

# CATENA Q4



## Year-end report, January–December 2017

- ▶ Rental income increased by 13 percent to SEK 892.0 million (786.6).
- ▶ Net operating surplus increased by 16 percent to SEK 671.2 million (578.1).
- ▶ Profit from property management increased by 39 percent to SEK 440.1 million (316.0).
- ▶ Profit for the year increased to SEK 634.7 million (338.4), corresponding to earnings per share of SEK 16.08 (10.20), including changes in value of SEK 318.5 million (70.6).
- ▶ Net asset value per share, EPRA NAV, increased to SEK 149.85 (135.76).
- ▶ The Board of Directors proposes a dividend of SEK 4.50 per share (3.50).

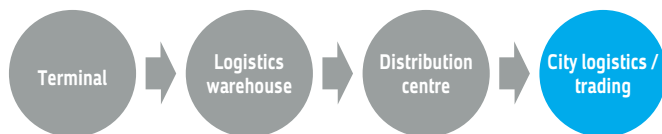
## Significant events in the fourth quarter

- ▶ Catena has acquired and occupied eight properties at a property value of approximately SEK 1.2 billion.
- ▶ Catena has been awarded logistics establishment of the year 2017 with its property in Ängelholm, with Boozt as the tenant.



## Smart solutions for logistics in and near the city

In previous reports, we have outlined the first three parts of the logistics chain. Although combinations of different logistics facilities are common on the same property or even in the same building, and so-called omni-warehouses is a growing concept, each part of the chain has a specific function. Some of the major current, and not least future, logistics challenges are to provide trade customers and consumers with goods of various kinds in the last stretch of the process. These recipients who have increasing demands on faster deliveries with more precise timing are located in growing urban areas, which were planned in another time with a limit to the amount and degree of traffic they can handle. The challenges are gathered under the concept of “Last Mile Distribution”.



### City logistics for sustainable and frequent deliveries

Certain distribution centres are specially designed for frequent, fast and short-distance transports of fast-moving consumer goods to retailers. This is called City logistics.

City logistics facilities are usually located on the outskirts of urban areas, or centrally in cost-effective locations suited to their function. They are equipped to assemble smaller packages of different products from different suppliers/carriers for immediate and frequent deliveries so that the goods can quickly be made available in the shops where there is a demand. This way, the shops, often located in expensive locations, can minimise storage area, tie up less capital and save on expenses.

In addition, the biggest environmental impact in a logistics chain mostly occurs in the last part of the transport to the customer, with poorly adapted vehicles and where capacity is at its lowest. Many major Swedish cities have a strained traffic situation, which, in addition to inefficient logistics, also increases the environmental impact, congestion and thereby irritation.

In many municipalities, warehouses and terminals have been successfully implemented just outside the city centre, where goods to both municipal and private businesses can be delivered in a manner based on recipients instead of senders. This enables transport with more accurate route planning, vehicle size flexibility and higher load capacity. Altogether, these solutions for city logistics entail more cost-effective and environmentally efficient logistics solutions. Catena is currently working with several municipalities and companies to develop this kind of city logistics solutions. One example is the facility currently being built by Catena for Svensk Cater in Sunnanå outside Malmö.

### E-commerce warehouses

E-commerce warehouses are distribution centres specialising in serving the growing e-commerce sector. These warehouses often have automated systems for picking and packing of goods for direct delivery to end customers or to delivery points where end customers can pick up their goods. Different industries and business models create different types of e-commerce flows. For example, online grocery shopping places high demands on close proximity to the consumer in order to handle the refrigeration chain while achieving efficient distribution. This requires central locations in urban areas. Other sectors such as the construction sector can cover a larger area, and thereby be centralised to a greater extent. Timing precision remains important but slightly longer lead times are often tolerated.

During the year, Catena has expanded E-city in Ängelholm as well as city logistics facilities in Malmö, Helsingborg and Gothenburg. It is also possible to combine e-commerce and shop restocking in one and the same facility, thereby creating a unit that supports omni-channel in a rational way.

### Future solutions right now

In 2017, Catena initiated a city logistics solution with Fabege, Ragn-Sells and Servistik in Arenastaden outside Stockholm. The aim is for the joint company Urban Services to create shared city logistics for all incoming and outgoing transports in Arenastaden, where there are currently 4,000 residents and 30,000 workplaces with over one million visitors a month. In total, there are an estimated 400,000 deliveries per year in the area, and the aim is to reduce these to 100,000 per year.

A common logistics solution is a solution of the future with the potential to create major benefits to customers while simultaneously resulting in cost and environmental savings in several parts of the logistics flow. Yet, it is a completely new type of solution and form of collaboration and, therefore, successful implementation is dependent on cross-border cooperation and exchange of information as well as mutually beneficial business models.



E-City Engelholm, Norra Varalöv 31:11, Ängelholm

### The Group in figures

	2017 Oct-Dec	2016 Oct-Dec	2017 Jan-Dec	2016 Jan-Dec
Rental income, SEK M	233.4	199.7	892.0	786.6
Net operating surplus, SEK M	170.3	148.2	671.2	578.1
Surplus ratio, %	73.0	74.2	75.2	73.5
Profit from property management, SEK M	107.1	81.3	440.1	316.0
Profit for the period/year, SEK M	103.7	165.8	634.7	338.4
Earnings per share, SEK	2.89	4.68	16.08	10.20
Equity ratio, %	32.3	31.6	32.3	31.6
Economic letting ratio, %	94.7	93.0	94.7	93.0

## ► Controlled growth with strong cash flows

*“The fourth quarter results confirm the positive trend we saw during the year. At the same time, we have strengthened our positions in Malmö, Gothenburg and the Stockholm area. An improved letting ratio has resulted in increased profit from property management and allowed us to continue to generate strong cash flow. This enables us to grow further with new projects in order to develop our portfolio.”*

### Earnings on which to build further

I am pleased to be able to say that Catena has again delivered in 2017. We succeeded in improving our letting ratio during the year, from 93 percent for 2016 to 94.7 percent by the end of 2017. A higher letting ratio, together with among other things, energy-enhancing measures in our properties, led to an increase in net operating surplus. Together with an improved financing structure, this entails that we can report stronger profit from property management. The farther down the income statement we get, the better it gets. Rental income for the full year is up 13 percent, net operating surplus up 16 percent and profit from property management is up 39 percent. This is according to plan and a prerequisite for continuing to grow and develop our portfolio of modern logistics properties. During the year, Catena became included in the EPRA, which has attracted new international investors.

### Development of the portfolio

Catena has a stated objective to grow through projects and acquisitions. We have prioritised active project development where we are well-equipped through strong finances and a land allocation of 1.7 million square metres. Initiated projects are being carried out according to plan. Boozt Fashion's premises in E-City Engelholm are completed, and the continued development of warehouse automation is progressing. In our FMCG cluster in Arlöv outside Malmö, Mathem and Espresso House have moved

in. FMCG logistics is an area that we are continuing to develop. The latest addition is Swedish Cater, which will move into the premises we are building in Malmö at the logistics location Sunnanå, one of our major development areas.

We also grow through acquisitions when there are opportunities to acquire strategically attractive items. This is usually the fastest way to grow and strengthen our positions in selected areas. A major and important acquisition during the fourth quarter was the five logistics properties in the Stockholm region we acquired from Kilenkryset with a total lettable area of approximately 91,500 square metres. The deal was financed through both a directed new share issue, loans and the Company's own funds. The acquisition strengthens our position in Stockholm/Mälardalen and provides us with new tenants and long leases that generate good cash flow. The building rights that accompany the properties of approximately 150,000 square metres also provide us with good opportunities for new production, which is a priority in our growth strategy. During the quarter, we also acquired three properties in Gothenburg. This strengthens our position in the Backa area, where we already own three properties. We have established ourselves in Mölndal, which we identified as a good logistics location, and we have broadened our customer base in Gothenburg with four new strong customers. In addition, during the year we acquired the previously jointly-owned development properties in the best logistics locations in Malmö and Helsingborg.

### Logistics in transformation

In 2017, we increased our property portfolio by 22 percent after investments and acquisitions. We are growing in a controlled and profitable manner while at the same time renewing our property portfolio, which is increasing in rational space and positioning Catena within attractive areas such as city logistics, e-commerce, omni-warehouses and terminals.

2017 was the year when e-commerce, in absolute terms, grew faster than the traditional retail in Sweden. Not least Black Friday, Cyber Monday and the ensuing Christmas retail season mapped out the future trend, where upward of 40 percent of the retail activity was online. E-commerce in regard to FMCG and dining out is also expected to grow strongly over the next few years. I see us continuing with new production in strategic locations and engaging further in conversion and expansion projects. This way, we can broaden our customer offering, increase our income, reduce expenses and improve our performance. By being well-informed, curious and responsive, we will continue to drive the logistics solutions of the future.

Helsingborg, February 2018

Benny Thögersen



# ► Income and profit

## Rental income

Rental income in the year increased by 13 percent to SEK 892.0 million (786.6). The increase is primarily due to the acquisition and leasing of vacant space.

Income from contracts with terms of more than three years accounted for approximately 68 percent of Catena's contractual annual rent, which entails stable income with no appreciable variation between periods, except in connection with acquisitions and sales. The average remaining lease period amounts to slightly more than five years.

## Duration of leases

Duration	Number of contracts	Contractual annual rent, SEK M	Contractual annual rent, %
2018	174	106.7	10
2019	79	100.0	9
2020	73	135.3	13
2021	33	164.6	16
2022	17	73.9	7
2023	20	112.4	11
2024+	47	358.5	34
<b>Total</b>	<b>443</b>	<b>1,051.4</b>	<b>100</b>

## Property expenses

Property expenses increased to SEK 220.8 million (208.5) due to a larger property portfolio but also increased maintenance of the properties. The effect of the increased rent has led to a decrease in media expenses for the properties. This is occurring as tenants take over media costs, which for vacant premises are paid by the landlord.

There are seasonal variations in the operation and maintenance of properties. Winters with much cold and snow entail higher costs for heating and snow removal. A hot summer can mean increased costs for cooling. These variations, which have the greatest impact during the winter and summer months, are, to some extent, offset by a change in billed expenses to tenants.

## Financial expenses

Financial expenses amounted to SEK 213.2 million (244.3) over the year. Catena has carried out a major reorganisation and extension of SEK 2,266 million of the Group's swap agreements, which represent a total volume of SEK 4,458 million. Existing

swaps with a negative fair value, including accrued coupon interest, of SEK 276.6 million have been discontinued as per 23 March 2017. The restructuring has been value-neutral, meaning that the expense of discontinuing the old swaps and the accrued coupon interest, does not affect liquidity for the period – instead, the bank will be compensated as a supplement to the current swap rate over the maturity of the new swaps. As a non-recurring effect, due to unpaid accrued coupon interest on discontinued swap agreements, the interest expense for the first quarter was affected positively by SEK 16.6 million. The corresponding expense is recovered as part of the year's unrealised value change in derivatives.

## Profit

Profit from property management rose by SEK 124.1 million to SEK 440.1 million, compared with the previous year – an increase of 39 percent. The main reasons for the improved profit from property management are an increase in the portfolio and a higher letting ratio. Other significant effects, which can be described as non-recurring in character, are in addition to the aforementioned restructuring of swap agreements, the deconsolidation effect of Tribona being reported as an associated company. The latter affected the corresponding period in 2016 negatively by SEK 12 million.

Profit for the year amounted to SEK 634.7 million, which is SEK 296.3 million higher than in the previous year. The higher result is largely due to changes in value of investment properties of SEK 377.4 million (148.1) and that changes in value of derivatives have affected earnings positively by SEK 25.8 million (negative 38.1). The year's positive change in the value of properties and derivatives is partly offset by the write-down of goodwill from the Tribona acquisition of a negative SEK 76.6 million (38.9).

On 18 May 2017, arbitration was announced in dispute proceedings regarding the redemption of shares in Tribona AB. The arbitration entails an increased purchase consideration for the shares totalling SEK 8.1 million including fees. As the purchase price allocation for Tribona is closed, this additional purchase consideration is recognised as an expense under Value change goodwill etc. in the consolidated income statement.

The unrealised changes in value are of an accounting nature and do not affect cash flow.

## Regions

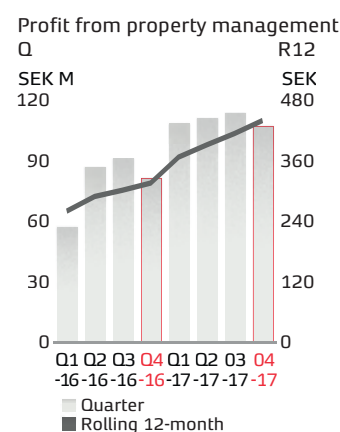
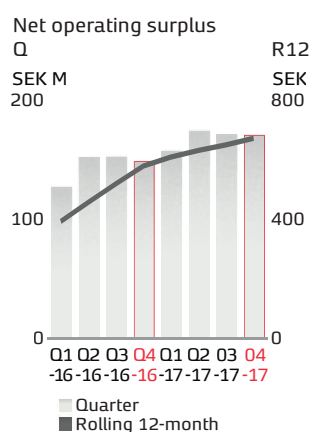
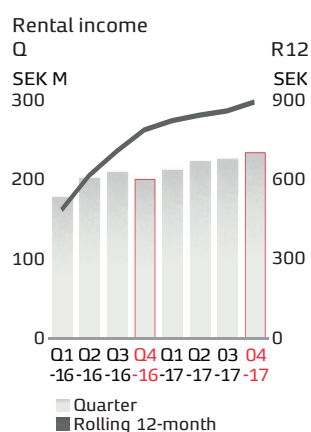
SEK M	2017 Oct-Dec	2016 Oct-Dec	2017 Jan-Dec	2016 Jan-Dec
<b>Rental income</b>				
Gothenburg	35.5	32.1	130.3	126.3
Helsingborg	41.7	29.6	146.1	115.5
Jönköping	22.1	22.6	93.9	86.5
Malmö	39.7	27.2	145.0	117.5
Stockholm	94.4	88.2	376.7	340.8
<b>Total</b>	<b>233.4</b>	<b>199.7</b>	<b>892.0</b>	<b>786.6</b>

## Regions

SEK M	2017 Oct-Dec	2016 Oct-Dec	2017 Jan-Dec	2016 Jan-Dec
<b>Net operating surplus</b>				
Gothenburg	29.8	27.0	111.2	103.6
Helsingborg	27.3	21.8	100.9	85.7
Jönköping	14.2	14.3	67.4	59.1
Malmö	25.4	13.3	93.0	64.9
Stockholm	73.6	71.8	298.7	264.8
<b>Total</b>	<b>170.3</b>	<b>148.2</b>	<b>671.2</b>	<b>578.1</b>

## Consolidated Statement of Comprehensive Income

SEK M	2017 Oct-Dec	2016 Oct-Dec	2017 Jan-Dec	2016 Jan-Dec
Rental income	233.4	199.7	892.0	786.6
Property expenses	-63.1	-51.5	-220.8	-208.5
<b>Net operating surplus</b>	<b>170.3</b>	<b>148.2</b>	<b>671.2</b>	<b>578.1</b>
Central administration	-8.4	-6.9	-30.9	-33.0
Other operating income	0.6	4.2	1.7	10.3
Other operating expenses	-0.7	-6.3	-1.1	-6.7
Interest in profits from associated companies	1.3	1.9	8.3	-6.0
Financial income	0.6	1.3	4.1	17.6
Financial expenses	-56.6	-61.1	-213.2	-244.3
<b>Profit from property management</b>	<b>107.1</b>	<b>81.3</b>	<b>440.1</b>	<b>316.0</b>
Realised changes in value of investment properties	-	4.7	86.3	9.8
Unrealised changes in value of investment properties	20.6	9.9	291.1	138.3
Changes in value goodwill, etc.	-	-	-84.7	-38.9
Changes in values of derivatives	2.6	104.5	25.8	-38.6
<b>Profit before tax</b>	<b>130.3</b>	<b>200.4</b>	<b>758.6</b>	<b>386.6</b>
Tax for the period	-26.6	-34.6	-123.9	-48.2
<b>Profit for the period/year</b>	<b>103.7</b>	<b>165.8</b>	<b>634.7</b>	<b>338.4</b>
<b>Other comprehensive income</b>				
Translation difference	4.5	-0.8	4.2	7.3
<b>Comprehensive income for the period/year</b>	<b>108.2</b>	<b>165.0</b>	<b>638.9</b>	<b>345.7</b>
Comprehensive income for the period/year distributed among the Parent Company's shareholders	108.2	165.0	579.5	345.7
Comprehensive income for the period/year distributed among non-controlling interests	-	-	59.4	-
<b>Key share data</b>				
Shareholders' equity, SEK per share	122.86	109.13	122.86	109.13
Net asset value per share, EPRA NAV, SEK	149.85	135.76	149.85	135.76
Profit for the period/year, SEK per share	2.89	4.68	16.08	10.20
Number of shares outstanding, millions	37.4	35.7	37.4	35.7



# Financial position

## Cash flow

SEK M	2017 Jan-Dec	2016 Jan-Dec
Profit before tax	758.6	386.6
Adjustments for non-cash items	-337.0	-90.7
Tax paid	-2.9	-1.6
<b>Cash flow before changes in working capital</b>	<b>418.7</b>	<b>294.3</b>
Change in operating receivables	26.2	-99.0
Change in operating liabilities	-41.0	94.2
<b>Cash flow from operating activities</b>	<b>403.9</b>	<b>289.5</b>
Acquisition of assets via subsidiaries	-632.0	-827.8
Divestment of operations	174.3	462.2
Acquisition of minority share	-71.6	-
Investments in investment properties	-520.3	-574.7
Divestment of investment properties	-	140.0
Acquisitions of property, plant and equipment	-0.6	-0.4
Change in financial assets	238.7	222.6
<b>Cash flow from investment operations</b>	<b>-811.5</b>	<b>-578.1</b>
New share issue	-	323.0
Change in loans	481.8	9.2
Dividend paid	-125.1	-99.7
<b>Cash flow from financing operations</b>	<b>356.7</b>	<b>232.5</b>
<b>Cash flow for the year</b>	<b>-50.9</b>	<b>-56.1</b>
<b>Opening cash and cash equivalents</b>	<b>145.5</b>	<b>201.5</b>
Exchange rate difference in cash and cash equivalents	0.2	0.1
<b>Closing cash and cash equivalents</b>	<b>94.8</b>	<b>145.5</b>

## Statement of financial position

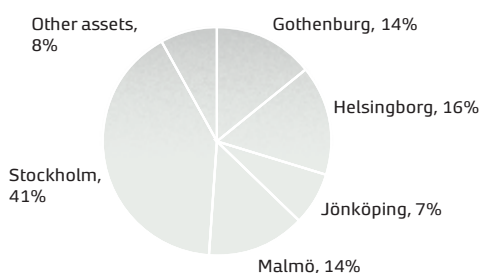
SEK M	2017 31 Dec	2016 31 Dec
<b>Assets</b>		
<b>Non-current assets</b>		
Goodwill	503.0	613.5
Investment properties	13,131.1	10,786.4
Property, plant and equipment	2.0	2.3
Financial fixed assets	241.6	88.2
Deferred tax asset	136.2	135.6
<b>Current assets</b>		
Current receivables	137.9	573.4
Cash and cash equivalents	94.8	145.5
<b>Total assets</b>	<b>14,246.6</b>	<b>12,344.9</b>
<b>Equity and liabilities</b>		
Equity attributable to Parent Company shareholders	4,596.5	3,899.9
Equity attributable to non- controlling interests	-	4.4
<b>Non-current liabilities</b>		
Liabilities to credit institutions	6,251.5	2,788.0
Deferred tax liability	1,203.5	1,125.7
Other non-current liabilities	535.9	517.5
<b>Current liabilities</b>		
Liabilities to credit institutions	1,316.7	3,669.2
Other current liabilities	342.5	340.2
<b>Total shareholders' equity and liabilities</b>	<b>14,246.6</b>	<b>12,344.9</b>

Cash flow for the year before changes in working capital improved by SEK 124.4 million to SEK 418.7 (294.3). Cash flow was affected by both significant acquisitions and disposals.

Cash flow for the year's 18 acquired subsidiaries, including the four former joint venture-owned companies, amounted to SEK 632.0 million.

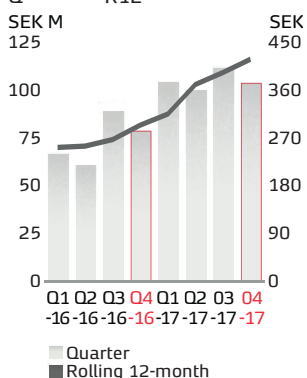
At the end of the year, cash and cash equivalents amounted to SEK 94.8 million (145.5).

### Distribution of assets

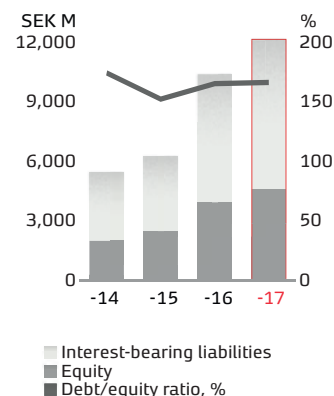


Total assets, SEK 14,246.6 million

### Cash flow before change in working capital



### Capital structure



### Change in Equity

SEK M	2017 31 Dec	2016 31 Dec
<b>Opening balance</b>	<b>3,904.3</b>	<b>2,477.8</b>
Dividend paid to shareholders	-125.1	-99.7
New share issue <sup>*)</sup>	250.0	1,180.5
Translation difference	4.2	7.3
Acquisition of minority share	-63.8	-
Transactions with minority owners	-7.8	-
Comprehensive income for the year attributable to non-controlling interests	59.4	-
Profit for the year attributable to Parent Company's shareholders	575.3	338.4
<b>Closing balance</b>	<b>4,596.5</b>	<b>3,904.3</b>
Attributable to:		
Parent Company's shareholders	4,596.5	3,899.9
Non-controlling interests	-	4.4

<sup>\*)</sup> A new share issue of SEK 250 million has been used for settlement of liabilities from acquisitions.

### Liabilities to credit institutions

Liabilities to credit institutions amounted to SEK 7,568.2 million (6,457.2) and the loan framework amounted to SEK 7,996.3 million on 31 December 2017.

### Fixed interest

Year	SEK M	Interest rate, % <sup>1)</sup>	Share, %
2018	2,673.6	2.4	35.3
2019	77.0	0.4	1.1
2020	282.0	1.4	3.7
2021	769.7	4.4	10.2
2022	500.0	3.8	6.6
2023	500.0	3.2	6.6
2024	500.0	2.9	6.6
2025	1,122.0	3.9	14.8
2026	1,143.9	4.2	15.1
<b>Total</b>	<b>7,568.2</b>	<b>3.2</b>	<b>100.0</b>

<sup>1)</sup> Refers to the current average interest rate as per 31 December 2017. Interest rates are adjusted in line with the changes in the general interest rate but are limited by interest-rate caps.

### Capital tied-up

Year	Contract volume, SEK M	Utilised, SEK M	Unutilised, SEK M
2018	1,361.9	1,261.9	100.0
2019	2,857.4	2,529.3	328.1
2020	3,098.3	3,098.3	-
2021	612.7	612.7	-
>2022	66.0	66.0	-
<b>Total</b>	<b>7,996.3</b>	<b>7,568.2</b>	<b>428.1</b>

During the year, Catena has renegotiated financing agreements with a total framework of approximately SEK 5.5 billion. Fixed interest on average amounts to 4.1 years.

During the year, the final part of the deferred purchase consideration for the sale of the project Haga Norra in Solna of SEK 300 million was received. At the same time, the acquisition credit for Tribona, also SEK 300 million, was resolved.

### Bond financing

Catena's outstanding covered (through property mortgages) bond financing amounts to SEK 878 million and is fully financed through Svensk FastighetsFinansiering AB (SFF).

SFF issues bonds on the Swedish capital market through a covered MTN programme of SEK 12,000 million. SFF is equally owned by Catena, Diös, Fabège, Platzer and Wihlborgs.

During the year, Catena signed new financing agreements for SEK 555 million via SFF.

### Derivative instruments

Financial instruments consist of derivative instruments in Category 2 of the valuation hierarchy. The derivatives are marked-to-market, meaning that the carrying amount agrees with the fair value. The change is recognised in profit or loss. The carrying amount was a negative SEK 445.5 million (-464.5). The change in the value of the derivatives does not affect cash flow and, on reaching maturity, the value of derivatives is always zero.

The nominal value of the derivatives is equivalent to 63 percent of consolidated liabilities to credit institutions.

### 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	2021	2.7	191.7
2013	2021	2.8	56.0
2013	2021	2.8	22.0
2012	2022	2.3	500.0
2014	2023	1.7	500.0
2014	2024	1.4	500.0
2017	2025	2.4	561.0
2017	2025	2.3	561.0
2017	2026	2.7	572.0
2017	2026	2.7	572.0
<b>Total</b>			<b>4,535.6</b>

### Interest rate hedges through interest-rate caps

Start year	End year	Interest rate, %	SEK M
2013	2018	2.0	248.3
<b>Total</b>			<b>248.3</b>



Tågarp 16:17, Burlöv

# ► The property portfolio

## Property portfolio

SEK M	Fair value	No. properties
Property portfolio at beginning of year	10,786.4	94
Acquisitions <sup>*)</sup>	1,960.6	18
Investments in existing properties	502.2	
Sales	-419.9	-3
Translation differences, etc.	10.7	
Unrealised changes in value	291.1	
<b>Total investment properties</b>	<b>13,131.1</b>	<b>109</b>

<sup>\*)</sup> Property value after deduction of deferred tax and transaction expenses

## Changes in property stock

During the year, Catena acquired properties with a value of SEK 1,960.6 million and sold properties for SEK 419.9 million.

In addition, ongoing investments have been made in existing properties by SEK 502.2 million. The largest ongoing project is at the Solsten 1:102 property in Härryda, where Catena is building a 11,200-square-metre terminal for Bring. An extension of Oriola's high-bay storage facility has also been recently completed on the property.

At the property Tågarp 16:17 in Burlöv, a former ICA warehouse was converted to modern logistics facilities for Espresso House and MatHem – a project that is now completed.

The E-City Engelholm project, of which 58,000 square metres is completed, is continuing and project development of new stages has begun.

Work on the Stockholm property Nattskiftet 11, which has been remodelled in stages in recent years, is continuing and we are now working to finalise the premises for Västberga Åkeri and Grönsakshallen Sorunda.

## Property valuation

Unrealised changes in value of Catena's properties have arisen as a result of coordination, well-executed projects and good property management and amounted to SEK 291.1 million in the year. At the same time, goodwill of SEK 76.6 million has been derecognised in profit or loss with an assessment that the expected synergies from the Tribona acquisition have now materialised in the form of increased property values. The purchase price

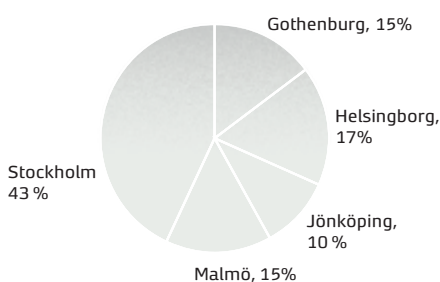
allocation for Tribona has now been finalised, with a slightly reduced goodwill and corresponding reduction in the deferred tax liability. With these changes, remaining goodwill consists solely of what is associated with deferred tax in the properties of the Tribona portfolio acquired through a business combination. A detailed summary of the acquisition will be presented in Catena's Annual Report.

Each quarter, Catena implements internal valuations of all its investment properties and this is used to determine the fair values recognised in the balance sheet. During the winter, SEK 4.2 billion of the property portfolio was valued externally.

All of the Group's investment properties are assessed as being at level 3 in the valuation hierarchy. A detailed description of the valuation principles is available on pages 50–51 of Catena's Annual Report for 2016.

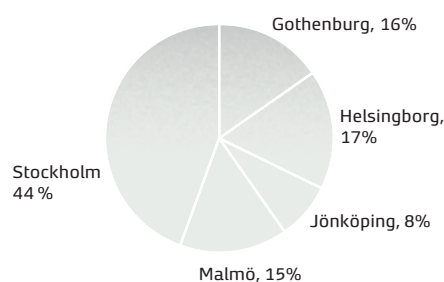
Some leeway is allowed between the value according to the internal valuation and real value before adjustment of real value is carried out. The discrepancy should be within a range controlled by a permitted discrepancy from the established direct yield requirement of +/-0.25 percent. Only when the deviation exceeds or falls short of this range is the real value adjusted. This deviation is accepted since there is always some uncertainty in estimated figures.

Rental value by region



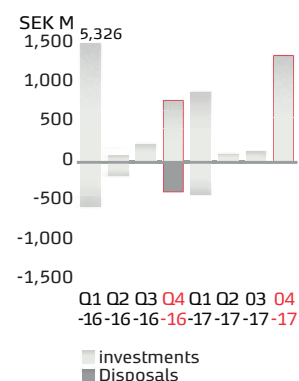
Rental value, SEK 1,109.9 million

Property portfolio by region



Fair value, SEK 13,131.1 million

Investments and divestments





## Properties by region

Regions	Number of properties	Lettable area, thousand sq. m.	Fair value, SEK M	Rental value, SEK M	Economic letting ratio, %	Contractual annual rent, SEK M	Surplus ratio, %
Gothenburg	15	224.9	2,035.2	165.4	98	162.0	85
Helsingborg	24	347.8	2,216.4	187.2	92	171.6	69
Jönköping	12	209.6	1,071.8	114.2	88	100.6	72
Malmö	18	211.0	1,993.2	166.6	98	162.6	64
Stockholm	40	668.3	5,814.5	476.5	95	454.6	79
<b>Total</b>	<b>109</b>	<b>1,661.6</b>	<b>13,131.1</b>	<b>1,109.9</b>	<b>95</b>	<b>1,051.4</b>	<b>75</b>

## Property acquisition

Property designation	Transfer date	Region	Municipality	Space, sq. m.	Property Value, SEK M	Rental income/year, SEK M
Sunnanå 5:16	10 Jan 2017	Malmö	Burlöv	Land	9.3	0.1
Vångagärdet 20	1 Feb 2017	Helsingborg	Helsingborg	25,690	101.5	8.0
Kärå 1:23	8 Mar 2017	Helsingborg	Ängelholm	Land	3.5	0.1
Morup 5	29 Mar 2017	Malmö	Malmö	24,931	89.1	15.0
Sunnanå 12:51 <sup>*)</sup>	30 Mar 2017	Malmö	Burlöv	16,940	300.0	18.7
Sunnanå 12:52 <sup>*)</sup>	30 Mar 2017	Malmö	Burlöv	Land	120.0	0.0
Plantehuset 2 <sup>*)</sup>	30 Mar 2017	Helsingborg	Helsingborg	4,694	60.0	3.2
Plantehuset 3 <sup>*)</sup>	30 Mar 2017	Helsingborg	Helsingborg	Land	80.0	0.0
Part of Björrod 1:3 mfl	31 July 2017	Gothenburg	Härryda	Land	15.3	0.0
Mappen 4	16 Aug 2017	Stockholm	Linköping	Land	6.7	0.0
Backa 23:2	1 Dec 2017	Gothenburg	Gothenburg	3,984	71.5	5.3
Generatoren 11	1 Dec 2017	Gothenburg	Möndal	1,995	29.0	2.8
Klarinetten 1	1 Dec 2017	Gothenburg	Möndal	3,667	58.0	5.3
Källstalöt 1:6 & 1:7	15 Dec 2017	Stockholm	Eskilstuna	32,200	309.2	17.9
Stenvreten 8:33	15 Dec 2017	Stockholm	Enköping	10,873	269.2	15.4
Rosersberg 11:81	15 Dec 2017	Stockholm	Sigtuna	22,605	255.3	15.4
Rosersberg 11:116	15 Dec 2017	Stockholm	Sigtuna	10,171	177.7	9.7
Statorn 31	15 Dec 2017	Stockholm	Norrköping	15,708	92.6	7.0
<b>Total</b>				<b>173,458</b>	<b>2,047.9</b>	<b>123.9</b>

\*) During the first quarter, Catena acquired the remaining shares in four properties previously owned through a joint venture. On their conversion into wholly owned companies, the Group first conducted a sale of the joint venture shares, generating a capital gain of SEK 68.1 million because the companies had a higher valuation at the time of sale than previously. Two of the properties are project properties, which made them difficult to value.

## Property sales

Property designation	Vacated	Region	Municipality	Space, sq. m.	Property Value, SEK M	Earnings, SEK M
Regulatern 2 <sup>*)</sup>	23 Feb 2017	Stockholm	Huddinge	45,203	365.0	10.0
Ädelmetallen 1	15 Mar 2017	Jönköping	Jönköping	20,757	96.0	8.2
Boländerna 22: 9	1 July 2017	Stockholm	Uppsala	3,546	5.0	0.0
<b>Total</b>				<b>69,506</b>	<b>466.0</b>	<b>18.2</b>

\*) During the first quarter, Catena divested 50 percent of the property Regulatern 2. The remaining 50 percent has been converted into a joint venture interest. On conversion into a joint venture, the Group first implemented a 100-percent sale, which generated a capital gain of SEK 10 million.



Solsten 1:102, Härryda

Property portfolio continued

A selection of current properties

**Källstalöt 1: 6 & 1: 7, Eskilstuna**

The property is located in Eskilstuna and is one of the properties that Catena acquired from Kilenkrysset. The property is 32,200 square metres and has Volvo as the sole tenant. The property also has a buildable area of approximately 75,000 square metres.



**Sunnanå area, Burlöv**

Outside Malmö, Catena is building an 8,500-square-metre distribution centre for Svensk Cater. Occupancy is scheduled for autumn 2018, and this is the second property that Catena is building in the area. Catena is working intensively to further develop the area with new tenants on the area totalling 360,000 square metres.

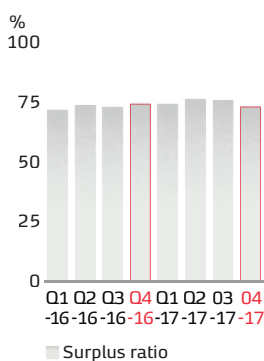


**Lagret 1, Nässjö**

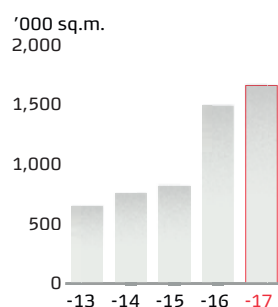
In the property Lagret 1 in Nässjö, Intersport has moved in its central warehouse. In connection with this, an automated picking and packing system has been installed. The property is 24,400 square metres and is located next to the main building directly adjacent to the container terminal. Catena has another property in the area and a land allocation with room for more tenants.



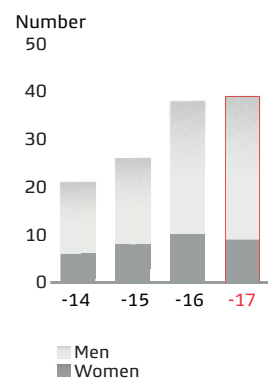
Surplus ratio



Logistics space



Personnel, Group



### Current earnings capacity

SEK M	2017 31 Dec	2017 30 Sep
Rental income	1,042.6	939.7
Property expenses	-260.6	-234.9
<b>Net operating surplus</b>	<b>782.0</b>	<b>704.8</b>
Central administration	-32.0	-31.2
Interest in profits from associated companies	8.0	9.0
Net financial items	-230.5	-210.8
<b>Profit from property management</b>	<b>527.5</b>	<b>471.8</b>
Tax for the period	-116.0	-103.8
<b>Profit for the period</b>	<b>411.5</b>	<b>368.0</b>
<b>Key share data</b>		
Profit for the period/year, SEK per share	11.00	10.30
Number of shares outstanding, millions	37.4	35.7

In the table, Catena presents its earnings capacity on a 12-month basis. As this table is not equivalent to a forecast, but is intended to reflect a normal year, the actual outcome may differ because of decisions that affect the outcome positively as well as negatively in relation to normal years, like unforeseen events. The presented earnings capacity does not include any assessment of changes in rent, vacancy or interest rate. Catena's profit or loss is also affected by changes in value and changes in the property portfolio as well as changes in the

value of derivative instruments. None of this has been taken into account in the current earnings capacity. The net operating surplus is based, as at the balance sheet date, on contracted leases and normalised property costs for the current portfolio. Financial expenses are based on Catena's average interest rate level including hedges for current loan debt less deducted interest rate in normal project volume. The tax is calculated on a conventional basis according to the tax rate at any given time.

### Yield

	2017 31 Dec
<b>EPRA NIY (initial yield)</b>	<b>6.3%</b>
<b>EPRA "topped-up" NIY (normalized yield)</b>	<b>6.7%</b>

Catena presents a direct yield here in the form of "Net Initial Yield (NIY)" and "topped-up" Net Initial Yield in accordance with EPRA's definitions. Both key figures are calculated on the basis of Investment properties according to the consolidated balance sheet plus addition of ownership of investment properties in joint ventures and after deductions for development land and projects not yet completed. Net initial yield (NIY) is based on contracted annual rent for properties in Catena's own portfolio as well as our share of contracted annual rent in properties owned by joint ventures after deduction of

initial discounts. From these annual rents, deductions are made for expected operating and maintenance expenses, property tax, ground rent and property administration. The net operating surplus calculated in this way differs from current earnings capacity mainly because contracted annual rent and expenses for projects not yet completed are not included. In the calculation of EPRA "topped-up" NIY, contracted annual rent is used without deduction of initial discounts.



Lagret 4, Nässjö

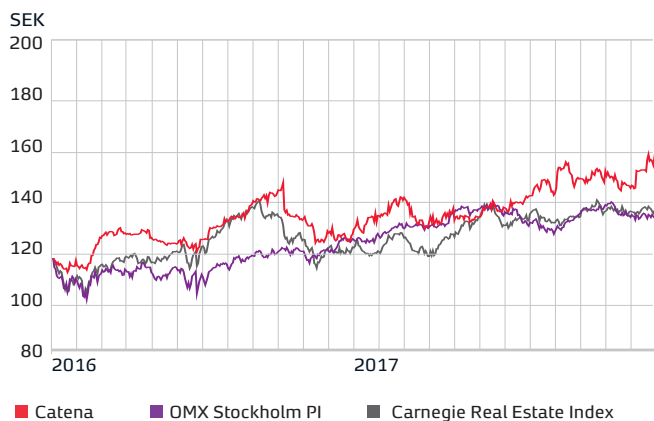
# ► Shares and shareholders

## The Catena share

On the closing date, the Catena share was registered on the Nasdaq Stockholm – Nordic Mid Cap list. The closing price on 29 December 2017 was SEK 155.50, against the opening price of SEK 128.50 on 2 January 2017, representing an increase of 21 percent over the year. During the year, the highest price noted for the Catena share was SEK 158.50 and the lowest was SEK 124.25. Catena's share has been included in the international property index EPRA since autumn 2017.

As at 31 December, Catena had 2017 shareholders and the number of shares amounted to 14,678.

Share price trend 1 October 2015 – 31 December 2017



## Ownership structure at 31 January 2018, major shareholders

	No. of shares, 000s	Votes, %
Backahill	11,221	30.0
Endicott Sweden AB (CLS Holding plc)	3,971	10.6
Länsförsäkringar fondförvaltning AB	3,348	9.0
SFU Sverige AB	1,810	4.8
Kilen 134 Strängnäs AB	1,678	4.5
Handelsbankens Fonder	1,295	3.5
Nordea Investment Funds	1,014	2.7
Citi Switz AG AS Agent For Clients	905	2.4
Skagen M2 Verdipapirfondet	571	1.5
RBC Investor Services Bank S.A.	570	1.5
BPSS LDN /TR Property Investment TRU	520	1.4
JP Morgan Bank Luxembourg S.A. A.	475	1.3
SEB Investment Management	433	1.2
Other shareholders	9,603	25.6
<b>Total</b>	<b>37,414</b>	<b>100.0</b>

## Dividend policy

In the long term, Catena's dividends shall amount to at least 50 percent of profit from property management less standard rate tax.

## Financial reporting

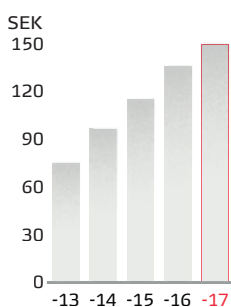
26 April 2018	2018 Annual General Meeting
26 April 2018	Interim report January – March 2018
10 July 2018	Interim report April – June 2018
26 October 2018	Interim report July – September 2018
15 February 2019	Year-end Report 2018
25 April 2019	2019 Annual General Meeting
25 April 2019	Interim Report January – March 2019

## Contact

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Peter Andersson, Vice VD, CFO  
 peter.andersson@catenafastigheter.se  
 Telephone +46 (0)42 449 22 44

Net asset value, EPRA NAV



Backa 23:2, Göteborg

# ► Parent Company's financial statements

## Parent Company Income Statement

SEK M	2017 Jan-Dec	2016 Jan-Dec
Net sales	44.0	47.6
Cost of services performed	-73.8	-70.0
<b>Operating profit/loss</b>	<b>-29.8</b>	<b>-22.4</b>
<b>Financial income and expenses</b>		
Other interest income and similar income	137.6	101.0
Profit from participations in Group companies	49.4	226.6
Interest expenses and similar expenses	-259.7	-321.8
<b>Profit before appropriations and taxes</b>	<b>-102.5</b>	<b>-16.6</b>
Appropriations	-17.1	-0.1
Tax on profit for the year	-45.2	-14.3
<b>Comprehensive income for the year</b>	<b>-164.8</b>	<b>-31.0</b>

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, Parent Company

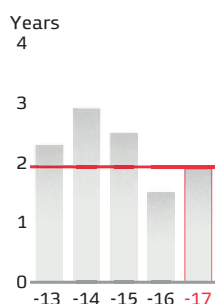
SEK M	2017 31 Dec	2016 31 Dec
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2.0	2.3
Financial fixed assets	3,263.3	3,252.6
Deferred tax asset	96.8	39.4
Long-term receivables	2.3	4.1
<b>Current assets</b>		
Receivables from Group companies	5,201.9	3,983.1
Receivables from associated companies	0.2	92.7
Current receivables	5.9	6.6
Cash and cash equivalents	38.7	113.7
<b>Total assets</b>	<b>8,611.1</b>	<b>7,494.5</b>
<b>Equity, provisions and liabilities</b>		
Equity	2,128.9	2,168.9
Untaxed reserves	17.2	0.1
<b>Non-current liabilities</b>		
Other non-current liabilities	439.2	177.9
<b>Current liabilities</b>		
Liabilities to credit institutions	439.0	316.8
Liabilities to Group companies	5,534.9	4,740.3
Liabilities to associated companies	6.1	46.4
Other current liabilities	45.8	44.1
<b>Total shareholders' equity and liabilities</b>	<b>8,611.1</b>	<b>7,494.5</b>



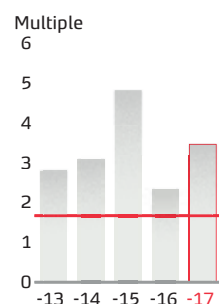
Solsten 1:102, Hårryda

## Financial targets

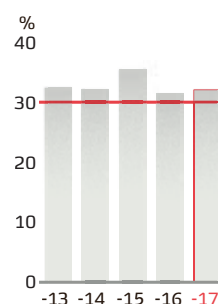
Average capital tied-up



Interest-coverage ratio



Equity ratio



## Significant events during the year



At the beginning of the year, Catena participated in a secured, through property mortgages, bond through SFF totalling SEK 234 million, with the Drivremmen 1 terminal in Stockholm. SEK 170 million matures on 20 April 2020 with a fixed annual nominal interest rate of 1.42 percent, and SEK 64 million maturing on 9 March 2020 with a floating interest rate of three-months STIBOR plus 1 percent with an effective margin of 1.1 percent.

In February, Catena entered into an agreement to relinquish 50 percent of Catena Regulatorn AB, which owns the Regulatorn 2 property in Huddinge, south of Stockholm. Regulatorn 2 has a lettable area of 45,000 square metres with annual rental income of SEK 32 million. The property, which in the long term is unsuitable for logistics operations, will be developed together with the new owner, WA Huddinge AB, which will work to develop a new detailed development plan for the area. The underlying property value for the entire property was SEK 365 million and the purchase consideration for 50 percent of the shares was SEK 77 million.

On 15 March, Catena signed a contract relinquishing the Ädelmetallen 1 property in Jönköping with a lettable area of 21,000 square metres and which was, at the time of sale, about to be vacated. The purchase consideration and underlying property value amounted to about SEK 96 million.

In March, Catena performed a larger-scale, value-neutral reorganisation and extension of about SEK 2.3 billion of the company's swap agreements, entailing lower interest rates over a longer period. The weighted average interest rate in the swap portfolio is lowered by about 0.3 percent, from 2.6 to 2.3 percent.

The Morup 5 property in Malmö was acquired and taken control of by Catena at the end of March through a corporate transaction with an underlying value of SEK 89 million. The property has a lettable area of 25,000 square metres and an annual rental income of SEK 15 million with Bring being the seller and largest tenant. The purchase consideration amounted to SEK 22 million and was financed through the company's own funds.

On 30 March, Catena acquired the remainder of the four partly-owned companies from Peab for a total underlying property value of SEK 560 million. The purchase consideration for the remaining 50 percent of all of the companies and properties totalled SEK 104 million. Read more about the properties included in the transaction on page 9.



In April, Catena resolved to invest SEK 106 million in the Sunnanå 12:52 property in Burlöv, outside Malmö, with construction scheduled to commence in autumn 2017. The investment comprises a 8,500-square-metre distribution centre, for which a lease has been signed with Svensk Cater AB for ten years, and is expected to generate a net operating surplus of approximately SEK 7 million annually. Occupancy is scheduled for autumn 2018.

At the 2017 Annual General Meeting, former CEO Gustaf Hermelin was appointed as the new Chairman of the Board of Directors of Catena. At the same time, Deputy CEO Benny Thøgersen was appointed as the new CEO and CFO Peter Andersson was appointed as the new Vice President. They all entered their new posts in conjunction with the Annual General Meeting on 27 April 2017. At the meeting, new auditor Mats Åkerlund was also appointed.

In May, Catena entered into a collaboration as one of four owners of the newly formed company Urban Services in Solna, with the aim of offering logistics and services primarily to property owners, tenants and construction contractors in the expansive Arenastaden in Solna.

On 4 May, Catena, via SFF, participated in a covered, through property mortgages, bond totalling SEK 244 million with the terminals Burlöv Sunnanå 12:52 and Eskilstuna Ekeby 2:2. The increase has been made in SFF's loan No. 105, with a coupon of three-months STIBOR plus 1.00 percent. The issue has been issued at an effective interest rate of three-months STIBOR plus 0.94 percent. The loan matures on 9 March 2020.



Catena has signed an agreement with Falvir AB to acquire the remaining 40 percent of Queenswall AB, with 1 October as the transfer date. The purchase consideration amounts to just over SEK 70 million. Underlying property value for completed buildings and remaining developable land amounts to SEK 498 million. Catena acquired 60 percent of the company in July 2015. The company currently owns 205,000 square metres of land along the E6 motorway south of Ängelholm, where 58,000 square metres of logistics area adapted for e-commerce has been completed.

In August, Catena acquired Mappen 4 in Linköping from



Plantehuset 2, Helsingborg

Linköping Municipality. On the 22,000-square-metre piece of land, Catena will build an approximately 6,000 square metre distribution centre with both cold storage warehouses and offices. The investment amounts to SEK 80 million and Bring will be the first tenant with 2,400 square metres, and occupancy scheduled for summer 2018. Further negotiations with tenants are ongoing and, fully-leased, the rental value amounts to approximately SEK 7 million annually.

On 31 August, Catena signed a seven-year lease agreement with Nowaste Logistics AB for 30,400 square metres in new construction. The investment amounts to SEK 220 million. The property is expected to be operational on 1 September 2018. The annual rent amounts to approximately SEK 18 million. Catena owns a land area of approximately 270,000 square metres of land in the Tostarp industrial area outside Helsingborg. Here, there is the opportunity for new construction of a logistics area of approximately 105,000 square metres, and the new building for Nowaste will be in the middle of a logistics cluster at the best signage position next to the E6.

On 19 September, Catena signed a ten-year lease agreement with Cramo AB for 3,400 square metres. Catena will invest SEK 82 million in a completely new facility that will be built in the Björrod industrial area in Härryda Municipality. The property is expected to be operational during spring 2018 and comprises warehouse space, offices and workshop space as well as a 34,000-square-metre site for Cramo's operations. The annual rent amounts to approximately SEK 6 million.

In September, Erik Paulsson, member of Catena's Board of Directors since 2013, informed the Chairman of the Board that he will be leaving his Board position at the Annual General Meeting on 26 April 2018. In accordance with normal procedures, the Nomination Committee will now propose the election of a prospective replacement ahead of the 2018 Annual General Meeting.

On 2 October, Catena AB presented its offer to the shareholders of Klockarbäcken Property Investment AB (publ) ("Klockarbäcken") to acquire all shares in Klockarbäcken. As a payment for their shares in Klockarbäcken, Catena is offering shareholders in Klockarbäcken newly issued shares in Catena. The value of the bid corresponds to SEK 110 per share in Klockarbäcken. On 18 October, Catena extended the accept-

ance period for the offer. On 9 November, Catena decided to withdraw the offer, as all completion criteria were not met at the end of the acceptance period.

In mid-October, Catena won the first prize in Intelligent Logistik's competition "Logistics Establishment of the Year 2017". The award went to the logistics property Norra Varalöv 31:11 with Boozt Fashion as the tenant. The property is part of the e-commerce cluster E-City Engelholm that Catena is building in Ängelholm.

On 1 December, Catena acquired and occupied three properties in Gothenburg at a property value of SEK 158.5 million. The Backa 23:2 property neighbours Catena's other properties in Hisings Backa, a well-situated area adjacent to the E6 motorway. The property has a lettable area of approximately 4,000 square metres. The Generatorm 11 and Klarinetten 1 properties are located in Mölndal and have a combined lettable area of 12,000 square metres. The properties have a rental value of slightly more than SEK 13 million and are fully leased with contracts lasting until 2021 to 2023, resulting in a remaining average lease term of 5.3 years.

In mid-December, Catena acquired five logistics properties worth SEK 1.1 billion from Kilenkryset. The purchase consideration will be paid in part by means of 1,678,017 newly issued shares in Catena, making Kilenkryset one of the five largest shareholders in Catena. All of the properties are located in the Stockholm region, with a lettable area of approximately 91,500 square metres, a rental value of SEK 57 million and a remaining average lease term of 9.6 years. The properties include additional developable land of approximately 150,000 square metres.

On 29 December, Catena announced an increase in the number of shares and votes in Catena AB due to a directed new share issue. The total number of shares in Catena has increased by 1,678,017 shares and votes. On 29 December 2017, Catena's registered share capital amounted to SEK 164,619,501.20 distributed between 37,413,523 shares. All shares are of the same class of shares and each share entitles the holder to one (1) vote at Catena's General Meetings.



On 2 October, Catena AB presented its offer to the shareholders of Klockarbäcken Property Investment AB (publ) ("Klockarbäcken") to acquire all shares in Klockarbäcken. As a payment for their shares in Klockarbäcken, Catena is offering shareholders in Klockarbäcken newly issued shares in Catena. The value of the bid corresponds to SEK 110 per share in Klockarbäcken. On 18 October, Catena extended the accept-



Roserberg 11:81, Sigtuna

## Other

### Market outlook

Over time, the market for logistics properties is driven by increased cargo flows and growing retail trade, particularly e-commerce. Demand for Catena's logistics spaces, which are well-situated and well-suited for their purposes and which are environmentally efficient, is expected to remain good during the end of 2018.

The availability of modern, strategically located logistics premises, preferably adjacent to container terminals, is limited. For this reason, we expect the letting ratio at our properties to remain high. The availability of developable land with suitable planning permission is also limited within certain geographical areas, providing opportunities for increased rent levels.

Accordingly, this provides good opportunities to move forward with new construction at our existing development sites.

Concluded agreement negotiations also indicate stable rent levels in our existing portfolio. In addition, as a result of increased space efficiency, we expect increased rental income per square metre for our newer holdings of larger buildings and newly-constructed properties.

Combined with favourable access to capital at low interest rates, this means that the transaction market for efficient, energy-smart and suitably located logistics properties remains good. Ongoing tax investigation proposals may, however, have a certain inhibiting effect on transactions in the short-term.

Through acquisitions and property development, we perceive good opportunities to expand our operations over the coming years.

### Catena's sustainability activities

Sustainability is one of Catena's four prioritised strategic areas. Our sustainability efforts focus on participating in social progress by establishing the conditions for more sustainable logistics, reducing environmental impact and being an attractive employer. Catena has daily contact with numerous stakeholders, and one example of a contact forum is Catena's annual Logistics Trends conference. Read more about Catena's sustainability work on pages 30–37 of the 2016 Annual Report.

### Related parties

Profit for the year includes the smaller related party transactions with Hansa AB and Dina el Midani Architect for consulting services.

## Quarterly overview

	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1
Rental income, SEK M	233.4	225.0	222.1	211.5	199.7	208.9	201.2	176.8
Net operating surplus, SEK M	170.3	170.6	173.6	156.7	148.2	152.0	151.3	126.6
Surplus ratio, %	73.0	75.8	78.2	74.1	74.2	72.8	75.2	71.6
Economic letting ratio, %	94.7	93.4	92.8	94.0	93.0	92.0	91.7	85.6
Profit from property management, SEK M	107.1	113.7	110.9	108.4	81.3	91.0	86.8	56.9
Profit for the period, SEK M	103.7	194.8	159.9	176.3	165.8	69.3	63.4	39.9
Return on equity, %	2.3	4.6	3.9	4.4	4.5	2.1	1.9	1.4
Equity ratio, %	32.3	32.9	32.3	32.1	31.6	28.2	28.0	28.4
Share price at end of the period, SEK	155.50	146.50	135.50	132.00	128.50	142.00	123.00	125.00
Cash flow before change in working capital per share, SEK	2.89	3.11	2.79	2.91	2.22	2.65	1.81	2.15
Earnings per share, SEK	2.89	4.40	3.86	4.94	4.68	2.07	1.90	1.29
Net asset value per share, EPRA NAV, SEK	149.85	143.73	141.08	139.18	135.76	132.76	130.13	128.83



# Key financial figures for the Group

Key figures <sup>1,2)</sup>

Definitions

	2017 Jan-Dec	2016 Jan-Dec	
<b>Property-related</b>			
Rental income, SEK M	892.0	786.6	Rental income according to Statement of comprehensive income
Net operating surplus, SEK M	671.2	578.1	Rental income less operating and maintenance expenses, property tax, ground rent and property administration.
Surplus ratio, %	75.2	73.5	Net operating surplus as a percentage of income from property.
Rental value, SEK M	1,109.9	925.7	Contractual rents on an annual basis plus a supplement for assessed market rents for vacant space.
Economic letting ratio, %	94.7	93.0	Contractual annual rents under leases valid at the end of the period/year end as a percentage of rental value.
Loan-to-value ratio, %	57.6	59.9	Interest-bearing liabilities attributable to the properties as a percentage of the carrying amounts of the properties at the end of the period/year.
Lettable area, thousand sq. m.	1,661.6	1,490.9	Total area available for letting.
<b>Financial</b>			
Profit from property management, SEK M	440.1	316.0	Pre-tax profit with reversal of changes in value.
Pre-tax profit, SEK M	758.6	386.6	Profit before tax in accordance with Statement of comprehensive income.
Profit for the period/year, SEK M	634.7	338.4	Profit for the period/year in accordance with Statement of comprehensive income
Total assets, SEK M	14,246.6	12,344.9	
Return on equity, %	14.9	10.6	Profit for the period/year as a percentage of average equity.
Return on equity, %	7.1	6.9	Pre-tax profit plus financial expenses as a percentage of average total assets.
Interest-coverage ratio, multiple	3.5	2.3	Pre-tax profit before reversal of financial expenses and unrealised changes in value in relation to financial expenses.
Average interest rate, %	3.2	3.6	Average interest on the loan portfolio with derivatives being taken into account.
Fixed interest, years	4.1	3.5	Average remaining period of fixed interest on the loan portfolio with derivatives being taken into account.
Capital tied-up, years	1.9	1.5	The average remaining period for which capital is tied up in the loan portfolio.
Equity ratio, %	32.3	31.6	Equity including non-controlling interests as a percentage of total assets total assets.
Equity ratio, excluding goodwill, %	33.4	33.3	Equity including non-controlling interests as a percentage of total assets total assets less goodwill.
<b>Share-related</b>			
Share price at end of the period, SEK	155.50	128.50	
Cash flow before change in working capital per share, SEK	11.70	8.87	
Equity per share, SEK	122.86	109.13	Equity attributable to Parent Company shareholders in relation to the number of shares outstanding at the end of the period/year.
Profit from property management per share, SEK	12.30	9.53	Profit from property management in relation to the number of shares outstanding at the end of the period/year.
Earning per share, SEK	16.08	10.20	
Net asset value per share, EPRA NAV (including goodwill), SEK	163.29	149.84	Shareholders' equity with reversal of the fair value of interest rate derivatives and deferred taxes in the balance sheet and goodwill associated with the deferred tax, calculated per share.
Net asset value per share, EPRA NAV, SEK	149.85	135.76	Shareholders' equity with reversal of the fair value of interest rate derivatives and deferred taxes in the balance sheet, calculated per share.
Number of shares outstanding, millions	37.4	35.7	
P/E ratio	10	13	Share price at the end of the period/year in relation to earnings per share for the year.

<sup>1)</sup> For division into IFRS categories, alternative and other key figures, please refer to Catena's Annual Report for 2016, p.128–129. 128–129

<sup>2)</sup> On remaining properties at the end of the period.

### Accounting and valuation principles

Catena AB draws up its consolidated accounts in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and also with interpretive statements from the International Financial Interpretations Committee (IFRIC), as approved by the European Commission for application in the EU.

The Parent Company applies the same accounting policies as the Group, with due consideration of the recommendations of the Swedish Council for Financial Reporting: RFR 2 Accounting for Legal Entities of the Swedish Financial Reporting Board.

This Interim Report was drawn up in accordance with IAS 34, Interim Financial Reporting, for the Group and according to the Swedish Annual Accounts Act for the Parent Company. The accounting principles are unchanged compared with the Annual Report for the preceding year. None of the other IFRS or IFRIC interpretations that apply effective from 1 January 2017 are deemed to have any significant impact on the Group.

From 1 January 2018, Catena applies IFRS 9 “Financial Instruments” and IFRS 15 “Revenue from Contracts with Customers”. In accordance with the transitional rules for IFRS 9, the Group will not re-calculate comparative figures for the 2017 financial year. Neither classification, valuation, nor the new impairment model are expected to have an effect on the Group’s financial position and earnings. With regard to IFRS 15, which regulates revenue recognition, Catena has determined that the transition to IFRS 15 will not affect the Group’s contracts and revenue recognition. In making the transition to IFRS 15, Catena has chosen a forward-looking application, with information. The implementation does not involve retroactive adjustment in equity but may include additional information.

*This report has not been subject to special review by the company auditors.*

### Risks and uncertainty factors

In order to draw up the accounts according to generally accepted accounting principles, the Company management must make assessments and assumptions that affect the asset and liability items and the income and expense items disclosed in the annual accounts, and also other information provided. Actual outcomes may diverge from these assessments. Catena’s financial risks are described in Note 20 on pages 90–91 of the 2016 Annual Report. No essential changes have occurred since its publication.

The Board of Directors and the Chief Executive Officer certify that this report gives a true and fair view of the financial position and results and describes significant risks and uncertainties that the Group and the companies included in the Group face.

Solna 15 February 2018  
Catena AB  
Board of Directors



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# ► Catena in brief

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.*

Today, flows of goods to and from Scandinavia make use of maritime and air transport, rail and road, individually or in combination, to collect and store goods at selected logistics points, from which goods can be re-distributed to shops and/or end users. 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.

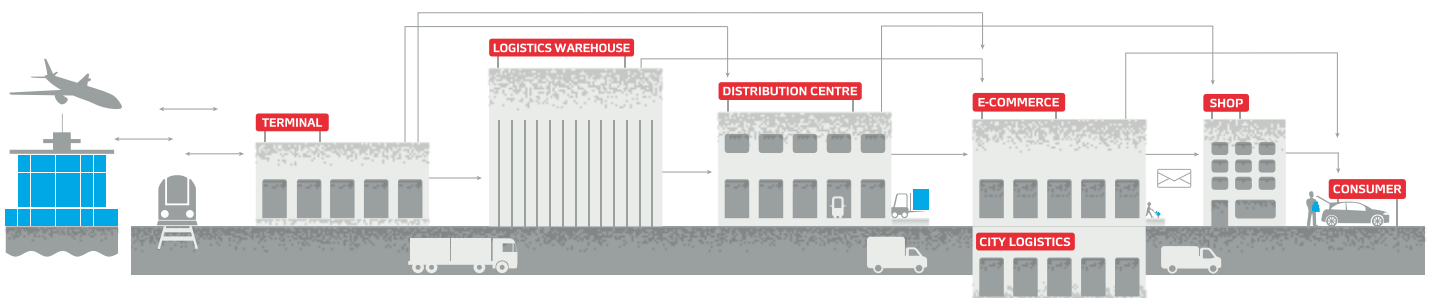
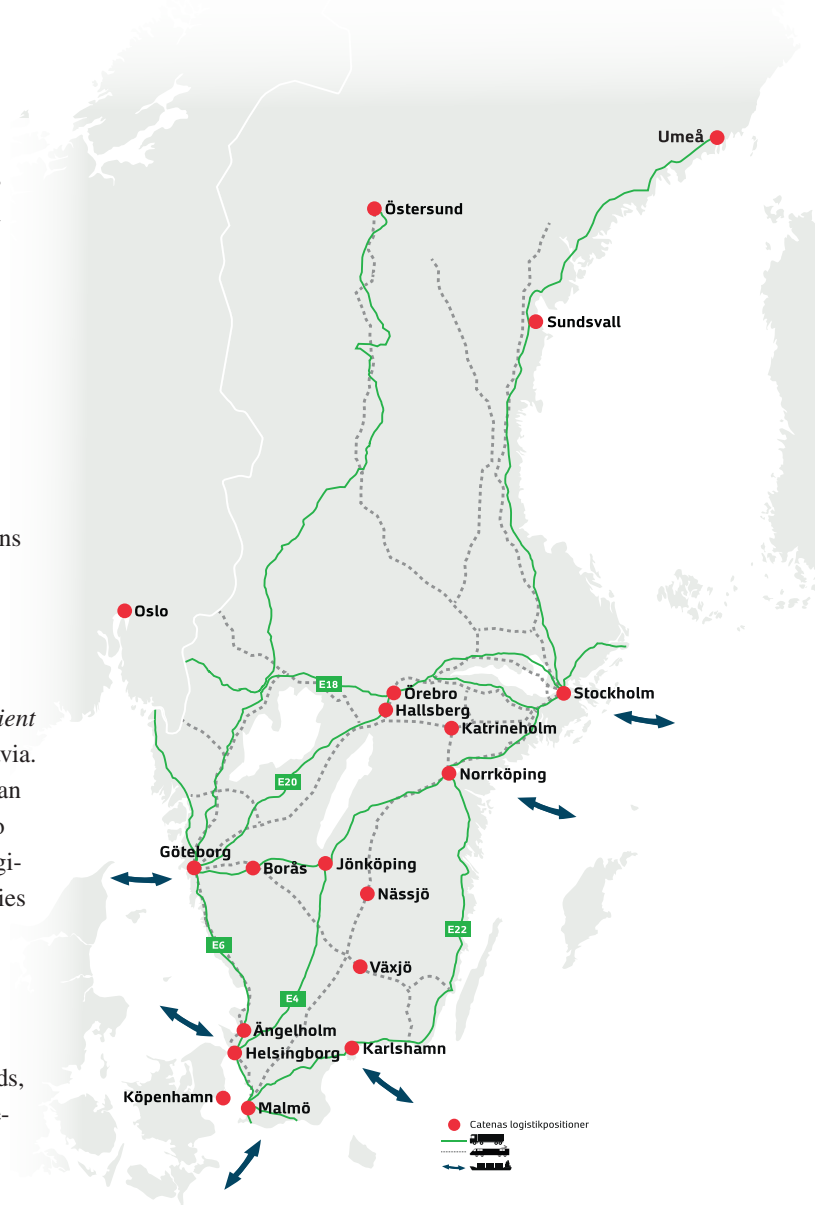
## Business concept

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

In Sweden, with its substantial distances, transport efficiency is an important factor in companies' profitability. Catena's vision is to link Scandinavia's cargo flows by developing and offering strategically located cost- and environmentally efficient logistics facilities that can supply goods to growing metropolitan regions.

## Customer offering

Logistics solutions is a collective term for buildings with the purpose of 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.



# CATENA

Catena owns, actively develops and manages efficient logistics properties in prime locations. 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.

## Head office

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## Deliveries/visitors, effective from 12 May 2017

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See Head Office

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