Fastigheter AB	556754-0843	Ängelholm	1,000	100.0	0.1	0.1
Catena i Stenungsund AB	556754-0835	Ängelholm	1,000	100.0	0.1	0.1
Catena i Vinsta AB	556754-0868	Ängelholm	1,000	100.0	24.6	24.6
Catena i Täby AB	556754-7509	Ängelholm	1,000	100.0	0.1	0.1
Catena Obl. Holding AB	556984-8467	Helsingborg	1,000	100.0	0.1	
Total					1,227.4	1,227.3

1) Pertains to the percentage of share capital, which corresponds to the proportion of voting rights.

Specification of indirectly owned subsidiaries

Name	Corp. Reg. No.	Reg. office
Catena Backa Invest AB	556758-6838	Ängelholm
Catena Backa 23:5 KB	916624-0797	Ängelholm
Catena Bronsringen AB	556702-8153	Ängelholm
Catena Högsbo AB	556649-7730	Ängelholm
Fastigheten Preppen HB	969684-0983	Gothenburg
Catena i Solna AB	556112-7571	Ängelholm
Catena Konen AB	556802-4771	Ängelholm
Catena Log. Backa AB	556595-0002	Ängelholm
Catena Log. Basfiolen AB	556697-7129	Ängelholm
Catena Log. Borås AB	556519-4155	Ängelholm
Catena Log. Borås Tre AB	556691-3223	Ängelholm
Catena Log. Borås Två AB	556537-6141	Ängelholm
Catena Log. Godsvagnen AB	556740-8801	Ängelholm
Catena Log. Gävle AB	556697-7194	Ängelholm
Catena Log. Haninge AB	556660-1596	Helsingborg
Catena Log. Hästhagen AB	556252-1616	Ängelholm
Catena Log. Invest AB	556649-9108	Ängelholm
Catena Log. Jakobsberg AB	556607-0925	Ängelholm
Catena Log. Järfälla KB	969628-1634	Ängelholm
Catena Log. Jönköping AB	556536-7587	Ängelholm
Catena Log. Jönköping Två AB	556691-3215	Ängelholm
Catena Log. Kopparverket AB	556700-1275	Ängelholm
Catena Log. Kristianstad AB	556697-7202	Ängelholm
Catena Log. Kungsbacka AB	556969-5439	Ängelholm
Catena Log. Köpingegården HB	916626-8806	Ängelholm
Catena Log. Lagret 1 AB	556660-1539	Ängelholm
Catena Log. Ljungby AB	556536-7595	Ängelholm
Catena Log. Luleå AB	556761-5173	Ängelholm
Catena Log. Malmö AB	556537-6166	Ängelholm
Catena Log. Malmö Två AB	556824-2944	Ängelholm
Catena Log. Mosås AB	556710-4459	Ängelholm
Catena Log. Muskötgatan AB	556633-8157	Ängelholm
Catena Log. Mörby AB	556713-8572	Ängelholm
Catena Log. Norrköping AB	556703-2809	Ängelholm
Catena Log. Projekt AB	556824-7570	Ängelholm
Catena Log. Regulatorn AB	556584-0005	Ängelholm
Catena Log. Stockholm AB	556519-4148	Ängelholm
Catena Log. Södertälje AB	556524-7433	Ängelholm
Catena Log. Vanda AB	556672-1402	Ängelholm
Catena Log. Vasslan AB	556697-7137	Ängelholm
Catena Log. Vårdshuset AB	556697-7145	Ängelholm
Catena Log. Ädelmetallen AB	556740-9874	Ängelholm
Catena Log. Örebro AB	556636-3270	Ängelholm
Catena Log. Östanvinden AB	556697-7111	Ängelholm
Catena Logistikposition Helsingborg AB	556688-6635	Ängelholm
Catena Obl. AB	556984-8426	Helsingborg
Catena Söderåsen Fastighets AB	556634-8776	Ängelholm
Catena Transportstaden Örebro AB	556591-2309	Ängelholm
Catena Ättehögen AB	556659-9360	Ängelholm
Hallsbergs Terminal AB	556317-5966	Hallsberg
Hallsbergs Kombiterminal AB	556643-8023	Ängelholm
Logistikposition Karlshamn AB	556752-6040	Karlshamn
Logistikposition Katrineholm AB	556692-4147	Katrineholm

NOTE 13

Accounts receivable

The Parent Company's accounts receivable amounted to SEK 0.6 million (0.1). Of these, the full amount, SEK 0.6 million (0.1) had matured for payment. No bad debt losses arose for the Parent Company during the year.

NOTE 14

Financial instruments and financial risk management

Financial policy

The Parent Company's assumption of financial risk is governed by the risk mandate set by Catena's Board. The policy and targets are detailed in Note 18 for the Group.

Financing and financing risks

The Parent Company had no liabilities to credit institutes at 31 Dec 2014 or 31 Dec 2013.

Loan terms and conditions, effective interest rate and tenors

	Nominal amount in original currency		Average effective interest rate	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Liabilities to Group companies	1,553.9	1,315.3	3.0%	3.0%
Liabilities to associated companies	14.2	14.1	3.0%	3.0%

The Group's interest-rate risk is hedged in the Parent Company. All carrying amounts in the Parent Company correspond to fair values. The carrying amounts on the closing date are shown in the following table.

A one percentage-point rise in the interest rate for interest-bearing liabilities, assuming unchanged loan volumes, would have an impact of SEK 15.7 million (13.3).

	Nominal value	Carrying amount	
	31 December 2014	31 December 2014	31 December 2013
Interest-rate swap contracts	2,000.0	-146.2	4.7

NOTE 15

Prepaid expenses and accrued income

	31 December 2014	31 December 2013
Prepaid fee for credit facility	2.1	-
Prepaid marketing cost	1.0	-
Prepaid rent	0.2	0.2
Other prepaid expenses	0.1	-
Total	3.4	0.2

NOTE 16

Equity

Number of shares in issue at 31 December 2014

Class of shares	Number of registered shares	Quotient value per share, SEK	Total value per share, SEK	Voting rights per share	Total number of votes
Ordinary shares	25,641,921	4.40	112,824,452.40	1	25,641,921

All shares confer equal rights to participate in the company's assets and earnings.

Development of share capital

Year	Transaction	Increase in share capital, SEK	Total share capital, SEK	Increase in No. of registered shares	Total No. of registered shares	Total No. of shares outstanding
1999	New share issue	49,075,400	50,000,000	490,754	11,555,662	11,555,662
2006	Bonus issue	883,800	50,883,800	8,838	11,564,500	11,564,500
2013	Private placement	59,976,189	110,859,989	13,630,952	25,195,452	25,195,452
2014	Private placement	1,964,464	112,824,452	446,469	25,641,921	25,641,921

The dividends adopted by the Annual General Meeting and paid in 2014 were SEK 2.00 per share or a total of SEK 51.3 million. For 2014, the Board proposes an ordinary dividend of SEK 3.00 per share. Based on the number of shares outstanding entitled to receive a dividend for the 2014 financial year, the proposed dividend means a total divi-

dend amount of SEK 76.9 million. The dividend amount corresponds to 96.2 percent of the dividend target in Catena's financial targets, SEK 79.9 million.

The Parent Company's target for asset management and the financial targets correspond with the Group's and are detailed in Note 18 for the Group.

NOTE 17

Pensions

Defined-benefit plans

Defined benefit plans pertain solely to previously employed personnel in Sweden and new defined-benefit plans are no longer vested. The pension liability was transferred to Alecta per 23 December 2013.

Assumptions regarding return on capital

The most important actuarial assumptions on the balance-sheet date expressed as a percentage

	2014	2013
Discount rate at 31 Dec	-	3.60
Future increase in pensions	-	2.00

Parent Company pension commitment

	2014	2013
Opening balance	-	9.1
Benefits paid	-	-0.5
Expense recognised in profit or loss	-	2.7
Pension liability transferred to Alecta	-	-11.3
	-	-

Expense recognised in the following items in profit or loss

	2014	2013
Cost of services performed	-	2.3
Interest expense and similar expenses	-	0.4

Defined-contribution plans

In 2013, the company acquired commitments under the ITP plan that are secured through an insurance plan in Alecta. The company has not been provided with information that would allow the reporting of its commitments under the ITP plan as a defined-benefit plan and, accordingly, these are reported as a defined-contribution plan.

The year's fees for pension insurance contracted with Alecta amounted to SEK 0.4 million (12.1). Alecta's surplus can be distributed to the policy owners and/or insured parties. At the end of 2014, Alecta's surplus in the form of the collective consolidation level was 144 percent (148). The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance obligation calculated in line with Alecta's actuarial assumptions, which do not comply with IAS 19.

NOTE 18

Other provisions

	2014	2013
Special payroll tax	0.7	0.8

Payments

	2014	2013
Amount for which a provision is expected to be paid after more than 12 months	0.6	0.7

	2014	2013
Opening balance	0.8	0.9
Settled commitments	-0.1	-0.1
Closing balance	0.7	0.8

NOTE 19

Accrued expenses and deferred income

	31 December 2014	31 December 2013
Accrued selling expenses	-	5.7
Accrued salary-related expenses	9.7	4.7
Accrued interest expenses	9.4	5.2
Other accrued expenses	4.2	3.5
Total	23.3	19.1

NOTE 20

Pledged assets and contingent liabilities

<i>Pledged assets</i>	2014	2013
Guarantee obligations	20.9	20.8
Total	20.9	20.8

<i>Contingent liabilities</i>	2014	2013
Guarantees given for Group companies	3,375.6	1,406.0
Guarantees given for associated companies	10.0	10.0
Total	3,385.6	1,416.0

NOTE 21

Cash-flow statement

	1 January 2014 -31 December 2014	1 January 2013 -31 December 2013
Supplementary disclosures		
Interest paid and dividends received		
Interest received	41.7	21.8
Interest paid	-61.4	-19.4

Adjustments for non-cash items

Amortisation, depreciation and impairment of assets	0.6	11.7
Change in value of derivatives	150.9	-4.7
Group contributions received	-	-22.7
Total	151.5	-15.7

NOTE 22

Classification of financial instruments

2014

Financial assets	Measurement categories			Carrying amount
	Measured at fair value via profit or loss	Measured at amortised cost	Loan and accounts receivable	
Accounts receivable	-	-	0.6	0.6
Other current receivables	-	-	1,429.0	1,429.0
Cash and cash equivalents	-	-	198.7	198.7
Total	-	-	1,628.3	1,628.3
Non-financial assets				1,275.4
Total:				2,903.7

Financial liabilities

Interest-rate derivatives	-146.2	-	-	-146.2
Accounts payable	-	-1.5	-	-1.5
Other current liabilities	-	-1,569.9	-	-1,569.9
Accrued expenses	-	-23.3	-	-23.3
Total	-146.2	-1,594.7	-	-1,740.9
Non-financial assets				-0.7
Total:				-1,741.6

Carrying amounts correspond to fair values for all balance-sheet items.

2013

Financial assets	Measurement categories			Carrying amount
	Measured at fair value via profit or loss	Measured at amortised cost	Loan and accounts receivable	
Accounts receivable	-	-	0.1	0.1
Interest-rate derivatives	4.7	-	-	4.7
Other current receivables	-	-	1,200.7	1,200.7
Cash and cash equivalents	-	-	209.9	209.9
Total	4.7	-	1,410.7	1,415.4
Non-financial assets				1,247.2
Total:				2,662.6

Financial liabilities

Accounts payable	-	-13.2	-	-13.2
Other current liabilities	-	-1,331.0	-	-1,331.0
Accrued expenses	-	-19.1	-	-19.1
Total	-	-1,363.3	-	-1,363.3
Non-financial assets				-1.8
Total:				-1,365.1

Carrying amounts correspond to fair values for all balance-sheet items.

NOTE 23

Significant events after the end of the financial year

No significant events affecting Catena's financial position have taken place following the balance sheet date.

NOTE 24

Related parties

Related-party transactions

In addition to the related parties detailed for the Group in Note 22, the Parent Company exercises controlling influence over its subsidiaries, see Note 12 Participations in Group companies.

	2014	2013
Transactions with subsidiaries		
Purchases	0.7	-
Sales	26.5	9.9
Interest income	41.0	21.1
Interest expenses	44.8	19.4
Group contributions received	104.8	22.6
Group contributions paid	71.3	11.5
Current receivables	1,373.3	1,200.7
Interest-bearing liabilities	1,553.9	1,315.3
Guarantees given	3,375.6	1,406.0
Transactions with the Group's associated companies		
Sales	8.7	-
Interest expenses	-	0.1
Current receivables	55.7	-
Interest-bearing liabilities	14.7	14.1
Guarantees given	10.0	10.0
Transactions with other related parties		
Purchases	4.8	0.2
Interest income	-	0.2
Current receivables	-	15.8

Other information

Liabilities and receivables with related parties pertain to the settlement account, to which interest is charged. Transactions with related parties are priced at market rates.

Signing of the Annual Report

The Board of Directors and the CEO certify that the Annual Report has been prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated financial statements have been prepared in accordance with the international accounting standards referred to in regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The annual accounts and consolidated financial statements provide a true and fair view of the financial position and performance of the Parent Company and

Group. The Administration Report provides a true and fair view of the development of the Group's operations, financial position and performance and describes significant risks and uncertainty factors facing the Group.

The annual accounts and consolidated financial statements were approved for release by the Board on 23 March 2015. The consolidated statement of comprehensive income, statement of financial position and the Parent Company's income statement and balance sheet are subject to the approval of the Annual General Meeting on 28 April 2015.

Solna, 23 March 2015

Henry Klotz
Chairman of the Board

Katarina Wallin
Board member

Andreas Philipson
Board member

Bo Forsén
Board member

Erik Paulsson
Board member

Gustaf Hermelin
*Board member
Chief Executive Officer*

Our auditors' report was submitted on 23 March 2015

Lars Wennberg
Authorised Public Accountant

Audit Report

To the Annual General Meeting of Catena AB Corporate Registration Number: 556294-1715

Report on the annual accounts and consolidated financial statements

I have audited the annual accounts and consolidated financial statements for Catena AB (publ) for the 2014 financial year. The annual accounts and consolidated financial statements of the company are included in the printed version of this document on pages 9-99.

Responsibility of the Board and the CEO for the annual accounts and consolidated financial statements

The Board of Directors and CEO are responsible for the preparation of annual accounts that provide a true and fair representation, pursuant to the Annual Accounts Act, and consolidated financial statements that provide a true and fair representation pursuant to the International Financial Reporting Standards, IFRS, as adopted by the EU, and the Annual Accounts Act and for the internal control that the Board and CEO assess as necessary for preparing annual accounts and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

My responsibility is to express an opinion on these annual accounts and consolidated financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the annual accounts and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated financial statements. The auditor selects the procedures to be conducted based on such assessments as the risk of material misstatement in the annual accounts and consolidated financial statements, and whether such misstatement is due to fraud or error. In this risk assessment, the auditor considers internal control measures relevant to the company's preparation and fair presentation of the annual accounts and consolidated financial statements in order to design audit procedures that are appropriate taking the circumstances into account, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes an evaluation of the appropriateness of the accounting policies applied and of the reasonableness of the Board's and CEO's estimates in the accounts, as well as an evaluation of the overall presentation in the annual report and consolidated financial statements.

I believe that the audit evidence that I have obtained is sufficient and appropriate as the basis for my audit opinion.

Opinion

In my opinion, the annual accounts have been prepared in compliance with the Annual Accounts Act and provide, in all significant respects, a true and fair representation of the Parent Company's financial position at 31 December 2014 and of its financial results and cash flow for the year pursuant to the Annual Accounts Act, and that the consolidated financial statements have been prepared in accordance with the Annual Accounts Act and provide, in all significant respects, a true and fair representation of the Group's financial position at 31 December 2014 and of its earnings and cash flows for the year pursuant to International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. My opinions do not cover the Corporate Governance Report on pages 101-107. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

I, therefore, recommend that the Annual General Meeting approves

the income statements and balance sheets for the Parent Company and the Group.

Report on other legal and regulatory requirements

In addition to my audit of the annual accounts and consolidated financial statements, I have also examined the proposed appropriations of the company's profit or loss and the administration of the Board and CEO of Catena AB (publ) for 2014. I have also conducted a statutory review of the Corporate Governance Report.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the CEO are responsible for administration under the Companies Act and for the Corporate Governance Report on pages 101-107 being prepared in accordance with the Annual Accounts Act.

Auditors' responsibility

My responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on my audit. I have conducted my audit in accordance with generally accepted auditing standards in Sweden.

As the basis for my opinion on the Board of Directors' proposed appropriations of the company's profit or loss, I have examined the Board's reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal complies with the Swedish Companies Act.

As the basis for my opinion concerning discharge from liability, in addition to my audit of the annual accounts and consolidated financial statements, I have examined significant decisions, actions taken and the circumstances of the company in order to determine whether any Board member or the CEO is liable to the company. I have also examined whether any Board member or the CEO has, in any other way, acted in contravention of the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

I believe that the audit evidence that I have obtained is sufficient and appropriate as the basis for my audit opinion.

I have read the Corporate Governance Report and based on that reading and my knowledge of the Company and the Group I believe that I have a sufficient basis for my statements. This means that my statutory examination of the Corporate Governance Report has a different focus and is substantially less in scope than the focus and scope of an audit in accordance with the International Standards on Auditing and generally accepted auditing standards in Sweden.

Opinion

I recommend to the Annual General Meeting that the profit be appropriated in accordance with the proposal in the administration report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

In my view, a Corporate Governance Report has been prepared and its statutory information is consistent with other parts of the annual and consolidated financial accounts.

Stockholm, 23 March 2015

Lars Wennberg
Authorised Public Accountant

Mosås 4:66

The Mosås 4:66 property in Örebro is a good example of Catena logistics positions. This is where the E18 and E20 motorways that connect Oslo, Gothenburg and Stockholm meet. The proximity to the Hallsberg container terminal, with frequent rail shuttles to and from the port of Gothenburg, make the location even more attractive. This is one of the reasons that DHL placed a terminal here.



Board work in 2014

Chairman:

Competent, active, transparent and responsible corporate governance is crucial for all stakeholders' confidence in Catena and its operations.

Following the successfully completed merger in 2013 of Catena and Brinova's logistics operations, in 2014, the Board, in a good working relationship with a competent and committed management team, continued its efforts to develop Catena's operations responsibly for the benefit of all stakeholders and to balance a good return for shareholders with the risk on which all business operations are based.

During the year, we conducted an assessment of the Board and its work. We affirmed that the Board is well composed in relation to its duties. It represents the experience that is essential for the company's continued development, including property-related, strategic and financial issues. In addition, the Board also possesses an extensive professional network, which is an additional prerequisite for successful operations. Thanks to this and focused and efficient committee work, the Board was able to take an active and energetic role and was able to make well-founded decisions. Combined with well-developed processes, policies and control systems, this makes it possible to conduct responsible operations.

As far as is possible without harming our competitive position or assets, our operations are also transparent, with clear accounting and the publication of frequent, accurate and true information to investors, as well as all others who seek to monitor Catena's operations and development.

The company now stands strong as one of the leading companies in its sector, with a well-functioning organisation and a good financial position. In line with our overarching objectives, this provides us and Group management with good



opportunities to provide a good dividend to shareholders, while also growing our business aggressively by strengthening our position as one of the leading companies in logistics properties.

Stockholm, 23 March 2015

Henry Klotz

Responsible corporate governance inspires trust

All business decisions at Catena must be justifiable from a financial and ethical perspective. Through transparency and availability, we provide our shareholders and other stakeholders with insight into decision paths, responsibility, powers and control systems. The information we provide must be correct, reliable and up to date.

Corporate governance

Catena is a Swedish public limited liability company listed on NASDAQ Stockholm. The applicable regulations for governance and control of the Group are primarily the Articles of Association, the Swedish Companies Act, the Swedish Annual Accounts Act, Nasdaq Stockholm's Regulations for Issuers, the Swedish Code of Corporate Governance, internal guidelines and policies, as well as other applicable laws and regulations.

Catena's Board and executive management endeavour to ensure that Catena complies with the requirements imposed by the stock exchange, shareholders and other stakeholders. The Swedish Code of Corporate Governance (the "Code", available at www.bolagsstyrning.se) is aimed at ensuring favourable conditions for active and responsible ownership. It is based on the principle of comply or explain. Deviations from the Code must be justified and explained. This Corporate Governance Report describes how Catena applied the Code during 2014.

Annual General Meeting

The Annual General Meeting (AGM) is the company's highest decision-making body. At the AGM, all shareholders are provided with the opportunity, not subject to limitation, to exercise influence over the company corresponding to their

respective share-holdings. The Company applies no special arrangements concerning the function of the AGM – neither based on any provisions in the Articles of Association or, insofar as the Company is aware, any agreements between shareholders.

The AGM appoints the Board and auditors, and adopts principles for the remuneration of the Board, auditors and Group management. When necessary, the AGM also makes decisions on items including the Articles of Association, dividends, and changes in share capital. At the AGM, which must be held within six months of the close of the financial year, resolutions must be passed on the adoption of the balance sheets and income statements, the appropriation of Catena's profit or loss, and the discharge of responsibility of the Board and the CEO.

Annual General Meeting, 6 April 2014

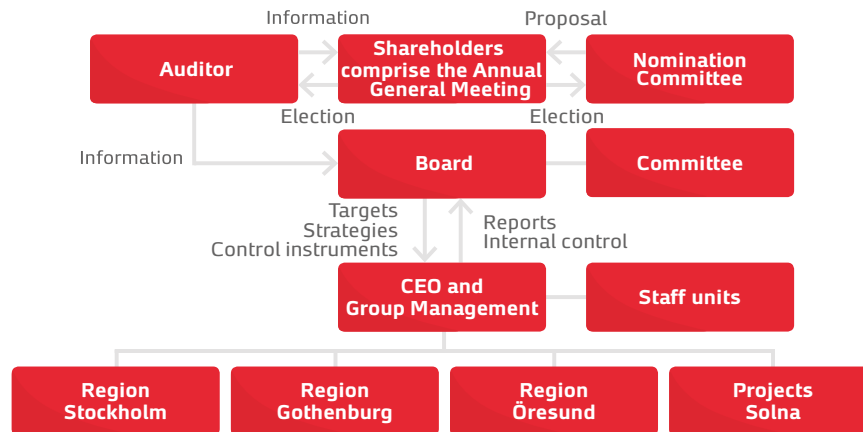
At Catena's AGM on 6 April 2014, the company's balance sheet and income statement were adopted, as was the Board's proposed appropriation of profits of SEK 51,283,842, corresponding to a dividend per share of SEK 2.

The AGM resolved that the number of Board members should total six (six) and to re-elect the Board members Henry Klotz, Erik Paulsson, Bo Forsén, Katarina Wallin, Andreas Philipson and Gustaf Hermelin for the period until the next

Direct or indirect shareholdings exceeding 10 percent of the company
On 27 February 2015, Catena AB had 14,446 shareholders. The largest shareholders are Backahill with 45.6 percent (46.4) of the share capital, Endicott Sweden AB with 13.5 percent (13.8) and Fabega AB with 10.2 percent (13.8) of the capital respectively. No other shareholder held 10 percent or more of the shares outstanding on 27 February 2015.

Ownership structure at 27 February 2015

	No. of shares, thousands	Votes, %
Backahill	11,681	45.6
Endicott Sweden AB (CLS Holding plc)	3,469	13.5
Fabega AB (publ)	2,619	10.2
SFU Sverige AB	1,847	7.2
Länsförsäkringar fondförvaltning AB	1,811	7.1
Prior & Nilsson Fond- och Kapitalförvaltning AB	729	2.8
Banque Carnegie Luxembourg SA	223	0.9
JP Morgan Europe Limited	165	0.6
Livförsäkringbolaget Skandia ÖMS	158	0.6
Other shareholders	2,940	11.5
	25,642	100.0



AGM. Henry Klotz was elected Chairman of the Board. The AGM also resolved to adopt guidelines for remuneration to Catena's senior executives. Furthermore, the AGM resolved that fees to Catena's auditors be paid according to approved invoices on an on-going basis.

Extraordinary General Meeting, 7 March 2014

At an Extraordinary General Meeting on 7 March 2014, the Board of Directors decided to make a non-cash issue comprising 446,469 shares for a total value of SEK 50 million, aimed at Logistikkbygg 1 AS. The price per share was based on an average price (volume weighted) over the five trading days prior to the meeting. The background to the issue was Catena's acquisition of Logistikkbygg 1 AS properties; Lagret 1 in Nässjö and Jordbromalm 4:33 in Haninge.

Remuneration of Board and senior executives

In line with the decision of the AGM on 6 May 2014, the Chairman of the Board receives a Board fee of SEK 200,000 and the other members SEK 100,000 each. No directors' fees are payable to the CEO. Salary, other remuneration and pension premiums for the CEO and other senior executives are presented in Note 8 to the consolidated financial statements. In 2014, variable remuneration paid to the CEO and management amounted to just under SEK 1 million.

Nomination Committee

The Nomination Committee is tasked with preparing and

submitting proposals for the Board, Chairman of the Board, directors' fees, policies for appointing the Nomination Committee, the Chairman at the AGM and, when applicable, auditors and auditors' fees. Catena's Annual General Meeting on 6 May 2014 decided to appoint a Nomination Committee consisting of representatives of the four largest shareholders and the Chairman. In accordance with the decision, the following Nomination Committee was formed:

Henry Klotz appointed by CLS Holdings plc, Åsa Bergström appointed by Fabege AB, Svante Paulsson appointed by Backahill and Klas Andersson appointed by SFU Sverige AB. The Chairman of the Nomination Committee is Åsa Bergström, while the Chairman of the Board Henry Klotz convenes the meetings. In accordance with applicable decisions, new shareholder representatives are to be appointed when ownership changes.

Board of Directors

The Board's overriding task is to manage Catena's and the Group's activities on behalf of the owners in a way that best secures the owners' interest in a favourable long-term return on capital. The members are elected annually at the AGM for the period up to the end of the following AGM. The Board's work is carried out in compliance with statutory provisions, the Articles of Association and the formal work plan. The formal work plan is discussed at the statutory Board meeting and is set annually. The composition of the Board includes expertise and experience from the areas that are of major importance as part of efforts to support, monitor and control operations in a property company. Board members have

expertise in properties, the real estate market, and financing and business development, for example. In accordance with the Articles of Association, Catena's Board is to comprise not fewer than five and not more than nine members with no deputies. Catena's Board comprises six members who were elected at the AGM on 6 May 2014.

For further information about the Board members, please refer to the section "Board, senior executives and auditors".

The work of the Board of Directors

The Chairman of the Board is responsible for leading the work of the Board in an efficient and appropriate manner. In addition to leading the work, the Chairman monitors the Group's on-going developments through contact with the CEO on strategic issues. During 2014, nine minuted Board meetings were held, one of which was statutory. During the year, the CFO acted as the secretary of the Board. In addition to the above items, Board meetings have addressed plans and strategies for the Group's development and the on-going follow-up of results and position, valuations of the Group's properties, liquidity and financing as well as investment decisions. Catena's auditor in charge, Lars Wennberg, PwC, was called in to the Board meetings in February, July and November.

Formal work plan

The Board of Catena works in accordance with a formal work plan consisting of instructions in respect of the division of duties and financial reporting. The formal work plan represents a complement to the provisions of the Swedish Companies Act and Catena's Articles of Association, and is reviewed annually. The Board also assesses the CEO's work performance. The CEO does not attend this assessment.

The Board is responsible for continuously monitoring and controlling Catena's operations. Consequently, it is the duty of the Board to ensure there is a functioning reporting system.

Regular reports concerning Catena's and the Group's economic and financial position, current market issues, project reporting, and, in certain cases, underlying information for investment decisions and property sales, are presented at Board meetings. In addition to being responsible for Catena's organisation and administration, the Board's key task is to make decisions on strategic issues.

Each year, the Board sets the overall goals for the Group's operations and decides on strategies to attain these goals. The CEO's instructions and internal policy documents are also reviewed annually.

Auditor

Catena's auditors are elected at the AGM. The 2012 AGM elected registered public accounting firm PwC as the new auditor with auditor in charge, Lars Wennberg for a period of three years. The auditor reports the results of his examination to the shareholders in the auditor's report. This is presented at the AGM. In addition, the auditor presents a detailed report to the Board twice annually. In conjunction with this report, a discussion is also held concerning the observations of the audit. In addition to auditing, PwC has also provided services in the areas of taxes and accounting.

Fees are paid according to approved invoices on an on-going basis.



Lars Wennberg

CEO

The CEO leads operations on the basis of the CEO's instructions drawn up by the Board.

According to the instructions, the CEO is tasked with ensuring that the Board members receive regular information and reports on Catena's progress to enable them to make sound assessments and well-founded decisions.

The CEO must also ensure that Catena observes the obligations regarding information and so forth that arise from the listing agreement with NASDAQ Stockholm.

The CEO's duties also include supervising compliance with the goals, policy and strategic plans established by the Board and ensuring that they are submitted to the Board for updating or review whenever necessary.

Remuneration Committee

The Board of Catena has established a Remuneration Committee. The task of the Remuneration Committee is to prepare matters concerning remuneration and other conditions of employment for the CEO. The CEO, on the basis of principles established by the Board, determines remuneration of senior executives. During 2014, the Remuneration Committee comprised Henry Klotz (Chairman), Bo Forsén and Katarina Wallin.

Audit Committee

Catena's Board has established an Audit Committee. The task of the Audit Committee is to maintain and add to efficiency in contact with the Group's auditor, and to supervise the proce-

dures for auditing and financial reporting. The Committee also evaluates the work of the auditor and monitors how accounting principles and requirements are progressing.

The Board has decided that all its members, with the exception of the CEO, are to be part of the Committee.

Stock market information

Catena submits prompt, simultaneous, correct and reliable information to existing and potential shareholders and other stakeholders. The company submits interim reports, a year-end report and an annual report for the entire financial year. Catena's website, www.catenafastigheter.se, presents current information on Catena, such as press releases and financial statements. Shareholders can download financial information from the company via the website. This information can also be ordered directly from Catena by telephone or by post.

Internal control

The Board is responsible for internal control pursuant to the Swedish Companies Act and the Swedish Code of Corporate Governance. This Corporate Governance Report is prepared in accordance with Chapter 6, Section 6 of the Swedish Annual Accounts Act and is thus limited to internal control and risk management related to financial reporting. The basis of internal control is the control environment in which the work of the Board and executive management is set. The

Board has adopted a number of important policies and basic guidelines for internal control programs, such as a financial policy, an ethics and crisis management policy and information policies. The CEO presents regular reports to the Board on the basis of established routines and documents.

Catena's internal control structure is based on a clear division of responsibility and work between the Board and CEO, as well as within operational activities. Operational activities include business control and business planning processes. Examples of these include tools for monitoring operations, preparations ahead of the purchase and sale of properties/companies, and underlying data for property valuations. Control activities are performed at the individual property level in the form of current results and investment monitoring and, at the overall level, in the form of results analysis at the area level, analysis of key data and reviews of the Group's legal structure.

In order to prevent and detect errors and deviations, there are, for example, systems for attestation rights, reconciliations, approval and reporting of business transactions, reporting templates as well as accounting and valuation policies. These systems are continuously updated. Internal information and external communication are regulated at the overall level by means of the information policy. Internal information is disseminated through regular information meetings.



Jordbromalm 4:33, Haninge.

Board of Directors



Henry Klotz **Bo Forsén** **Gustaf Hermelin** **Erik Paulsson** **Andreas Philipson** **Katarina Wallin**

	Henry Klotz	Bo Forsén	Gustaf Hermelin	Erik Paulsson	Andreas Philipson	Katarina Wallin
BORN	1944.	1948.	1956.	1942.	1958.	1970.
POSITION ON THE BOARD	Chairman.	Member.	Member.	Member.	Member.	Member.
YEAR ELECTED	2007.	2012.	2013.	2013.	2013.	2013.
EDUCATION	Engineer.	Business administration studies, Lund University.	Business administration studies, Stockholm School of Economics.	Elementary school.	M.Sc. Civil Engineering, Chalmers Institute of Technology. Harvard Business School Executive Program.	M.Sc. Engineering, Royal Institute of Technology. Behavioural Science and Business Administration, Stockholm University.
POSITION	Executive Vice Chairman, CLS Holding plc.	Board work.	President, Catena Fastigheter AB.	Company leader and entrepreneur since 1959.	CEO of TAM Group AB.	Strategy Consultant and Partner at Evidensgruppen.
OTHER ASSIGNMENTS	Board member of a large number of companies in the CLS Group and Board member of NOTE AB.	Chairman of the Board at Victoria Park AB, Scandinavian Resort AB and Norén Fastigheter AB. Board member at Roxtec AB and Cale AB.		Chairman of the Board of Fabega AB, Backahill AB, SkiStar AB and Wihlborgs Fastigheter AB.	Board member of TAM Group AB and Veg Tech AB as well as subsidiaries of TAM Group.	Chairman of the Board of Belatchew Arkitekter AB, Bernow Lindqvist Wallin AB and Ekologigruppen AB. Board member at Evidens blw AB, Au Point AB and Evimetrix AB.
OWN SHAREHOLDING 2014 AND HOLDINGS OF RELATED PARTIES		1,000 shares (through companies).	1,847,399 shares (through companies).	11,680,751 shares (through companies).	1,000 shares (through companies).	
INDEPENDENCE STATUS UNDER THE SWEDISH CODE OF CORPORATE GOVERNANCE	Independent in relation to the company and executive management. Dependent in relation to major shareholders.	Independent in relation to the company, executive management and major shareholders.	Dependent in relation to the company and executive management in relation to major shareholders.	Independent in relation to the company and executive management. Dependent in relation to major shareholders.	Dependent in relation to the company and executive management. Independent in relation to major shareholders.	Independent in relation to the company, executive management and major shareholders.
PRESENCE BOARD MEETINGS	9/9	8/9 ¹⁾	9/9	9/9	9/9	9/9 ¹⁾
ATTENDANCE, AUDIT COMMITTEE	3/3	3/3		3/3	3/3	3/3
ATTENDANCE, REMUNERATION COMMITTEE	1/1	1/1				1/1

1) Of which, one meeting by telephone.

Auditor: Lars Wennberg, PwC.

Management



	Gustaf Hermelin	Mikael Halling	Peter Andersson	Sofie Bennsten	Maths Carreman	Johan Franzén	Göran Jönsson
BORN	1956.	1952.	1966.	1969.	1958.	1978.	1961.
POSITION	CEO.	Deputy CEO Logistics Manager.	CFO.	HR Manager.	Regional Manager, Stockholm.	Regional Manager, Gothenburg.	Regional Manager, Öresund.
EMPLOYEE SINCE	1 October 2013.	1 October 2013.	1 October 2013.	1 October 2013.	1 October 2013.	1 October 2013.	1 October 2013.
EDUCATION	Business administration studies, Stockholm School of Economics.	MBA and Structural Engineer.	M.Sc. in Business Administration.	M.Sc. Economics.	Structural engineer.	Business administration studies, School of Economics, Business and Law, Gothenburg University.	Structural engineer.
PREVIOUS EXPERIENCE	CEO of Klöver AB and Strömfastigheter, Norrköping.	Deputy CEO and Business Area Manager for Logistics, Brinova Fastigheter AB. CEO, Birsta Fastigheter.	CFO, Brinova Fastigheter AB. CFO, Fastighets AB Skånehus.	Administrative Manager and Chief Accountant, Brinova Fastigheter AB.	Unit Manager, Klöver Norrköping. Works Manager/Purchasing Manager/Project Developer at Skanska.	Business Development, Brinova Fastigheter AB. District Manager, Jungheinrich Svenska AB.	Business Area Manager for Commercial/Residential, Brinova Fastigheter AB. CEO, Maintech Förvaltning Syd.
OWN SHAREHOLDING 2014 AND HOLDINGS OF RELATED PARTIES	1,847,399 shares (through companies).				100 shares.		

Multi-year summary

Key performance indicators, Group	31 December 2014	31 December 2013	31 December 2012
Financial			
Return on equity, %	19.0	11.7	34.1
Return on equity, %	12.3	6.3	9.7
Total assets, SEK M	6,136.0	5,038.0	3,443.1
Profit from property management, SEK M	204.9	147.0	178.8
Average interest rate, %	2.8	3.1	2.9
Capital tied-up, years	2.9	2.3	5.1
Pre-tax profit, SEK M	440.3	184.7	232.3
Fixed interest, years	3.5	3.0	0.2
Interest-bearing liabilities, SEK M	3,457.6	2,963.0	2,058.9
Interest-coverage ratio, multiple	3.1	2.8	4.0
Debt/equity ratio, multiple	1.7	1.8	2.8
Equity ratio, %	32.4	32.6	21.4
Profit for the year, SEK M	344.2	138.4	220.3
Share-related			
<i>Prior to and after dilution</i>			
Number of shares outstanding, millions	25.6	25.2	11.6
Average number of shares outstanding, millions	25.6	14.3	11.6
Share price, SEK	105.75	100.00	63.00
Market capitalisation, SEK M	2,711.6	2,519.4	728.6
Dividend yield, %	2.8 ¹⁾	2.0	1.6
Equity per share, SEK	77.22	64.95	62.93
Profit from property management per share, SEK	8.02	10.29	15.41
P/E ratio	8	10	3
Earnings per share, SEK	13.49	9.81	19.26
Dividend per share, SEK	3.00 ¹⁾	2.00	1.00
Property-related			
Number of properties	47	45	45
Loan-to-value ratio, %	60.1	62.7	60.9
Net operating surplus, SEK M	325.7	221.3	184.9
Economic letting ratio, %	95.8	87.2	89.0
Property value, SEK M	5,750.9	4,722.3	3,382.4
Rental income, SEK M	431.3	316.8	286.2
Rental value, SEK M	480.1	419.3	356.3
Lettable area, thousand sq. m.	753.1	690.6	575.8
surplus ratio, %	75.5	69.9	64.6

1) In accordance with the Board's proposal to the Annual General Meeting.

Glossary and definitions

Financial

Return on equity

Net profit for the year as a percentage of average equity.

Return on capital employed, %

Pre-tax profit plus financial expenses as a percentage of average capital employed.

Return on total capital, %

Pre-tax profit plus financial expenses as a percentage of average total assets.

Average interest on interest-bearing liabilities, %

The estimated annual interest expense at year-end as a percentage of interest-bearing liabilities.

Associated companies

Companies in which Catena has a minority ownership and that are not subsidiaries.

Joint venture

A joint venture is a partnership whereby two or more companies invest in a new company to carry out a project together.

Capital tied-up

The average remaining period of fixed interest in the loan portfolio.

Fixed interest

Average remaining period of fixed interest on the loan portfolio with derivatives being taken into account.

Interest-coverage ratio, multiple

Pre-tax profit before reversal of financial expenses and unrealised changes in value in relation to financial expenses.

Debt/equity ratio, multiple

Interest-bearing liabilities divided by equity at year end.

Equity ratio, %

Equity including non-controlling interests as a percentage of total assets.

Capital employed, SEK M

Total assets at year-end less non-interest-bearing liabilities and provisions.

Share-related

Market capitalisation

The number of shares outstanding multiplied by the latest price paid on the specified day.

Dividend yield

Dividend in relation to the share price at year end.

Equity per share, SEK

Equity attributable to Parent Company shareholders in relation to the number of shares outstanding at year end.

P/E ratio

Share price at year end in relation to earnings per share for the year.

Earnings per share, SEK

Profit for the year attributable to the Parent Company's shareholders in relation to the average number of shares outstanding.

Total return

The change in share price change over the year plus dividends paid in relation to the share price at the beginning of the year.

Dividend per share, SEK

Dividend for the financial year in relation to the number of shares outstanding at year end.

Property-related

Loan-to-value ratio, %

Interest-bearing liabilities attributable to the properties as a percentage of the carrying amounts of the properties at year end.

Yield, %

Net operating surplus excluding property administration as a percentage of the properties' book value at year-end.

Net operating surplus, SEK M

Income from property less operating and maintenance costs, property tax, ground rents and property administration costs.

Economic letting ratio, %

Contractual rents under valid leases at year end as a percentage of rental value.

Profit from property management

Pre-tax profit with reversal of changes in value.

Profit from property management per share

Profit from property management in relation to the number of shares outstanding at year-end.

Rental value, SEK M

Contractual rents on an annual basis plus a supplement for assessed market rents for vacant space.

Contractual annual rent

Contractual rents are the applicable rents for the existing portfolio that is leased as of the balance-sheet date.

Lettable area

Total area available for letting.

Vacancy ratio for floor space, %

Vacant space as a percentage of lettable area at year-end.

Surplus ratio, %

Net operating surplus as a percentage of income from property.

Logistics properties

Property constructed with a terminal and/or warehouse intended for goods handling and distribution for logistics companies' customers.

Terminals/Container terminals

Properties that are primarily designed for transshipment operations. This type of property includes container terminals, where possibilities of moving goods from one mode of transport to another are optimised.

Logistics warehouses

These are defined as properties with inventories of finished goods and importers' stocks of goods awaiting sale.

Distribution centres

A property with goods that are stored for a shorter period to then be transported onward.

City logistics

A distribution centre that is optimised for rapid and short-distance freight distribution activities, of fast moving goods such as perishable goods.

E-commerce

E-commerce is defined as when a company or consumer buys or sells a product, normally over the Internet or other computer networks.

Follow Catena all year long

Notification of General Meeting

Time and location

The Annual General Meeting (AGM) of Catena AB (publ) will be held on Tuesday, 28 April, at 4:00 p.m. at the IVA Conference Centre, Grev Turegatan 16 in Stockholm, Sweden.

Entitlement to Participate

To be entitled to participate at the AGM, shareholders must be registered in the share register maintained by Euroclear Sweden AB (formerly VPC AB) not later than 22 April. Shareholders who have registered their shares with a trustee must have temporarily re-registered the shares under their own name not later than the above date. Any such registration should be requested in good time ahead of the AGM at the party holding the shares in trust.

Notification of attendance

Notification of participation in the AGM must be made not later than 22 April at 2:00 p.m. by e-mail to ulrika.holmer@catenafastigheter.se. Notification can also be provided by telephone on +46 (0)730 70 22 46 or by letter to Catena AB (publ), General Meeting, Box 5003, SE-250 05 Helsingborg, Sweden. In the notification, shareholders should provide their name, personal identity number/corporate registration number, address, telephone number, any assistants and the number of shares. Any proxies should be made in writing and submitted not later than at the AGM. Proxy forms are available at www.catenafastigheter.se, from the head office in Helsingborg and will be sent to shareholders on request. It is advantageous for any participant planning to attend with the support of a proxy, certificate of incorporation or other certificates of authorisation to submit such documentation in good time ahead of the AGM to Catena AB.

En svensk version är tillgänglig på www.catenafastigheter.se.

Catena AB is a Swedish public limited-liability company. The company is incorporated and registered under Swedish law with the company name Catena AB (publ) and the corporate registration number 556294-1715. The company has its registered office in Solna, Sweden. Catena's annual report is available in Swedish and English with the Swedish version as the official version. The Annual Report is published on the company's website www.catenafastigheter.se from 30 March 2015. Printed versions are sent to shareholders and other stakeholders on request.

The Administration Report comprises pages 9-59. The financial reports comprise the pages 61-97 and were prepared in accordance with IFRS. All amounts are stated in SEK million unless otherwise specified. The figures in parenthesis pertain to 2013 unless otherwise stated.

Market information is based on Catena's assessment unless another source is specified. Assessments are based on the highest quality of data available at the time of preparing the Annual Report. This report also contains forward-looking statements. Even if Catena's management assess these statements as reasonable, no guarantees can be provided that these expectations will prove correct. Accordingly, actual future results can vary compared with what is shown in the forward-looking statements depending on, items including, changing conditions for the economy, market and competition, changes in the regulatory environment and other government actions as well as fluctuations in exchange rates and other factors. For financial and operational definitions, please refer to page 109.

Dividends

In the non-current, Catena's dividends should amount to 50 percent of profit from property management less standard rate tax. The Board of Directors will propose a dividend of SEK 3.00 per share to the AGM. This corresponds to 48 percent of profit from property management after standard rate tax.

Publication dates 2015

28 April 2015	Interim report January-March 2015
28 April 2015	2015 Annual General Meeting
13 July 2015	Interim report January-June 2015
6 November 2015	Interim report January-September 2015
19 February 2016	2015 year-end report

Follow us on the Web

All financial information, stock exchange notices, etc. are published on an on-going basis at www.catenafastigheter.se.

Selection of press releases from 2014

2 December 2014	Catena interest rate hedges SEK 500 million.
23 September 2014	Catena builds new terminal for DHL Freight in Malmö.
20 August 2014	Detailed planning for Catena's project in Solna gains legal force.
7 July 2014	Large scale lease signed at Katrineholm logistics centre.
22 May 2014	Catena sells property in Järfälla.
9 May 2014	Catena acquires property in Kungälv.
13 February 2014	Catena acquires properties valued at a total SEK 396 million in Haninge and Nässjö.

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Additional tables and diagrams can be found in the financial statements. See Table of Contents on page 61.



Hästhagen 4, Helsingborg.

CATENA

Catena shall own, efficiently manage and actively develop well-situated logistics properties. The overriding objective is to show strong cash flow to enable stable development and dividends for shareholders. Catena AB is listed on the Nasdaq Stockholm exchange.

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