

# CATENA Q3

## Interim report January – September 2019

- Rental income increased by 10 percent to SEK 885.1 million (805.4).
- The net operating surplus increased by 12 percent to SEK 681.9 million (610.5).
- Profit from property management rose by 13 percent to SEK 478.0 million (422.8).
- Profit for the period increased to SEK 851.8 million (665.3), corresponding to earnings per share of SEK 22.59 (17.74), including changes in value of SEK 583.5 million (325.8).
- Net asset value per share, EPRA NAV, increased to SEK 194.07 (164.88).

## Significant events in the third quarter

- Catena has signed a lease with DHL Express and is investing SEK 150 million in a 10,200 square-metre air freight warehouse at Logistics Position Sunnanå outside Malmö.
- In mid-September, Catena was released from an option agreement to acquire land in Staffanstorp, for which it received compensation of SEK 59 million.
- Catena has signed a lease with Boozt Fashion and is investing SEK 193 million in a 22,800 square-metre logistics warehouse at E-City Engelholm.

## Significant events after the end of the period

- Catena has signed a lease with Nowaste Logistics and is investing SEK 132 million in a 18,000 square-metre extension at Logistics Position Tostarp in Helsingborg.
- In mid-October, Catena sold the Mörby 5:28 property in the Municipality of Nykvarn to the tenant Söderenergi. The property comprises approximately 95,400 square metres of land and a smaller building.

We link Scandinavia's cargo flows

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## Energy projects with Oriola generate gains for both the environment and the economy

With a series of smart energy solutions, Catena and tenant Oriola have together reduced energy costs and developed a logistics facility that is sustainable in the long-term. When the photovoltaic cell facility currently being installed comes into operation, it is estimated that the measures will have decreased energy consumption by 75 percent.

Situated right alongside the Mölnlyckemetot motorway junction in Härryda, Gothenburg, is the Härryda Solsten 1:102 property, which Catena leases to Oriola, a company that distributes pharmaceuticals and offers products and services for the wellness market. Oriola also owns the Kronans Apotek chain of pharmacies. The 25-metre tall high-bay warehouse is visible from a distance and the facility as a whole covers a total 25,406 square metres. Pharmaceuticals for all of Sweden's pharmacies, veterinarians and other wholesalers are warehoused on the premises, and clinical studies are also coordinated from here. Since 2018, Oriola has worked alongside Catena with the objective of reducing the property's energy consumption. Gert Sahlén is the Facility Manager at Oriola and responsible for advancing these energy efficiency projects.

"One area of major environmental impact within Oriola's operations is energy consumption, which involves everything from lighting in pharmacies and warehouses to the maintenance of our facilities, where it is important that we comply with the legal requirements for warehousing pharmaceuticals."

### It all began with geothermal heating

The main source of heating for the facility in Härryda originally comprised district heating and the conversion to geothermal heating launched the extensive changes. According to Gert, the benefits of geothermal heating were obvious under the circumstances and the transition is in line with Oriola's sustainability efforts.

"As a source of heating – geothermal heating is particularly well-suited to Oriola as our operations require large cooling aggregates. The installation allows us to take advantage of the heat generated by the cooling aggregates," he says.

To extract energy during the winter and to store energy during the summer, 26 holes were bored into the ground. Catena's investment has resulted in an annual reduction in energy consumption of 980,000 kWh, corresponding to annual savings in energy costs of SEK 750,000.

To secure control of all of the equipment, the control system throughout the property was then replaced. Ventilation units, cooling units and heat pumps are now synchronised in the new system and everything is logged to ensure a complete

overview and full climate control, which is particularly important in the handling of pharmaceuticals.

### Photovoltaic cells are the next step

A photovoltaic cell facility is currently being planned for the roof of the property with the aim of further reducing its already efficient consumption. Photovoltaic cells on the roof will permit annual savings of as much as 220,000 kWh. Catena's property manager Jonas Larsson is leading the project.

"Nothing has been left to chance when implementing these energy efficiency measures. Together with Oriola, we are ensuring that the facility has optimum energy solutions fully meeting the needs of the operations and that are truly sustainable over time," he asserts.



### Focus on the Gothenburg region

Catena's Regional Manager for Gothenburg, Johan Franzén, is keen to underscore the excellence of Gothenburg as a logistics location.

"With the largest port in the Nordic region and nearby access to both an airport and rail terminals, each year 150 million tonnes of goods pass through the city, which is also an industrial centre and home to numerous large companies," says Johan.

The whole region is highly attractive with very well-developed infrastructure and many strong partnerships on logistics and product flows at the regional level – all of the conditions needed for continued growth can be found here.

"We perceive substantial potential in new projects, while also working to refine the existing portfolio, not least through new, energy-efficient solutions, as in Oriola's case. These are important efforts, continuously in progress in all of our regions," says Johan, who is responsible for Catena's Gothenburg and Jönköping regions.

### Contact Gothenburg and Jönköping regions,

Johan Franzén

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### The Catena Group in figures

	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	Rolling 12-month	2018 Jan-Dec
Rental income, SEK M	300.1	277.9	885.1	805.4	1,170.4	1,090.7
Net operating surplus, SEK M	226.8	213.9	681.9	610.5	899.0	827.6
Surplus ratio, %	75.6	77.0	77.0	75.8	76.8	75.9
Profit from property management, SEK M	160.1	148.6	478.0	422.8	626.5	571.3
Profit for the period/year, SEK M	344.3	294.1	851.8	665.3	1,009.9	823.4
Earnings per share, SEK	9.13	7.81	22.59	17.74	26.79	21.93
Equity ratio, %	33.5	33.2	33.5	33.2	33.5	33.2
Economic letting ratio, %	96.0	95.8	96.0	95.8	96.0	95.9

# Record-sized project portfolio

Catena's profit from property management reached SEK 478.0 million in the third quarter, which can be compared with SEK 422.8 million in the corresponding period last year. This positive profit trend facilitates active project development.

Profit from property management increased by 13 percent and basically constitutes Catena's cash flow before changes in working capital, an outcome that matches well our ambition for the period and provides future capacity. We can state that rental income increased by 10 percent, the net operating surplus by 12 percent and profit from property management by 13 percent, compared with the corresponding period in 2018.

## Intensive project development

Our portfolio of ongoing projects includes a remaining investment volume of slightly more than SEK 900 million – a record high level and a process that, to a large extent, pervades the operations. Constructing new properties and refining existing ones are both important prerequisites for continued growth. Considerable investments in new construction are being made at Logistics Position Sunnanå, where we are constructing a 10,200 square-metre air freight warehouse for DHL Express, and at E-City Engelholm, where our customer Boozt Fashion is expanding by 22,800 square metres in another highly automated logistics facility at the site. Following the end of the period, it was also announced that we are expanding one of third-party logistics company Nowaste Logistics' facilities at Logistics Position Tostarp by an additional 18,000 square metres. The investment adds further space for warehousing and logistics but also provides space for a photo studio and outlet shop. This initiative offers a clear example of how the functioning of a warehouse must be able to vary and co-exist with other parts of a complex logistics network.

## Omni-channel trading with sharper contours

Interacting with customers through multiple channels and offering a seamless experience between e-commerce and retail is a recipe for success. We are now seeing that traders are finding fully functioning models. In the omni-channel companies, the centralised warehouse concept is increasingly being supplemented by more decentralised structures. Regional units close to customers and using shops as warehousing points will be a more common strategy in the future. This imposes rigorous demands on efficient logistics at all stages, with different warehousing units interacting to optimise the flow and ultimately safeguard the customer experience. I can affirm that Catena's offering matches this trend and I also feel that, as a partner, we can actively support retail players in finding an appropriate model that lasts.

## Momentum in our sustainability work

Catena operates in a context that unequivocally affects the environment. For this reason, it is important that we work to minimise our impact – all initiatives we take could have a substantial effect. The motivation behind Catena's day-to-day efforts in operational sustainability is strong. This is particularly evident in our systematic efforts to environmentally certify new properties and existing holdings alike, but also in our efforts to reduce our properties' environmental impact in



terms of both construction processes and energy consumption (read more about how we are improving energy efficiency for Oriola in this report). Taking the transport load generated by the operations conducted within the properties, the locations of our properties play a crucial role. Our capacity to secure land assets that make future goods flows smarter is where we can make the biggest difference from an environmental perspective. Accordingly, our sizeable land reserves in strategic locations are key and a prerequisite for us to be economically and ecologically sustainable in the long term.

## Solution-oriented

With the long-term perspectives clear to us, it is easier to see the opportunities as they arise, and this has been characteristic of several of our most recent transactions. For example, we were quickly able to let the recently acquired Muttern 6 property in Kungälv to the exciting and sustainable innovation company Ekologens. Another, somewhat different, transaction arose when we recently accepted an attractive offer to be released from an option agreement entitling us to acquire logistics land in Staffanstorp. Our aim of being solution-oriented and able to act quickly is also a self-evident starting point in our project development efforts. Several current examples entail meeting the customer's needs through close partnerships and good relations with other players contributing to projects.

Catena operates in a complex reality and I am proud that we so clearly add value in different ways and constellations – this results not only in new business but also helps develop the logistics market as a whole.

Helsingborg, October 2019

Benny Thögersen, CEO

# Income and profit

## Rental income

Rental income in the period increased by 10 percent to SEK 885.1 million (805.4), corresponding to SEK 653/m<sup>2</sup> (639). 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 72 percent of Catena's contracted annual rent. This entails stable income that does not vary substantially 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, %
2019	49	4.4	0
2020	149	128.9	11
2021	56	211.5	17
2022	51	144.1	12
2023	50	164.8	13
2024	20	95.4	8
2025+	65	470.7	39
<b>Total</b>	<b>440</b>	<b>1,219.8</b>	<b>100</b>

## Property expenses

Property expenses increased to SEK 203.2 million (194.9), corresponding to SEK 150/m<sup>2</sup> (155). The decrease in expenses per square metre is partly due to Catena's efforts to optimise operating expenses yielding results and this year's winter being milder than last year's.

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.

On 1 January 2019, a new leasing standard IFRS 16 "Leases" took effect. The effect of the changed accounting is mainly that ground rents that were previously recognised as a part of the property expenses are now recognised as Financial expenses for leasing assets. The ground rents amount to SEK 7.3 million for the six-month period. For more information, see the section Accounting and valuation principles on page 18.

## Financial expenses

Financial expenses, excluding expenses for lease assets, amounted to SEK 169.9 million during the period (178.1). The financial expenses decreasing despite a larger loan portfolio is due to a lower average interest rate.

## Profit

Profit from property management during the period rose by SEK 55.2 million to SEK 478.0 million compared with the preceding year – an increase of 13 percent. The biggest reason for the improved profit from property management is a larger operating surplus and lower cost of financing. Interest in profits from associated companies are significantly lower than the preceding year, which is due to the holding in Huddinge Regulatorn, which accounted for the largest part of last year's profit, being divested in 2018 and the project property in Foodhills Fastighet AB generating a loss to date.

Profit for the period amounted to SEK 851.8 million, which is SEK 186.5 million higher than in the preceding year. Changes in the value of properties were SEK 326.1 million higher than in the preceding year. Realised changes in values of properties amounted to SEK 71.2 million and mainly comprised the redemption of an option agreement regarding land in the municipality of Staffanstorps, which affected earnings by SEK 58.7 million. The sale of the Högsbo 21:2 property in 2016 affected profit since, in connection with the disposal, a provision was made for rent guarantees up to and including 31 August 2019. The portion of the guarantee commitment that is not expected to be realised has been recognised as income. The negative change in the value of derivatives was SEK 135.0 million higher than in the preceding year. This was an effect of long-term market interest rates having fallen over the year.

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

## Operating surplus, regions

	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	Rolling 12-month	2018 Jan-Dec
Gothenburg	38.5	37.0	114.1	107.0	151.4	144.3
Helsingborg	38.6	33.2	114.6	93.2	144.9	123.5
Jönköping	16.0	16.4	44.3	47.3	60.9	63.9
Malmö	32.0	26.4	94.3	80.4	125.0	111.1
Stockholm	101.7	100.9	314.6	282.6	416.8	384.8
<b>Total</b>	<b>226.8</b>	<b>213.9</b>	<b>681.9</b>	<b>610.5</b>	<b>899.0</b>	<b>827.6</b>

## Rental income, regions

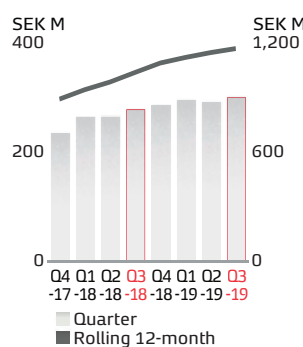
SEK M	Jul-Sep 2019		Jul-Sep 2018		Jan-Sep 2019		Jan-Sep 2018		Rolling 12-month		Jan-Dec 2018	
	Rental income	Of which, re-invoiced*	Rental income	Of which, re-invoiced.*	Rental income	Of which, re-invoiced.*	Rental income	Of which, re-invoiced.*	Rental income	Of which, re-invoiced.*	Rental income	Of which, re-invoiced.*
Gothenburg	45.0	2.8	42.3	2.1	131.7	7.3	123.2	5.7	173.9	9.4	165.4	7.8
Helsingborg	51.7	4.0	45.8	3.4	153.7	11.0	128.8	9.3	200.8	14.2	175.9	12.5
Jönköping	23.8	3.5	24.3	3.2	70.5	9.8	70.1	8.7	95.2	13.2	94.8	12.1
Malmö	49.5	10.1	42.2	9.6	141.3	29.5	126.2	27.7	185.6	39.5	170.5	37.7
Stockholm	130.1	10.5	123.3	9.9	387.9	29.1	357.1	29.1	514.9	40.0	484.1	40.0
<b>Total</b>	<b>300.1</b>	<b>30.9</b>	<b>277.9</b>	<b>28.2</b>	<b>885.1</b>	<b>86.7</b>	<b>805.4</b>	<b>80.5</b>	<b>1,170.4</b>	<b>116.3</b>	<b>1,090.7</b>	<b>110.1</b>

\* Of which, re-invoiced expenses.

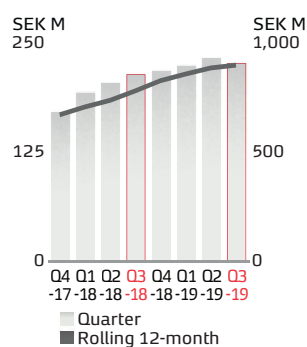
### Consolidated Statement of Comprehensive Income

SEK M	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	Rolling 12-month	2018 Jan-Dec
Rental income	300.1	277.9	885.1	805.4	1,170.4	1,090.7
Property expenses	-73.3	-64.0	-203.2	-194.9	-271.4	-263.1
<b>Net operating surplus</b>	<b>226.8</b>	<b>213.9</b>	<b>681.9</b>	<b>610.5</b>	<b>899.0</b>	<b>827.6</b>
Central administration	-8.0	-7.4	-24.0	-23.6	-31.8	-31.4
Other operating income	0.4	0.4	1.7	1.8	2.4	2.5
Other operating expenses	-	-	-0.2	-0.2	-0.3	-0.3
Interest in profits from associated companies	-0.9	-0.9	-6.7	10.3	-8.4	8.6
Financial income	0.4	0.6	2.5	2.1	3.3	2.9
Financial expenses	-56.5	-58.0	-169.9	-178.1	-230.4	-238.6
Financial expenses for lease assets	-2.1	-	-7.3	-	-7.3	-
<b>Profit from property management</b>	<b>160.1</b>	<b>148.6</b>	<b>478.0</b>	<b>422.8</b>	<b>626.5</b>	<b>571.3</b>
Realised changes in value of investment properties	58.7	2.7	71.2	4.6	71.3	4.7
Unrealised changes in value of investment properties	209.7	154.8	592.2	266.1	655.2	329.1
Changes in values of derivatives	-9.5	59.4	-79.9	55.1	-100.0	35.0
<b>Profit before tax</b>	<b>419.0</b>	<b>365.5</b>	<b>1,061.5</b>	<b>748.6</b>	<b>1,253.0</b>	<b>940.1</b>
Tax for the period/year	-74.7	-71.4	-209.7	-83.3	-243.1	-116.7
<b>Profit for the period/year</b>	<b>344.3</b>	<b>294.1</b>	<b>851.8</b>	<b>665.3</b>	<b>1,009.9</b>	<b>823.4</b>
<b>Other comprehensive income</b>						
Translation difference	2.0	-	8.6	7.8	8.1	7.3
<b>Comprehensive income for the period/year</b>	<b>346.3</b>	<b>294.1</b>	<b>860.4</b>	<b>673.1</b>	<b>1,018.0</b>	<b>830.7</b>
Comprehensive income for the period/year distributed among the Parent Company's shareholders	346.3	294.1	860.4	673.1	1,018.0	830.7
<b>Key share data</b>						
Shareholders' equity, SEK per share	157.89	136.64	157.89	136.64	157.89	140.82
Net asset value per share, EPRA NAV, SEK	194.07	164.88	194.07	164.88	194.07	169.53
Profit for the period/year, SEK per share	9.13	7.81	22.59	17.74	26.79	21.93
Number of shares outstanding, millions	37.7	37.7	37.7	37.7	37.7	37.7

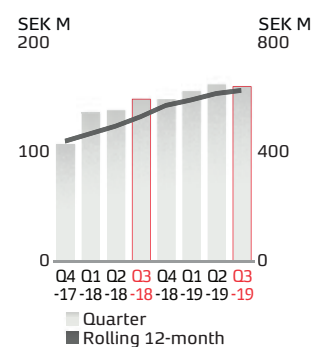
Rental income  
Q



Net operating surplus  
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Profit from property management  
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# Financial position

## Cash flow

SEK M	2019 Jan-Sep	2018 Jan-Sep	2018 Jan-Dec
Profit before tax	1,061.5	748.6	940.1
Adjustments for non-cash items	-575.4	-335.1	-375.6
Tax paid	-14.8	-13.9	-13.7
<b>Cash flow before changes in working capital</b>	<b>471.3</b>	<b>399.6</b>	<b>550.8</b>
Change in operating receivables	-28.5	-32.8	-13.9
Change in operating liabilities	26.6	-53.6	-19.2
<b>Cash flow from operating activities</b>	<b>469.4</b>	<b>313.2</b>	<b>517.7</b>
Acquisition of assets via subsidiaries	-18.7	-34.3	-75.3
Divestment of operations	-	24.2	24.3
Investments in investment properties	-505.2	-568.1	-796.6
Divestment of investment properties	-	4.8	4.8
Acquisitions of property, plant and equipment	-0.2	-0.3	-0.4
Change in financial assets	59.2	42.8	28.1
<b>Cash flow from investment operations</b>	<b>-464.9</b>	<b>-530.9</b>	<b>-815.1</b>
Change in loans	413.2	534.3	651.9
Dividend paid	-216.8	-168.4	-168.4
<b>Cash flow from financing operations</b>	<b>196.4</b>	<b>365.9</b>	<b>483.5</b>
<b>Cash flow for the period</b>	<b>200.9</b>	<b>148.2</b>	<b>186.1</b>
<b>Opening cash and cash equivalents</b>	<b>281.2</b>	<b>94.8</b>	<b>94.8</b>
Exchange rate difference in cash and cash equivalents	1.9	0.4	0.3
<b>Closing cash and cash equivalents</b>	<b>484.0</b>	<b>243.4</b>	<b>281.2</b>

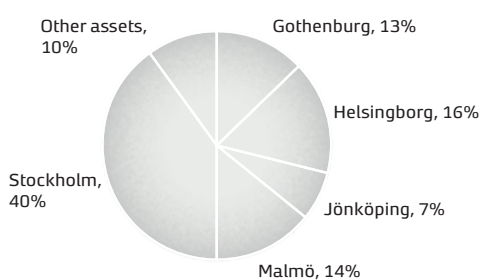
## Statement of financial position

SEK M	2019 30 Sep	2018 30 Sep	2018 31 Dec
<b>Assets</b>			
<b>Fixed assets</b>			
Goodwill	503.0	503.0	503.0
Investment properties	15,918.3	14,257.4	14,721.1
Tangible fixed assets	1.2	1.6	1.5
Lease assets	330.2	-	-
Financial non-current assets	261.7	233.7	227.0
Deferred tax assets	110.1	101.2	96.9
<b>Current assets</b>			
Current receivables	139.1	167.8	154.2
Cash and cash equivalents	484.0	243.4	281.2
<b>Total assets</b>	<b>17,747.6</b>	<b>15,508.1</b>	<b>15,984.9</b>
<b>Equity and liabilities</b>			
Equity attributable to Parent Company shareholders	5,952.4	5,151.2	5,308.8
<b>Non-current liabilities</b>			
Interest-bearing liabilities	5,086.6	5,814.2	6,170.2
Deferred tax liability	1,486.5	1,278.3	1,271.6
Lease liability	327.8	-	-
Other non-current liabilities	581.1	470.9	491.6
<b>Current liabilities</b>			
Interest-bearing liabilities	3,900.6	2,456.7	2,346.6
Other current liabilities	412.6	336.8	396.1
<b>Total equity and liabilities</b>	<b>17,747.6</b>	<b>15,508.1</b>	<b>15,984.9</b>

Cash flow for the period before changes in working capital improved by SEK 71.7 million to SEK 471.3 million (399.6). Cash flow has been impacted by significant investments in existing investment properties.

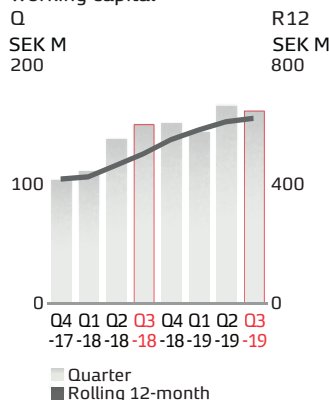
At the end of the period, cash and cash equivalents amounted to SEK 484.0 million (243.4).

### Distribution of assets

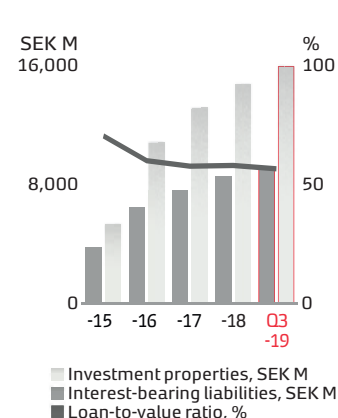


Total assets, SEK 17,747.6 million

### Cash flow before change in working capital



### Loan-to-value ratio



**Change in equity**

SEK M	2019 30 Sep	2018 30 Sep	2018 31 Dec
<b>Opening balance</b>	<b>5,308.8</b>	<b>4,596.5</b>	<b>4,596.5</b>
Dividend paid to shareholders	-216.8	-168.4	-168.4
New share issue <sup>1)</sup>	–	50.0	50.0
Comprehensive income for the period/year attributable to Parent Company shareholders	860.4	673.1	830.7
<b>Closing balance</b>	<b>5,952.4</b>	<b>5,151.2</b>	<b>5,308.8</b>
Attributable to:			
Parent Company's shareholders	5,952.4	5,151.2	5,308.8

<sup>1)</sup> A new share issue of SEK 50 million (2018) has been used to settle liabilities from acquisitions.

**Interest-bearing liabilities**

At the end of the period, Interest-bearing liabilities amounted to SEK 8,987.2 million (8,270.9) of which the share of traditional bank loans amounted to 76 percent, covered bonds to 15 percent and commercial papers to 9 percent. The credit framework amounted to SEK 9,292.2 million.

During the period, Catena has renegotiated financing agreements with a total framework of approximately SEK 2,687.8 million. The average term to interest maturity amounted to 2.4 years.

**Debt maturity**

Year	Contract volume, SEK M	Utilised, SEK M	Unutilised, SEK M
2019	100.0	–	100.0
2020	3,975.1	3,975.1	–
2021	3,020.7	2,815.7	205.0
2022	980.7	980.7	–
>2023	1,215.7	1,215.7	–
<b>Total</b>	<b>9,292.2</b>	<b>8,987.2</b>	<b>305.0</b>

**Interest expenses and sensitivity**

On the balance sheet date, the average interest rate, including the cost of derivatives and unutilised lines of credit, was 2.6 percent (2.9).

If the market interest rate defined as Stibor 3-month were to increase by one percentage point, all else being equal, the interest expenses would increase by around SEK 23 million. If the market interest rate were to instead decrease by one percentage point, the interest expenses would increase by around SEK 33 million.

An explanation of the effect of the sensitivity is in part that the majority of the Group's loans are encumbered by interest-rate floors that limit the interest changes on the downside by the market rate not being able to be negative at the same time that the cost of the outstanding and purchased interest derivatives can increase by negative market interest rates.

**Bond financing**

Catena's outstanding covered (through property mortgages) bond financing amounts to SEK 1,386 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.

**Commercial paper financing**

Catena has a commercial paper programme with a framework of SEK 2 billion. Papers within the programme have a maturity of at most 364 days. The programme is arranged by Swedbank AB, which also functions as an issuing institute together with Danske Bank. To manage the refinancing risk, the programme has secured backup facilities (through property mortgages). The current backup facility matures in May 2021 with a framework amount of SEK 1 billion.

On the balance sheet date, the outstanding volume was nominally SEK 795 million.

**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 490.4 million (390.4). 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 50 percent of consolidated interest-bearing liabilities.

**Interest hedges through interest-rate swaps**

Start year	End year	Contract interest, %	SEK M
2011	2021	2.9	500.0
2012	2021	2.7	191.7
2013	2021	2.8	22.0
2013	2021	2.8	43.8
2012	2022	2.3	500.0
2014	2023	1.7	500.0
2014	2024	1.4	500.0
2017	2025	2.3	561.0
2017	2025	2.3	561.0
2017	2026	2.7	572.0
2017	2026	2.7	572.0
<b>Total</b>		<b>2.3</b>	<b>4,523.5</b>

**Interest maturity structure including derivatives**

Year	SEK M	Interest rate, % <sup>1)</sup>	Share, %
2019	3,421.0	1.4	38.0
2020	1,042.8	0.7	11.6
2021	757.5	4.9	8.4
2022	500.0	3.8	5.6
2023	500.0	3.2	5.6
2024	500.0	2.8	5.6
2025	1,122.0	3.8	12.5
2026	1,143.9	4.1	12.7
<b>Total</b>	<b>8,987.2</b>	<b>2.6</b>	<b>100.0</b>

<sup>1)</sup> Refers to the current average interest rate as per 30 September 2019. The margin is distributed evenly across the term to interest rate maturity.

# The property portfolio

## Property portfolio

SEK M	Fair amount	Number of properties
Property portfolio at beginning of year	14,721.1	107
Acquisitions*	82.1	3
Investments in existing properties	505.2	
Translation difference	17.7	
Unrealised changes in value	592.2	
<b>Total investment properties</b>	<b>15,918.3</b>	<b>110</b>

\* Property value after deduction of deferred tax and with addition of transaction expenses.

## Changes in the property portfolio

During the period, Catena acquired the Vålingen 2 property in Karlstad, the Sockret 7 property in Malmö and the Muttern 6 property in Kungälv at a total value of SEK 82.1 million.

In addition, investments have been made in new construction, remodelling and extensions at existing properties for SEK 505.2 million. At Logistics Position Sunnanå outside Malmö, the first tenants have now moved into the 36,000 square-metre multi-tenant warehouse and Chiefs Culinar has moved into its 7,800 square-metre distribution warehouse. In Sunnanå, the remaining part of the multi-tenant warehouse, as well as a new 10,200 square-metre warehouse for DHL Express, are now being completed.

At the Plantehuset 3 property within the Tostarp Logistics Position in Helsingborg, construction is being completed of a 11,000 square-metre logistics warehouse for Nowaste Logistics, which includes a high-bay section. At the same time, construction of PostNord's new 18,300 square-metre terminal is in progress. An extension of Nowaste's large, 30,400 square meters warehouse by an additional 18,000 square meters will commence shortly. Space for further construction remains on Catena's land at the Tostarp Logistics Position and leasing efforts are ongoing.

The Tahe 1:64 property in Jönköping is being adapted to the needs of tenant Procurator and, once the extension is completed, the logistics warehouse and associated offices will have a total area of 35,000 square metres. The tenant is scheduled to move in early next year.

## Property valuation

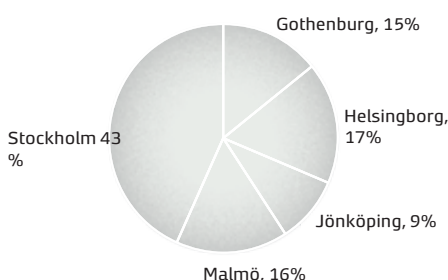
Unrealised changes in value of Catena's properties have arisen as a result of a lower direct yield requirements, coordination, well-executed projects and good property management and amounted to SEK 592.2 million in the period. This corresponds to 3.9 percent of the value before adjustment.

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 period, approximately SEK 6.5 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 23 of Catena's Annual Report for 2018.

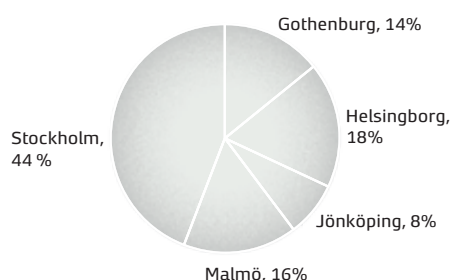
Some leeway is allowed between the value according to the internal valuation and fair value before adjustment of fair value is carried out. The discrepancy should be within a range controlled by a permitted discrepancy from the established direct yield requirement of +/-0.25 percent. Only when the deviation 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



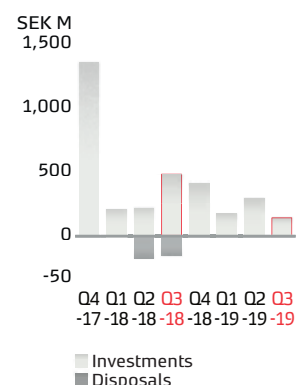
Rental value, SEK 1,271.0 million

Property portfolio by region



Fair value, SEK 15,918.3 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	231.2	2,278.7	182.0	99	180.1	87
Helsingborg	23	380.7	2,850.0	220.2	95	210.2	75
Jönköping	12	209.6	1,210.8	117.2	92	107.8	63
Malmö	17	242.3	2,554.4	201.6	98	197.3	67
Stockholm	43	764.9	7,024.4	550.0	95	524.4	81
<b>Total</b>	<b>110</b>	<b>1,828.7</b>	<b>15,918.3</b>	<b>1,271.0</b>	<b>96</b>	<b>1,219.8</b>	<b>77</b>

**Property acquisitions**

Property designation	Transfer date	Region	Municipality	Space, sq. m.	Property value, SEK M	Rental income/year, SEK M
Välängen 2	17 Jan 2019	Stockholm	Karlstad	3,430	20.4	2.1
Sockret 7	1 Apr 2019	Malmö	Malmö	2,707	9.2	0.3
Muttern 6	29 May 2019	Gothenburg	Kungälv	7,800	52.1	0.0
<b>Total</b>				<b>13,937</b>	<b>81.7</b>	<b>2.4</b>

DHL leases 12 terminals from Catena, of which Drivremmen 1 in southern Stockholm is the largest with an area of about 33,100 square metres. The terminal is strategically located near the southern link tunnel system and the E4 motorway.



Property portfolio continued

## A selection of current properties

### Rosersberg 11:81, Sigtuna

In logistics-intensive Rosersberg, located alongside the E4, north of Stockholm, third-party logistics operator Speed Logistics leases a 22,600 square-metre logistics warehouse. Catena is constructing a 7,500 square-metre extension on the property to meet the tenant's need for increased space to be able to further expand its operations with new and existing customers.



### Logistics Position Sunnanå, Malmö

At Logistics Position Sunnanå, adjacent to the major ring roads and the E6 and E22 motorways outside Malmö, in addition to DHL, whose terminal was the first to be completed, Svensk Cater and Chefs Culinar have also moved into distribution warehouses customised for each of them, while the dual-structure 36,000 square-metre multi-tenant warehouse is nearing completion and tenants are starting to move in. Catena is now also erecting a fifth building at the site – here, DHL Express will move into a well-adapted warehouse where it will handle air freight. When these stages have been completed, Catena's Logistics position Sunnanå will comprise approximately 81,000 square metres of lettable logistics space.

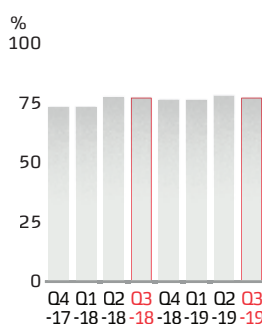


### Logistics Position Tostarp, Helsingborg

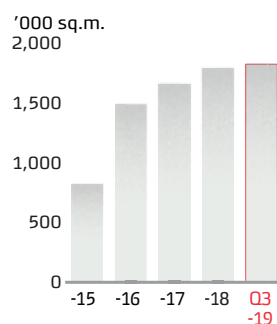
At the large site being developed by Catena outside Helsingborg, the third building, an 11,100 square-metre high-bay warehouse is being completed for Nowaste Logistics. At the same time, work is progressing on the 18,300 square-metre PostNord terminal and an extension to Nowaste Logistics' 30,400 square-metre warehouse, which, after the extension, will be close to 50,000 square metres in a highly attractive location, precisely where the major E4 and E6 motorways meet. The process of leasing and planning the final stages of the property's development is in full swing.



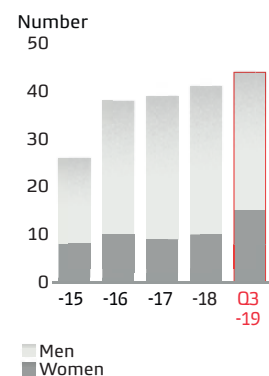
Surplus ratio



Logistics space



Personnel, Group



**Current earnings capacity**

SEK M	2019 30 Sep	2019 30 Jun	2019 31 March	2018 31 Dec	2018 30 Sep	2018 30 Jun	2018 31 March	2017 31 Dec
Rental income	1,183.6	1,169.6	1,157.7	1,158.0	1,112.8	1,085.7	1,061.9	1,042.6
Property expenses	-272.4	-268.2	-265.5	-276.0	-276.3	-269.6	-263.6	-260.6
<b>Net operating surplus</b>	<b>911.2</b>	<b>901.4</b>	<b>892.2</b>	<b>882.0</b>	<b>836.5</b>	<b>816.2</b>	<b>798.3</b>	<b>782.0</b>
Central administration	-32.4	-32.4	-32.4	-32.4	-32.4	-32.4	-32.0	-32.0
Interest in profits from associated companies	-5.0	-5.0	-5.0	-5.0	-10.0	0.0	7.0	8.0
Net financial items	-224.6	-216.8	-216.2	-223.9	-232.7	-231.1	-225.6	-230.5
Ground rent	-9.7	-10.5	-10.5	-	-	-	-	-
<b>Profit from property management</b>	<b>639.5</b>	<b>636.7</b>	<b>628.1</b>	<b>620.7</b>	<b>561.4</b>	<b>552.7</b>	<b>547.7</b>	<b>527.5</b>
Tax for the period	-136.9	-136.3	-134.4	-132.8	-123.5	-121.6	-120.5	-116.0
<b>Profit for the period</b>	<b>502.6</b>	<b>500.4</b>	<b>493.7</b>	<b>487.9</b>	<b>437.9</b>	<b>431.1</b>	<b>427.2</b>	<b>411.5</b>
<b>Key share data</b>								
Profit for the period/year, SEK per share	13.3	13.3	13.1	12.9	11.6	11.5	11.4	11.0
Number of shares outstanding, millions	37.7	37.7	37.7	37.7	37.7	37.4	37.4	37.4

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, vacancy or interest rate. 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, 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 capitalised interest in normal project volume. As of 2019, ground rents are no longer recognised as property expenses, but rather as interest on leased assets. The tax is calculated on a conventional basis according to the tax rate at any given time.

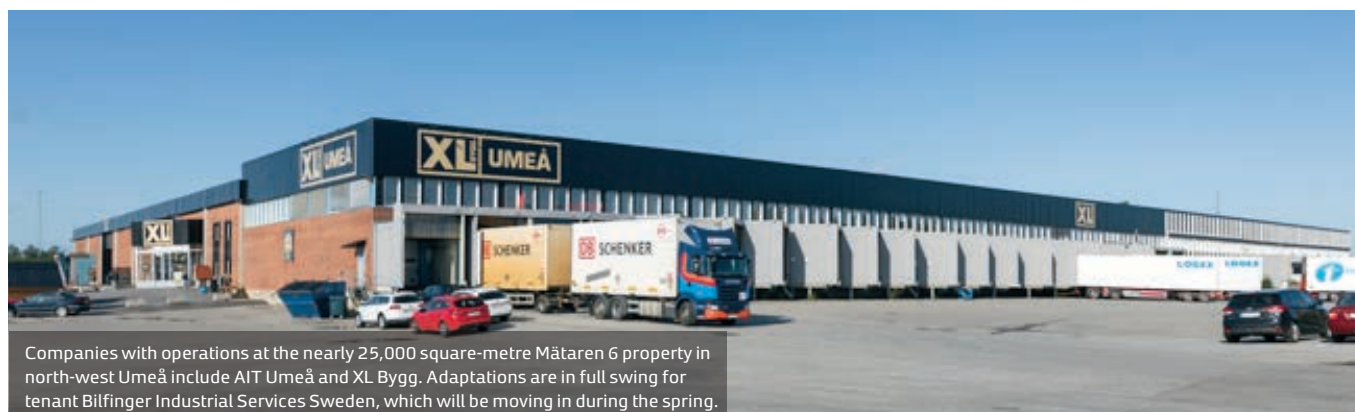
**Yield**

%	2019 30 Sep	2019 30 Jun	2019 31 March	2018 31 Dec	2018 30 Sep	2018 30 Jun	2018 31 March	2017 31 Dec
EPRA NIY (initial yield)	6.0	6.1	6.2	6.2	6.0	6.1	6.2	6.3
EPRA "topped-up" NIY (normalised yield)	6.3	6.3	6.5	6.4	6.4	6.4	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 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 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, contracted annual rent is used without deduction of initial discounts. Up to 31 December 2018, ground rents were also included in the property expenses. The change affects the yield by around 0.1 percentage points.



Companies with operations at the nearly 25,000 square-metre Mätaren 6 property in north-west Umeå include AIT Umeå and XL Bygg. Adaptations are in full swing for tenant Bilfinger Industrial Services Sweden, which will be moving in during the spring.

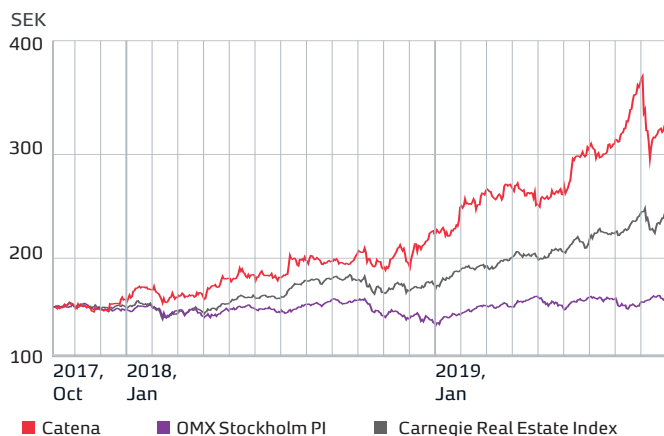
# Shares and shareholders

## The share

As at the closing date, the Catena share was registered on the Nasdaq Stockholm Nordic Mid Cap list. The closing price on 30 September 2019 was SEK 323.00, against the closing price of SEK 220.50 on 28 December 2018, representing an increase of 46 percent over the period. During the period, the highest price noted for the Catena share was SEK 374.00 and the lowest was SEK 213.00. Since the autumn of 2017, Catena's share has been included in the international property index EPRA.

As of 30 September 2019, Catena had 14,553 shareholders and the number of shares amounted to 37,698,853.

Share price trend 30 September 2017 – 30 September 2019



■ Catena ■ OMX Stockholm PI ■ Carnegie Real Estate Index



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## Ownership structure at 30 September 2019, major shareholders.

	No. of shares, 000s	Votes, %
Backahill	11,221	29.8
Länsförsäkringar fondförvaltning AB	2,992	7.9
PGGM Vermogensbeheer B.V.	2,655	7.0
Cohen & Steers, Inc.	1,872	5.0
Kilen 134 Strängnäs AB	1,678	4.5
SFU Sverige AB	1,310	3.5
Citi Switz AG AS Agent For Clients	935	2.5
UBS Switzerland AB, W8IMY	816	2.2
BNP Paribas Sec Serv Luxembourg, W8IMY	698	1.8
SEB Investment Management	644	1.7
Fjärde AP Fonden (AP4)	547	1.4
CBNY-Norges Bank	489	1.3
BNP Paribas Sec Services London, W8IMY	405	1.1
BNY Mellon NA (former Mellon), W9	400	1.0
Other shareholders	11,037	29.3
<b>Total</b>	<b>37,699</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

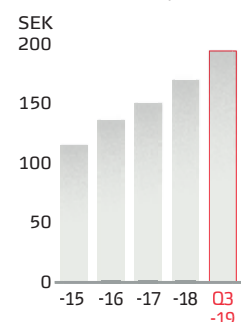
20 February 2020	Year-end Report 2019
29 April 2020	2020 Annual General Meeting
29 April 2020	Interim Report, January – March 2020

Catena's interim report for the third quarter of 2019 will be presented online on 25 October at 11.00 a.m. CET – to participate, please see the instructions given on Catena's website. Up-to-date financial information is always available in both Swedish and English on Catena's website.

The Dikartorp 3:12 property, located on Passadvägen in Jakobsberg in Stockholm's north-western environs, has recently been equipped with a completely new energy solution, with photovoltaic cells and geothermal heating, which makes the almost 30,000 square-metre property entirely self-sufficient in heating and partly self-sufficient in electricity.



Net asset value per share, EPRA NAV



# Parent Company's financial statements

## Parent Company Income Statement

SEK M	2019 Jan-Sep	2018 Jan-Sep	2018 Jan-Dec
Net sales	37.4	36.1	47.6
Cost of services performed	-61.4	-57.5	-78.1
<b>Operating profit/loss</b>	<b>-24.0</b>	<b>-21.4</b>	<b>-30.5</b>
<b>Financial income and expenses</b>			
Other interest income and similar income	173.0	124.5	149.4
Profit from participations in Group companies	–	977.3	1,219.1
Interest expenses and similar expenses	-184.8	-167.4	-248.4
<b>Profit before appropriations and taxes</b>	<b>-35.8</b>	<b>913.0</b>	<b>1,089.6</b>
Appropriations	–	–	-7.0
Tax on profit for the period/year	6.9	7.8	-58.8
<b>Comprehensive income for the period/year</b>	<b>-28.9</b>	<b>920.8</b>	<b>1,023.8</b>

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

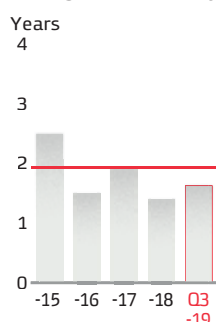
## Balance Sheet, Parent Company

SEK M	2019 30 Sep	2018 30 Sep	2018 31 Dec
<b>Assets</b>			
<b>Fixed assets</b>			
Tangible fixed assets	1.2	1.6	1.5
Financial non-current assets	3,236.2	3,236.2	3,236.2
Deferred tax assets	101.4	80.4	84.8
Non-current receivables	25.9	2.6	2.7
<b>Current assets</b>			
Receivables from Group companies	3,616.6	4,462.8	3,900.5
Receivables from associated companies	27.9	3.4	20.1
Current receivables	13.8	21.7	5.9
Cash and cash equivalents	359.4	160.1	195.7
<b>Total assets</b>	<b>7,382.4</b>	<b>7,968.8</b>	<b>7,447.4</b>
<b>Equity and liabilities</b>			
Shareholders' equity	2,788.7	2,931.3	3,034.4
Untaxed reserves	24.2	17.2	24.2
<b>Non-current liabilities</b>			
Interest-bearing liabilities	794.1	748.3	898.6
Other non-current liabilities	492.3	390.9	411.5
<b>Current liabilities</b>			
Liabilities to Group companies	3,245.6	3,844.7	3,025.1
Liabilities to associated companies	–	–	1.0
Other current liabilities	37.5	36.4	52.6
<b>Total equity and liabilities</b>	<b>7,382.4</b>	<b>7,968.8</b>	<b>7,447.4</b>

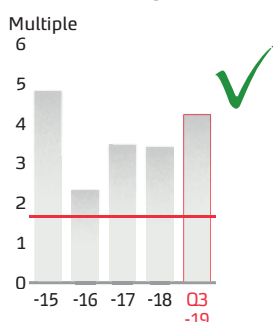


## Financial targets, Group operations

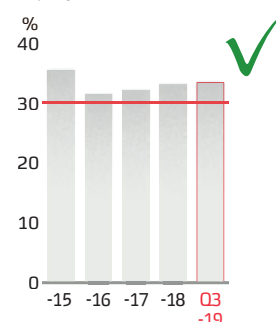
### Average debt maturity



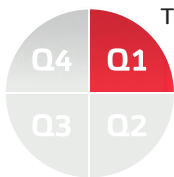
### Interest coverage ratio



### Equity/assets ratio



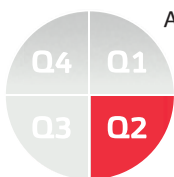
### Events during the period



The Nomination Committee has submitted a proposal regarding the composition of the Board of Directors to the Annual General Meeting to be held on 25 April 2019. It is proposed that Henry Klotz, Katarina Wallin, Tomas Andersson, Ingela Bendrot and H  l  ne Briggert be re-elected and that Gustaf Hermelin be re-elected as the Chairman of the Board. The new election of Magnus Sw  rdh is also proposed, since Bo Fors  n has declined re-election.

On 26 February 2019, Catena signed a 15-year lease with PostNord and commenced the new construction of a 18,300 square-metre terminal for handling of piece goods, packages and letters, at Logistics Position Tostarp located where the E4 and E6 motorways meet outside Helsingborg. The investment amounts to SEK 250 million and the rental value amounts to slightly more than SEK 16 million. PostNord is expected to move into the new premises in summer 2020.

At the end of January, it was decided that Catena would be a new arena sponsor for R  gle BK's home arena, which as of 1 May changed name to Catena Arena. The agreement extends for two years.



At the beginning of April, Catena signed a lease with PostNord and commenced construction of a logistics facility of some 2,000 square metres, including offices, parking and marshalling areas. Construction will take place at Catena's Soth  nan 3 property, adjacent to the Katrineholm logistics centre, a modern node and an excellent location for cargo flows where goods transported by rail and truck can be handled efficiently. The lease extends over ten years.

At the end of May, Catena acquired the Muttern 6 property in Kung  lv at a value of SEK 52 million. The property comprises a 7,800 square-metre logistics building. The property was acquired vacant but is now fully let.

In June, Catena signed an agreement with third-party logistics company Speed Logistics and invested a total of SEK 65 million in the Rosersberg 11:81 property north of Stockholm, which is being expanded by 7,500 square metres. Following the investment, which also includes modernising the existing premises, the property will be slightly more than 30,000 square metres in size. The extension is scheduled for completion in the spring of 2020.



On 11 July, Catena signed a ten-year lease, with an annual rent of approximately SEK 10.5 million, with DHL Express and is investing SEK 150 million at Logistics Position Sunnan  , just outside Malm  . The new building will be an air freight warehouse of approximately 10,200 square metres, Catena's fifth building at the site. Tenants are scheduled to move in during the autumn of 2020. The new

building will be adjacent to the DHL terminal that was the first facility established by Catena in the area, since which facilities in the area have also been leased to Chefs Culin  r, Svensk Cater, DS Smith and Lekia.

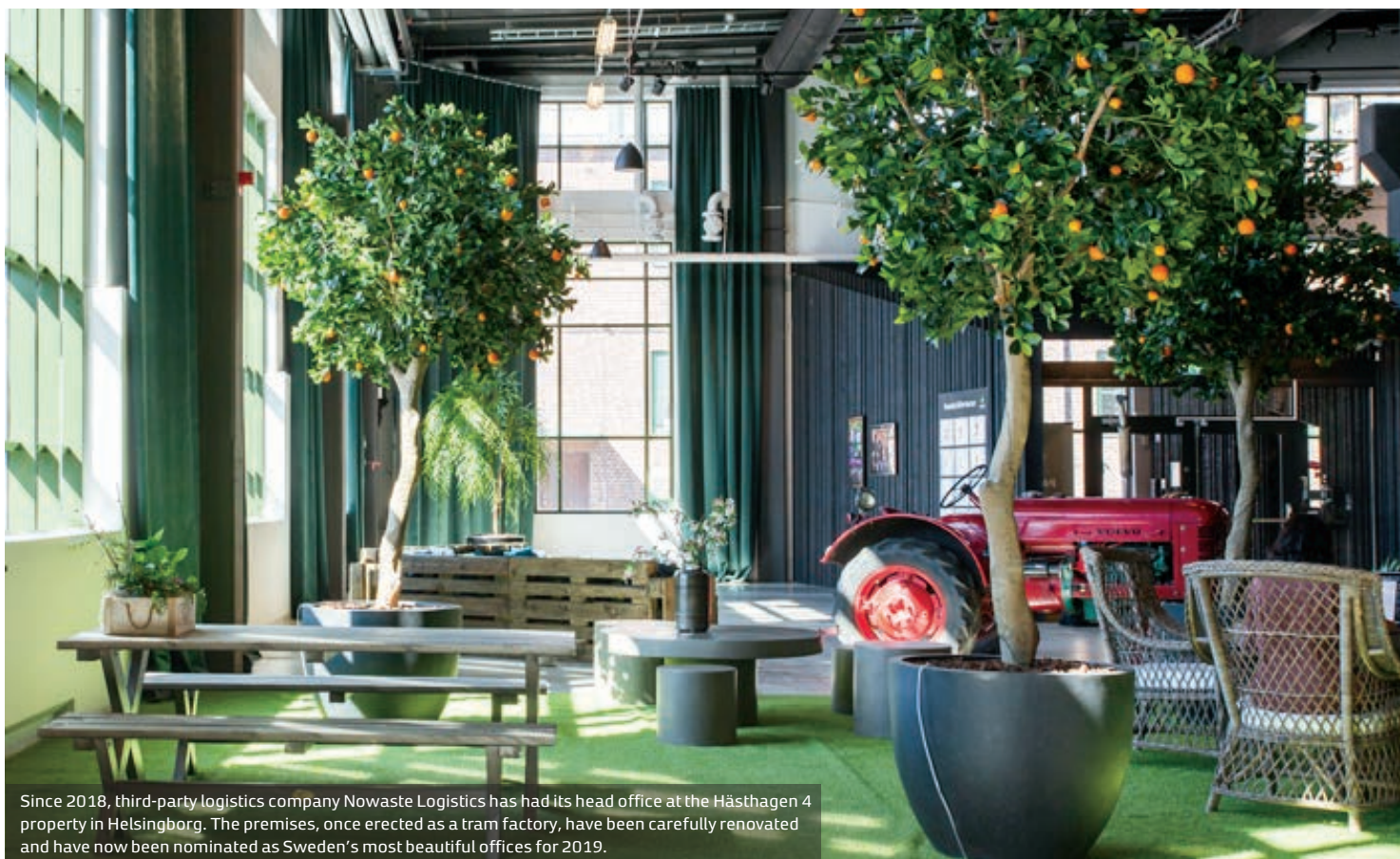
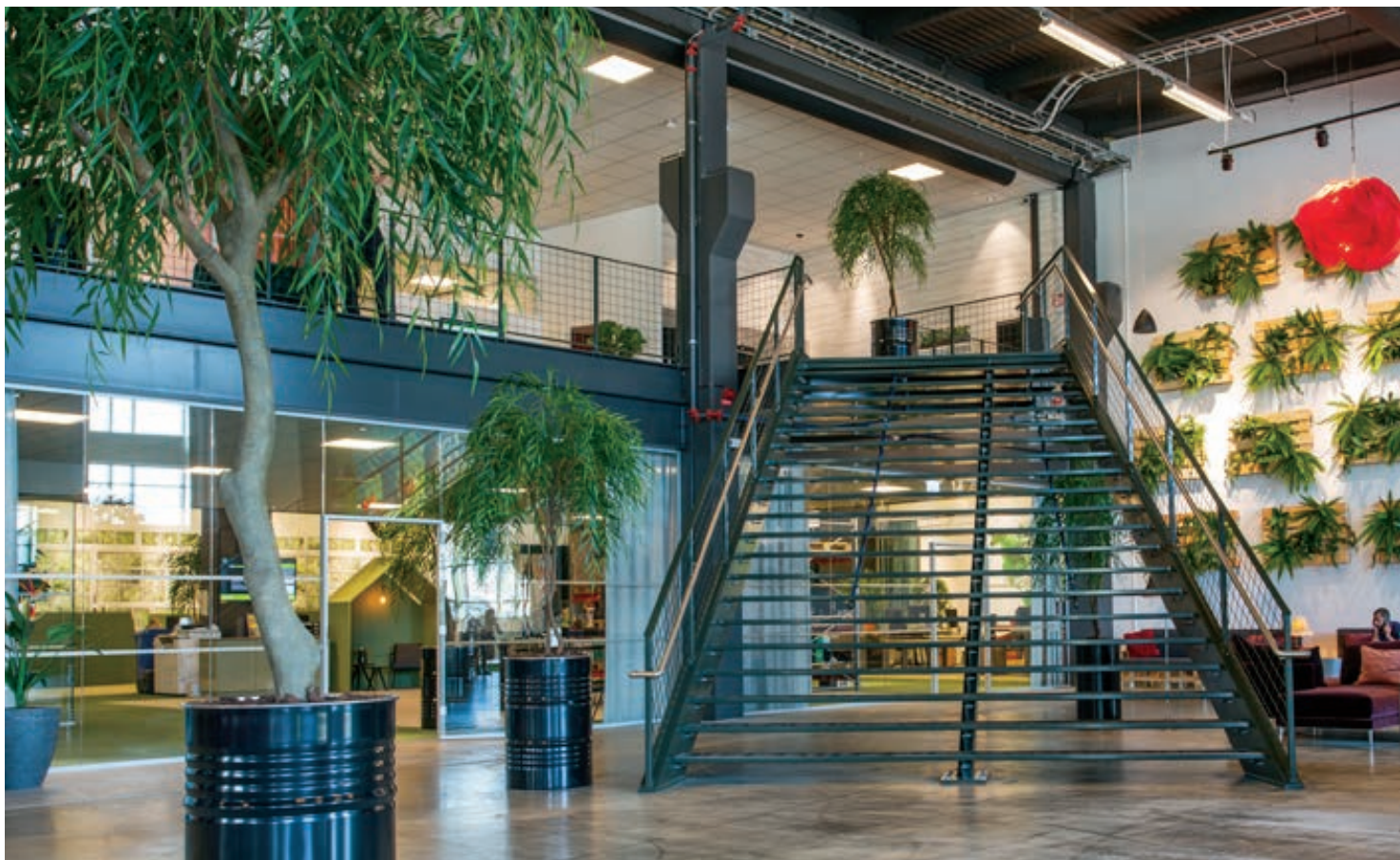
In early September, Catena was released from an option agreement signed with the Kilenkryssset entitling Catena to acquire logistics land in the municipality of Staffanstorp. Kilenkryssset, which had intended to sell the land to another player, repurchased the option agreement for a remuneration of SEK 59 million, which, following deduction of transaction costs, is reported as a realised change in value in the third quarter financial statements.

On 20 September, Catena signed a lease with Boozt Fashion and invested SEK 193 million in an additional building at E-City Engelholm. The new building of approximately 22,800 square metres will be erected adjacent to Boozt's existing facility. The contract has a duration of 11 years and 4 months, with an estimated operating surplus of slightly more than SEK 12 million. The new building will be environmentally certified in accordance with the Sweden Green Building Council's Milj  byggnad Silver certification, with strict requirements regarding energy, indoor environment and choice of materials and will also be equipped with a photovoltaic cell facility with an output of 255 kWh. The tenant is scheduled to move in during the autumn of 2020.

### Significant events after the end of the period

On 2 October, Catena signed a lease with Nowaste Logistics and is investing SEK 132 million in a 18,000 square-metre extension. The extension will be constructed adjacent to the customer's first facility at Logistics Position Tostarp, which was completed in the autumn of 2018. The extension is the third stage in Nowaste's expansion at the site alongside the E6 motorway outside Helsingborg – with a 30,400 square-metre logistics building previously having been erected in 2018, as well as an 11,000 square-metre high-bay warehouse that will be completed this November, both of which bear Green Building environmental certification. The extension project, which will also be environmentally certified, will also include the redevelopment of approximately 1,500 square metres of existing premises. Through the project, Nowaste plans to add additional capacity for warehousing and logistics, as well as for outlet sales and a photo studio. The length of the contract is five years with an estimated net operating surplus of slightly more than SEK 9 million.

In mid-October, Catena sold the M  rby 5:28 property in the municipality of Nykvarn. Tenant S  derenergi acquired the plot of approximately 95,400 square metres on which a smaller building of 186 square metres is also located. S  derenergi's lease agreement included the possibility of acquiring the land in question. The divestment was conducted as a corporate disposal at an underlying value of approximately SEK 83 million with control being transferred in the fourth quarter of 2019.



Since 2018, third-party logistics company Nowaste Logistics has had its head office at the Hästhagen 4 property in Helsingborg. The premises, once erected as a tram factory, have been carefully renovated and have now been nominated as Sweden's most beautiful offices for 2019.

## 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 well-situated, purpose-appropriate and environmentally efficient logistics spaces is therefore expected to remain favourable towards the end of 2019.

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 developed properties.

We believe that the transaction market for efficient, energy-smart and appropriately situated logistics properties remains highly attractive, and we see good opportunities, through acquisitions and property development, to expand the operations over the upcoming years.

The credit market is generally favourable for property companies and the supply of capital is good. Combined with a slowdown in the global economy and defensive central banks, the phenomenon of low interest rates is expected to remain for a long time.

We are closely monitoring the development of the world's financial markets and are well-prepared regardless of what directions these take. Opportunities for transactions are not generated by upswings alone.

### Catena's sustainability activities

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

Catena has begun implementing the Sweden Green Building Council's Miljöbyggnad Silver certification for all new buildings. This certification imposes stricter demands on energy consumption, indoor environment and choice of materials than the legal requirements under the Swedish National Board of Housing, Building and Planning's regulations. All projects are verified by a third party that reports back on an ongoing basis and Catena is also examining opportunities to certify existing buildings.

Catena is working in a number of ways to improve energy efficiency in existing buildings and, in new construction projects, generally prepares for future installation of photovoltaic cell facilities. Catena also serves as the specifier to contractors and suppliers regarding sustainability aspects and, by participating in networks and monitoring external trends, the sustainability work is further developed. These projects bring an increased focus on issues of sustainability while also strengthening the partnership with customers. The sustainability efforts are compiled in the Sustainability Report and bring solid commercial benefits by, among other things, generating conditions for green financing.

### Related parties

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



## Quarterly overview

	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4
Rental income, SEK M	300.1	291.0	294.0	285.3	277.9	264.3	263.2	233.4
Net operating surplus, SEK M	226.8	231.9	223.2	217.1	213.9	204.0	192.6	170.3
Surplus ratio, %	75.6	79.7	75.9	76.1	77.0	77.2	73.2	73.0
Economic letting ratio, %	96.0	95.5	95.8	95.9	95.8	95.2	94.6	94.7
Profit from property management, SEK M	160.1	162.0	155.9	148.5	148.6	138.3	135.9	107.1
Profit for the period, SEK M	344.3	261.7	245.8	158.1	294.1	194.6	176.6	103.7
Return on equity, %	6.0	4.7	4.5	3.0	5.9	4.1	3.8	2.3
Equity ratio, %	33.5	32.8	33.5	33.2	33.2	31.5	32.5	32.3
Share price at end of period, SEK	323.00	292.00	257.50	220.50	199.00	174.80	164.80	155.50
Cash flow before change in working capital per share, SEK	4.29	4.40	3.81	4.01	3.99	3.69	2.97	2.89
Earnings per share, SEK	9.13	6.94	6.52	4.19	7.81	5.20	4.72	2.89
Net asset value per share, EPRA NAV, SEK	194.07	182.01	178.50	169.53	164.88	156.40	155.92	149.85



# Key financial figures for the Group

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

## Definitions

	2019 Jan-Sep	2018 Jan-Sep	Rolling 12-month	2018 Jan-Dec	
<b>Property-related</b>					
Rental income, SEK M	885.1	805.4	1,170.4	1,090.7	Rental income according to Statement of comprehensive income
Net operating surplus, SEK M	681.9	610.5	899.0	827.6	Rental income less operating and maintenance expenses, property tax and property administration (including ground rent deductions in 2018).
Surplus ratio, %	77.0	75.8	76.8	75.9	Net operating surplus as a percentage of income from property.
Rental value, SEK M	1,271.0	1,187.7	1,271.0	1,216.1	Contractual rents on an annual basis plus a supplement for assessed market rents for vacant space.
Economic letting ratio, %	96.0	95.8	96.0	95.9	Contractual annual rents under leases valid at the end of the period/year as a percentage of rental value.
Loan-to-value ratio, %	56.5	58.0	56.5	57.9	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.	1,828.7	1,756.3	1,828.7	1,792.7	Total area available for letting.
<b>Financial</b>					
Profit from property management, SEK M	478.0	422.8	626.5	571.3	Pre-tax profit with reversal of changes in value.
Pre-tax profit, SEK M	1,061.5	748.6	1,253.0	940.1	Profit before tax in accordance with Statement of comprehensive income.
Profit for the period/year, SEK M	851.8	665.3	1,009.9	823.4	Profit for the period/year in accordance with Statement of comprehensive income
Total assets, SEK M	17,747.6	15,508.1	17,747.6	15,984.9	
Return on equity, %	15.1	13.7	18.2	16.6	Profit for the period/year as a percentage of average equity.
Return on assets, %	7.8	5.9	9.5	7.6	Pre-tax profit plus financial expenses as a percentage of average total assets.
Interest-coverage ratio, multiple	4.2	3.4	4.0	3.4	Pre-tax profit before reversal of financial expenses and unrealised changes in value in relation to financial expenses.
Average interest rate, %	2.6	2.9	2.6	2.7	Average interest on the loan portfolio with derivatives being taken into account as per the balance sheet date.
Term to interest rate maturity, years	2.4	3.3	2.4	3.0	Average remaining period of fixed interest on the loan portfolio with derivatives being taken into account.
Debt maturity, years	1.6	1.6	1.6	1.4	The average remaining period of debt maturity in the loan portfolio.
Equity ratio, %	33.5	33.2	33.5	33.2	Equity including non-controlling interests as a percentage of total assets total assets.
Equity/assets ratio, excluding goodwill and lease assets, %	35.2	34.3	35.2	34.3	Equity including non-controlling interests as a percentage of total assets less goodwill and lease assets.
<b>Share-related</b>					
Share price at end of period, SEK	323.00	199.00	323.00	220.50	
Cash flow before change in working capital per share, SEK	12.50	10.66	16.51	14.67	
Equity per share, SEK	157.89	136.64	157.89	140.82	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	12.68	11.27	16.62	15.21	Profit from property management in relation to the number of shares outstanding at the end of the period/year.
Earning per share, SEK	22.59	17.74	26.79	21.93	Profit for the period/year attributable to the Parent Company's shareholders in relation to the average number of shares outstanding.
Net asset value per share, EPRA NAV, SEK	194.07	164.88	194.07	169.53	Shareholders' equity with reversal of the fair value of interest rate derivatives and deferred taxes in the balance sheet less goodwill associated with the deferred tax, calculated per share.
Number of shares outstanding, millions	37.7	37.7	37.7	37.7	Number of shares on the balance sheet date
P/E ratio	12	10	12	10	Share price at the end of the period/year in relation to earnings per share for the period/year.

<sup>1)</sup> For division into IFRS categories, alternative and other key figures, please refer to Catena's Annual Report for 2018, pages 136–137.

<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.

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 2019 are deemed to have any significant impact on the Group, with the exception of IFRS16 "Leases".

On 1 January 2019, a new leasing standard, IFRS16 "Leases", entered into effect that replaces IAS 17 Leases and the related interpretations IFRIC 4, SIC-15 and SIC-27. Implementation of the standard means that leases are reported in the balance sheet, since no distinction is made between operating and finance leases. According to the new standard, an asset (the right to use a leased asset) shall be reported, as well as a financial liability to pay lease payments. Short-term contracts and contracts of smaller value are excluded. The accounts of the lessor will be essentially unchanged. The standard is deemed to have no significant effects for Catena as a lessor. In the Group's capacity as a lessee, the impact mainly consists of the present value of ground rents and leased cars being booked up in the balance sheet. Leaseholds have been discounted by interest on ground rent of 3 percent and cars by their implicit contract interest. Other identified leases for office machines and software, for example, are deemed to be of lesser value.

With regard to leasehold agreements, Catena recognises a leasing asset of SEK 349.2 million and a leasing liability of SEK 346.6 million at the transition to IFRS 16 as of 1 January 2019 and SEK 3.5 million for cars. The transition, in which Catena applied the forward-looking method, does not have any effect on equity and, in accordance with the standard, the comparison year has not been restated. The income statement was affected by the ground rents being reclassified from Property expenses to Financial expenses. For the three first quarters of 2019, the ground rents amounted to SEK 7.3 million.

### 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 19 on pages 77–79 of the 2018 Annual Report and in the Corporate Governance Report on pages 111–115. 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.

Helsingborg, 24 October 2019  
Catena AB

Board of Directors

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

ICA, Bring Frigo and Pågen have moved into the recently completed 6,225 square-metre building on the Mappen 4 property in Linköping. Catena has a total 57,000 square metres of lettable space in the area, which is located near the E4 motorway and Linköping Airport.



# Catena in brief

Catena’s mission is to develop, own and efficiently manage, through cooperation and in a sustainable manner, strategically located logistics facilities that supply Scandinavia’s metropolitan regions and have conditions to generate stable growing cash flows and good value growth.

## Vision

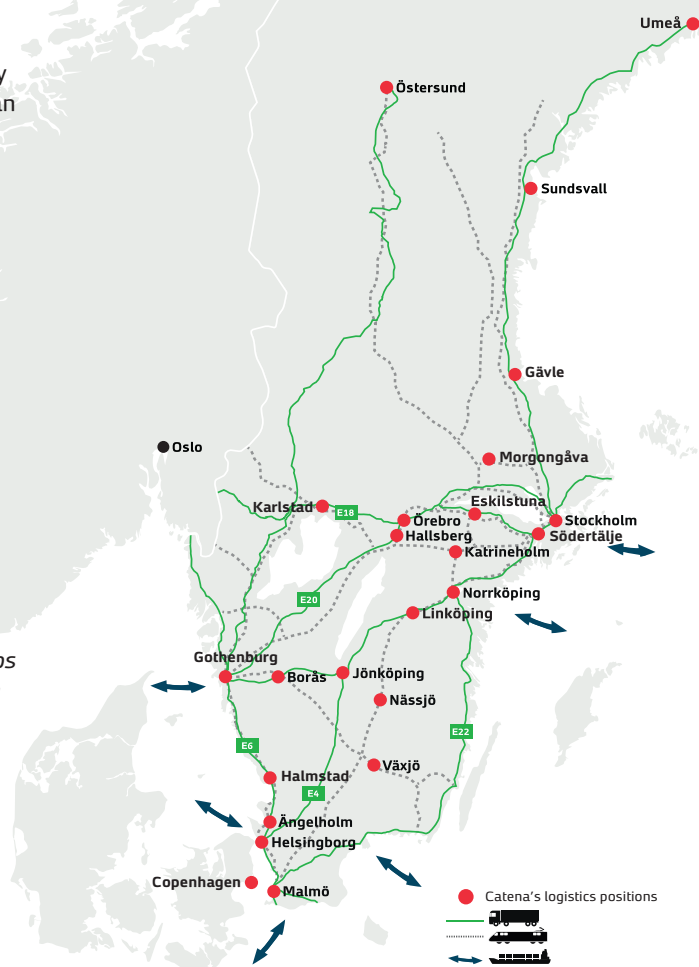
Catena’s good insights regarding future freight and cargo flows are absolutely crucial to the ability to offer the right locations, the right premises and the right service. By generating strong cash flows, development takes place towards the vision – *Catena links Scandinavia’s cargo flows.*

## Business concept

Catena offers logistics facilities for today’s and tomorrow’s cargo flows along the most important transport routes and at the most important hubs. Efficient logistics and transports are an important success factor that provides both financial and environmental advantages. In close cooperation with the customers and with good knowledge of the market, Catena develops its part of the chain. The business concept clarifies the mission – *Catena shall sustainably and through partnerships develop efficient logistics facilities that serve the metropolitan regions of Scandinavia.*

## Customer offering

Logistics solutions is a collective term for properties whose purpose is the collection, storage and distribution of goods. The goods, volumes, timing and, above all, the task impose different requirements on the facility.



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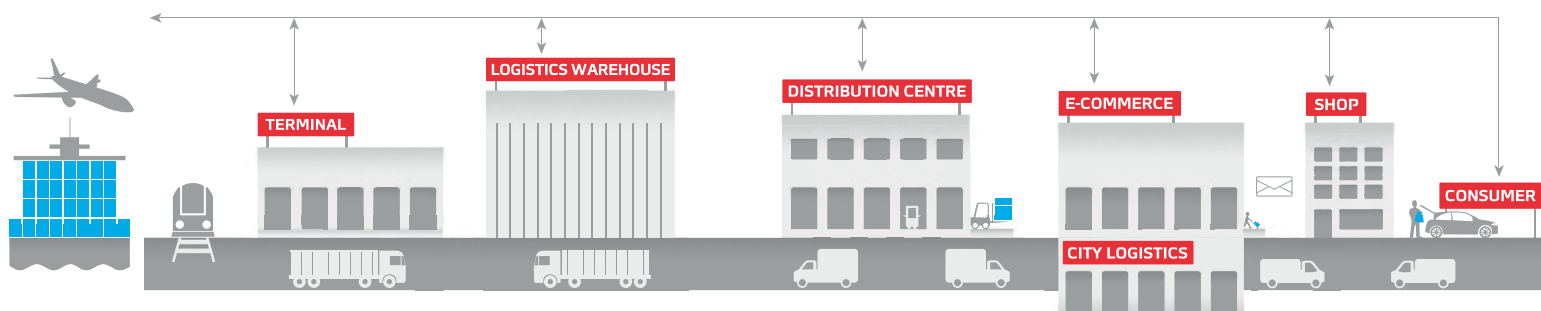
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# CATENA

Catena is a listed property company that through collaboration and in a sustainable manner develops, owns and manages efficient logistics facilities. The strategically located properties supply Scandinavia's metropolitan regions and are suitable for both today's and tomorrow's cargo flows. The overriding objective is to show strong cash flow, enabling stable development of operations and providing a good long-term total return. The Catena share is traded on NASDAQ Stockholm, Mid Cap.

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