

CATENA Q1

Interim Report January–March 2018

- Rental income increased by 24 percent to SEK 263.2 million (211.5).
- Net operating surplus increased by 23 percent to SEK 192.6 million (156.7).
- Profit from property management increased by 25 percent to SEK 135.9 million (108.4).
- Profit for the period increased to SEK 176.6 million (176.3), corresponding to earnings per share of SEK 4.72 (4.94), including changes in value of SEK 86.8 million (58.5).
- Net asset value per share, EPRA NAV, increased to SEK 155.92 (139.18).

Significant events in the first quarter

- Catena has entered into an agreement with Chefs Culinar and is investing SEK 115 million in a new distribution centre at Logistics Location Sunnanå outside Malmö.
- Catena acquired the Mappen 1 property in Linköping at a property value of SEK 68.1 million.
- Catena has, as one of three joint owners in Foodhills Fastighet AB, acquired properties in Bjuv at a property value of SEK 85 million.

Significant events after the end of the period

- Catena has established a commercial paper programme with a framework amount of SEK 2,000 million.



PROPERTIES FOR **SMARTER, BETTER AND FASTER** LOGISTICS SOLUTIONS

Note: The information in this interim report is such that Catena AB (publ) is required to publish pursuant to the Swedish Securities Markets Act. The information was submitted for publication on 26 April at 2:30 p.m.

Premises where Bring can gather its operations and have room to grow

Bring Sweden provides everyday logistics for small and large businesses across the Nordic region. The company's 6,000 employees handle packages, direct deliveries, post and goods, and are also experienced in temperature-controlled food logistics.

Bring had its various operations spread among four different units in and around Gothenburg. Environmental and cost-related reasons dictated a need for coordinating all three operations into a larger facility that eased and streamlined transport, warehouse stocking and administration.

"We are pleased that we could offer this solution to Bring's challenge of bringing together its operations in the best possible location and with the opportunity for further expansion," says Johan Franzén, Regional Manager Gothenburg. The requirements were difficult, both in terms of automation, technology and the environment. Our experience from other major facilities was especially beneficial.

Bring put its new logistics centre in Mölnlycke, southeast of Gothenburg, into operation on 1 December 2017. The total investment amounted to SEK 160 million. The new terminal houses, among other things, cold storage logistics for package and pallet collection, home deliveries and high-bay warehousing. About 100 employees have the terminal as their workplace and according to Bring, the location is "optimal for future logistics," both locally and nationally.

The entire terminal is 15,000 square meters and 11,500 of these consist of production space, while the remaining 3,500 square metres have been allocated for office space.

"Catena is a partner who understood our requirements and was able to provide advice for further improvements. And this was all under the pressure of time as we had tough deadlines for both moving out and moving in," says Niclas Coster, Terminal & District Manager for Bring in Mölnlycke. We are very pleased with the process, the facility that is customised for us, and the fact that we have the opportunity to expand in the property.

Automated facility with a modern working environment
Three of Bring's different operations have now moved under the same roof – Bring Express, International and Frigo. E-commerce and home delivery are the fastest growing business areas right now. With the move, Bring has increased its shared capacity compared with the old premises. The new terminal has a heated loading bay where the trucks can drive in and load their goods instead of being out in the elements. All packages that come in are scanned and put onto a conveyor belt where they are sorted automatically and placed in the right cage. With more than 50 smaller tractor-trailers, ready to serve Bring's customers with express deliveries, they are also well-equipped for growing city logistics. The facility has 53 gates in total.

Green initiative for the future

Bring has an ambitious environmental target for buildings and vehicles to be renewable in 2025. The building will be certified as a green building, meeting specific environmental requirements. This includes using geothermal heating. The building's own cold storage facilities generate heat that is sent down into the bedrock and is used to heat the building in the winter. There are charging stations for electric cars, and the roof will have solar panels to produce green electricity.

"The environmental impact will also be due to more businesses being gathered in the same terminal. Building a new and modern terminal with several energy-saving solutions reduces our total energy consumption in Gothenburg by 50 percent. Another effect that reduces our carbon-dioxide emissions is that we are coordinating our distribution network from the terminal," says Niclas Coster.

Location for expansion in optimal location

The move to Mölnlycke is a way to streamline transports. A lot of goods come from Bring's central warehouse in Jönköping, so a location close to Highway 40 was an important factor in the company's choice of Catena's solution in Mölnlycke.

"The new terminal is a very important part of our investment in the Nordic region and in building our shared network within Bring," says Niclas Coster. Therefore, the opportunities Catena presented for further expansion of the terminal were an important part of the package.



The Group in figures

	2018 Jan-Mar	2017 Jan-Mar	Rolling 12-month	2017 Jan-Dec
Rental income, SEK M	263.2	211.5	943.7	892.0
Net operating surplus, SEK M	192.6	156.7	707.1	671.2
Surplus ratio, %	73.2	74.1	74.9	75.2
Profit from property management, SEK M	135.9	108.4	467.6	440.1
Profit for the period/year, SEK M	176.6	176.3	635.0	634.7
Earnings per share, SEK	4.72	4.94	15.89	16.08
Equity ratio, %	32.5	32.1	32.5	32.3
Economic letting ratio, %	94.6	94.0	94.6	94.7

Early positioning behind continued profitable growth

“Catena continued to show improved profitability and continued growth in the first quarter. This success can be attributed to Catena’s ability to quickly identify customer needs as logistics becomes an increasingly important part of efficient retailing, due to new trends in consumption and purchasing patterns.”

Catena is developing further, with continued profitable growth. Since the end of the first quarter of 2017, several new facilities have been added, both through new production and acquisitions. The most recent major acquisition is Kilenkrysset’s five strategic properties, which further strengthened our position in the Stockholm region. Strong finances together with our land reserve of approximately 1,700,000 square metres also enable continued growth, and six projects are currently up and running.

Stable profitability

Net operating income along with active financing efforts for our properties resulted in profit from property management increasing by 25 percent to SEK 135.9 million in the quarter, compared with the first quarter of 2017. This essentially comprises our cash flow before changes in working capital, which according to plan amounted to 52 percent of our rental income. We were able to report a stable surplus ratio despite a cold and snowy winter with increased expenses for heating and snow removal, in part due to energy-enhancing measures in our properties.

Increased investor interest

In the latter part of 2017 and during the first quarter of this year, we noted increased interest from investors, particularly foreign investors, interested in logistics properties. We are seeing this, for instance, at the meetings with investors that we are regularly invited to – and the interest is reflected in our share price, which has been boosted by inclusion in the international property index EPRA.

Well-positioned

The increasing interest and good quarterly results are attributable to the strong business we have built up over a number of years. We can deliver added value when our customers’ needs for effective logistics solutions increase, and we are well-positioned to accommodate new consumption and purchasing patterns among our customers.

In addition to e-commerce, we see growing needs among our customers within food, restaurant and catering logistics, both for new innovative solutions and central locations. In spring 2019, a new customer for us, Chefs Culinar, will move into a new distribution centre to become the third establishment in our major development area, Sunnanå, outside Malmö.



The increasing interest in Catena is attributable to the strong business we have built up over a number of years.

Market remains favourable

Consumption has developed favourably in recent quarters, but even if the market levels out, this can benefit Catena, which is financially strong. Secured interest rates also increase resilience to changing conditions in the financial markets, relative to competitors. Attractive interest rates along with an advantageous loan structure entail proposed tax changes not being expected to have any significant impact on Catena’s earnings.

We can grow both in a controlled manner and profitably while renewing our property portfolio. We will continue these efforts in 2018 – which I look forward to telling you more about in future reports.

Helsingborg, April 2018
Benny Thøgersen

Income and profit

Rental income

Rental income in the period increased by 24 percent to SEK 263.2 million (211.5). The increase is mainly due to the acquisition and completion of major projects.

Income from contracts with terms of more than three years accounted for approximately 70 percent of Catena's contractual annual rent, which entails stable income with no appreciable variation between periods, except in connection with acquisitions, completed projects and sales. The average remaining lease period is slightly more than five years.

Duration of leases

Duration	Number of contracts	Contractual annual rent, SEK M	Contractual annual rent, %
2018	108	19.6	2
2019	134	171.5	16
2020	71	131.2	12
2021	42	182.4	17
2022	18	75.3	7
2023	22	114.3	11
2024+	50	378.3	35
Total	445	1,072.6	100

Property expenses

Property expenses increased to SEK 70.6 million (54.8) due to a larger property portfolio but also from increased maintenance of the properties. The cold winter with an unusually high amount of snow has also had a negative effect on earnings.

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 expenses 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 61.4 (43.9) million in the first quarter. The increase in financial expenses is due, in

part, to a larger property portfolio but is mainly the result of the reorganisation of swaps carried out in the first quarter of 2017, which, in turn, affected financing expenses positively by SEK 16.6 million as a non-recurring effect due to unpaid accrued coupon interest on discontinued swap agreements.

Profit

Despite the higher financial expenses, profit from property management increased by 25 percent compared with the previous period, from SEK 27.5 million to SEK 135.9 million. The primary reason for the improved profit from property management is an increased portfolio. The share of earnings of associated companies is significantly higher than in the previous period, mainly due to a value adjustment of the Huddinge Regulatorn 2 property.

Profit for the period amounted to SEK 176.6 million, which is SEK 0.3 million higher than in the previous year. Changes in value of property and goodwill are SEK 15 million lower than in the corresponding period the previous year, while the change in value of derivatives is positive and SEK 43.3 million higher than in the previous year. The unrealised changes in value are of an accounting nature and do not affect cash flow.

The previous year's calculated tax was clearly affected by non-taxable company sales and, therefore, positive, while this year's calculated tax is close to the nominal tax rate. This difference entails a decline in profit of SEK 36.7 million compared with the previous year.

Net operating surplus

SEK M	2018 Jan-Mar	2017 Jan-Mar	Rolling 12-month	2017 Jan-Dec
Gothenburg	34.4	27.5	118.1	111.2
Helsingborg	28.8	21.7	108.0	100.9
Jönköping	16.7	16.9	67.2	67.4
Malmö	24.5	15.1	102.4	93.0
Stockholm	88.2	75.5	311.4	298.7
Total	192.6	156.7	707.1	671.2

Regions

Rental income

SEK M	2018 Jan-Mar		2017 Jan-Mar		Rolling 12-month		Jan-Dec 2017	
	Rental income	Of which re-invoiced.*	Rental income	Of which re-invoiced.*	Rental income	Of which re-invoiced.*	Rental income	Of which re-invoiced.*
Gothenburg	40.2	1.8	31.8	1.4	138.7	6.4	130.3	6.0
Helsingborg	41.3	3.0	31.6	2.5	155.8	10.9	146.1	10.4
Jönköping	23.0	2.9	24.6	3.4	92.3	10.3	93.9	10.8
Malmö	41.5	8.9	26.7	6.2	159.8	34.7	145.0	32.0
Stockholm	117.2	9.9	96.8	7.8	397.1	27.8	376.7	25.7
Total	263.2	26.5	211.5	21.3	943.7	90.1	892.0	84.9

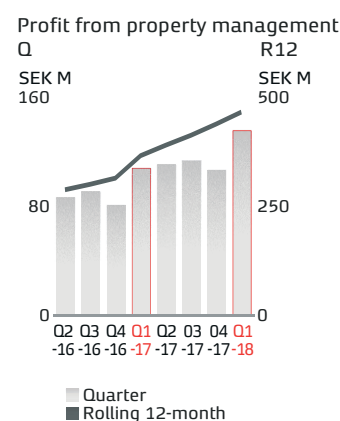
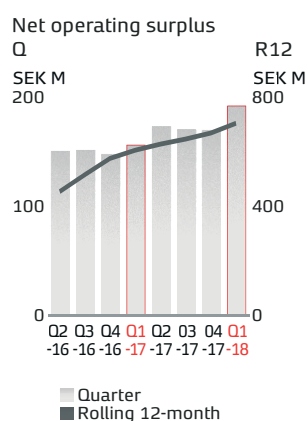
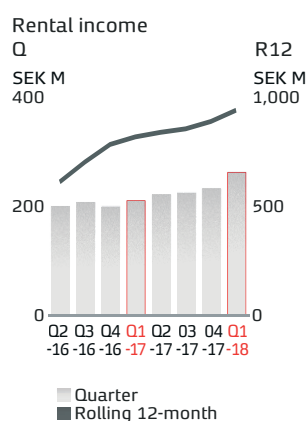
* Of which, re-invoiced expenses.

Consolidated statement of comprehensive income

SEK M	2018 Jan-Mar	2017 Jan-Mar	Rolling 12-month	2017 Jan-Dec
Rental income	263.2	211.5	943.7	892.0
Property expenses	-70.6	-54.8	-236.6	-220.8
Net operating surplus	192.6	156.7	707.1	671.2
Central administration	-7.6	-9.2	-29.3	-30.9
Other operating income	0.8	0.8	1.7	1.7
Other operating expenses	-	-0.4	-0.7	-1.1
Share of profit of associates	10.8	2.6	16.5	8.3
Financial income	0.7	1.8	3.0	4.1
Financial expenses	-61.4	-43.9	-230.7	-213.2
Profit from property management	135.9	108.4	467.6	440.1
Realised changes in value of investment properties	0.7	86.3	0.7	86.3
Unrealised changes in value of investment properties	75.1	81.1	285.1	291.1
Changes in value goodwill, etc.	-	-76.6	-8.1	-84.7
Changes in values of derivatives	11.0	-32.3	69.1	25.8
Profit before tax	222.7	166.9	814.4	758.6
Tax for the period	-46.1	9.4	-179.4	-123.9
Profit for the period/year	176.6	176.3	635.0	634.7
Other comprehensive income				
Translation difference	7.6	-0.6	12.4	4.2
Comprehensive income for the period/year	184.2	175.7	647.4	638.9
Comprehensive income for the period/year distributed among the Parent Company's shareholders	184.2	176.0	587.7	579.5
Comprehensive income for the period/year distributed among non-controlling interests	-	-0.3	59.7	59.4
Key share data				
Shareholders' equity, SEK per share	127.78	114.06	127.78	122.86
Net asset value per share, EPRA NAV, SEK	155.92	139.18	155.92	149.85
Profit for the period/year, SEK per share	4.72	4.94	15.89	16.08
Number of shares outstanding, millions	37.4	35.7	37.4	37.4



Törsjö 2:49, Örebro



Financial position

Cash flow

SEK M	2018 Jan-Mar	2017 Jan-Mar	2017 Jan-Dec
Profit before tax	222.7	166.9	758.6
Adjustments for non-cash items	-97.5	-62.9	-337.0
Tax paid	-13.9	-	-2.9
Cash flow before changes in working capital	111.3	104.0	418.7
Change in operating receivables	6.2	0.1	26.2
Change in operating liabilities	10.0	-3.7	-41.0
Cash flow from operating activities	127.5	100.4	403.9
Acquisition of assets via subsidiaries	-	-212.2	-632.0
Divestment of operations	-	172.7	174.3
Acquisition of minority share	-	-	-71.6
Investments in investment properties	-201.9	-126.1	-520.3
Divestment of investment properties	1.8	-	-
Acquisitions of property, plant and equipment	-0.1	-0.1	-0.6
Change in financial assets	-24.9	105.2	238.7
Cash flow from investment operations	-225.1	-60.5	-811.5
Change in loans	228.7	-58.0	481.8
Dividend paid	-	-	-125.1
Cash flow from financing operations	228.7	-58.0	356.7
Cash flow for the period	131.1	-18.1	-50.9
Opening cash and cash equivalents	94.8	145.5	145.5
Exchange rate difference in cash and cash equivalents	0.5	-	0.2
Closing cash and cash equivalents	226.4	127.4	94.8

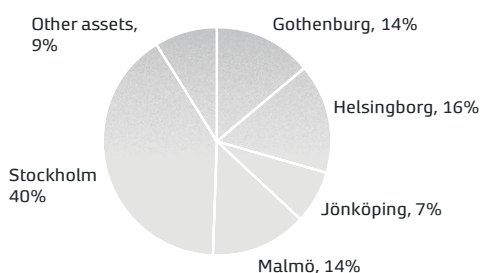
Statement of financial position

SEK M	2018 31 March	2017 31 March	2017 31 Dec
Assets			
Non-current assets			
Goodwill	503.0	503.0	503.0
Investment properties	13,424.2	11,337.4	13,131.1
Property, plant and equipment	1.9	2.2	2.0
Financial non-current assets	275.9	157.6	241.6
Deferred tax asset	134.4	139.3	136.2
Current assets			
Current receivables	134.0	439.9	137.9
Cash and cash equivalents	226.4	127.4	94.8
Total assets	14,699.8	12,706.8	14,246.6
Equity and liabilities			
Equity attributable to Parent Company shareholders	4,780.7	4,075.9	4,596.5
Equity attributable to non-controlling interests	-	4.1	-
Non-current liabilities			
Liabilities to credit institutions	6,211.5	4,965.2	6,251.5
Deferred tax liability	1,255.9	1,043.1	1,203.5
Other non-current liabilities	526.5	535.9	535.9
Current liabilities			
Liabilities to credit institutions	1,568.9	1,678.6	1,316.7
Other current liabilities	356.3	404.0	342.5
Total equity and liabilities	14,699.8	12,706.8	14,246.6

Cash flow for the period before changes in working capital improved by SEK 7.3 million to SEK 111.3 million (104.0). Cash flow has been affected by significant investments in investment properties, partly through investments in projects and partly by acquiring Mappen 1 in Linköping.

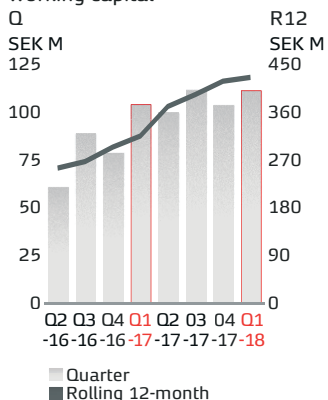
At the end of the period, cash and cash equivalents amounted to SEK 226.4 million (127.4).

Distribution of assets

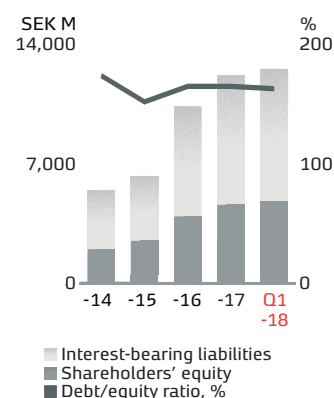


Total assets, SEK 14,699.8 million

Cash flow before change in working capital



Capital structure



Change in equity

SEK M	2018 31 March	2017 31 March	2017 31 Dec
Opening balance	4,596.5	3,904.3	3,904.3
Dividend paid to shareholders	–	–	-125.1
New share issue ¹⁾	–	–	250.0
Translation difference	7.6	-0.6	4.2
Acquisition of minority share	–	–	-63.8
Transactions with minority owners	–	–	-7.8
Comprehensive income for the year attributable to non-controlling interests	–	-0.3	59.4
Profit for the year attributable to Parent Company's shareholders	176.6	176.6	575.3
Closing balance	4,780.7	4,080.0	4,596.5
Attributable to:			
Parent Company's shareholders	4780.7	4,075.9	4,596.5
Non-controlling interests	–	4.1	–

¹⁾ 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 7,780.4 million (6,643.8) and the loan framework amounted to SEK 8,208.5 million as at 31 March 2018. During the year, Catena has renegotiated financing agreements with a total framework of approximately SEK 946 billion. The period of fixed interest averaged 3.9 years.

Fixed interest

Year	SEK M	Interest rate, % ¹⁾	Share, %
2018	2,605.6	2.0	33.5
2019	77.0	0.4	1.0
2020	564.0	1.0	7.3
2021	767.9	4.3	9.9
2022	500.0	3.8	6.4
2023	500.0	3.2	6.4
2024	500.0	2.9	6.4
2025	1,122.0	3.8	14.4
2026	1,143.9	4.2	14.7
Total	7,780.4	3.0	100.0

¹⁾ Refers to the current average interest rate as at 31 March 2018. 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	921.9	821.9	100.0
2019	2,648.3	2,320.2	328.1
2020	3,372.3	3,372.3	–
2021	1,201.2	1,201.2	–
>2022	64.8	64.8	–
Total	8,208.5	7,780.4	428.1

Bond financing

Catena's outstanding covered (through property mortgages) bond financing amounts to SEK 1,160 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, Fabege, Platzer and Wihlborgs.

During the period, Catena signed new financing agreements for SEK 282 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 the income statement. The carrying amount was a negative SEK 434.5 million (496.8). The change in 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 58 percent of consolidated liabilities to credit institutions.

Interest rate hedges 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	54.3
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
Total			4,533.9

The property portfolio

Property portfolio

SEK M	Fair value	Number of properties
Property portfolio at beginning of year	13,131.1	109
Acquisitions	67.2	1
Investments in existing properties	134.7	
Sales	-1.1	-1
Translation difference	17.2	
Unrealised changes in value	75.1	
Total investment properties	13,424.2	109

Changes in the property portfolio

During the period, Catena acquired a property with a carrying amount of SEK 67.2 million and sold a property with a carrying amount of SEK 1.1 million.

In addition, ongoing investments of SEK 134.7 million have been made in existing properties. The largest ongoing project is at the Plantehuset 3 property in Helsingborg, where Catena is building a 30,400-square-metre logistics warehouse for Nowaste. At the same time, the work of renting and project planning for new tenants continues.

At the Björöd 1:205 property in Härryda Municipality, Catena is building a 3,400-square-metre logistics warehouse with Cramo as the tenant.

Construction of two distribution centres is underway at Logistics location Sunnanå outside Malmö. One is for Swedish Cater, which is 8,500 square metres, and the other for Chefs Culinar, which is 7,600 square meters. Here too, work is underway to lease to, and project plan for, a number of new tenants.

On the Solsten 1:102 property, where Catena recently completed a terminal for Bring, the remaining vacant space is being adapted to the needs of tenants and the property is now fully leased.

Property valuation

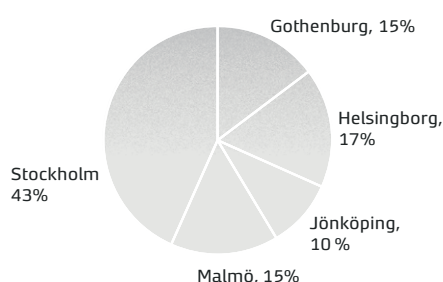
Unrealised changes in value of Catena's properties have arisen as a result of coordination, well-executed projects and good property management and amounted to SEK 75.1 million in the period.

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 first quarter, SEK 4.5 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 page 55 of Catena's Annual Report for 2017.

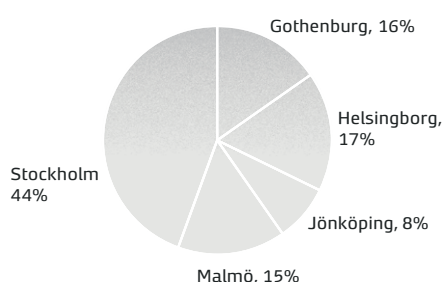
Some leeway is allowed between the value according to the internal valuation and fair value before adjustment of fair value is carried out. The discrepancy should be within a range controlled by a permitted discrepancy from the established direct yield requirement of +/-0.25 percent. Only when the deviation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

Rental value by region



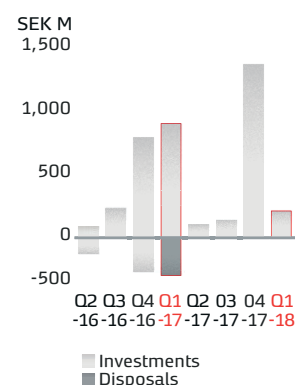
Rental value, SEK 1,133.6 million

Property portfolio by region



Fair value, SEK 13,424.2 million

Investments and disposals



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	2,063.6	168.2	98	164.8	86
Helsingborg	24	347.8	2,283.5	191.7	90	173.4	70
Jönköping	12	209.6	1,086.1	112.1	91	101.9	73
Malmö	18	211.0	2,029.1	170.5	98	166.6	59
Stockholm	40	690.7	5,961.9	491.1	95	465.9	75
Total	109	1,684.0	13,424.2	1,133.6	95	1,072.6	73

Property acquisition

Property designation	Transfer date	Region	Municipality	Space, sq. m.	Property value, SEK M	Rental income/year, SEK M
Mappen 1	28 February 2018	Stockholm	Linköping	22,388	68.1	9.0
Total				22,388	68.1	9.0

Property sales

Property designation	Vacated	Region	Municipality	Space, sq. m.	Property Value, SEK M	Earnings, SEK M
Sothönan 19	6 March 2018	Stockholm	Katrineholm	Land	1.8	0.7
Total				0	1.8	0.7



Förmannen 4, Ängelholm.

Property portfolio continued

A selection of current properties

Dikartorp 3:12, Järfälla

In the Dikartorp 3:12 property in Järfälla, work is underway to install a new geo-energy solution consisting of a 20-well geothermal heat pump that will be combined with existing refrigerators and a solar cell system on the roof with 943 solar modules. The measures make the property self-sufficient in terms of heating and also to some extent in terms of electricity.

The initiative is an important part of Catena's sustainability work.



Logistics Location Sunnanå, Burlöv

Catena is now building its third building at its major development area in Sunnanå outside Malmö. The building will be a 7,600-square-metre distribution centre with Chefs Culinar as the tenant. Previously, Catena built a terminal for DHL and is currently building a distribution centre for Svensk Cater. At the same time, the work of renting and project planning for new tenants continues.

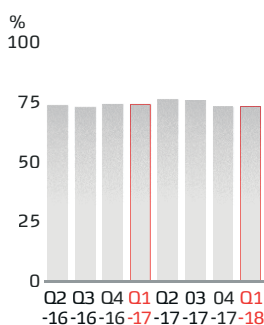


Björrod 1:205, Härryda

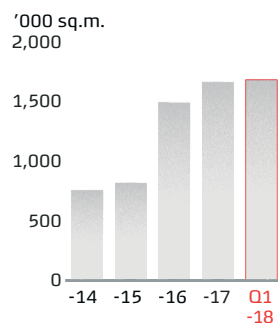
Catena is building a logistics building for Cramo at the Björrods industrial area at Landvetter Airport just east of Gothenburg. The 3,400-square-metre building, with 34,400 square metres of space for vehicle storage, will be completed in the spring. Catena considers the eastern parts of Gothenburg to be of strategic importance, and the company has recently built a new terminal for Bring in Mölnlycke.



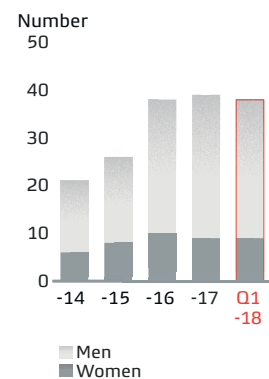
Surplus ratio



Logistics space



Personnel, Group



Current earnings capacity

SEK M	2018 31 March	2017 31 Dec	2017 30 Sep
Rental income	1,061.9	1,042.6	939.7
Property expenses	-263.6	-260.6	-234.9
Net operating surplus	798.3	782.0	704.8
Central administration	-32.0	-32.0	-31.2
Share of profit of associates	7.0	8.0	9.0
Net financial items	-225.6	-230.5	-210.8
Profit from property management	547.7	527.5	471.8
Tax for the period	-120.5	-116.0	-103.8
Profit for the period	427.2	411.5	368.0
Key share data			
Profit for the period/year, SEK per share	11.4	11.0	10.3
Number of shares outstanding, millions	37.4	37.4	35.7

Yield

%	2018 31 March	2017 31 Dec
EPRA NIY (net initial yield)	6.2	6.3
EPRA "topped-up" NIY (normalised yield)	6.6	6.7

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

In the table, Catena presents its earnings capacity on a 12-month basis. As the table is not equivalent to a forecast, but is intended to reflect a normal year, actual outcomes 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 levels, vacancies or interest rates. Catena's income statement 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 expenses for the current portfolio. Financial expenses are based on Catena's average interest rate level including hedges for current loan debt less capitalized interest in normal project volume. The tax is calculated on a conventional basis according to the tax rate at any given time.

completed. Net initial yield (NIY) is based on contractual annual rent for properties in Catena's own portfolio as well as our share of contractual 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 contractual annual rent and expenses for projects not yet completed are not included. In the calculation of EPRA "topped-up" NIY, contractual annual rent is used without deduction of initial discounts.



Skogskojan 1, Östersund.

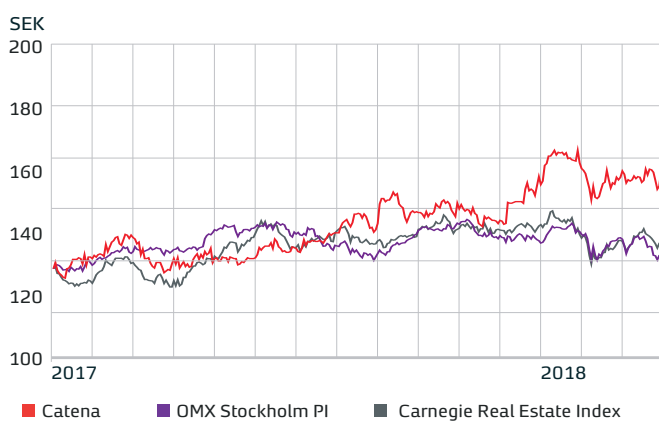
Shares and shareholders

The Catena share

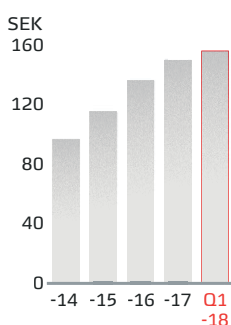
As at the closing date, the Catena share was registered on the Nasdaq Stockholm Nordic Mid Cap list. The closing price on 29 March 2018 was SEK 164.80, against the opening price of SEK 159.40 on 2 January 2018, representing an increase of 3 percent over the year. During the period, the highest price noted for the Catena share was SEK 170.40 and the lowest was SEK 148.00. Catena's share has been included in the international property index EPRA since autumn 2017.

As at 31 March 2018, Catena had 14,746 shareholders, and the number of shares amounted to 37,413,523.

Share price trend 1 January 2017 – 31 March 2018



Net asset value per share, EPRA NAV



Ownership structure as at 31 March 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	3,035	8.1
SFU Sverige AB	1,810	4.8
Kilen 134 Strängnäs AB	1,678	4.5
Handelsbankens Fonder	1,275	3.4
Nordea Investment Funds	1,014	2.7
Citi Switz AG AS Agent For Clients	905	2.4
RBC Investor Services Bank S.A.	591	1.6
Skagen M2 Verdipapirfondet	576	1.5
BPSS LDN/TR Property Investment TRU	520	1.4
JP Morgan Bank Luxembourg S.A. A.	475	1.3
SEB Investment Management	448	1.2
Other shareholders	9,895	26.5
Total	37,414	100.0

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

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

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Sothönan 3, Katrineholm.

Parent Company's financial statements

Parent Company Income Statement

SEK M	2018 Jan-Mar	2017 Jan-Mar	2017 Jan-Dec
Net sales	11.5	11.5	44.0
Cost of services performed	-18.3	-19.6	-73.8
Operating profit/loss	-6.8	-8.1	-29.8
Financial income and expenses			
Other interest income and similar income	52.3	28.3	137.6
Profit from participations in Group companies	-	-	49.4
Interest expenses and similar expenses	-65.8	-97.7	-259.7
Profit before appropriations and taxes	-20.3	-77.5	-102.5
Appropriations	-	-	-17.1
Tax on profit for the period/year	4.5	17.0	-45.2
Comprehensive income for the period/year	-15.8	-60.5	-164.8

No items in the Parent Company are recognised in other comprehensive income and total comprehensive income is therefore consistent with profit for the period.

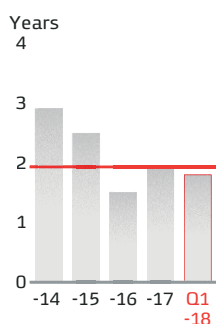
Balance Sheet, Parent Company

SEK M	2018 Jan-Mar	2017 Jan-Mar	2017 Jan-Dec
Assets			
Non-current assets			
Property, plant and equipment	1.9	2.2	2.0
Financial non-current assets	3,260.8	3,252.6	3,263.3
Deferred tax assets	95.8	52.4	96.8
Non-current receivables	2.4	5.5	2.3
Current assets			
Receivables from Group companies	5,012.1	4,574.6	5,201.9
Receivables from associated companies	0.2	1.4	0.2
Current receivables	6.4	5.3	5.9
Cash and cash equivalents	174.5	90.6	38.7
Total assets	8,554.1	7,984.6	8,611.1
Equity, provisions and liabilities			
Shareholders' equity	2,113.1	2,108.4	2,128.9
Untaxed reserves	17.2	-	17.2
Non-current liabilities			
Other non-current liabilities	434.7	497.1	439.2
Current liabilities			
Liabilities to credit institutions	-	300.0	439.0
Liabilities to Group companies	5,935.0	5,037.0	5,534.9
Liabilities to associated companies	8.4	-	6.1
Other current liabilities	45.7	42.1	45.8
Total equity and liabilities	8,554.1	7,984.6	8,611.1

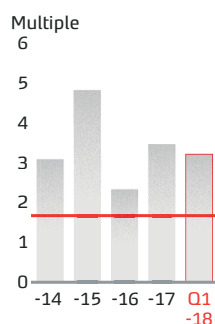


Financial targets

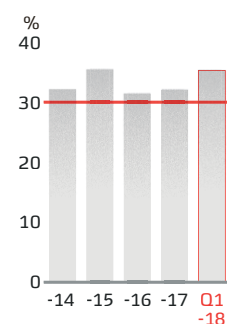
Average capital tied-up



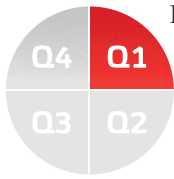
Interest coverage ratio



Equity/assets ratio



Significant events during the period



In late February, Catena signed a seven-year agreement with Chefs Culinar and is investing SEK 115 million in a new distribution centre at the Sunnanå 12:52 property outside Malmö. Construction of the 7,600-square-metre distribution centre will commence in the spring, which, when completed, will contain a warehouse section for grocery goods and chilled and frozen goods. The agreement is expected to generate a net operating surplus of approximately SEK 8 million annually. The building will be the third built by Catena in its development area Logistics location Sunnanå outside Malmö.

On 28 February, Catena acquired and took possession of the Mappen 1 property in Linköping. The acquisition is being conducted as a property transaction at a value of SEK 68.1 million. The lettable area comprises 22,600 square metres and the building plot area is 110,000 square metres with development rights for approximately 30,000 square meters. The rental value, for the largely leased property, amounts to more than SEK 9 million with a remaining lease term of approximately two years. The property is located next to Catena's two other properties in the area, Mappen 3 and Mappen 4.

In cooperation with Foodhills AB and Backahill AB, Catena has started a jointly owned company, Foodhills Fastighet AB. Catena has a 45 percent holding, Backahill 45 percent, and Foodhills AB owns the remaining 10 percent of the property company. The appointed CEO of the company is Mikael Halling, who was previously Executive Vice President and Senior Advisor at Catena for many years. On 1 March, Foodhills Fastighet AB acquired the properties Bjuv 23:1, part of Selleberga 17:1 and Lunnahus 4:2 in Bjuv Municipality from Findus, which had been the owner of the property for many years with both its headquarters and production at the site. The transaction was conducted as a property transaction at a value of SEK 85 million, with possession as of 1 March. The property has a lettable area of approximately 100,000 square metres. At the time of

acquisition, the property had no tenants. The estimated rental value amounts to approximately SEK 35 million.

Significant events after the period

Catena has established a commercial paper programme with a framework amount of SEK 2,000 million. On 4 May 2018, an investor presentation will be held, and the first issue is expected to take place shortly thereafter. The commercial papers will have a maximum maturity of 364 days.

To manage the refinancing risk, backup facilities have been secured for the programme. The programme is arranged by Swedbank AB, which also serves as the issuing institute together with Danske Bank.



Norra Varalöv 31:11, Ängelholm



Sunnanå 12:51, Burlöv



Other

Market outlook

Over time, the market for logistics properties is driven by increased cargo flows and a 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 in the first half 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.

Together with the availability of capital at low interest rates, this means that the transaction market for efficient, energy-smart and properly located logistics properties is positive, and we have good opportunities to expand our operations through acquisitions and property development in the next few years.

Catena's sustainability activities

Sustainability is one of Catena's four prioritised strategic areas. Our sustainability efforts focus on actively developing communities by establishing the conditions for more sustainable logistics, reducing the environmental impact of the properties and being an attractive employer. Catena has daily contacts with numerous stakeholders, and the annual Logistics Trends conference is one example of a contact forum for Catena. Read more about Catena's sustainability work on pages 34–43 of the 2017 Annual Report.

Related parties

This year's earnings include minor related-party transactions with Hansan AB.

Quarterly overview

	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2
Rental income, SEK M	263.2	233.4	225.0	222.1	211.5	199.7	208.9	201.2
Net operating surplus, SEK M	192.6	170.3	170.6	173.6	156.7	148.2	152.0	151.3
Surplus ratio, %	73.2	73.0	75.8	78.2	74.1	74.2	72.8	75.2
Economic letting ratio, %	94.6	94.7	93.4	92.8	94.0	93.0	92.0	91.7
Profit from property management, SEK M	135.9	107.1	113.7	110.9	108.4	81.3	91.0	86.8
Profit for the period, SEK M	176.6	103.7	194.8	159.9	176.3	165.8	69.3	63.4
Return on equity, %	4.0	2.3	4.6	3.9	4.4	4.5	2.1	1.9
Equity/assets ratio, %	32.5	32.3	32.9	32.3	32.1	31.6	28.2	28.0
Share price at end of period, SEK	164.80	155.50	146.50	135.50	132.00	128.50	142.00	123.00
Cash flow before change in working capital per share, SEK	2.97	2.89	3.11	2.79	2.91	2.22	2.65	1.81
Earnings per share, SEK	4.72	2.89	4.40	3.86	4.94	4.68	2.07	1.90
Net asset value per share, EPRA NAV, SEK	155.92	149.85	143.73	141.08	139.18	135.76	132.76	130.13

Key financial figures for the Group

Key figures ^{1, 2)}

Definitions

	2018 Jan-Mar	2017 Jan-Mar	Rolling 12-month	2017 Jan-Dec	
Property-related					
Rental income, SEK M	263.2	211.5	943.7	892.0	Rental income according to Statement of comprehensive income
Net operating surplus, SEK M	192.6	156.7	707.1	671.2	Rental income less operating and maintenance expenses, property tax, ground rent and property administration.
Surplus ratio, %	73.2	74.1	74.9	75.2	Net operating surplus as a percentage of income from property.
Rental value, SEK M	1,133.6	994.5	1,133.6	1,109.9	Contractual rents on an annual basis plus a supplement for assessed market rents for vacant space.
Economic letting ratio, %	94.6	94.0	94.6	94.7	Contractual annual rents under leases valid at the end of the period/year as a percentage of rental value.
Loan-to-value ratio, %	58.0	58.6	58.0	57.6	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.	1,684.0	1,555.6	1,684.0	1,661.6	Total area available for letting.
Financial					
Profit from property management, SEK M	135.9	108.4	467.6	440.1	Pre-tax profit with reversal of changes in value.
Pre-tax profit, SEK M	222.7	166.9	814.4	758.6	Profit before tax in accordance with Statement of comprehensive income.
Profit for the period/year, SEK M	176.6	176.3	635.0	634.7	Profit for the period/year in accordance with Statement of comprehensive income
Total assets, SEK M	14,699.8	12,706.8	14,699.8	14,246.6	
Return on equity, %	4.0	4.4	14.3	14.9	Profit for the period/year as a percentage of average equity.
Return on equity, %	2.0	1.9	7.1	7.1	Pre-tax profit plus financial expenses as a percentage of average total assets.
Interest-coverage ratio, multiple	3.2	5.4	3.0	3.5	Pre-tax profit before reversal of financial expenses and unrealised changes in value in relation to financial expenses.
Average interest rate, %	3.0	3.4	3.0	3.2	Average interest on the loan portfolio with derivatives being taken into account.
Fixed interest, years	3.9	5.1	3.9	4.1	Average remaining period of fixed interest on the loan portfolio with derivatives being taken into account.
Capital tied-up, years	1.8	2.1	1.8	1.9	The average remaining period for which capital is tied up in the loan portfolio.
Equity/assets ratio, %	32.5	32.1	32.5	32.3	Equity including non-controlling interests as a percentage of total assets.
Equity/assets ratio, excluding goodwill, %	33.7	33.4	33.7	33.4	Equity including non-controlling interests as a percentage of total assets less goodwill.
Share-related					
Share price at end of the period, SEK	164.80	132.00	164.80	155.50	
Cash flow before change in working capital per share, SEK	2.97	2.91	11.77	11.70	
Equity per share, SEK	127.78	114.06	127.78	122.86	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	3.63	3.03	12.91	12.30	Profit from property management in relation to the number of shares outstanding at the end of the period/year.
Earnings per share, SEK	4.72	4.94	15.89	16.08	
Net asset value per share, EPRA NAV (including goodwill), SEK	169.37	153.30	169.37	163.29	Equity per share 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	155.92	139.18	155.92	149.85	Equity per share 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	37.4	37.4	
P/E ratio	11	10	10	10	Share price at the end of the year in relation to earnings per share for the period/year.

¹⁾ For division into IFRS categories, alternative and other key figures, please refer to Catena's Annual Report for 2017, p. 132-133

²⁾ 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 accounts for the preceding year. None of the other IFRS or IFRIC interpretations that apply effective from 1 January 2018 are deemed to have any material 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’s 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 19 on pages 91–93 of the 2017 Annual Report. No material 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 Group’s financial position and results of operations and describes material risks and uncertainties facing the Group and the companies included in the Group.

Solna, 26 April 2018
Catena AB
Board of Directors

Contact

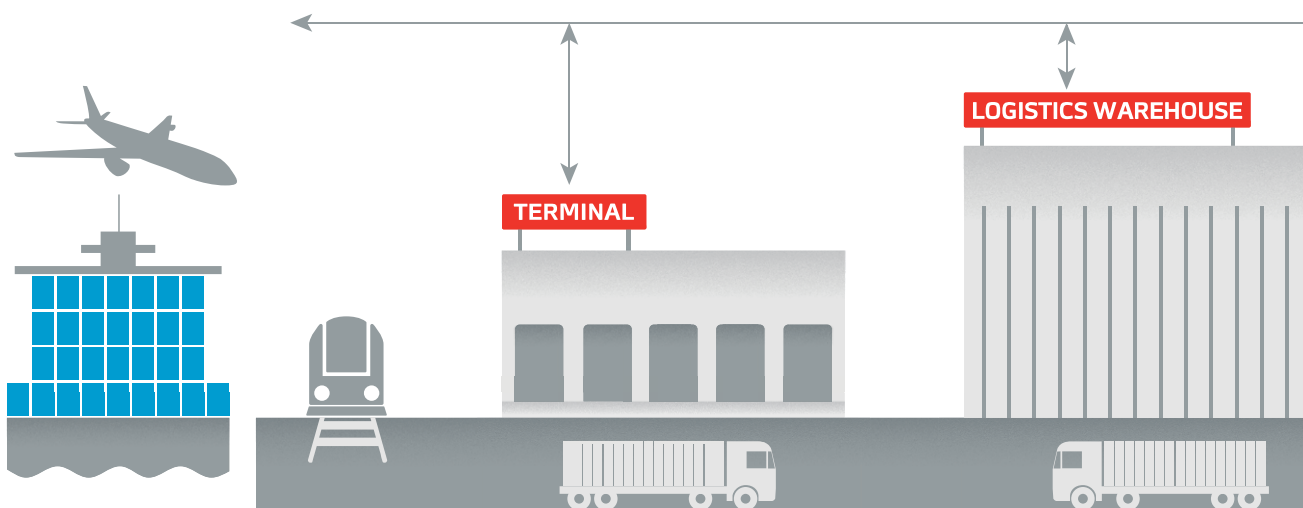
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Catena in brief

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.

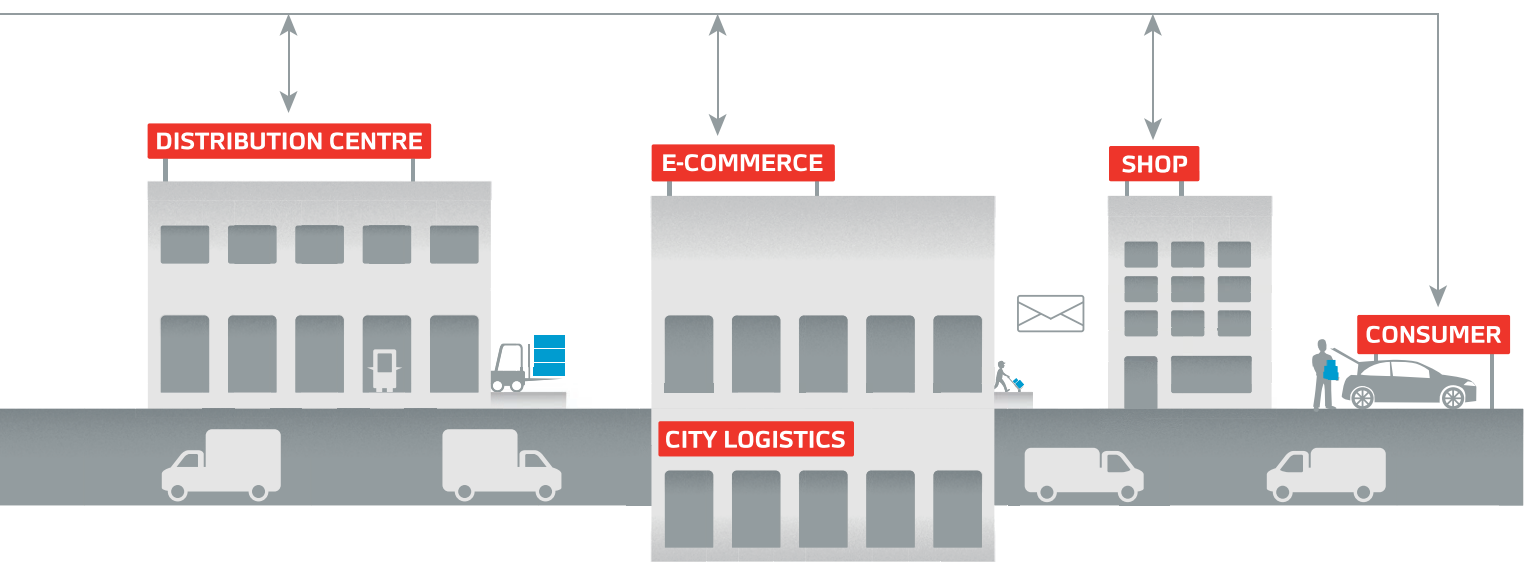
Business concept

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.



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