

CATENA Q3

Interim report January – September 2018

- Rental income increased by 22 percent to SEK 805.4 million (658.6).
- The net operating surplus increased by 22 percent to SEK 610.5 million (500.9).
- Profit from property management rose by 27 percent to SEK 422.8 million (333.0).
- Profit for the period increased to SEK 665.3 million (531.0), corresponding to earnings per share of SEK 17.74 (13.20), including changes in value of SEK 325.8 million (295.3).
- Net asset value per share, EPRA NAV, increased to SEK 164.88 (143.73).

Significant events in the third quarter

- Catena has acquired, and gained access to, the Snesholm 1:16 property in Heby at a property value of SEK 280 million.
- The sale of the remaining 50 percent of the Regulatorn 2 property in Huddinge has been completed at a property value of SEK 390 million.
- Catena has signed an agreement to acquire 450,000 square metres of land at the new Stockholm Syd logistics location, at a property value of SEK 315 million.

Significant events after the end of the period

- Catena has signed an agreement to acquire 600,000 square metres of land adjacent to E-City Engelholm, at a property value of SEK 42.5 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 October at 8:00 a.m.

Unique design and environmental thinking as Nowaste grows

Nowaste Logistics AB offers customised logistics and warehousing services across several industries and segments. Everything from fresh goods to hardware, furniture and clothes. With core expertise in automation, IT and personnel, Nowaste Logistics is able to offer complete solutions as one of the industry's sharpest third-party logistics operators in all three segments for warehousing, that is, dry, chilled and frozen.

Major clients include Sweden's largest fruit and vegetable company, Everfresh, building supply and hardware merchant Bolist, food company Atria and the furniture company Trademax. With a work force of some 500 employees, Nowaste Logistics, currently handles goods valued at SEK 8.5 billion annually for these customers.

After a year's construction, Nowaste moved into its new logistics warehouse at the Tostarp logistics position adjacent to the E6 and E4 motorways, just outside Helsingborg on 1 September. Catena erected the building and owns it. The warehouse has an area of 30,400 square metres with both a unique design, energy-efficient wall panels and smart heating systems. Although Nowaste has several units in the Helsingborg area, it is not intended for the new logistics warehouse to replace any of the others. On the contrary, there are opportunities for further expansion adjacent to the motorway junction at Tostarp.

"Both we and our clients are expanding and there has been a pent-up need for increased capacity for some time," says Christian Hallberg, Deputy CEO of Nowaste. "We also seek solutions for optimising operations and eliminating unnecessary processes. One example worth mentioning is self-driven forklifts that eliminate longer transports with forklifts operated by human drivers. We can achieve all of this in Tostarp," says Christian Hallberg.

Unique design in top signage location

An exciting façade design with a runic script pattern in stretched brass net meets motorway drivers passing the Tostarp area of Helsingborg. Lindab delivered the framework, energy-efficient prefabricated concrete sandwich panels, roofing, windows, doors and gates. The façade, with its hidden messages, is to inspire passers-by.

"As a logistics location, Tostarp is strategically very well placed in the best signage position, just off the motorway before it splits into the E4 and E6. With this state-of-the-art facility

with its energy and cost-efficient solutions, it feels great to be able to offer Nowaste such a unique solution," says Göran Jönsson, Catena's Regional Manager in Helsingborg.

100-percent renewable energy in a Green Building
Nowaste's logistics warehouse in Tostarp has been constructed in accordance with the Green Building standard, The total energy required for heating is a maximum 10 kwh, compared with the requirement of 45 kwh set by the Swedish National Board of Housing, Building and Planning. A special heating solution has been selected in which heat pumps and geothermal energy are combined for optimal results. All of Nowaste's units are supplied with 100-percent renewable energy.

"It is important, both for us and our customers, that we are able to influence and reduce our footprint, but also to be able to offer logistics properties with low operating costs," says Göran Jönsson.

Nowaste continues to grow

In addition to the recently opened 30,400 square-metre logistics warehouse, there are also plans to expand the facility. In a second phase, the intention is to be able to expand the facility by a further 20,000 square metres. In the future, this would entail the warehouse having a footprint of more than 50,000 square metres. Such flexibility and scalability are aspects that Catena's customer Nowaste appreciates:

"We are growing both organically and by securing additional assignments and see that we can consolidate processes and extend economies of scale for our customers," says Christian Hallberg. "We want to be a logistics partner that creates the logistics conditions our customers need to be able to grow. If our customers grow, we grow. It's as simple as that!"



The Group in figures

	2018 Jul-Sep	2017 Jul-Sep	2018 Jan-Sep	2017 Jan-Sep	Rolling 12-month	2017 Jan-Dec
Rental income, SEK M	277.9	225.0	805.4	658.6	1,038.8	892.0
Net operating surplus, SEK M	213.9	170.6	610.5	500.9	780.8	671.2
Surplus ratio, %	77.0	75.8	75.8	76.1	75.2	75.2
Profit from property management, SEK M	148.6	113.7	422.8	333.0	529.9	440.1
Profit for the period/year, SEK M	294.1	194.8	665.3	531.0	769.0	634.7
Earnings per share, SEK	7.81	4.40	17.74	13.20	20.72	16.08
Equity ratio, %	33.2	32.9	33.2	32.9	33.2	32.3
Economic letting ratio, %	95.8	93.4	95.8	93.4	95.8	94.7

Future logistics locations are secured with strong cash flows

Profit from property management amounted to more than 52 percent of our rental income. We note continued stable cash flow, providing opportunities to continue identifying and developing the logistics locations of tomorrow.

Through sustained and active efforts, net operating surplus, letting ratio and rental income are continuously enhanced. This underlies the profit from property management, which increased by 27 percent compared with the corresponding period in 2017. In principle, the profit from property management also represents our cash flow before changes in working capital.

Well-equipped for continued growth

Long-term and sustainable customer relationships with stable tenants are fundamental for Catena, as evidenced in the earnings we report. Our customer base also reflects the shift towards digital trade, as a result of our ambition to identify early changes in the market to have capacity to meet new needs. Similarly, recurring, value-generating land purchases represent a strategy that resulted in land reserves of approximately 1.7 million square metres, enabling future investment when the right opportunities and customers are in place. This long-term approach in terms of both customers and land, combined with strong cash flow and debt that are well-balanced at any given time, prepare us well for rising interest rates or yield requirements, for example. This is a good starting point that enables continued focus on project and site development.

Site development is our core expertise

Our logistics positions Sunnanå, outside Malmö, and Tostarp, outside Helsingborg, are both good examples of how Catena develops future logistics locations adjacent to Sweden's major goods flows. In a changing environment, the ability and expertise to identify attractive locations is crucial.

With our agreement to acquire 450,000 square metres of land at the new Stockholm Syd logistics location in the Municipality of Nykvarn, we seek to secure a further logistics position meeting the needs that arise as flows, trade and purchasing patterns shift. South of Stockholm, we are now seeing business initiatives involving expansive plans and major investments, including in Flemingsberg. At the same time, we are also seeing increasing demands for faster delivery times, and, against that background, the Stockholm Syd logistics position's geographical location is unusually favourable. Its proximity to motorways, ports, industrial rail sidings and airports provides the capacity to manage the large amounts of goods arriving from the south and to supply the growing capital efficiently and economically in the future. The location and the acquired land offer great potential for future warehouse and terminal facilities, facilitating a sustainable supply chain in which all stages are fully optimised.



Customers at the fore

Working with customers who are driving change forward is a privilege. Our facilities leased by third-party logistics operators Nowaste and Dream Logistics are, for example, the starting point for innovative and sustainable logistics solutions that are rejuvenating the industry and, alongside e-commerce companies, such as Apotea, Boozt, MatHem and Mat.se, we are contributing to the development of digital trade. Catena adds value by offering properties meeting strict demands, but also by being an active partner in discussions – a partner who understands logistics and flows and who presents challenges based on our horizons – thereby building close customer relations that develop both parties.

Effective organisation that delivers

With only some 40 employees, making the right choice in each individual situation is critical to achieving our objectives. A current priority is integrating sustainability into our processes, both as a business opportunity and to reduce risk. Although this is an obvious approach, as in all other areas we must constantly be on our toes to ensure we make wise decisions.

Being responsive and fast when it matters, while daring to stick to long-term strategies is challenging, but I can say with pride that we are successful in our endeavours.

Helsingborg, October 2018
Benny Thøgersen, CEO

Income and profit

Rental income

Rental income in the period increased by 22 percent to SEK 805.4 million (658.6). 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 79 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 approximately five years.

Duration of leases

Duration	No. of contracts	Contractual annual rent, SEK M	Contractual annual rent, %
2018	41	7.6	1
2019	133	124.4	11
2020	86	102.8	9
2021	45	203.9	18
2022	32	104.8	9
2023	25	125.6	11
2024+	61	468.3	41
Total	423	1,137.4	100

Property expenses

Property expenses increased to SEK 194.9 million (157.7) due to a larger property portfolio but also due to increased maintenance of the properties. The cold winter with an unusually high amount of snow also increased costs.

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 178.1 million for the first three quarters of the year (156.6). 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. Adjusted for the previous year's reorganisation of swaps, financial expenses, increased by 3 percent, while the loan volume has increased by 22 percent. This shows that Catena's efforts to reduce interest has yielded results. Compared with the third quarter of 2017, Catena has lowered its average interest rate by 0.3 percentage points to 2.9 percent (3.2).

Profit

Despite the higher financial expenses, profit from property management increased by 27 percent compared with the previous period, from SEK 333.0 million to SEK 422.8 million. The primary reason for the improved profit from property management is an increased portfolio. The share in the earnings of associated companies is significantly higher than in the previous period, mainly due to a value adjustment and the profit from the sales of our holding in the Huddinge Regulatorm 2 property.

Profit for the period amounted to SEK 665.3 million, which is SEK 134.3 million higher than in the preceding year. Changes in value of property and goodwill are SEK 1.4 million lower than in the corresponding period in the preceding year, while the change in value of derivatives is SEK 31.9 million higher than in the preceding year. This was an effect of long-term market interest rates having risen over the year. The unrealised changes in value are of an accounting nature and do not affect cash flow.

On 14 June, the Riksdag (Swedish Parliament) adopted new tax regulations for the business sector. Among other things, the decision entails a two-step reduction in corporation tax to 21.4 percent as of 2019, and to 20.6 percent as of 2021. As a consequence of this decision, Catena has made a preliminary revaluation of its deferred tax assets and liabilities, entailing a non-recurring tax income item of approximately SEK 67 million.

Operating surplus, regions

	2018 Jul-Sep	2017 Jul-Sep	2018 Jan-Sep	2017 Jan-Sep	Rolling 12-month	2017 Jan-Dec
Gothenburg	37.0	27.6	107.0	81.4	136.8	111.2
Helsingborg	33.2	26.2	93.2	73.6	120.5	100.9
Jönköping	16.4	17.9	47.3	53.2	61.5	67.4
Malmö	26.4	26.9	80.4	67.6	105.8	93.0
Stockholm	100.9	72.0	282.6	225.1	356.2	298.7
Total	213.9	170.6	610.5	500.9	780.8	671.2

Rental income, regions

SEK M	Jul-Sep 2018		Jul-Sep 2017		Jan-Sep 2018		Jan-Sep 2017		Rolling 12-month		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.*	Rental income	Of which, re-invoiced.*	Rental income	Of which, re-invoiced.*
Gothenburg	42.3	2.1	32.0	1.8	123.2	5.7	94.8	3.9	158.7	7.8	130.3	6.0
Helsingborg	45.8	3.4	37.0	3.0	128.8	9.3	104.4	7.7	170.5	12.0	146.1	10.4
Jönköping	24.3	3.2	22.8	2.5	70.1	8.7	71.8	8.5	92.2	11.0	93.9	10.8
Malmö	42.2	9.6	40.2	8.4	126.2	27.7	105.3	23.1	165.9	36.6	145.0	32.0
Stockholm	123.3	9.9	93.0	6.4	357.1	29.1	282.3	20.7	451.5	34.1	376.7	25.7
Total	277.9	28.2	225.0	22.1	805.4	80.5	658.6	63.9	1,038.8	101.5	892.0	84.9

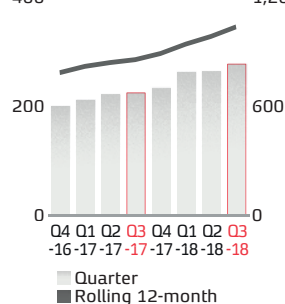
* Of which, re-invoiced expenses.

Consolidated statement of comprehensive income

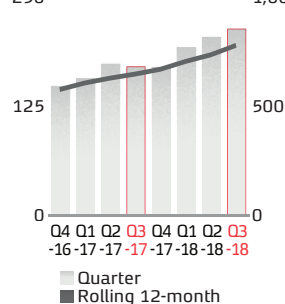
SEK M	2018 Jul-Sep	2017 Jul-Sep	2018 Jan-Sep	2017 Jan-Sep	Rolling 12-month	2017 Jan-Dec
Rental income	277.9	225.0	805.4	658.6	1,038.8	892.0
Property expenses	-64.0	-54.4	-194.9	-157.7	-258.0	-220.8
Net operating surplus	213.9	170.6	610.5	500.9	780.8	671.2
Central administration	-7.4	-6.4	-23.6	-22.5	-32.0	-30.9
Other operating income	0.4	0.3	1.8	1.1	2.4	1.7
Other operating expenses	-	-	-0.2	-0.4	-0.9	-1.1
Share of profit of associates	-0.9	2.1	10.3	7.0	11.6	8.3
Financial income	0.6	0.6	2.1	3.5	2.7	4.1
Financial expenses	-58.0	-53.5	-178.1	-156.6	-234.7	-213.2
Profit from property management	148.6	113.7	422.8	333.0	529.9	440.1
Realised changes in value of investment properties	2.7	-	4.6	86.3	4.6	86.3
Unrealised changes in value of investment properties	154.8	125.9	266.1	270.5	286.7	291.1
Changes in value goodwill, etc.	-	-	-	-84.7	-	-84.7
Changes in values of derivatives	59.4	15.3	55.1	23.2	57.7	25.8
Profit before tax	365.5	254.9	748.6	628.3	878.9	758.6
Tax for the period	-71.4	-60.1	-83.3	-97.3	-109.9	-123.9
Profit for the period/year	294.1	194.8	665.3	531.0	769.0	634.7
Other comprehensive income						
Translation difference	-	-3.3	7.8	-0.3	12.3	4.2
Comprehensive income for the period/year	294.1	191.5	673.1	530.7	781.3	638.9
Comprehensive income for the period/year distributed among the Parent Company's shareholders	294.1	153.8	673.1	471.3	781.3	579.5
Comprehensive income for the period/year distributed among non-controlling interests	-	37.7	-	59.4	-	59.4
Key share data						
Shareholders' equity, SEK per share	136.64	118.82	136.64	118.82	136.64	122.86
Net asset value per share, EPRA NAV, SEK	164.88	143.73	164.88	143.73	164.88	149.85
Profit for the period/year, SEK per share	7.81	4.40	17.74	13.20	20.72	16.08
Number of shares outstanding, millions	37.7	35.7	37.7	35.7	37.7	37.4

Rental income
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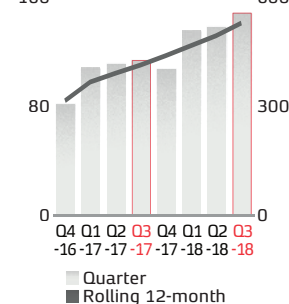
R12

SEK M
400SEK M
1,200Net operating surplus
Q

R12

SEK M
250SEK M
1,000Profit from property management
Q

R12

SEK M
160SEK M
600

Financial position

Cash flow

SEK M	2018 Jan-Sep	2017 Jan-Sep	2017 Jan-Dec
Profit before tax	748.6	628.3	758.6
Adjustments for non-cash items	-335.1	-312.7	-337.0
Tax paid	-13.9	-0.6	-2.9
Cash flow before changes in working capital	399.6	315.0	418.7
Change in operating receivables	-32.8	9.3	26.2
Change in operating liabilities	-53.6	-31.5	-41.0
Cash flow from operating activities	313.2	292.8	403.9
Acquisition of assets via subsidiaries	-34.3	-218.8	-632.0
Divestment of operations	24.2	174.3	174.3
Acquisition of minority share	-	-	-71.6
Investments in investment properties	-568.1	-346.9	-520.3
Divestment of investment properties	4.8	-	-
Acquisitions of property, plant and equipment	-0.3	-0.6	-0.6
Change in financial assets	42.8	251.5	238.7
Cash flow from investment operations	-530.9	-140.5	-811.5
Change in loans	534.3	178.7	481.8
Dividend paid	-168.4	-125.1	-125.1
Cash flow from financing operations	365.9	53.6	356.7
Cash flow for the period	148.2	205.9	-50.9
Opening cash and cash equivalents	94.8	145.5	145.5
Exchange rate difference in cash and cash equivalents	0.4	-	0.2
Closing cash and cash equivalents	243.4	351.4	94.8

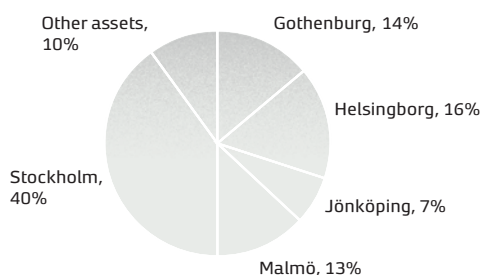
Statement of financial position

SEK M	2018 30 Sep	2017 30 Sep	2017 31 Dec
Assets			
Fixed assets			
Goodwill	503.0	503.0	503.0
Investment properties	14,257.4	11,750.0	13,131.1
Property, plant and equipment	1.6	2.2	2.0
Financial non-current assets	233.7	228.0	241.6
Deferred tax assets	101.2	136.0	136.2
Current assets			
Current receivables	167.8	128.5	137.9
Cash and cash equivalents	243.4	351.4	94.8
Total assets	15,508.1	13,099.1	14,246.6
Equity and liabilities			
Equity attributable to Parent Company shareholders	5,151.2	4,246.1	4,596.5
Equity attributable to non-controlling interests	-	63.8	-
Non-current liabilities			
Interest-bearing liabilities	5,814.2	6,073.9	6,251.5
Deferred tax liability	1,278.3	1,087.9	1,203.5
Other non-current liabilities	470.9	502.0	535.9
Current liabilities			
Interest-bearing liabilities	2,456.7	689.8	1,316.7
Other current liabilities	336.8	435.6	342.5
Total equity and liabilities	15,508.1	13,099.1	14,246.6

Cash flow for the period before changes in working capital improved by SEK 84.6 million to SEK 399.6 million (315.0). Cash flow has been affected by significant investments in investment properties and by Catena acquiring the Magnet 6, Snesholm 1:16 and Sunnanå 1:20 and 1:21 properties as share acquisitions and the Mappen 1 and Hästhagen 5 properties through property transactions.

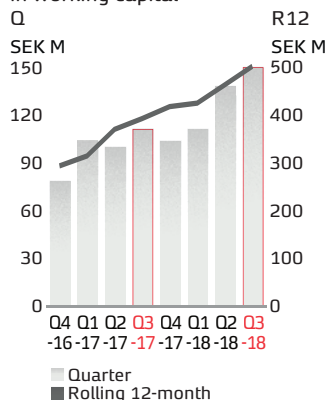
During the period, Catena issued commercial papers as a complement to its existing financing. At the end of the period, cash and cash equivalents amounted to SEK 243.4 million (351.4).

Distribution of assets

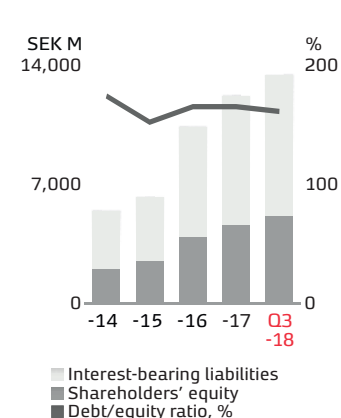


Total assets, SEK 15,508.1 million

Cash flow before change in working capital



Capital structure



Change in equity

SEK M	2018 30 Sep	2017 30 Sep	2017 31 Dec
Opening balance	4,596.5	3,904.3	3,904.3
Dividend paid to shareholders	-168.4	-125.1	-125.1
New share issue ¹⁾	50.0	-	250.0
Translation difference	7.8	-0.3	4.2
Acquisition of minority share	-	-	-63.8
Transactions with minority owners	-	-	-7.8
Comprehensive income for the period/year attributable to non-controlling interests	-	59.4	59.4
Comprehensive income for the period/year attributable to Parent Company shareholders	665.3	471.6	575.3
Closing balance	5,151.2	4,309.9	4,596.5
Attributable to:			
Parent Company's shareholders	5,151.2	4,246.1	4,596.5
Non-controlling interests	-	63.8	-

¹⁾ New share issues for SEK 50 million (2018) and SEK 250 million (2017) have been used to settle liabilities from acquisitions.

Interest-bearing liabilities

Interest-bearing liabilities amounted to SEK 8,270.9 million (6,763.7) and the loan framework amounted to SEK 8,960.7 million on 30 September 2018.

During the year, Catena has renegotiated financing agreements with a total framework of approximately SEK 1,384 million. Fixed interest on average amounts to 3.3 years.

Fixed interest

Year	SEK M	Interest rate, % ¹⁾	Share, %
2018	2,521.6	2.1	30.5
2019	376.0	0.7	4.6
2020	843.0	0.8	10.2
2021	764.4	4.9	9.2
2022	500.0	3.8	6.0
2023	500.0	3.2	6.0
2024	500.0	2.8	6.0
2025	1,122.0	3.8	13.6
2026	1,143.9	4.1	13.9
Total	8,270.9	2.9	100.0

¹⁾ Refers to the current average interest rate as per 30 September 2018. The margin is distributed evenly across the interest maturity period.

Capital tied-up

Year	Contract volume, SEK M	Utilised, SEK M	Unutilised, SEK M
2018	284.8	184.8	100.0
2019	2,639.0	2,299.2	339.8
2020	3,781.0	3,781.0	-
2021	2,193.5	1,943.5	250.0
>2022	62.4	62.4	-
Total	8,960.7	8,270.9	689.8

Bond financing

Catena's outstanding covered (through property mortgages) bond financing amounts to SEK 1,228 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 350 million via SFF.

Commercial paper financing

During April, Catena established a commercial paper programme with a framework amount 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 over a period of three years with a framework amount of SEK 1 billion.

On the balance sheet date, the outstanding volume was SEK 750 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 390.4 million (441.3). 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 55 percent of consolidated interest-bearing liabilities.

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
2012	2022	2.3	500.0
2014	2023	1.7	500.0
2014	2024	1.4	500.0
2017	2021	2.8	22.0
2017	2021	2.8	50.8
2017	2025	2.3	561.0
2017	2025	2.4	561.0
2017	2026	2.7	572.0
2017	2026	2.7	572.0
Total		2.3	4,530.4

The property portfolio

Property portfolio

SEK M	Fair amount	Number of properties
Property portfolio at beginning of year	13,131.1	109
Acquisitions*	433.7	5
Investments in existing properties	456.0	
Sales	-46.5	-3
Translation difference	17.0	
Property settlements etc.	0.0	-5
Unrealised changes in value	266.1	
Total investment properties	14,257.4	106

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

Changes in the property portfolio

During the period, Catena acquired five properties, two of which are to be merged with existing properties, with a carrying amount of SEK 433.7 million, and sold three properties with a carrying amount of SEK 46.5 million.

In addition, ongoing investments of SEK 456.0 million have been made in existing properties. The largest ongoing project is at the Plantehuset 3 property at the Tostarp logistics position in Helsingborg, where Catena has erected a 30,400-square-metre logistics warehouse for Nowaste (see page 2). At the same time, the work of renting and project planning for new tenants continues.

At the Mappen 4 property in Linköping, work is continuing on a new 6,000 square-metre warehouse. Bring has moved into its section, while the sections for Pågens and another tenant are being completed.

At the Sunnanå logistics position outside Malmö, Svensk Cater's distribution warehouse has now been completed and work on Chefs Culinar's 7,600 square-metre distribution warehouse is ongoing. Construction will also soon commence on a 36,000 square-metre warehouse for multiple tenants.

At the Björöd 1:205 property in the Municipality of Härryda, Cramo has now moved into its new 3,400 square-metre logistics warehouse.

Property valuation

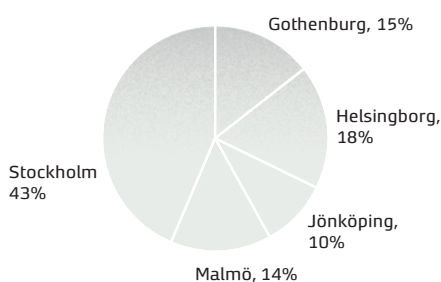
Unrealised changes in value of Catena's properties have arisen as a result of coordination, well-executed projects and good property management and amounted to SEK 266.1 million in the period. This corresponds to 2 percent of the value before adjustment.

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 2018, SEK 5.7 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.

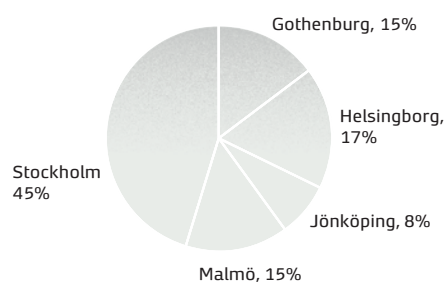
Some leeway is allowed between the value derived from the internal valuation and fair value before adjustment of fair value is carried out. The discrepancy should be within a range controlled by a permitted discrepancy from the established direct yield requirement of +/-0.25 percent. Only when the deviation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



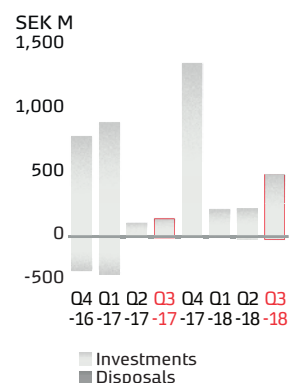
Rental value, SEK 1,187.7 million

Property portfolio by region



Fair value, SEK 14,257.4 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	14	222.9	2,110.7	172.0	99	170.9	87
Helsingborg	23	382.5	2,494.2	211.6	92	195.3	72
Jönköping	12	209.6	1,102.6	117.2	91	107.2	67
Malmö	16	211.0	2,118.1	171.9	97	167.5	64
Stockholm	41	730.3	6,431.8	515.0	96	496.5	79
Total	106	1,756.3	14,257.4	1,187.7	96	1,137.4	76

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
Magneten 6	2 July 2018	Stockholm	Umeå	Land	20.0	0.6
Snesholm 1:16	2 July 2018	Stockholm	Heby	38,000	280.2	19.0
Sunnanå 1:20 and 1:21	4 September 2018	Malmö	Burlöv	Land	21.7	1.1
Hästhagen 5 *)	17 September 2018	Helsingborg	Helsingborg	11,575	45.0	0.2
Total				71,963	435.0	29.9

*) Merged with existing property.

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
Tappen 1	18 May 2018	Gothenburg	Borås	5,700	25.0	1.2
Kroksabeln 17	14 August 2018	Helsingborg	Helsingborg	7,416	21.2	0.1
Part of Sköns Prästbord 2:4	24 September 2018	Stockholm	Sundsvall	Part of plot	2.7	2.6
Total				13,116	50.7	4.6



Norra Varalöv 31:11, Ängelholm

Property portfolio continued

A selection of current properties

Nattskiftet 11, Stockholm

Västberga is one of Stockholm's best logistics locations, at the junction of the E4/E20 motorway with the Södra Länken motorway link south of Stockholm. Catena's Nattskiftet 11 property is located here. The property has a lettable area of 25,617 square metres and is situated adjacent to another Catena property, Drivremmen 1. A large part of the property has been remodelled in recent years to adapt to the operations of its largest tenant, Grönsakshallen Sorunda. Together with the tenant, we have transformed the old warehouse into a state-of-the-art food distribution facility, at which the customer handles fruit and vegetables, fish and meat.



Vångagärdet 20, Helsingborg

Catena acquired this approximately 26,000 square-metre property, located in southern Helsingborg, in early 2017 when the previous owner chose to move its operations. Since then, Catena has worked to fill the property, attracting a number of different companies to move into newly renovated premises. Next to move in will be Solid Försäkring, which is leasing two floors of the office building. The premises are currently undergoing the final phase of adaptation to meet the tenant's needs. There is still space for additional tenants and efforts to fill the last vacancies are ongoing.

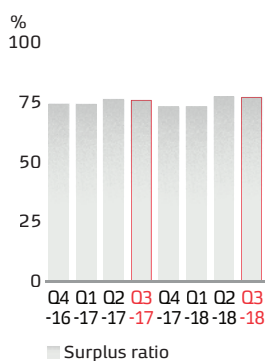


Logistics position Sunnanå, Burlöv

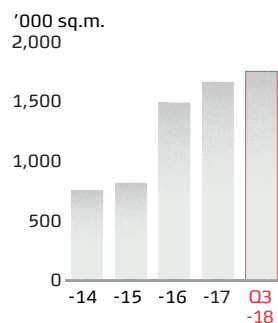
At the Sunnanå logistics position outside Malmö, construction work continues. Currently, the first two buildings have been completed – the DHL terminal and Svensk Cater. At the moment, the focus is on the fact that while the construction of Chefs Culinar's warehouse and the multi-tenant warehouse continues, Catena has acquired an additional 120,000 square metres of land where it has begun work on the planning process to accommodate additional buildings in a superb logistics position at the heart of the Öresund region.



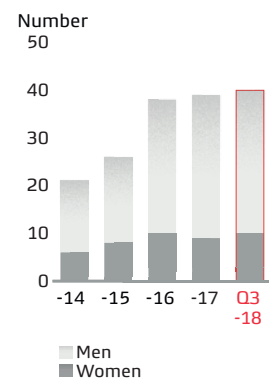
Surplus ratio



Logistics space



Personnel, Group



Current earnings capacity

SEK M	2018 30 Sep	2018 30 Jun	2018 31 Mar	2017 31 Dec	2017 30 Sep
Rental income	1,112.8	1,085.7	1,061.9	1,042.6	939.7
Property expenses	-276.3	-269.6	-263.6	-260.6	-234.9
Net operating surplus	836.5	816.2	798.3	782.0	704.8
Central administration	-32.4	-32.4	-32.0	-32.0	-31.2
Share of profit of associates	-10.0	0.0	7.0	8.0	9.0
Net financial items	-232.7	-231.1	-225.6	-230.5	-210.8
Profit from property management	561.4	552.7	547.7	527.5	471.8
Tax for the period	-123.5	-121.6	-120.5	-116.0	-103.8
Profit for the period	437.9	431.1	427.2	411.5	368.0
Key share data					
Profit for the period/year, SEK per share	11.6	11.5	11.4	11.0	10.3
Number of shares outstanding, millions	37.7	37.4	37.4	37.4	35.7

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 derivatives. 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 deducted interest rate in normal project volume. The tax is calculated on a conventional basis according to the tax rate at any given time.

Yield

%	2018 30 Sep	2018 30 Jun	2018 31 Mar	2017 31 Dec
EPRA NIY (net initial yield)	6.0	6.1	6.2	6.3
EPRA "topped-up" NIY (normalised yield)	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, ground rent and property administration. The net operating surplus calculated in this way differs from current earnings capacity mainly because contracted annual rent and expenses for projects not yet completed are not included. In the calculation of EPRA "topped-up" NIY, contractual annual rent is used without deduction of initial discounts.



Sunnanå 12:51, Burlöv

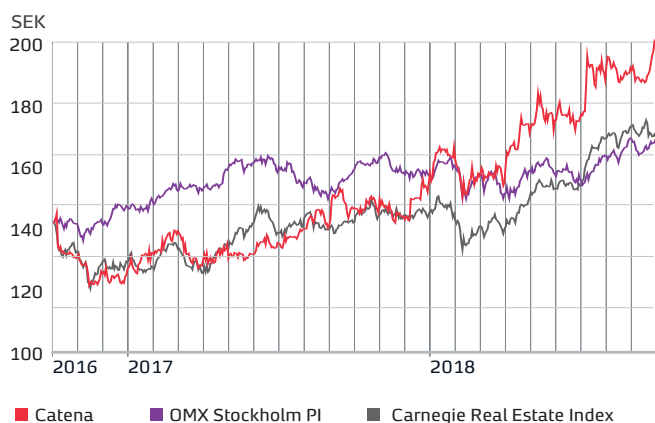
Shares and shareholders

The Catena share

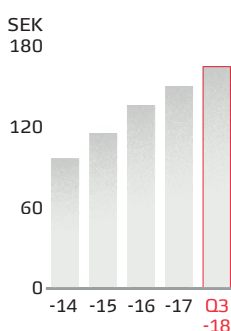
As at the closing date, the Catena share was registered on the Nasdaq Stockholm Nordic Mid Cap list. The closing price on 28 September 2018 was SEK 199.00, against the opening price of SEK 159.40 on 2 January 2018, representing an increase of 24.8 percent over the year. During the period, the highest price noted for the Catena share was SEK 200.50 and the lowest was SEK 148.00. Since the autumn of 2017, Catena's share has been included in the international property index EPRA.

As at 30 September 2018, Catena had 14,619 shareholders, and the number of shares amounted to 37,698,853.

Share price trend 30 September 2016 – 30 September 2018



Net asset value per share, EPRA NAV



Ownership structure at 30 September 2018, major shareholders.

	No. of shares, 000s	Votes, %
Backahill	11,221	29.8
Endicott Sweden AB (CLS Holding plc)	3,971	10.5
Länsförsäkringar fondförvaltning AB	2,676	7.1
SFU Sverige AB	1,810	4.8
Kilen 134 Strängnäs AB	1,678	4.5
Nordea Investment Funds	1,077	2.9
Handelsbankens Fonder	1,000	2.7
Citi Switz AG AS Agent For Clients	921	2.4
State Street Bank & Trust Com., Boston	791	2.1
Skagen M2 Verdipapirfondet	566	1.5
State Street Bank & Trust Co, W9	548	1.5
SEB Investment Management	538	1.4
BNP Paribas Sec Services London, W8IMY	520	1.4
Other shareholders	10,382	27.4
Total	37,699	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

- 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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 Telephone +46 (0)42 449 22 44



Roserberg 11:81, Sigtuna

Parent Company's financial statements

Parent Company Income Statement

SEK M	2018 Jan-Sep	2017 Jan-Sep	2017 Jan-Dec
Net sales	36.1	39.6	44.0
Cost of services performed	-57.5	-56.0	-73.8
Operating profit/loss	-21.4	-16.4	-29.8
Financial income and expenses			
Other interest income and similar income	124.5	93.1	137.6
Profit from participations in Group companies	977.3	-	49.4
Interest expenses and similar expenses	-167.4	-187.5	-259.7
Profit before appropriations and taxes	913.0	-110.8	-102.5
Appropriations	-	-	-17.1
Tax on profit for the period/year	7.8	59.8	-45.2
Comprehensive income for the period	920.8	-51.0	-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.

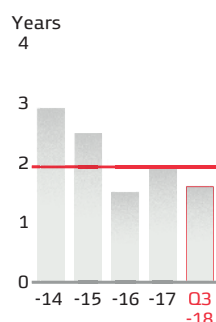
Balance Sheet, Parent Company

SEK M	2018 30 Sep	2017 30 Sep	2017 31 Dec
Assets			
Fixed assets			
Property, plant and equipment	1.6	2.2	2.0
Financial non-current assets	3,236.2	3,263.3	3,263.3
Deferred tax assets	80.4	97.4	96.8
Non-current receivables	2.6	2.7	2.3
Current assets			
Receivables from Group companies	4,462.8	4,285.1	5,201.9
Receivables from associated companies	3.4	-	0.2
Current receivables	21.7	12.4	5.9
Cash and cash equivalents	160.1	295.8	38.7
Total assets	7,968.8	7,958.9	8,611.1
Equity and liabilities			
Shareholders' equity	2,931.3	1,992.8	2,128.9
Untaxed reserves	17.2	0.1	17.2
Non-current liabilities			
Interest-bearing liabilities	748.3	-	-
Other non-current liabilities	390.9	441.3	439.2
Current liabilities			
Interest-bearing liabilities	-	-	439.0
Liabilities to Group companies	3,844.7	5,486.7	5,534.9
Liabilities to associated companies	-	3.0	6.1
Other current liabilities	36.4	35.0	45.8
Total equity and liabilities	7,968.8	7,958.9	8,611.1

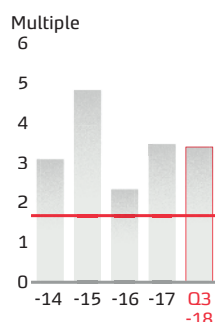


Financial targets

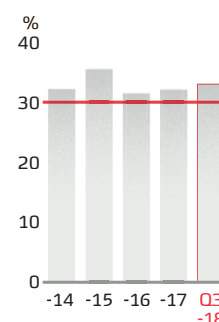
Average capital tied-up



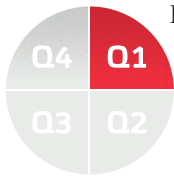
Interest coverage ratio



Equity/assets ratio



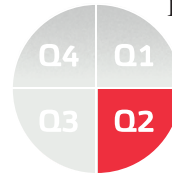
Significant events during the period



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. In the spring, construction commenced of the 7,600 square-metre warehouse which, when completed, will contain a warehouse section for dry goods as well as 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 at the Sunnanå logistics position 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 metres. 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.



In mid-April, Catena established a commercial paper programme with a framework amount of SEK 2 billion. 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).

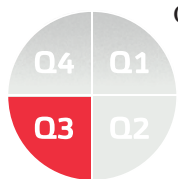
On 4 May, an investor presentation was held and, on 7 May, Catena issued commercial papers for SEK 750 million with maturities of four, six and nine months under the newly established commercial paper programme, with an average interest rate of 0.39 percent. The commercial papers will have a maximum maturity of 364 days.

On 27 April, Catena signed a lease with DS Smith and Lekia and is investing a further SEK 358 million at the Sunnanå logistics location, just outside Malmö. This will be the fourth facility that Catena establishes in the area and will encompass two buildings with a shared loading yard and parking area. The buildings will provide warehousing for multiple tenants, with a total of 36,000 square metres of warehouse and office space. Lekia will be leasing 6,000 square metres and DS Smith 5,800 square metres, and they are scheduled to move in during the third quarter of 2019. Fully leased, the two new buildings are estimated to have a rental value of approximately SEK 26 million.

On 8 May, Catena signed a seven-year contract with Procurator with an annual rent of SEK 9.4 million and will be investing SEK 107 million in the Tahe 1:64 property, located on the Torsvik industrial estate, adjacent to the E4 motorway in Jönköping. The property is being extended by 16,000 square metres to a total 41,800 square metres. With this contract, almost all of the property's logistics space has been leased. Procurator is expected to be able to move into the property towards the end of 2019.



Solsten 1:102, Hårryda



On 2 July, Catena and Domarbo Skog AB signed an agreement for Catena to acquire the Snesholm 1:16 property in the Municipality of Heby in the County of Uppsala, north of Stockholm. The property was acquired through a corporate transaction at a predetermined property value of SEK 280 million. The purchase consideration for the shares amounted preliminarily to SEK 77 million, of which SEK 50 million will be paid with newly issued shares in Catena. The subscription price for the issue of approximately SEK 175 per Catena share was based on the average closing price over the ten trading days preceding the possession date, meaning that Domarbo Skog AB holds 285,330 new shares in Catena, corresponding to 0.76 percent of the total number shares following the issue. The property sits on a plot of approximately 83,000 square metres and has a lettable area of approximately 38,000 square metres that is fully leased to Apotea, a rental value of slightly more than SEK 18 million and a remaining lease term of 11.5 years.

Catena has signed an agreement to sell the remaining 50 percent of Huddinge Regulatorn 2 AB at an underlying property value of SEK 390 million. The transaction was conducted as a corporate disposal with the buyer being, as previously, WA Fastigheter AB, which took possession of the entire property on 3 September 2018. The purchase consideration for the remaining participation in the joint venture amounted to slightly more than SEK 95 million, which was on the same level as the carrying amount. The property has more than 45,000 square metres of lettable space and a land area of 62,000 square metres. The annual rental income amounts to more than SEK 32 million and the property is currently almost fully leased. In Catena's assessment, the location of the property is not suited to logistics purposes in the longer term.

On 31 July, Catena announced an increase in the number of shares and votes in Catena AB (publ) due to a directed new share issue. The total number of shares in Catena increased by 285,330 shares and votes. On 31 July 2018, Catena's registered share capital amounted to SEK 165,874,953.20 distributed between 37,698,853 shares. All shares are of the same class of shares and each share entitles the holder to one (1) vote at Catena's General Meetings.

In mid-September, Catena signed an agreement with Smedberg Logistik- & Industrimark AB for the acquisition

of 450,000 square metres of land at the new Stockholm Syd logistics location in the Municipality of Nykvarn.

The area, which is part of the Ånsta 1:1 property is located alongside the E20 motorway and close to the E4 motorway, just 45 kilometres south of central Stockholm. The area forms part of the emerging Stockholm Syd (Stockholm South) logistics centre between Södertälje and Nykvarn, which, in addition to its motorway-adjacent location, also offers proximity to ports, industrial rail sidings and an airport. Planning for the acquired property is ongoing and the detailed development plans for warehouses, logistics buildings and industrial buildings at the site are expected to come into force in 2019. The acquisition will be conducted as a corporate transaction at a predetermined property value of SEK 315 million. The transaction also includes a number of commitments, including surface water treatment, streets, etc., which are paid for by the seller. The agreement is conditional on the detailed development plan being approved and coming into force by 2020, which is also when Catena will gain access.

Significant events after the end of the period
New Nomination Committee for the 2019 Annual General Meeting appointed for Catena. The Nomination Committee consists of representatives of the four largest shareholders and the Chairman of the Board. Fredrik Widlund appointed by Endicot Sweden AB (CLS Holdings plc), Anders Nelson appointed by Backahill Kil AB, Johannes Wingborg appointed by Länsförsäkringar Fondförvaltning AB, Gustaf Hermelin, Chairman of the Board and appointed by SFU Sverige AB.

Catena has signed an agreement with land owner Peter Valtinat to acquire 600,000 square metres of land adjacent to E-City Engelholm where, for example, e-commerce company Boozt has its warehouse. The acquired property, Kärra 1:9 in the Municipality of Ängelholm is situated in an excellent logistics location with nearby access to both the E6 and E4 motorways. The acquisition will allow construction of modern and efficient logistics facilities with an estimated area of more than 200,000 square metres with an investment over time of approximately SEK 1 billion. The acquisition is being conducted through Catena's wholly owned subsidiary Queenswall Två AB, at a property value of SEK 42.5 million. The agreement is conditional on an acquisition license being granted. Planning for the acquired property has commenced and is expected to take slightly more than two years.



Snesholm 1:16, Heby

Other

Market outlook

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

Even with the current volatility in the equities and money markets, we continue to take a positive view of the availability of capital at low interest rates, meaning that the transaction market for efficient, energy-smart and suitably located logistics properties is stable, and we see good opportunities to expand our operations through acquisitions and property development over the next few years. We constantly monitor the markets in a global as well as in a local perspective and are prepared for development in either direction. Opportunities for transactions are not generated by upswings alone.

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 Q3	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4
Rental income, SEK M	277.9	264.3	263.2	233.4	225.0	222.1	211.5	199.7
Net operating surplus, SEK M	213.9	204.0	192.6	170.3	170.6	173.6	156.7	148.2
Surplus ratio, %	77.0	77.2	73.2	73.0	75.8	78.2	74.1	74.2
Economic letting ratio, %	95.8	95.2	94.6	94.7	93.4	92.8	94.0	93.0
Profit from property management, SEK M	148.6	138.3	135.9	107.1	113.7	110.9	108.4	81.3
Profit for the period, SEK M	294.1	194.6	176.6	103.7	194.8	159.9	176.3	165.8
Return on equity, %	5.9	4.1	3.8	2.3	4.6	3.9	4.4	4.5
Equity ratio, %	33.2	31.5	32.5	32.3	32.9	32.3	32.1	31.6
Share price at end of period, SEK	199.00	174.80	164.80	155.50	146.50	135.50	132.00	128.50
Cash flow before change in working capital per share, SEK	3.99	3.69	2.97	2.89	3.11	2.79	2.91	2.22
Earnings per share, SEK	7.81	5.20	4.72	2.89	4.40	3.86	4.94	4.68
Net asset value per share, EPRA NAV, SEK	164.88	156.40	155.92	149.85	143.73	141.08	139.18	135.76

Key financial figures for the Group

Key figures ^{1, 2)}

Definitions

	2018 Jan-Sep	2017 Jan-Sep	Rolling 12-month	2017 Jan-Dec	
Property-related					
Rental income, SEK M	805.4	658.6	1,038.8	892.0	Rental income according to Statement of comprehensive income
Net operating surplus, SEK M	610.5	500.9	780.8	671.2	Rental income less operating and maintenance expenses, property tax, ground rent and property administration.
Surplus ratio, %	75.8	76.1	75.2	75.2	Net operating surplus as a percentage of income from property.
Rental value, SEK M	1,187.7	1,026.7	1,187.7	1,109.9	Contractual rents on an annual basis plus a supplement for assessed market rents for vacant space.
Economic letting ratio, %	95.8	93.4	95.8	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	57.6	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.	1,756.3	1,553.3	1,756.3	1,661.6	Total area available for letting.
Financial					
Profit from property management, SEK M	422.8	333.0	529.9	440.1	Pre-tax profit with reversal of changes in value.
Pre-tax profit, SEK M	748.6	628.3	878.9	758.6	Profit before tax in accordance with Statement of comprehensive income.
Profit for the period/year, SEK M	665.3	531.0	769.0	634.7	Profit for the period/year in accordance with Statement of comprehensive income
Total assets, SEK M	15,508.1	13,099.1	15,508.1	14,246.6	
Return on equity, %	13.7	12.9	16.3	14.9	Profit for the period/year as a percentage of average equity.
Return on assets, %	5.9	6.0	7.4	7.1	Pre-tax profit plus financial expenses as a percentage of average total assets.
Interest-coverage ratio, multiple	3.4	3.7	3.3	3.5	Pre-tax profit before reversal of financial expenses and unrealised changes in value in relation to financial expenses.
Average interest rate, %	2.9	3.2	2.9	3.2	Average interest on the loan portfolio with derivatives being taken into account.
Fixed interest, years	3.3	4.7	3.3	4.1	Average remaining period of fixed interest on the loan portfolio with derivatives being taken into account.
Capital tied-up, years	1.6	2.1	1.6	1.9	The average remaining period for which capital is tied up in the loan portfolio.
Equity ratio, %	33.2	32.9	33.2	32.3	Equity including non-controlling interests as a percentage of total assets total assets.
Equity/assets ratio, excluding goodwill, %	34.3	34.2	34.3	33.4	Equity including non-controlling interests as a percentage of total assets total assets less goodwill.
Share-related					
Share price at end of period, SEK	199.00	146.50	199.00	155.50	
Cash flow before change in working capital per share, SEK	10.66	8.81	13.56	11.70	
Equity per share, SEK	136.64	118.82	136.64	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	11.27	9.32	14.28	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	17.74	13.20	20.72	16.08	
Net asset value per share, EPRA NAV (including goodwill), SEK	178.22	157.81	178.22	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	164.88	143.73	164.88	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	37.7	35.7	37.7	37.4	
P/E ratio	10	8	10	10	Share price at the end of the period/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 disclosures. The implementation does not involve retroactive adjustment in equity but may include additional information.

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 91–93 of the 2017 Annual Report. No material changes have occurred since its publication.

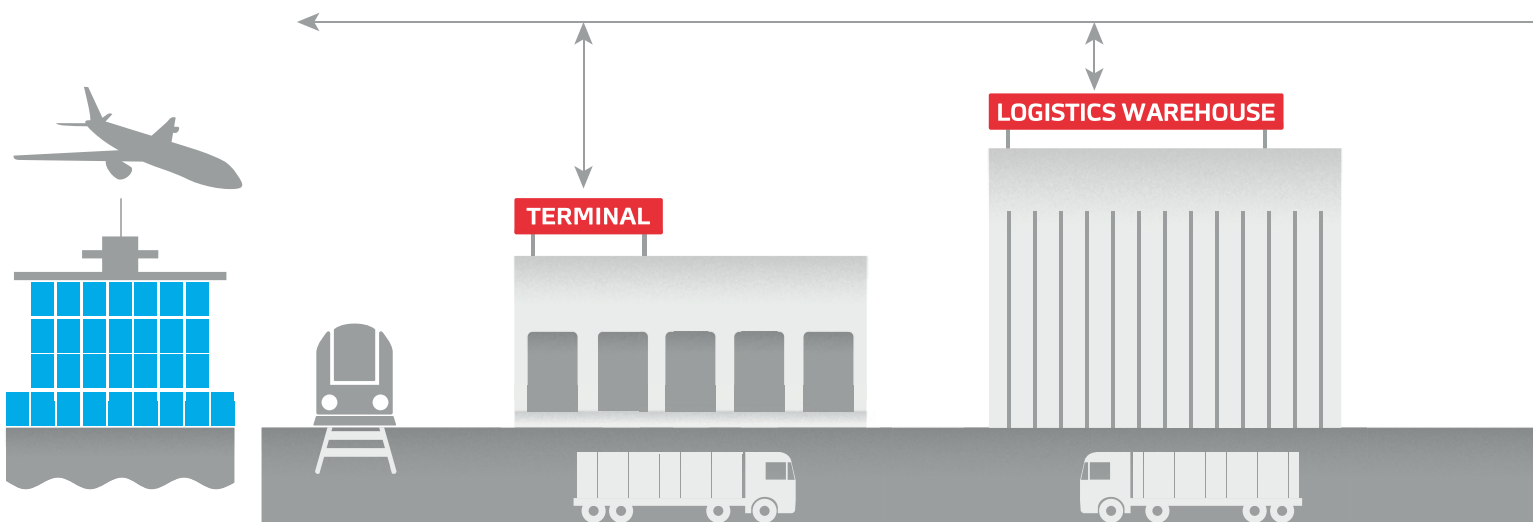
The Board of Directors and the Chief Executive Officer certify that this report gives a true and fair view of the Group’s financial position and results of operations and describes material risks and uncertainties facing the Group and the companies included in the Group.

Helsingborg, 25 October 2018

Catena AB

Board of Directors

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



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.

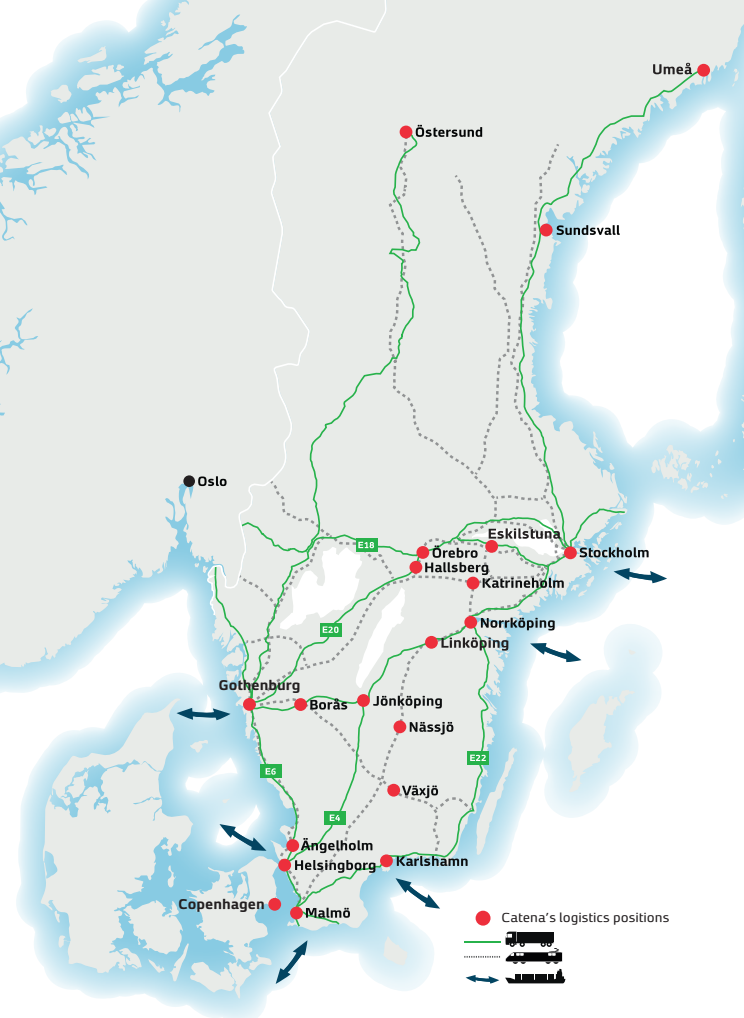
Business concept

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.



Contact

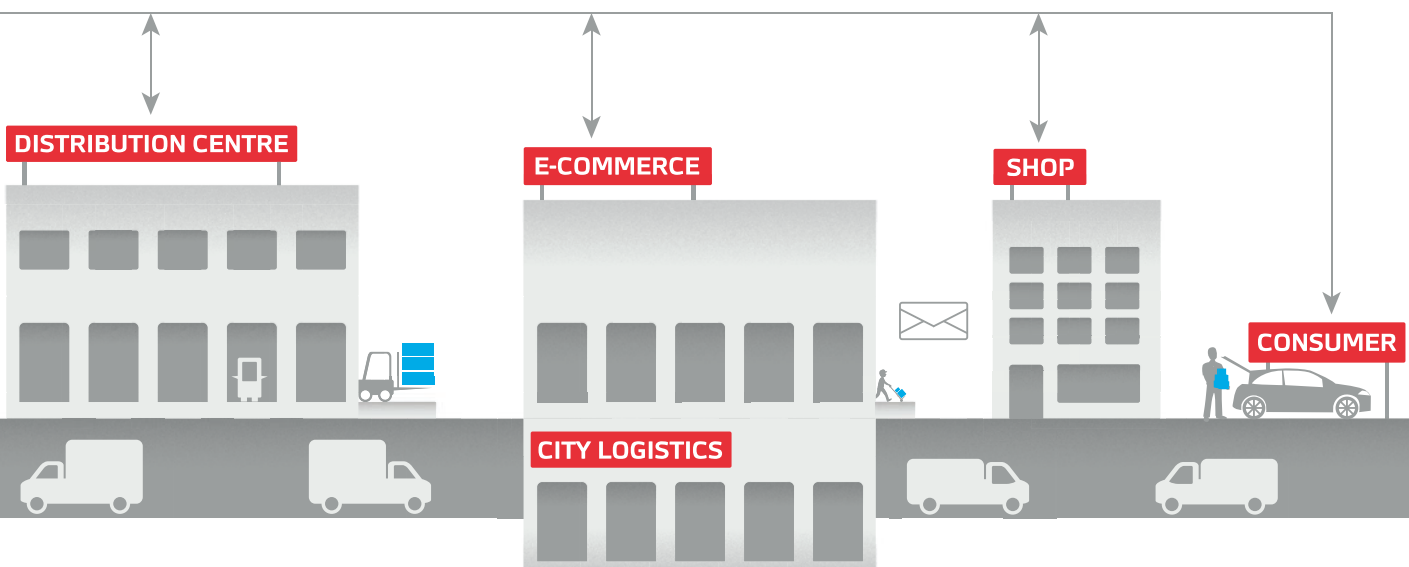
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CATENA

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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