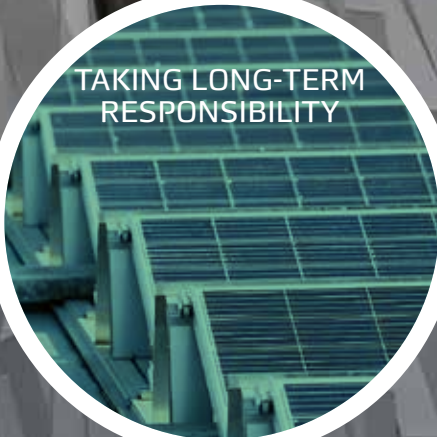


CATENA 2019 Annual Report

EXCEEDING
EXPECTATIONS



TAKING LONG-TERM
RESPONSIBILITY



BEING
COMMITTED



Catena – this is who we are

Catena owns, manages and develops strategically located logistics properties, adapted to current and future product flows and with the capacity to support Scandinavia's metropolitan regions.

109 PROPERTIES
Fair value: SEK 16,271 million

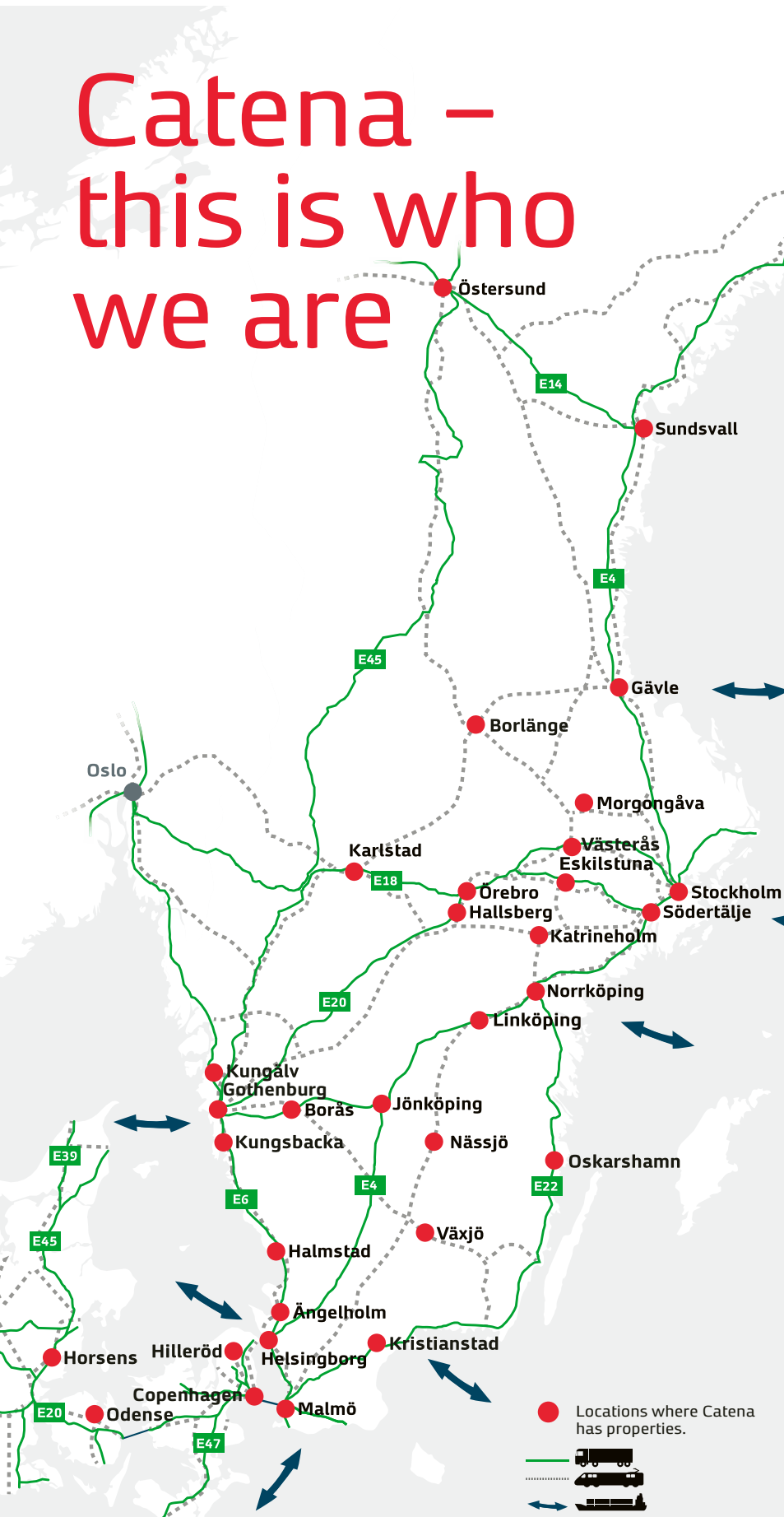
445 CONTRACTS
Rental value: SEK 1,265 million

43 EMPLOYEES

10 FUNDING SOURCES
Loans: SEK 8,785 million

14,477 SHAREHOLDERS
Shareholders' equity: SEK 6,318 million

15.6 SEK BILLION
MARKET CAPITALISATION
Nasdaq Stockholm, Mid Cap



Notification of General Meeting

Time and location:

The Annual General Meeting of Catena AB (publ) will be held at the World Trade Center, Klarabergsviadukten 70 in Stockholm on 29 April 2020 at 4:00 p.m. CET.

Registration

Anyone wishing to participate must be registered as a shareholder in the share register maintained by Euroclear Sweden AB by 23 April 2020. Shareholders who have registered their shares with a trustee must have temporarily re-registered the shares under their own name not later than the above date. Any such registration should be requested in good time ahead of the AGM at the party holding the shares in trust.

Notification of participation in the AGM must be made not later than 23 April at 2:00 p.m.

- By e-mail to bolagsstamma@catenafastigheter.se
- By telephone to +46 (0)730-70 22 22
- By mail to Catena AB (publ), Annual General Meeting, Box 5003, SE-250 05 Helsingborg, Sweden

In the notification, shareholders should provide their name, personal identity number/corporate registration number, address, telephone number, any assistants and the number of shares.

Any proxies should be submitted in writing no later than at the AGM. Proxy forms are available at www.catenafastigheter.com and at the head office in Helsingborg. These will also be sent to shareholders on request. It is advantageous for any participant planning to attend with the support of a proxy, certificate of incorporation or other certificates of authorisation to submit such documentation in good time ahead of the AGM to Catena AB.

The announcement of the Annual General Meeting was published on 25 March 2020 and is available at www.catenafastigheter.com.

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* Forms part of the Annual Report.

FOCUSED BUSINESS MODEL

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

DRIVEN TOWARDS OUR VISION

We link Scandinavia's cargo flows.

A SUCCESSFUL APPROACH TO OUR WORK

We exceed expectations, we take long-term responsibility and we are committed – Catena's values guide us in the decisions we make, in our encounters with our customers and in our ongoing work. Examples of how these are translated into reality can be found on pages 16-17, 46-47 and 72-73.

3

REASONS TO INVEST IN CATENA

Focused business model adds value

With a focus on strategically located logistics properties adjacent to key logistic hubs, Catena has amassed a particularly deep knowledge of logistics and trade – insights that safeguard Catena's strong position in the market and provide customers with a proactive and ambitious partner.

Project development as value driver

Development and refinement are important components in Catena's overall business model. They create conditions for value growth in the existing portfolio or through construction projects. The large land reserve in strategically important positions is an important prerequisite for growing with new and existing customers.

Strong cash flow provides a stable platform

Having a wide range of customers, several of whom are among the largest distributors in the market, ensures strong cash flow and, with that, a secure and stable foundation for the company.

3

EXTERNAL FACTORS FAVOURING CATENA

The global economy and trade drive demand for improved logistics solutions able to meet needs for efficient flows in an increasingly complex and integrated world market.

Extensive structural changes, with technological innovation as the common denominator, are bringing new consumption patterns. Digitally driven trade brings major changes that increase the need for logistics space, but that also place demands on fast, individualised and climate-smart deliveries. The logistics chain is becoming even more critical, increasing demand for modern logistics properties in appropriate locations.

Demographic conditions affects Catena's operations. Urbanisation is driving a concentration of logistics positions closer to the customer and digitally driven trade is established most strongly among younger people, suggesting an accelerating growth rate.

Continued growth in 2019

Strengthened by focused initiatives to efficiently and sustainably develop logistics properties, Catena continued to generate stable cash flows in 2019 – a prerequisite for a favourable total return in the long term.

The year in figures

Rental income

+8%

Increase to SEK 1,182.9 million

Profit from property management

+10%

Profit from property management:
SEK 626.8 million

EPRA NAV

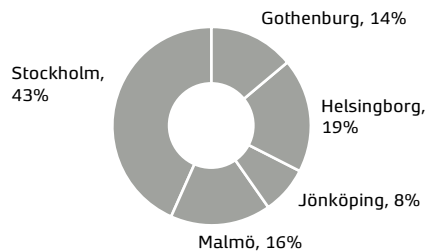
+20%

Long-term net asset value,
SEK 202.87 per share.

Key share data

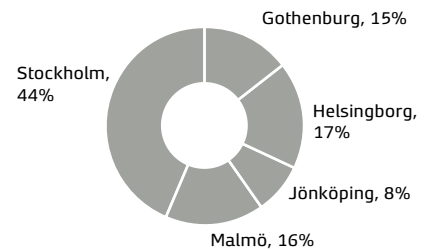
	2019	2018	Change, %
Fair value of the properties, SEK M	16,270.5	14,721.1	10.5
Economic letting ratio, %	95.0	95.9	-0.9
Rental income, SEK m	1,182.9	1,090.7	8.5
Surplus ratio, %	76.3	75.9	0.5
Profit from property management, SEK M	626.8	571.3	9.7
Cash flow before change in working capital, SEK m	612.5	550.8	11.2
Pre-tax profit, SEK M	1,522.5	940.1	62.0
Equity ratio, %	35.6	33.4	6.6
Earnings per share, SEK	32.46	21.93	48.0
Equity per share, SEK	167.59	140.82	19.0
Net asset value per share, EPRA NAV, SEK	202.87	169.53	19.7
Share price at year-end, SEK	413.50	220.50	87.5

Fair value, SEK M



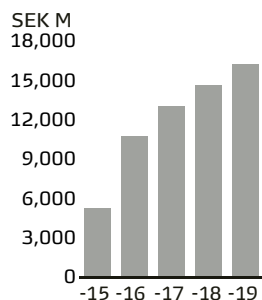
Total: SEK 16,270.5 million

Rental income, SEK M

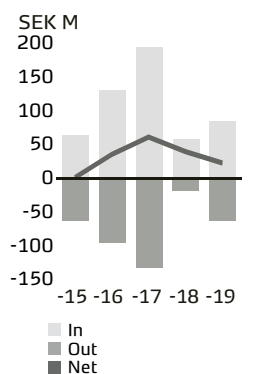


Total: SEK 1,182.9 million

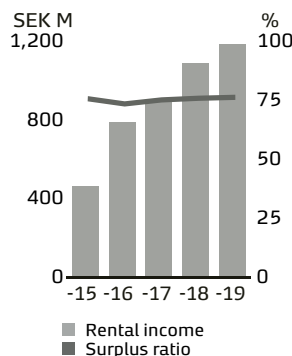
Fair value of the properties



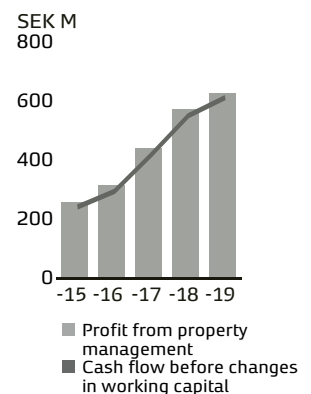
New tenancies/vacancies



Rental income and surplus ratio



Profit from property management and cash flow before change in working capital



Development of the properties

New spaces:

+50,000 m²

Over the year, the operations were expanded through project development and acquisitions.

Investments:

SEK 835 million

Generates more lettable space, develops the properties and helps lower property expenses.

Environmental certification initiated:

168,000 m²

During 2019, Catena began environmentally certifying 9 percent of the property portfolio in accordance with Miljöbyggnad Silver.

3

SIGNIFICANT EVENTS DURING THE YEAR

Strengthened grip on southern approaches to Stockholm

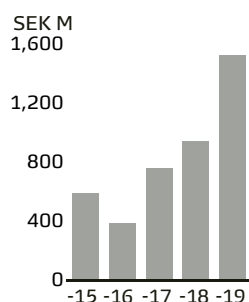
to meet tomorrow's needs and to secure efficient and sustainable transport into the capital in the future. Catena will pursue the detailed planning process for the development of 1,000,000 square metres of land in Järna through a jointly-owned company. The investment complements previous development plans for 450,000 square meters of land adjacent to Stockholm Syd in Nykvarn.

Continued growth in major positions with several new facilities and logistics areas being added, mainly at Logistics Position Sunnanå, outside Malmö, and Logistics Position Tostarp, outside Helsingborg. Expansion is also planned at E-City Engelholm, where Boozt intends to expand its operations. The development confirms Greater Copenhagen as an engine for growth and confirms the importance of south-western Skåne for Scandinavia's product flows.

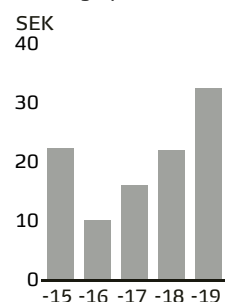
Positive momentum in sustainability work affects all parts of Catena's operations, particularly the systematic process of environmentally certifying properties to further mitigate their environmental impact. The overarching driving force entails playing an active role in societal development by engendering conditions for sustainable logistics.



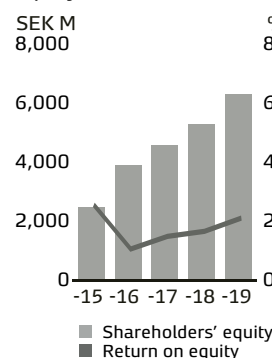
Profit before tax



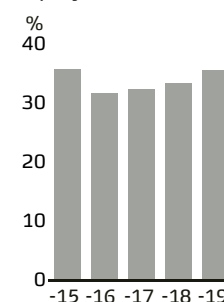
Earnings per share



Equity and return



Equity/assets ratio



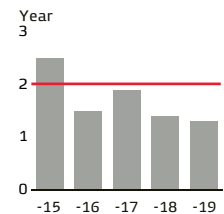
Target fulfilment in 2019

OVERARCHING FINANCIAL TARGETS

The **average debt maturity** should be at least two years

Comments on 2019

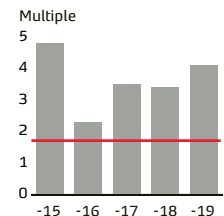
A long average debt maturity with a varied distribution entails lower financing risk and increased opportunities for better and renewed terms. Catena balances the risk associated with shorter debt maturity to the extra cost related to longer debt maturity. At the end of the year, debt maturity was 1.3 years (1.4). To match our long-term target, we seek to increase our debt maturity in 2020.



The **interest-coverage ratio** shall not be less than a multiple of 1.75

Comments on 2019

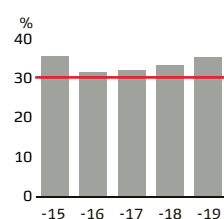
The interest-coverage ratio indicates the capacity to cover interest expenses. For this reason, it is important to ensure there is a margin to be able to withstand higher interest expenses and/or higher vacancy rates, for example. At the end of the year, the interest-coverage ratio was 4.1 (3.4), a satisfactory level.



The **equity ratio** should be at least 30 percent

Comments on 2019

The equity ratio indicates long-term payment capacity and, at the end of the year, it amounted to 35.6 (33.4). While Catena values a strong equity ratio, at the same time, it weights this carefully to meet shareholders' return requirements.



SHARE PERFORMANCE

Proposed dividend of SEK 6.50/share (5.75) in 2020
Corresponding to a yield of 1.6 percent (2.6).

Share price trend up 87.5 percent

Increase from the opening price of SEK 220.50 to SEK 413.50.

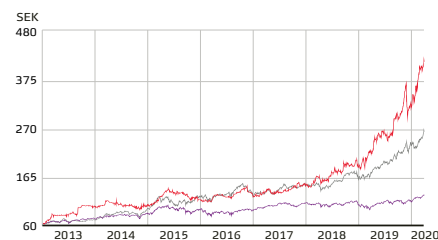
The highest price paid, on 30 December 2019 was SEK 421.50.

The lowest price quoted for the share was SEK 213.00 on 15 January 2019.

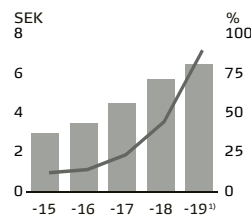
The Nasdaq Stockholm's index for the market as a whole (OMXSPI) increased by 29.6 percent (-7.7) and the property index (CREX) increased by 57.1 percent (12.9).

Share price trend 1 January 2013 – 29 February 2020

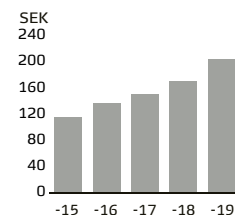
■ Catena ■ OMX Stockholm PI ■ Carnegie Real Estate Index



Dividend per share and total return



Net asset value, EPRA NAV



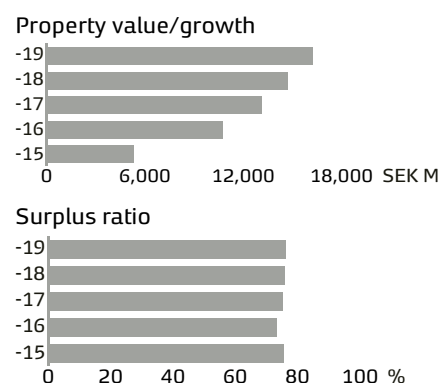
1) According to the proposal by the Board of Directors and the CEO.

STRATEGIES AND OPERATIONAL OBJECTIVES

Catena’s targets are based on four strategic horizons – property development, finance, sustainability and customers, and the market. They contribute to the financial targets in various ways and to the overall objective of showing strong cash flow.

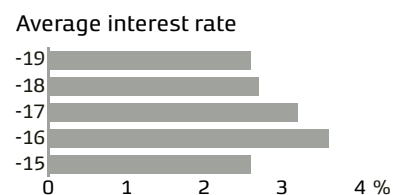
Property development

Catena’s strategy is to grow through proprietary project development and acquisitions to become an even better alternative for customers, investors and employees. In 2019, the value of the property portfolio increased by 11 percent, with SEK 753 million (684) comprising proprietary projects and SEK 791 million comprising unrealised changes in value. The surplus ratio increased from 75.9 percent to 76.3 percent, which is a step closer to the target of 80 percent. Underlying this positive trend are completed projects and efficient property management and, in particular, numerous measures improving energy efficiency.



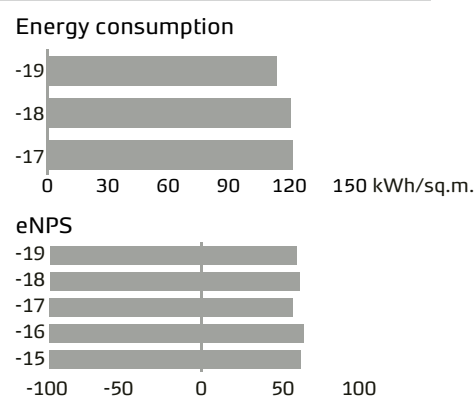
Finance

At all times, Catena seeks an appropriate distribution between shareholders’ equity and debt and, ultimately, to secure short and long-term financing at the lowest cost. On the balance sheet date, Catena had ten different credit providers and the average interest rate, including costs for derivatives and unutilised lines of credit, was 2.6 percent (2.7).



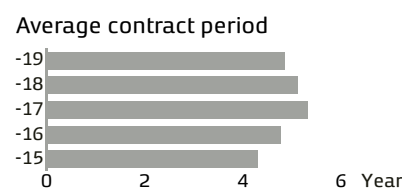
Sustainability

Catena shall participate in societal development by developing financially and environmentally efficient logistics locations, engaging in priority logistics areas and contributing to a better environment by using energy-efficient solutions in our properties. Energy use in comparable portfolios and energy per square metre have decreased somewhat compared with the preceding year thanks to a number of major energy efficiency projects. During the year, certification was initiated for 100 percent of the new construction projects. In addition, Catena shall be an exciting and responsible employer, as attested to by the year’s employee survey in which the eNPS result was 61, a decline from 63 for the preceding year but nonetheless a very high value.



Clients and markets

The focus on innovative and sustainable customers and the pursuit of long-term customer relationships form central components in Catena’s strategy. Proactive business intelligence serves to strengthen the brand and engender conditions for acting as an active speaking partner who generates added value for our customers. The average contract term decreased slightly in 2019 to 4.9 years (5.1), still at a stable level. Brand-strengthening activities such as the LogistikTrender event and the sponsorship of Røgle BK’s home arena have helped strengthen the Company’s position in the industry and increase engagement, particularly in digital channels.



We are developing the logistics properties of the future

Continued success

The 2019 year of operations was another strong year for Catena. Compared with the preceding year, we increased our profit from property management by SEK 55.5 million to SEK 626.8 million – over a three-year period, it has risen by 98 percent. This generates strong cash flow, providing the basis for stable value growth and building financial capacity to be able to maintain the pace of project development, but also to be able to counter more turbulent external developments. Our portfolio of 109 properties and a total lettable area of 1.8 million square metres is growing being continuously developed.

The design of the logistics network of the future is of great importance for achieving a more transport-efficient society.

Complex logistics networks

Catena's principal driving force is to develop properties with the vision of linking Scandinavia's cargo flows. Logistics solutions and flows can no longer be considered linear – instead, warehousing points are flexible and adaptable parts of a complex and changing ecosystem. With new opportunities to plan and optimise flows through digitalisation, artificial intelligence and automation, entirely new opportunities open up. Functioning coordination between facilities and increased transparency mean that resources can be used more efficiently. This is an essential prerequisite for a functioning society in which goods and cargo in constant movement must be optimally positioned in the logistics network to meet demands in terms of on-time delivery, cost and climate footprint. We can see that purchase prices and lead times have become more generic than ever. Beyond service to the customer and the customer's experience, today it is the logistics solution that determines who wins the battle for customers and, in the same way, logistics is crucial for a company being able to present a sustainable offer.

Interest in logistics has increased in recent years and we are now also experiencing an increase in skills in the area. With more people realising the value and potential of efficient logistics, our work becomes much more enjoyable and we hope that we have helped focus attention on these issues to some extent. At the same time, this also means we operate in an increasingly competitive environ-

ment. As we enter a new decade, we want to continue being an active partner who, alongside our customers and through partnerships, develops the logistics network and provides facilities fully adapted to current and future goods flows.

Responsibility over time

Durable structures are safe and designed with the future in mind – sustainability addresses the same aspects, albeit from a societal perspective. In both cases, failing to assume responsibility is an ethical and business risk. We participate in the development of society with our construction projects and the design of the future logistics network is of great importance in achieving a more transport-efficient society with reduced CO₂ emissions. Over the year, we also invested approximately SEK 753 million in our existing properties – an opportunity to increase performance and efficiency. We do not deny that the contexts in which we operate have a substantial impact on the environment, although the large volumes handled in the system also mean that each intelligent solution reducing waste, kilometres or kilowatt hours makes a big difference. For a long time, we have worked in a structured manner with measures to increase energy efficiency, and this has produced good results. We address all areas where we can act more sustainably in the same systematic manner – whether this involves sustainable properties, sustainable logistics or our role as an employer. Today, Catena's ambition is to certify new buildings in accordance with the Miljöbyggnad Silver standard as a minimum, work within the framework of Agenda 2030 with six of the UN's goals and we have joined the Global Compact. With a well-considered strategy and a long-term approach, our experience is that it is possible to benefit financial, social and environmental values in a single effort.

Major positions grow further

During 2019, our growth mainly occurred at major logistics positions. Gathering logistics facilities provides economies of scale, which is more efficient and sustainable. This trend is evident at the Helsingborg logistics cluster, Logistics Position Tostarp, where we are constructing a new 18,300 square-metre terminal for PostNord and an 18,000 square-metre extension for Nowaste Logistics. During the year, Nowaste's 11,000 square-metre high-bay warehouse was completed at the site. Another site at which multiple logistics operations have been gathered is

With more people realising the value and potential of efficient logistics, our work becomes much more enjoyable.

Logistics Position Sunnanå outside Malmö. Here, construction is in progress of a more than 10,200 square-metre air cargo facility for DHL Express, a 1,850 square-metre extension for DHL Freight, adjacent to the existing terminal, and the second and final phase of our 36,000 square-metre multi-tenant warehouse. Another major position, E-city Engelholm is also expanding, currently with a 22,800 square-metre extension for Boozt Fashion at the site.

Catena's land reserve, with associated building rights, land allocations and options, encompass a potential 4.8 million square metres of space. This is a prerequisite for being able to develop the logistics positions of the future. In November 2019, we secured 1 million square metres of developable land connected to the southern access routes to Stockholm at Järna in the Municipality of Södertälje. The location provides a gateway for cargo flows into Stockholm and the Mälardalen valley with nearby connections to the E4 motorway, a harbour and a main railway line, complementing well our venture at Stockholm South in the Municipality of Nykvarn. The detailed planning process is being advanced in a jointly owned company and the ambition is to create a logistics hub at the site for efficient and climate-smart goods and cargo flows into the capital.

Clearer targets ahead

Catena is an efficient organisation with slightly more than 40 employees. It is critical for the operations that everyone applies their skills optimally and, with what we achieved in 2019, I am sure that is the case. Nonetheless, the level of commitment in the organisation is what impresses me most. In preparing our business plan for 2020, we invested greater effort regarding the operational targets that guide our efforts and all employees contributed in this process. This resulted in clearer and sharper ambitions, affording us the conditions to continue exceeding expectations – whether these involve strategic choices for the future or details that make a difference in everyday life.

Helsingborg, March 2020
Benny Thøgersen, CEO



Trends shaping the logistics of tomorrow



GLOBAL TRADE

The global economy and trade drive demand for improved logistics solutions able to meet needs for efficient flows in an increasingly complex and integrated world market.

Every day, several hundred million packages are delivered around the world to expectant private individuals who have made an exciting online purchase or to companies needing business-critical spare parts for expensive production lines. Increasingly integrated world trade has laid the foundation for a growing need for more efficient logistics. World trade and world GDP have seen positive growth over the past ten years, both increased by 26 percent between 2008 and 2018. The global retail market is estimated at



TECHNICAL INNOVATION

Extensive structural changes, with technological innovation as the common denominator, are bringing new consumption patterns. Digitally driven trade increases the need for logistics space, but that also place demands on fast, individualised and climate-smart deliveries. The logistics chain is becoming more critical, bringing increased demand for modern logistics properties in appropriate locations.

Technological development and increasing e-commerce give great opportunities to improve consumers' purchasing experience in different ways. For example, through increased convenience, transparency and design, which in various ways are crucial to the future success of the retail trade.

Mobility for people, goods and data is changing rapidly. Urban mobility presents a huge challenge, but also great opportunities. The greatest growth is expected in goods mobility, particularly in dense urban areas, along with growing



DEMOGRAPHIC CHANGES

Demographic conditions affect Catena's operations. Urbanisation is driving a concentration of logistics positions closer to the customer and digitally driven trade is established most strongly among younger people, suggesting an accelerating growth rate.

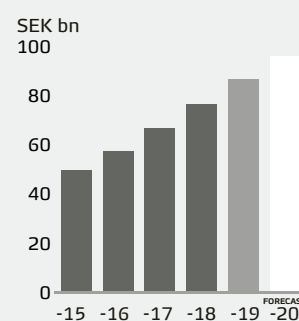
Today, 55 percent of the world's population lives in urban areas, a proportion that is expected to increase to 68 percent by 2050. Forecasts show that urbanisation, combined with the overall growth of the world's population, can add another 2.5 billion people to the cities by 2050. According to Statistics Sweden, Sweden's population will pass 10 million in 2020 and 11.3 million in 2050. About 70 percent of the population increase will occur in the three metropolitan counties. The functionality of the smart city is dependent on functioning urban flows and the

slightly more than USD 25,000 billion in 2019, an increase of 4.5 percent. This represents a decline compared with the past five years when global retail sales increased by between 5.7 and 7.5 percent annually. The decline in growth in consumer spending reflects growing economic uncertainty in several parts of the world. At the same time as the overall figures for retail have stagnated, global e-commerce has risen by 20.7 percent in 2019 to USD 3,535 billion. By 2021, forecasts suggest that global e-commerce will be approaching USD

5,000 billion. Swedish e-commerce sales increased by 13 percent to SEK 87 billion in 2019 and are expected to reach SEK 97 billion in 2020. Rapid development in digitally-driven commerce is imposing new demands on logistics solutions that are sustainable and efficient in the long term.

Source: HUI, E-barometern, IQLogistics.

Swedish e-commerce +13%, 2019

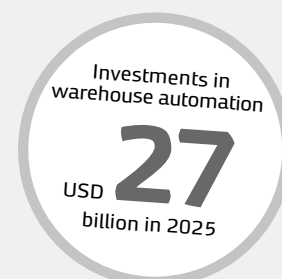


e-commerce. The highest margin benefit is derived from regional and city logistics, when the goods are to be distributed to the store or directly to the consumer. That is when the number of traffic movements and hence the cost and environmental impact are greatest.

Better, faster and smarter logistics also involve automated logistics facilities and logistics systems building on artificial intelligence. With them, the flow of goods is improved, the cost is reduced for handling and picking and available storage spaces can be used optimally. In turn, immediate

access to inventory balances and increased control over the availability of goods in different locations provides opportunities for frequent, flexible and fully loaded transports. The market for warehouse automation is expected to double to USD 27 billion by 2025.

Source: IQLogistics, Modern Materials Handling.



The global market for warehouse automation is expected to double from USD 13 billion in 2018 to USD 27 billion in 2025, an average annual growth rate of 11.7 percent between 2019 and 2025.

challenges are many, but can be met with investments in sustainable innovations and systems where logistics plays a central role.

Studies show that 34 percent of online shoppers are between 35 and 54 years old. Millennials, currently between the ages of 18 and 34, are the next-largest group at 30 percent and are expected to increase in pace with their purchasing power. Durable goods and clothing lead in online retail, although FMCG is the segment that is expected to grow fastest. Today's younger consumers do not want to wait. In some major

cities, consumers can already receive their goods on the same day they placed their order. Shorter delivery times can reduce the retailers' expenses for stock, capital and obsolescence. At the same time, awareness of the role of logistics is also increasing from a sustainability perspective, providing incentives for new innovations.

Source: World Bank, UN.



GLOBAL
TRADE

Stable rental market

In line with the increased cargo flows in recent years, due in particular to increased e-commerce, demand for modern well-located spaces has been high.

Rent levels for newly produced logistics facilities are determined largely by the costs for land and production. The rental market for logistics properties is relatively stable. Despite the limited supply of space, development in rent levels has been weak, particularly in the regional towns. Closer to the metropolitan cities where the availability of land is limited, an increase in rent levels can be discerned. Even looking ahead, rent hikes are generally expected to be limited by the considerable supply of developable land and stable production costs, but also by strong competition among contractors and project developers for new assignments in the segment. However, increasing differentiation can be discerned. The rent for well-placed terminals as well as e-commerce warehouses and specialised premises for e.g. food, for which demand is high, is somewhat higher than for warehouses. The share of railway transports in the overall logistics mix is also expected to increase, due to increased environmental focus.

The government declaration states that more long-distance freight is to transfer from road to rail and maritime transport. This places demands on better access to container terminals where cargo can be moved between rail and road, for example. Larger logistics warehouses can be supplemented with local distribution terminals. The trend is towards larger distribution centres that serve increasingly large areas, as European infrastructure improves and transportation times decrease. On the other hand, distribution centres for food and other fast-moving consumer goods that require frequent deliveries are located a little more densely and closer to retailers and consumers. Accordingly, such facilities are decreasing and can be combined with city logistics in omni-facilities. There, located in close proximity to residential areas, e-commerce functions can also be placed for distribution directly to end customers or through delivery points.

TECHNICAL
INNOVATION

DEMOGRAPHIC
CHANGES

Customers

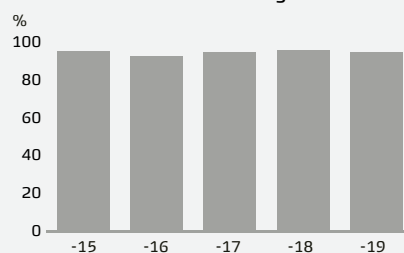
The sector's customers include logistics companies to whom producers and wholesalers outsource their logistics function through third-party logistics.

Major players in the area are DHL, PostNord, Schenker, DSV, Bring and Green Cargo. The sector's customers also include producers and suppliers who handle their logistics in-house in their own or leased premises. This is true both of heavy industries such as Volvo and Electrolux as well as large retailers like ICA, Axfood and IKEA and e-commerce companies such as Apotea, Boozt, Dustin, Mathem and Mat.se.

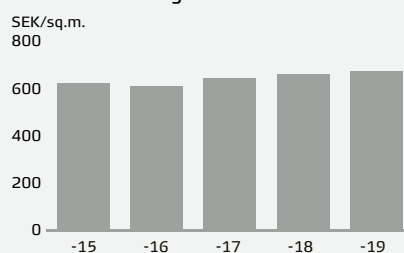
Other managers, logistics properties

A small number of property companies specialise in logistics properties. In addition to Catena, the larger Swedish listed companies include Sagax and Corem. Several of the established property companies have increased their focus in the logistics segment, such as Castellum, FastPartner and Stendörren. Privately owned Kilenkrysslet and international companies ProLogis and Goodman also operate in Sweden. In addition, Logistic Contractor develops and builds logistics facilities.

Catena's economic letting ratio



Catena's average rent level



Active investment market

E-commerce is driving new construction of warehouses and logistics buildings. Between 2015 and 2017, more than half a million square metres of warehouse and logistics space have been newly produced. In 2018, more than 600,000 square metres were completed, and in 2019 more than 650,000 square metres were completed. The trend looks set to continue even in 2020. In particular, demand for parcel handling terminals is expected to increase steadily over a five-year period.

The growth and future beliefs of the property developers have contributed to high levels of speculative construction. Slightly more than 50 percent of the facilities in Stockholm and about 40 percent in Gothenburg have been constructed entirely or partly on speculation.

The market has been undergoing a structure change since the beginning of the 2000s. Previously, the portfolio was largely owned by the companies using the premises, but a consolidation of ownership is now underway. Warehouse and logistics properties have gradually become a property segment in which institutional players also want to have indirect or direct exposure.

The logistics and warehouse market continues to be characterised by a wide spread with respect to such parameters as ownership, size, modernity and efficiency. This means that most institutional investors still have a smaller allotment, particularly of logistics properties, than the segment's portion of the total commercial property stock.

Transaction activity within the segment has never been greater. Investor interest in commercial properties has decreased, while demand for warehouses and logistics properties has increased significantly. In 2019, the transaction volume for logistics and industrial properties amounted to approximately SEK 37 billion, with almost half being classified as purely logistics properties and foreign investors accounting for about 85 percent of logistics acquisitions. Return requirements for modern logistics properties are record-low. Nevertheless, it is relatively cheap to invest in Sweden compared with core markets in continental Europe. In 2019, Blackstone acquired a larger portfolio of warehouse, logistics and light industry properties of about 500,000 square metres for some SEK 4.2 billion. The seller was Corem. Prologis also acquired a property portfolio of 295,000 square metres for SEK 3.8 billion from Bockasjö and Alecta. NRP divested a portfolio with some properties located in Sweden for approximately SEK 4.0 billion. The buyers were Allianz and CBRE GIP.

Financial markets

The year 2019 will go down in history as the year when Swedish long-term sovereign rates, for the first time ever, moved into negative territory, thus adding Sweden to a small number of countries, including Germany and Switzerland, where the same occurred. The phenomenon can be attributed, among other things, to a combination of a lack of inflation expectations and strong government finances, making Sweden a safe place for investment. Globalisation and digitalisation in the form of the sharing economy and increasing competition, a transformed labour market (with a greater proportion of service companies) and fast-footed resources have made it particularly difficult for central banks around the world to manage monetary policy. Over the past year, the Swedish Riksbank (central bank) has adjusted its repo rate from a negative interest rate to a zero interest rate and has, for the time being, steered away from negative territory.

Entering 2020, the Swedish economy is starting to slow down. This is expected following several years of strong growth. The current negative trend is being strengthened in part by trade conflicts, credit tightening in China, uncertainty surrounding Brexit and the ongoing spread of the corona virus. Forecast figures, for GDP (1 percent according to the Riksbank), unemployment (6.9 percent according to the Riksbank) and consumer confidence indicate relatively weaker growth for 2020. Unlike many other EU countries, Sweden can benefit from its low public debt by using fiscal policy to shore up growth.

In 2019, stock markets generally performed well, with the Swedish (OMXSPI) index rising by about 30 percent over the past year. At the same time, credit markets have shown high levels of activity and low yields. Interest in properties as an investment and in the logistics segment in particular has been record high. Against the background of a more uncertain global macroeconomic growth rate and a consistent duality among several of the world's central banks, there is a well-established consensus among economists that low interest rates will persist for some time.

Despite decreased global activity, specifically against the backdrop of the viral pandemic that has temporarily put the markets on hold, we expect a benign future for Catena. Looking ahead, we expect remedial measures from central banks, and a larger element of fiscal policy stimuli, to underpin liquidity and business. Given persistent fundamental driving forces, the broad diversity of customers and strong cash flow, Catena takes a confident view regarding upcoming funding needs.

Catena knows logistics trends!

LogistikTrender 10:ÅR

As the leading company in logistics properties, Catena monitors, analyses and debates logistics trends in various ways. An appreciated meeting place for new knowledge and inspiration in the area is the LogistikTrender (Logistics Trends) conference that Catena is arranging for the tenth year in 2020.

In 2019, the theme was the logistics revolution, with digitalisation, automation and technology growing at an accelerating rate and generating entirely new opportunities. More than 350 invitees listened to 12 inspirational speakers during the fully-booked conference.

► See more from LogistikTrender 2019 at www.catenafastigheter.com



In 2019, Fabian Bengtsson, the owner of NetOnNet and former CEO of SIBA, painted a thought-provoking and inspiring picture of doing business with China.



Jacob Lovén and Tom Xiong, entrepreneurs and inspirational speakers ("Digital Dragon" podcast) gave exciting insights into how new business models are being formed in the wake of digitalisation.



Current earnings capacity

Earnings capacity		
SEK M	31 Dec 2019	31 Dec 2018
Rental income	1,208.9	1,158.0
Property expenses	-276.0	-276.0
Net operating surplus	932.9	882.0
Central administration	-36.4	-32.4
Share of profit of associates	-5.0	-5.0
Net financial items	-223.4	-223.9
Ground rent	-9.8	-
Profit from property management	658.3	620.7
Tax for the year	-140.9	-132.8
Profit/loss for the year	517.4	487.9
Key share data		
Profit for the year, SEK per share	13.7	12.9
Number of shares outstanding, millions	37.7	37.7

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 derivative instruments. None of this has been taken into account in the current earnings capacity. The net operating surplus is based, as at the balance sheet date, on contracted leases and normalised property expenses for the current portfolio. Financial expenses are based

on Catena's average interest rate level including hedges for current loan debt less capitalised interest in normal project volume. As of 2019, ground rents are no longer recognised as property expenses, but rather as interest on the liability for the right-of-use assets. The tax is calculated on a conventional basis according to the tax rate at any given time.

Yield		
%	31 Dec 2019	31 Dec 2018
EPRA NIY (initial yield)	5.8	6.2
EPRA "topped-up" (normalised yield)	6.1	6.4

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 and property administration. The net operating surplus calculated in this way differs from current earnings capacity mainly because contracted annual rent and expenses for projects not yet completed are not included.

In the calculation of EPRA "topped-up" NIY, contracted annual rent is used without deduction of initial discounts. 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.

We exceed expectations

– commitment and detailed planning determine success

Considerable sums are at stake when companies choose to change and relocate their warehouse functions. Calculations take more than rental costs, location and area into account. Equally important is that construction, changes during the course of the project and on-time completion be thought out down to the last detail. For many companies, seasonal events, such as Christmas shopping, summer collections and promotional campaigns are business critical and can cost millions in lost sales if something goes wrong.

For the past five years, Catena has handled renovations and project development for the equivalent of SEK 2.6 billion. A guiding principle is that we exceed customer expectations by establishing agile processes in which every detail is planned and where we can generate commitment at an early stage by bringing different parties and suppliers together.

Third party logistics operator Nowaste's high-bay warehouse in Helsingborg is an exciting example of how narrow time margins require more of everyone but can also exceed everyone's expectations. Nowaste provides its customers with customised logistics solutions that include their own automation and IT solutions and experienced logistics personnel. Customers include well-known brands such as Home Furnishing Nordic, Atria, Bolist, Brothers, Polarn o. Pyret, Björn Borg, Panduro, Coolstuff and Everfresh. In 2018, Nowaste became a tenant at Logistics Position Tostarp outside Helsingborg with its unmistakable warehouse, eye-catching façade and a total area of 30,400 square metres.

World record high-bay?

With a successful business model and many interested customers, in 2019, Nowaste chose Catena to build a high-bay facility adjacent to its major warehouse at Tostarp in Helsingborg. The initiative was partly speculative and contracts had not been signed with all customers when construction began. Today, the high-bay warehouse is one of the most modern e-commerce warehouses in the Nordic countries. The 11,000 square metre facility houses 105 automated shuttles (OSR), picking stations, delivery bays and parcel sorting. When clothing companies Polarn o. Pyret and Brothers became contracted customers for the state-of-the-art terminal, the urgency and pressure increased to complete construction and install the IT and automation systems in the building. Moving goods and establishing procedures are demanding tasks – and the objective was unequivocal – everything had to be ready by Black Friday. With strong collaboration between Nowaste as the client and Catena as the project manager, all suppliers were given a common platform to work from and it was possible to open the high-bay warehouse ahead of schedule, with all functions fine-tuned, in good time for Black Friday in November 2019. Accordingly, the project was completed in record time, taking just 12 months from signing to the commencement of operation.

The collaboration between Nowaste and Catena is now continuing. In the fall of 2019, an extension of about 18,000 square metres was approved, which will be erected adjacent to Nowaste's first building at Logistikposition Tostarp. Occupancy is scheduled for September 2020.



One of our three core values is that we exceed expectations. We behave professionally in everything we do, large or small, and have the skills needed to meet both current and future needs. Based on this, we always go a little further, daring to be innovative.





"Together with Catena, we beat all expectations. Catena's capacity to bring together the strengths of all and then build commitment despite the time pressure determined this success. It was only at the mingle following the inauguration that our customers realised how tight the process had been."

- Jesper Brandin, Sales Manager, Nowaste Logistics AB.



How Catena generates value

By offering attractive logistics facilities in strategic locations, Catena generates value for its various stakeholders.

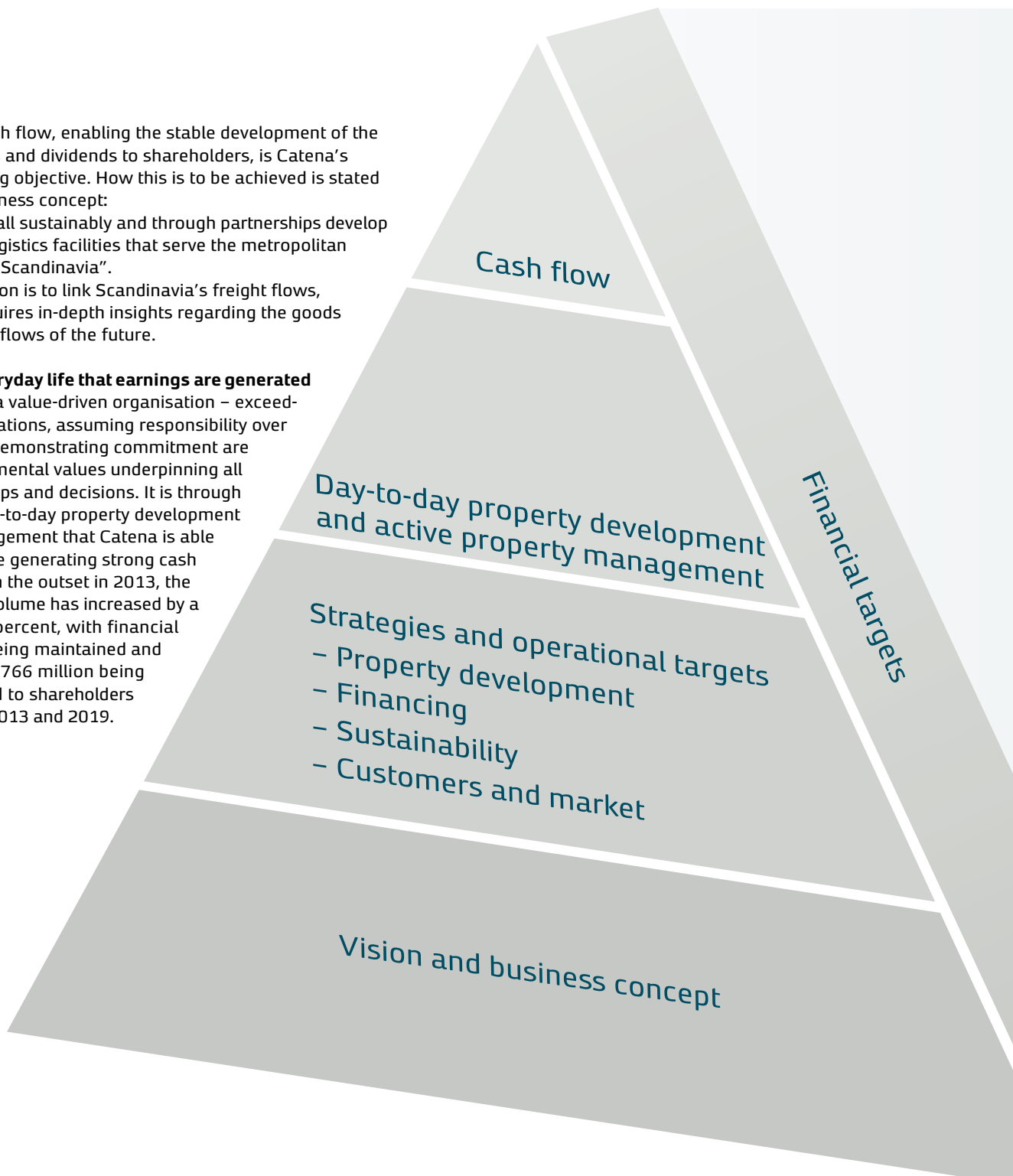
Strong cash flow, enabling the stable development of the operations and dividends to shareholders, is Catena's overarching objective. How this is to be achieved is stated in the business concept:

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

The vision is to link Scandinavia's freight flows, which requires in-depth insights regarding the goods and cargo flows of the future.

It is in everyday life that earnings are generated

Catena is a value-driven organisation – exceeding expectations, assuming responsibility over time and demonstrating commitment are the fundamental values underpinning all relationships and decisions. It is through active, day-to-day property development and management that Catena is able to continue generating strong cash flow. From the outset in 2013, the property volume has increased by a total 381 percent, with financial stability being maintained and some SEK 766 million being distributed to shareholders between 2013 and 2019.



NEW OPERATIONAL TARGETS LOOKING AHEAD

The day-to-day work is guided by clear operational targets based on four strategic horizons. The outcomes of the 2019 targets are presented on pages 6-7. In the business plan for 2020, greater effort has been invested with regard to the operational targets with the ambition of further clarifying the objectives.

Property development

Catena shall grow to become an even better alternative for customers, investors and employees, offering modern, sustainable and cost-efficient properties. Profit from property management shall grow by at least 10 percent annually and the Company strives to maintain a strong cash flow, in which profit from property management should account for at least 50 percent of every krona in income.

Furthermore, the targets set for 2020 are that at least SEK 600 million of annual growth is to be achieved through proprietary project development and that the operating surplus should increase by at least 3 percent annually in comparable portfolios.

► Read more about property acquisitions on pages 23–29.

Finance

Within the framework of its finance policy, Catena shall ensure appropriate financing at the lowest possible cost in the short and long term. Three overarching financial targets focused on financial stability bring long-term stability to Catena's business model:

- An equity ratio of at least 30 percent, providing favourable opportunities for returns. The target is well balanced given the Company's cash flow.
- The interest-coverage ratio shall not be less than a multiple of 1.75, since this provides a reassuring safety margin in preparation for rising market interest rates and/or a higher vacancy ratio. Over the past five years, the interest-coverage ratio has varied between multiples of 2.3 and 4.8.
- Average debt maturity should be at least two years to safeguard financing over a reasonable period of time in order to reduce refinancing risks and secure optimal credit terms for continued financing. Over the past five years, debt maturity has varied between 1.3 and 2.5 years.

The overarching targets are supplemented by operational targets that, for 2020, include the Company having at least five credit providers in its loan portfolio, a loan-to-value ratio of no more than 60 percent and opportunities for green financing in 2020.

Sustainability

What Catena delivers should be sustainable over time. Catena should never lose a transaction because we fail to meet the sustainability requirements imposed – ecological, social or economic. Among the targets formulated for 2020, it is stated that Catena shall certify all newly-constructed properties at the Miljöbyggnad Silver standard or equivalent and that all free-standing newly-constructed buildings shall include a photovoltaic cell facility. Calculated in kWh/m², energy consumption should decrease by 15 percent for normal-year-adjusted heating and by 10 percent for electricity in 2025 compared with 2017, with properties and project properties acquired in the past two years being exempt. By 2030, all energy shall be fossil-free and, combined, all of the targets serve to reduce Catena's greenhouse gas emissions.

To remain an attractive and responsible employer, we seek a high level of employee loyalty and a willingness to recommend us, with the Company striving for an eNPS of at least +40 in its annual survey. All employees shall be afforded equal opportunities for development and should consider their working environment to be safe and stimulating. In addition, gender equality and diversity shall increase in all professional categories by 2025.

► Read more in our Sustainability Report.

Clients and markets

When major logistics facilities need to be established, Catena should always receive an enquiry. Good relations and a strong brand are important success factors – the Company strives for increased awareness and seeks to consolidate its position as a leading company in the area of logistics.

Catena has quantified its targets more clearly, establishing that the Company shall achieve a market share of at least 15 percent of newly-produced logistics space (square metres) in Sweden, an economic letting ratio of at least 95 percent and a customer retention rate of more than 90 percent. Furthermore, the target for newly-signed leases is a rental period of at least five years, and preferably ten years or more. The focus should be on innovative and sustainable customers where value can be added through a customer-friendly approach.

► Read more about clients and markets on pages 10–13.

A complex logistics network

To meet end-customers' demands in terms of on-time delivery, climate footprint and cost, the product should always be optimally positioned in the logistics network. One delivery might proceed directly from a small-scale producer to the end-consumer. To be achievable, another delivery may require a regional distribution centre and city logistics. Yet another delivery may involve terminals, logistics warehouses and distribution centres for delivery six months after the order was placed. Different logistics properties fulfil distinct tasks in collecting, storing and distributing goods, imposing different demands on the property. Catena offers all kinds of logistics facilities, interacting in flows of varying complexity.

Terminal for immediate transshipment

A terminal is primarily designed for the transshipment of cargo and goods that are received and delivered on the same day. Goods arrive there from manufacturers and distributors in Sweden and elsewhere in the world, by sea, air, rail and road. Some are container terminals that are especially well equipped for transferring cargo from one mode of transport to another. The terminals are strategically located near population centres, but, most importantly, with convenient connections to ports, rail routes and major roads. Terminals are often the first establishment at a new logistics location. Terminals are generally operated by one of the major third-party logistics providers and several hundred customers may be served by a single terminal.

Logistics warehouses for storage

Logistics warehouses are where goods are placed while awaiting sale and provide a buffer between the customer and the supplier, regardless of whether consumer products or industrial input goods are concerned. Their equipment also differs, from pallet racks to full automation, often with universal systems suited to a number of different products. Logistics warehouses are often located at the producer's facilities or importer's port, or at collection points for one or more units that are placed so that the stages in the logistics chain can be minimised. The logistics warehouse is also generally located adjacent to a terminal. Operations at a logistics warehouse are normally conducted by a single tenant or a small number of tenants, who may be a producer, wholesaler, importer or a third-party operator.

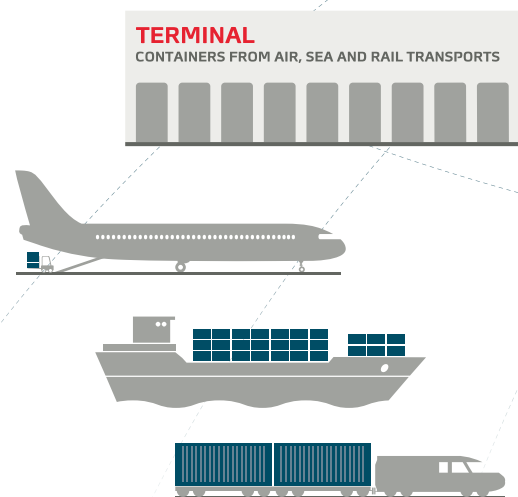
Distribution centre – for onward distribution

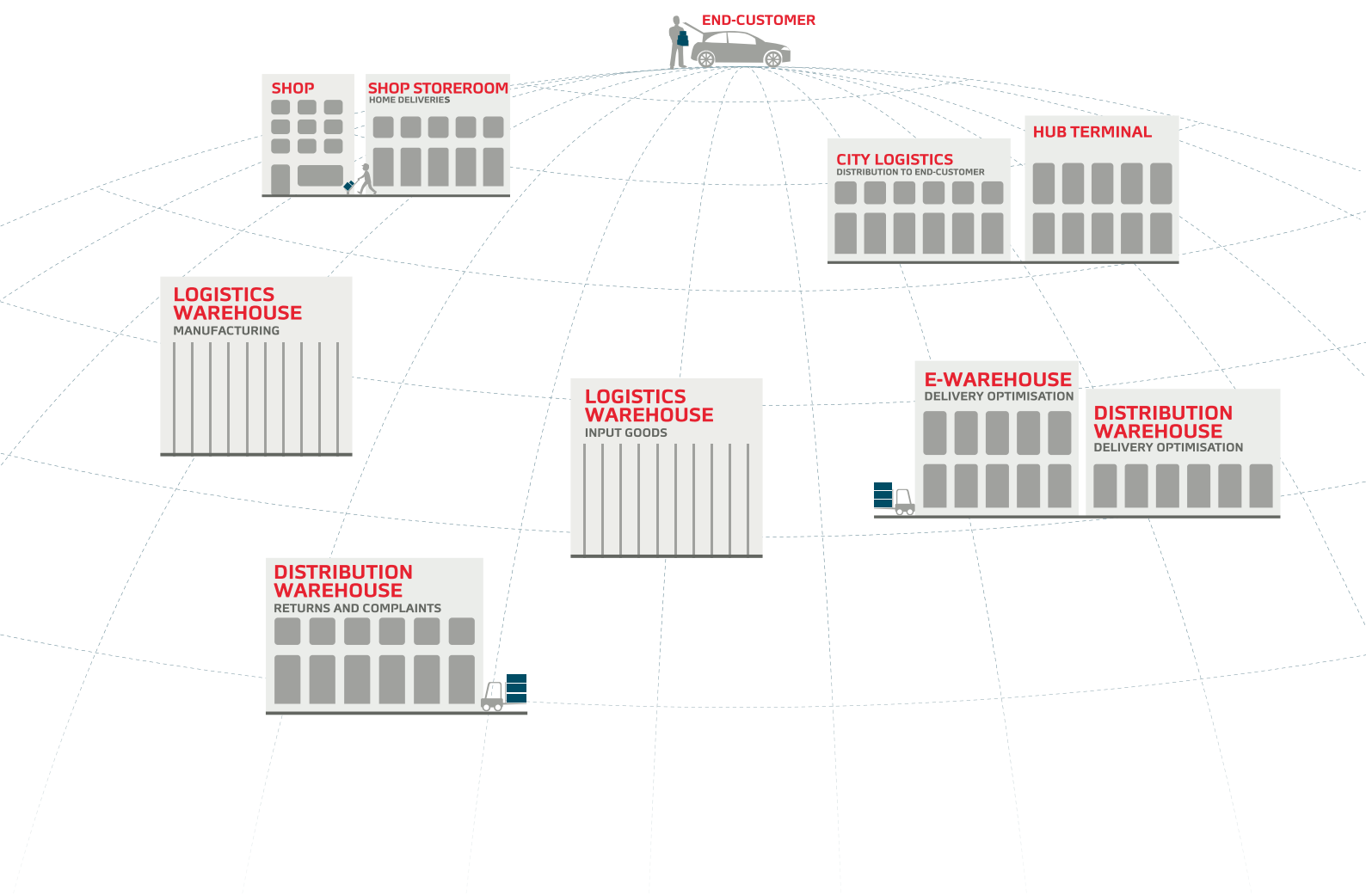
A distribution centre is designed to store goods in a central location for a short period before onward transport to retailers in the distribution centre's service region. In particular, this requires good loading and unloading opportunities. Distribution centres are often located along the ring roads encircling population centres or, based on the

nature of the goods, centrally within a region. As a rule, operations are conducted by third-party logistics companies such as DHL, Schenker, PostNord and others. An E-commerce warehouse is a type of distribution centre that specialises in serving the growing e-commerce segment. E-commerce warehouses often have equipment for packing goods prior to delivery to distribution points where end users can collect their goods. They can also be centrally located in urban areas or otherwise easily accessible to consumers in order to streamline and improve the supplier's distribution in the last stage – reaching consumers.

Omni warehouses and city logistics

An omni-facility is a hybrid between, for example, a terminal and a logistics warehouse. That means it has the





numerous gates characteristic of the terminal and the space required to receive and dispatch incoming and outgoing goods on the same day. However, it also has the height characteristic of a logistics warehouse, which is needed to cost-efficiently warehouse goods, even over extended periods. An omni facility or an omni warehouse can include virtually any combination of logistics functions required, depending on location and area.

An increasing trend in the trade sector sees centralised warehouses increasingly being supplemented by more decentralised structures. Shops and department stores are equipped with storerooms that act as omni facilities for the immediate vicinity, functioning as warehouses, shop stockrooms and pick-up points for online sales.

What is referred to as city logistics involves facilities specially designed for frequent, fast and short-distance transports of fast-moving consumer goods to retailers or directly to consumers. The peri-urban facilities, are specifically designed to handle different types of goods from multiple suppliers. They are equipped for rational picking because shipments, although small, may consist of several different products from several suppliers. In this way, shops, which are not seldom situated in expensive locations, can minimise storage space, save costs and tie up less capital. Producers and importers also get their products out to the shops where there is current demand. Smaller hub terminals close to towns and cities are also becoming more common.

Property management close to customers

Through property management close to customers, Catena creates the right conditions for a profitable property portfolio while helping the Company's customers achieve their business objectives. Always exceeding the customer's expectations and assuming responsibility over time are success factors. Characteristic of Catena's employees is their genuine commitment.

Tenant services

The Company's extensive and diverse property portfolio makes it possible to regulate space flexibly and in pace with customer development. Through property management close to customers, Catena is able to understand and meet the needs that arise for the customer. Catena has a broad expertise in logistics and properties and is able to act as a facilitator in collaboration with a network of specialists in areas including security functions, IT control systems, handling equipment and fully-automated solutions. In this way, Catena is able to help adapt properties to meet new needs.

Efficiency and maintenance

Catena's properties are continuously improved. The tenant should rest assured that the property will be kept in good condition and that control of the property is part of the offering. Sometimes, particularly when it comes to cost or energy efficiency enhancements, the refinement process is initiated by Catena, and sometimes this occurs in collaboration with an existing or new tenant. Through digitalisation and innovative solutions, Catena continuously refines the customer offering in its own operations.

Development

Having a skilled and efficient property management organisation in place in the regions safeguards relations, not only with customers, but also with the local business community and society in general. This makes it possible to respond quickly to the problems that can arise. By also staying one step ahead and challenging customers with regard to existing and new needs, Catena helps its customers achieve their business objectives while seizing new business opportunities. Catena's active property management resulted in the Company continuing to strengthen its customer relations over the year and increasing the number of customers.



Norra Varalöv 31:11, Ängelholm.

Property development as value driver

Catena's stated ambition is to grow both by refining and developing the opportunities offered by existing properties, as well as by establishing new strategic logistics positions for current and future flows of goods.

On defined strategic positions, Catena currently has, through acquisitions, development and new production, 109 attractive logistics facilities and the target is for at least SEK 600 million annually to be earmarked for proprietary development projects. This provides the Company with the conditions to grow alongside new and existing customers and, in the long term, to generate a favourable and sustainable return. The development projects also raise the level of quality and earnings capacity of the portfolio through, for example, increased efficiency and by directing investments towards sustainable properties. Today, the objective is to certify all newly produced properties at the Miljöbyggnad Silver standard or the equivalent and to investigate and document the possibility of certifying properties undergoing major redevelopment.

In 2019, Catena invested a total of SEK 753 million (684) in new construction, extensions and renovations. Over the past five years, the Company has invested an average of SEK 520 million annually. On the balance sheet date, projects were in progress with remaining investments of about SEK 760 million.

Development of existing facilities

Continuously developing existing properties in consultation with customers is central for Catena. The existing portfolio is continuously refined to improve the customer's cargo flows and to contribute to the customer's operations. Catena has the experience and expertise to meet strict demands on logistics efficiency and is an active speaking partner who understands logistics and flows.

Energy efficiency is a priority area. Heating and electricity are the single largest operating cost item for properties, meaning that optimised use of energy leads to both improved environmental performance and positive financial effects for both Catena and its tenants. Catena is investing major sums to save energy, which may involve, for example, choosing the right source of heating, enabling energy recycling, installing photovoltaic cells, installing more efficient ventilation or switching to lighting with modern LED technology.



Logistics Position Sunnanå.

New production focusing on prominent logistics positions

New construction and extension projects, broaden the customer base and our offering. Over the year, Catena extended and cemented prominent logistics positions in several locations. These are logistics locations offering optimum conditions in terms of communications and demographics, but also opportunities for synergies. By taking a holistic approach and working with site development encompassing an entire area, synergies are derived that benefit both Catena and its tenants. Further developing an important logistics position and the opportunities that existing properties offer in the form of, for example, development rights and supplementary acquisitions are a priority for Catena.

In 2019, Logistics Position Sunnanå, which enjoys an optimal logistics location at a direct exit from national route 11 and 300 metres from the exit from the E6/E20 motorway, just outside Malmö, grew further, with 25,900 square metres of lettable space having been completed for Chefs Culinar, DHL, DS Smith and Lekia. Next to the DHL terminal, which was Catena's first establishment in the area, an air freight warehouse of about 10,200 square metres is being built for DHL Express. With the air cargo warehouse, the development of Logistics Position Sunnanå continues, which, with its unique location for transports both inside and outside Sweden, forms a hub for current and future flows of goods.

Another central logistics location is Logistics Position Tostarp, situated right alongside the E6/E4

motorway, outside Helsingborg. Construction began in 2019 of an 18,300 square-metre terminal for PostNord, intended for handling single consignments, parcels and letters. In addition, an approximately 11,000 square-metre high-bay warehouse for Nowaste Logistics has been completed at the site. For the same customer, Catena has also approved and commenced an approximately 18,000 square-metre extension adjoining Nowaste's first facility at Tostarp.

In Ängelholm, the E-city Engelholm e-commerce cluster is growing. Catena is constructing a new, approximately 22,800 square-metre building for Boozt Fashion adjacent to its existing building in the area. The venture strengthens E-city Engelholm as an excellent location for e-commerce.

Also, at the Katrineholm Logistics Centre, a modern node in an excellent location where rail and road freight are handled efficiently, an approximately 2,000 square-metre facility is being built for PostNord.

Transactions

Catena readily supplements land acquisitions with acquisitions of existing investment properties to achieve long-term and strategic benefits. The intention is to generate future opportunities in terms of our development rights, while selectively identifying properties with existing buildings but also with potential for future development.

During the year, Catena acquired three properties in attractive logistics locations and with potential for favourable cash flow – the Muttern 6 property in Kungälv, the Vålingen 2 property in Karlstad and the Sockret 7 property

Major projects during the year ¹⁾

Projects	Property	Address	Municipality	Lettable space, m ²	Type
<i>Completed new construction and extensions > SEK 100 million</i>					
ICA, Bring and Pågen	Mappen 4	Köpetorpsgatan 6	Linköping	6,200	Distribution centre
Chefs Culinar	Sunnanå 12:52	Flansbjersvägen 13	Burlöv	7,800	Distribution centre
Multi-tenant warehouse, part 1	Sunnanå 12:52	Flansbjersvägen 15	Burlöv	18,100	Logistics warehouses
Nowaste Logistics	Plantehuset 3	Mineralgatan 17	Helsingborg	11,000	Distribution centre
Procurator, extension	Tahe 1:64	Målövägen 2	Jönköping	12,600	Logistics warehouse
Total, completed projects				55,700	
<i>New construction and extensions in progress > SEK 100 million</i>					
Multi-tenant warehouse, part 2	Sunnanå 12:52	Flansbjersvägen 17	Burlöv	18,100	Logistics warehouses
Boozt Fashion	Norra Varalöv 31:11	Produktionsvägen 10C	Ängelholm	22,800	Logistics warehouse
DHL Express	Sunnanå 12:52	Flansbjersvägen 14	Burlöv	10,200	Distribution centre
PostNord	Plantehuset 3	Mineralgatan 14	Helsingborg	18,300	Terminal
Nowaste Logistics, extension	Plantehuset 3	Mineralgatan 15	Helsingborg	18,000	Distribution centre
Total, ongoing projects				87,400	
Total, projects				143,100	

1) In addition to the larger projects reported in the table, minor projects and adaptations for tenants occur.

2) Catena considers a project to have been completed when receiving a certificate of completion and/or when the tenant makes its first rent payment.

in Malmö. Acquisitions allow Catena to grow, establish operations more quickly in new locations and to broaden its customer base. Although the Muttern 6 property, located in the attractive and expanding Rollsbo industrial area, where Catena already owns two properties, was vacant when acquired, it was soon leased to a new tenant. The same applies for the Vålingen 2 property, which was also quickly leased. By acquiring the Sockret 7 property, Catena gained control of a larger area in Malmö, located centrally, close to the harbour and central station and from where

the E6/E20 motorway can easily be reached – an excellent future location for city logistics.

During the year, the Mörby 5:28 property was divested at an underlying property value of SEK 83 million. Disposals can free up resources and ensure that Catena always has an attractive property portfolio that generates strong cash flows. Furthermore, new consumption patterns, cargo flows and other developments in society or customers' requests to buy properties can result in logistics properties becoming better suited to other purposes.

Property acquisition

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

Property sales

Property designation	Vacated	Region	Municipality	Space, sq. m.	Property value, SEK M	Profit, SEK M
Mörby 5:28	Nov 7, 2019	Stockholm	Nykvarn	186	83.0	0.6
Total				186	83.0	0.6

Estimated operating surplus, SEK m	Estimated investment, SEK m	Expended by end of 2019, SEK m	Remaining inv., SEK m	Letting ratio on balance sheet date, %	Completed ²⁾	Environmental certification
7.6	101	102	0	100	2019 Q1	
7.9	115	108	0	100	2019 Q2	Miljöbyggnad Silver
12.3	179	179	0	100	2019 Q3	Miljöbyggnad Silver
6.7	101	102	0	100	2019 Q4	Miljöbyggnad Silver
7.7	107	97	10	100	2019 Q4	
42.2	603	588	10			
12.2	179	143	36	0	2020 Q2	Miljöbyggnad Silver
12.0	193	5	188	100	2020 Q4	Miljöbyggnad Silver
10.2	150	40	110	100	2020 Q4	Miljöbyggnad Silver
15.7	250	138	112	100	2020 Q3	Miljöbyggnad Silver
9.1	132	19	113	100	2020 Q3	Miljöbyggnad Silver
59.2	904	345	559			
101.4	1,507	933	569			

Potential projects

On the balance sheet date, Catena's total land reserves, including land allocations and options, represents a combined potential land bank of approximately 4.8 million square metres. The land reserve provides opportunities for development projects that can, in turn, generate future net operating surpluses and project earnings. When projects can be completed depends, among other things, on the economic trend, the market situation and the detailed development planning process, if this has not taken place. Part of the land reserves is wholly owned while others are co-owned. Detailed development planning has been conducted for most land that Catena owns outright and such land is therefore included in existing investment properties.

Land allocations and options are commonplace and provide an opportunity for allocated land to be activated under certain conditions. The ongoing dialogues that Catena conducts with municipalities are necessary for creating future opportunities for development. Some agreements include an option component, usually associated with having to meet predetermined conditions before an acquisition can be made and Catena can gain access.

It may be that a detailed development plan must gain legal force before the transaction takes place or that a player seeking to establish operations at the site can be presented. During 2019, Catena signed, for example, an agreement enabling the development of a future logistics location in an excellent location near the E4 motorway and the main rail line in Järna (in the Municipality of Södertälje), just south of Stockholm. This involved Catena acquiring 50 percent of the company Södertuna utveckling AB, a newly formed company in which the remaining 50 percent is held by Gerstaberg Gård AB. The purpose of the jointly owned company is to advance the detailed development planning process for the Södertälje Gerstaberg 1:7 property and, within the framework of this cooperation, Catena is entitled to acquire land from Södertuna utveckling as detailed planning is completed. The objective is to establish building rights for all or part of the area. Combined with Catena's development plans for Logistics Position Stockholm Syd in the Municipality of Nykvarn, this initiative, can make Catena a leading player adjacent to Stockholm's southern approach routes.

Plantehuset 3, Helsingborg.



Larger potential projects

Area	Municipality	Total land area, m ²	Participation	Detailed development plan status	
<i>Owned/jointly owned (in selection)</i>					
Logistics Position Järna	Södertälje	1,000,000	50%	Detailed development planning not complete	▶ Read more on next two-page spread
Örebro Syd	Örebro	920,000	34%	Detailed development planning not complete	▶ Read more on next two-page spread
Logistics Position Sunnanå	Burlöv	110,000	100%	Detailed development planning not complete	▶ Read more on next two-page spread
Folkestaleden	Eskilstuna	75,000	100%	Detailed development plan	
Logistics Position Katrineholm	Katrineholm	50,000	100%	Detailed development plan	
Västerslätt	Umeå	42,000	100%	Detailed development plan	
Lodgatan, Malmö Hamn	Malmö	40,000	100%	Detailed development plan	
Mappen	Linköping	40,000	100%	Detailed development plan	
<i>Option</i>					
E-City	Ängelholm	850,000		Detailed development planning not complete	▶ Read more on next two-page spread
Stockholm Syd	Nykvarn/Södertälje	450,000		Detailed development planning not complete	▶ Read more on next two-page spread
Logistics Position Tostarp	Helsingborg	230,000		Detailed development planning not complete	▶ Read more on next two-page spread
<i>Land allocation agreements</i>					
Landvetter	Härryda	210,000		Detailed development planning not complete	
Torsvik Syd	Jönköping	200,000		Partial detailed development plan	
Lockarp	Malmö	40,000		Detailed development plan	
Arnö	Nyköping	15,000		Detailed development plan	



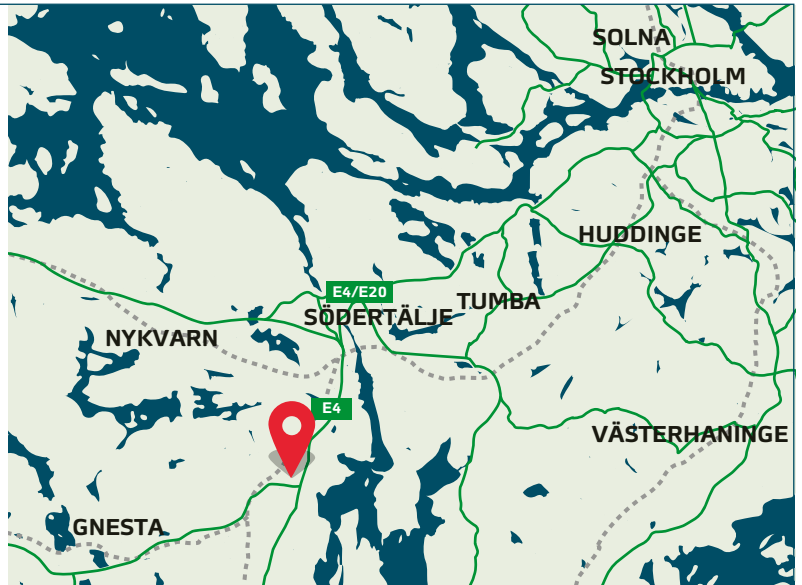
Prominent logistics hub with development potential

Logistikposition
Järna,
Södertälje

Catena is advancing the detailed development planning process having bought into a jointly owned company with the objective of establishing development rights for all or part of the site, which is situated in close proximity to the E4 motorway and the railway. The location is excellent, since the planned East Link railway corridor is also expected to free up freight capacity on the main rail line running right alongside the area.

Developable land:
1,000,000 m²

Terms:
**New detailed
development plan**

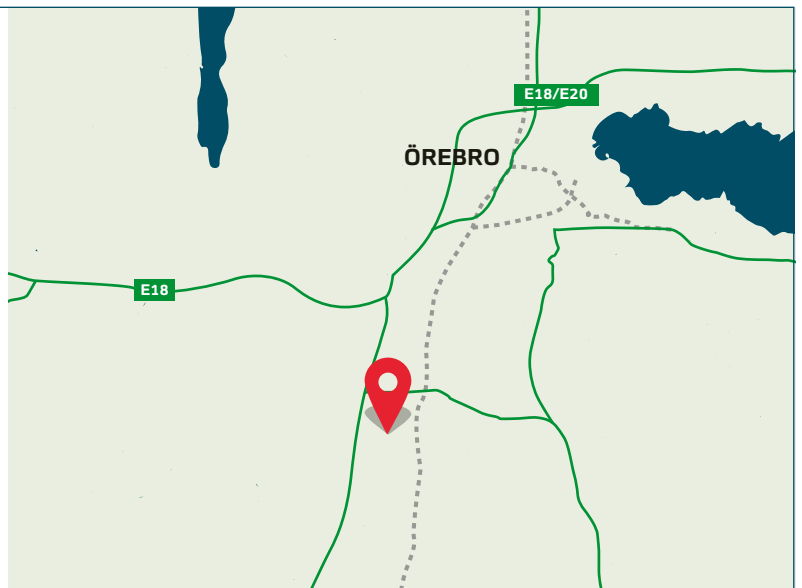


Örebro Syd,
Örebro

The part-owned Örebro Syd is intelligently located at Sweden's demographic centre-point, from where deliveries to all of Scandinavia can be achieved efficiently within eight hours. The site forms an unbeatable logistics hub with valuable access to key transport routes and different modes of transport, including road, rail and airfreight.

Developable land:
920,000 m²

Terms:
**New detailed
development plan**



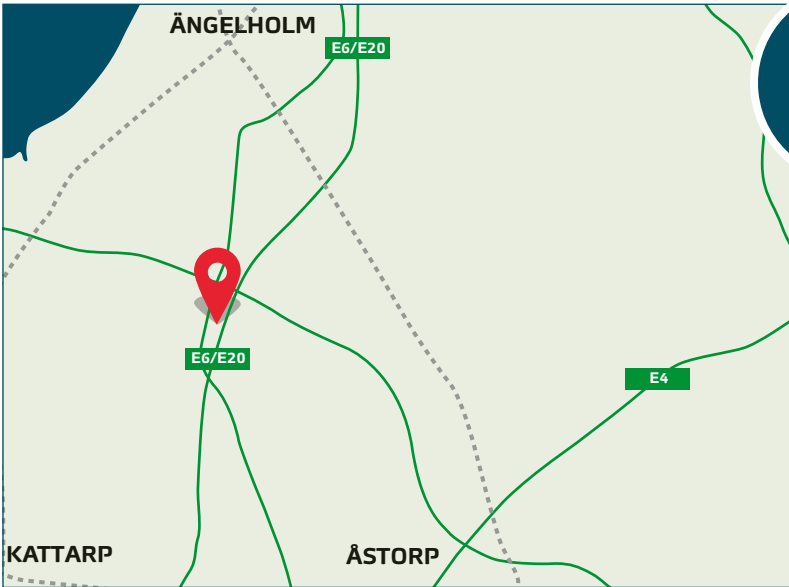
Logistikposition
Sunnanå,
Burlöv

Logistics Position Sunnanå has the best possible location, with a direct exit from main road 11 and just a further 300 metres to the exit from the E6/E20 motorway. The Öresund region has a significant population base and Malmö forms part of Greater Copenhagen. Additional land for potential development is available at the site, where Chefs Culinar, Svensk Cater, DS Smith, Lekia, DHL Express and DHL Supply Chain already have operations.

Developable land:
110,000 m²

Terms:
**None
Detailed development
planning in progress**



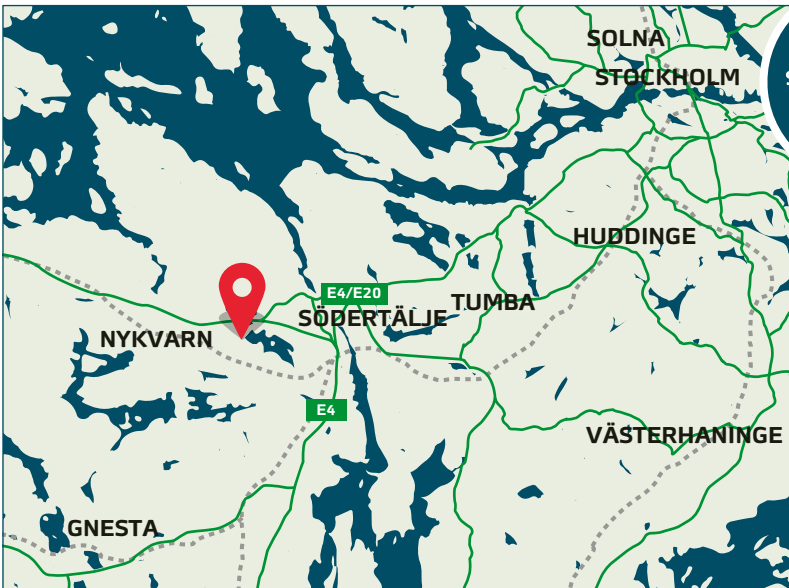


**E-City
Engelholm,
Ångelholm**

Catena's ambition is to further develop the E-City Engelholm e-commerce cluster with sustainable solutions and intelligent synergies for future trade.

The Position is situated in an excellent logistics location with nearby access to both the E6 and E4 motorways. There is additional land for potential development at the site and Boozt Fashion and DreamLogistics are already present at the site.

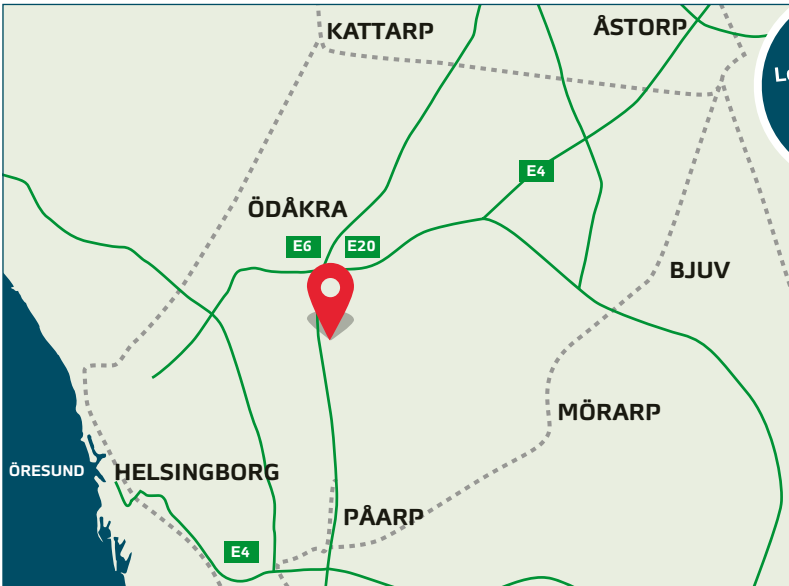
Developable land: **850,000 m²** Terms: **Land acquisition permits New detailed development plan**



**Stockholm Syd,
Nykvarn**

Catena seeks to further develop the emerging logistics centre Stockholm Syd, only 30 minutes from Stockholm. The location alongside the E20 motorway and in close proximity to the E4 motorway is a near-perfect location, optimal for managing product flows and enabling sustainable deliveries to Stockholm meeting the needs that emerge as trade and consumption patterns change.

Developable land: **450,000 m²** Terms: **New detailed development plan**



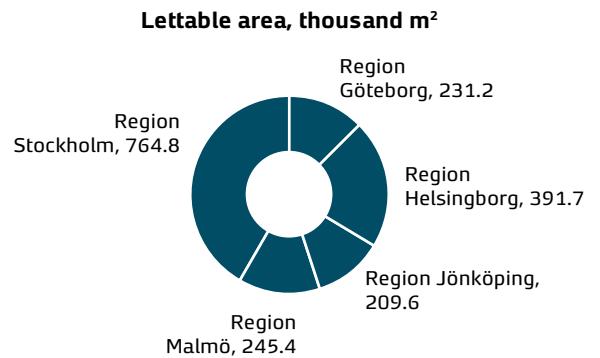
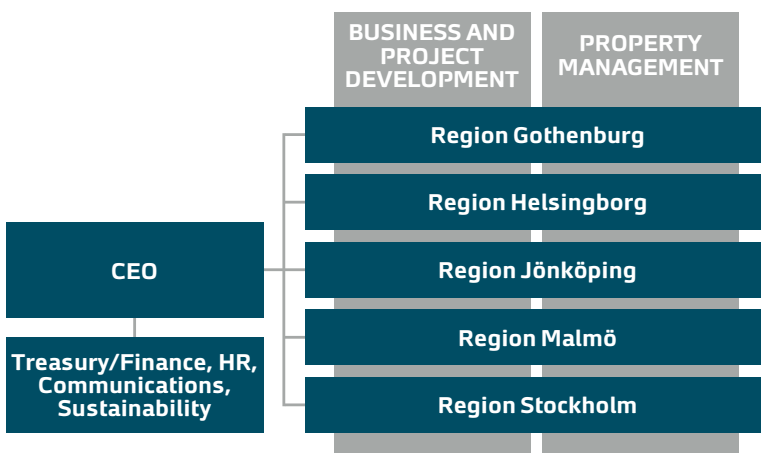
**Logistikposition
Tostarp,
Helsingborg**

At the Tostarp industrial area in Helsingborg, a modern logistics cluster is emerging in a premium location where the E4 and E6 motorways divide. As part of Greater Copenhagen and with a large population base, the Öresund region and Helsingborg are highly interesting for logistics purposes. Additional land for potential development is available at the site, where Nowaste Logistics, PostNord and Freja Transport & Logistics already have operations.

Developable land: **230,000 m²** Terms: **Land acquisition permits New detailed development plan**

A value-driven organisation

Catena works on the basis of shared values. The position as a leader in logistics properties is attributable largely to the capacity existing throughout the organisation. Extensive experience and specialist expertise in logistics, property development, property management and transactions generate value for customers but also enable short decision paths and freedom of action.



► See also the regions' development on pages 36-37 and the property list on fold-out.

Catena is an efficient organisation with slightly more than 40 employees. It is therefore business critical that the Company benefit fully from the experiences and skills that exist within the operations and that the business structure is optimal in relation to the Company's objectives.

Catena's organisation is divided into regions. There are also Group-wide functions for Treasury/Finance and CSR, which encompasses HR, Communications and Sustainability. Management bears the overall responsibility for business development, financial control and performance review. Treasury/Finance is responsible for the continuous reporting that is based on international standards and the Group's financing. The function is also responsible, together with the CEO, for the Group's transactions and communications with the financial markets and society.

Strong regions

Property management is organised into regions according to the geographical location of the properties: Gothenburg, Helsingborg, Jönköping, Malmö and Stockholm.

The Property Management function is responsible for service and contact with the tenants to thereby identify and resolve problems with also evaluating the possibilities of developing both customer relationships and premises. Catena engages internal managers, property technicians and external property managers.

The regions are also responsible for the development of Catena's business regionally through contacts with the local business community and the local authorities. In this way, the regions can initiate transactions and development.

The regional property management organisations are supported by central functions with specific skills in transactions, financing, sustainability, communications and HR.

The flexible and customer-oriented business structure affords Catena considerable opportunities to manage its growing portfolio and develop the operations over both the long and short term and has enabled the Company to significantly strengthen customer relations and increase the number of customers.

Shared values

Catena's growth rate and success depends largely on coordinated teams of employees who work together to achieve established objectives. An important component of the work is a shared body of values that all employees can use as the starting point for major and minor decisions.

Catena works actively with the Company's values and regularly discusses what they mean in practice, both in the management team and in the organisation as a whole.

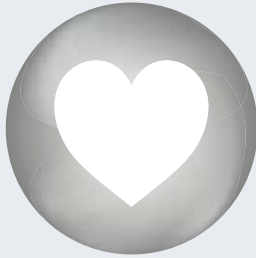
Our approach



Exceeding expectations
We behave professionally in everything we do, large or small, and have the skills needed to meet current and future needs. Based on this, we always go a little further, daring to be innovative.



Taking long-term responsibility
Both our own work environment and society as a whole are affected by how we act and the decisions we make. What we deliver must be sustainable over time – ecologically, socially and financially.



Being committed
We work close to our customers and one another and we are passionate about what we do. At Catena, we believe in having fun at work and we do not fear this joy being contagious – we are happy to share!



2019 – continued positive development in all parts of the operations

For Catena, 2019 was another strong year in which key performance indicators, such as rental income, net operating surplus and profit from property management improved. The positive trend is the result of active project development but also of efficient management and administration. Catena's strong cash flow provides favourable opportunities for continued growth, both in new facilities, as well as in existing holdings.

The property portfolio

On 31 December 2019, following transactions and property settlements, Catena's property portfolio comprised 109 logistics properties (107) located along important transport routes and population centres mainly in southern and central Sweden. The total lettable area amounted to 1,842,700 square metres (1,792,500). The total rental value amounted to SEK 1,264.8 million (1,216.1) and contractual annual rental income totalled SEK 1,202.0 million (1,166.7). Following active leasing efforts, the economic letting ratio amounted to 95.0 percent (95.9).

Project development

Catena has the stated ambition of growing through project development and has a portfolio of possible development projects with potential land reserves of 4.8 million square metres, both on its own account and in jointly owned companies. The project portfolio includes land allocations and acquisition options for strategically located projects at different stages, ranging from rent negotiations to detailed planning, in all regions.

The largest projects in progress in 2019 consisted of the completion of logistics properties or commencement of construction at Logistics Positions Sunnanå and Tostarp, the e-commerce cluster E-city Engelholm and in Jönköping and Katrineholm (see Investments on pages 24-25).

During 2019, to facilitate possible future projects, Catena signed, for example, an agreement enabling the development of a future logistics location near the E4 motorway and the main rail line in Järna (in the Municipality of Södertälje), just south of Stockholm. Combined with Catena's development plans for Logistics Position Stockholm Syd in the Municipality of Nykvarn, this initiative, can make Catena a leading player adjacent to Stockholm's southern approach routes. The sites are 1,000,000 and 450,000 square metres in area respectively.

A new detailed development plan for the area east of the current Logistics Position Sunnanå was completed for consultation and approval. The area covers 110,000 square metres. Space for further construction remains on Catena's land at the Tostarp Logistics Position and leasing efforts are ongoing.

An option for 200,000 square metres of land in the Torsvik area was signed with the Municipality of Jönköping and a land allocation agreement for 210,000 square metres at Flygplatsmotet was signed with the Municipality of Hälaryda.

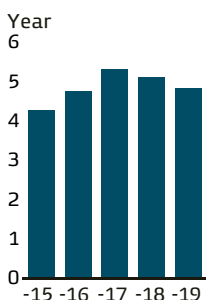
► Read more about Catena's projects on pages 23–29.

► A complete list of properties is given on pages 38-39 + fold-out.

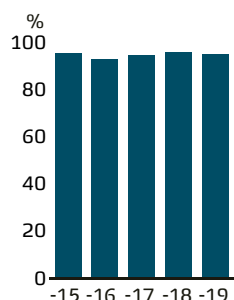
Income and rent

Rental income for the year increased by 8 percent to SEK 1,182.9 million (1,090.7), corresponding to SEK 651/m²

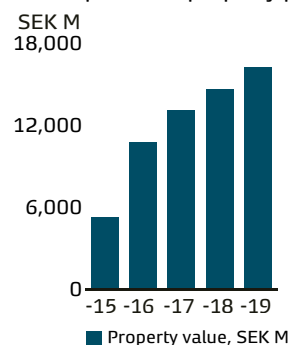
Average contract period



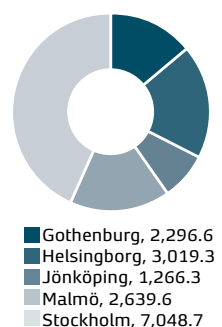
Economic letting ratio



Development of property portfolio



The property portfolio per region, SEK M



(638). In comparable portfolios, rental income increased by 2.3 percent compared with the preceding year. The remaining increase in rental income derives from completed projects and the net effect of acquisitions and disposals. The letting ratio remained stable at 95.0 percent (95.9). This is a result of strategically placed logistics facilities and focused leasing efforts. Income from contracts with terms of more than three years accounted for approximately 66 percent (67) of Catena's contracted annual rent. This entails stable income with no appreciable variation between periods, except in connection with acquisitions and sales. The average remaining lease period is approximately five years.

Letting and occupancy

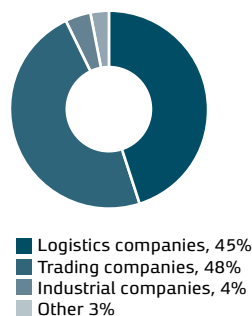
During the year, 64 tenants moved in with newly-signed contracts for a total area of 127,000 square metres. The contract value for new tenancies was SEK 85.6 million (58.2), while that for discontinued tenancies ended up at SEK 62.7 million (18.5) for 57 terminated contracts with a total area of 94,000 square metres. This entails a net increase in new tenancies at a value of SEK 22.9 million (39.7).

Lease structure

The contract portfolio is long term and tenants consist primarily of large, credit-worthy and well-established logistics, industrial and commercial companies. This lessens the risk of customer losses driven by customers' insolvency. At 31 December 2019, Catena's ten largest tenants accounted for 45.3 percent (43.9) of the Group's contractual rental income. The leases for these ten tenants expire within one to 14 years. On the balance sheet date, the average remaining lease term remained stable, although it decreased slightly to 4.9 years (5.1). The table to the right shows Catena's largest customers. However, it is worth noting that many of the companies are represented by a number of local decision-making units.

► A table showing the maturity structure of the leases is presented on page 77.

Client categories



Catena's ten largest shareholders as at 31 December 2019

1. DHL
2. ICA Fastigheter
3. PostNord
4. Martin & Servera
5. Nowaste Logistics
6. Intervare
7. Boozt Fashion
8. Menigo Food Service
9. Alwex Lager & Logistik
10. Bring

Net operating surplus and surplus ratio

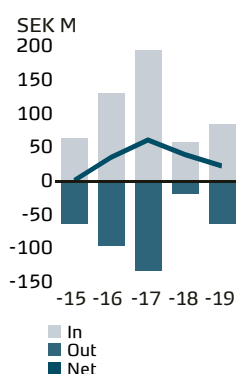
The net operating surplus – rental income less property expenses and property administration, rose by 9 percent over the year to SEK 902.8 million (827.6). This is primarily a result of the increased space, the stable letting ratio and efficiency improvements, not least in the area of energy. Among other things, Catena has continued to invest in energy-saving technology, more sustainable heating and better lighting and ventilation systems. Property expenses rose by 6 percent to SEK 280.1 million (263.1), predominantly as a result of the larger property portfolio. In summary, the surplus ratio increased from 75.9 to 76.3 percent. There are seasonal variations in the operation and maintenance of properties. Very cold winters with a lot of snow or an unusually hot summer can entail increased expenses.

These variations are offset, to some extent, through onward invoicing of expenses to tenants.

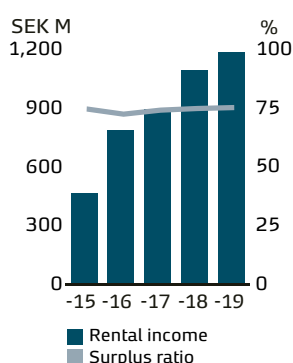
Profit from property management

Profit from property management, the carrying amount with reversals of changes in value and tax, increased compared with the previous year by SEK 55.5 million, or 10 percent, to SEK 626.8 million (571.3). The primary reason for the improved profit from property management is an increased operating surplus.

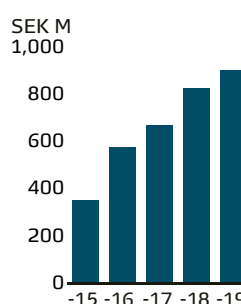
New tenancies/vacancies



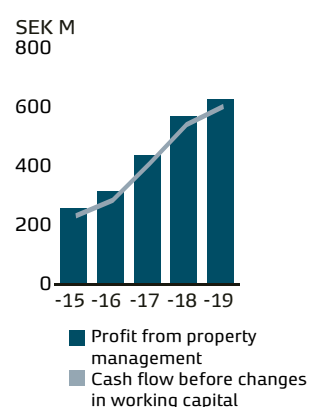
Rental income and surplus ratio



Net operating surplus



Profit from property management and cash flow before change in working capital



Profit from property management was also affected positively by a decrease in financial expenses over the year from SEK 238.5 million to SEK 228.2 million. The financial expenses decreasing despite a larger loan portfolio is due to a lower average interest rate.

Compared with 2018, Catena has lowered its average interest rate by 0.1 percentage points to 2.6 percent (2.7).

► Read more about financing on pages 42–43.

Profit for the year

Profit for the year increased by 49 percent to SEK 1,223.8 million (823.4), which was SEK 400.4 million higher than for the preceding year. The unrealised changes in the value of properties were SEK 462.1 million higher than in the preceding year. Realised changes in values of properties amounted to SEK 75.2 million and consisted predominantly of 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 not realised has been recognised as income. The unrealised change in the value of derivatives amounted to SEK 29.3 million on the balance sheet date. This was attributable to market interest rates on shorter-term maturities have risen more over the year than the rates on long-term maturities have fallen. The unrealised changes in value are of an accounting nature and do not affect cash flow. In 2018, the Riksdag (Swedish Parliament) adopted new tax rules for the corporate sector, entailing among other things, a reduction in corporate tax in two steps to 21.4 percent as of 2019 and to 20.6 percent as of 2021. Most of the deferred tax for the year is expected to be realised no earlier than 2021 and has therefore been reported at the lower tax rate.

► Read more about profit for the year on pages 76–77.

Development of property portfolio

Catena's real estate portfolio has gradually been developed with more modern logistics facilities and developable land with an increased potential for further improvement in profit from property management.

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	752.6	
Sales	-82.6	-1
Translation difference	6.1	
Unrealised changes in value	791.2	
Total investment properties	16,270.5	109

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

Acquisitions

Over the year, Catena acquired the three properties Vålningen 2 in Karlstad, Sockret 7 in Malmö and Muttern 6 in Kungälv, in favourable logistics locations with potential for good cash flow, at a total value of SEK 82.1 million.

Investments

Ongoing investments have been made in new construction, remodelling and extensions at existing properties for SEK 752.6 million. At Logistics Position Sunnanå, outside Malmö, the first tenants have now moved into the 36,200 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 approximately 10,200 square-metre warehouse for DHL Express, are also now being completed.

At the Plantehuset 3 property within the Tostarp Logistics Position in Helsingborg, construction has been completed of a 11,000 square-metre logistics warehouse for Nowaste Logistics, including a high-bay section. At the same time, construction of PostNord's new 18,300 square-metre terminal is in progress. Work to extend Nowaste's major, 30,400 square-metre warehouse by an additional 18,000 square metres has also commenced.

At the Tahe 1:64 property in Jönköping, adaptations and an extension have been completed for the tenant Procurator, which has moved into the well-adapted premises that now offer 35,000 square metres of space. In Ängelholm, the E-city Engelholm e-commerce cluster is growing. Catena is constructing a new, approximately 22,800 square-metre building for Boozt Fashion adjacent to its existing building. At the Katrineholm Logistics Centre, a modern node in an excellent location, an approximately 2,000 square-metre facility is being built for PostNord.

Disposals

During the year, the Mörby 5:28 property in Nykvarn was sold at a value of SEK 82.6 million.

Unrealised changes in value

Unrealised changes in value of Catena's properties have arisen as a result of a lower yield requirement, coordination, well-executed projects and good property management and amounted to SEK 791.2 million in 2019. This corresponds to 5.1 percent of the value before adjustment.

► Read more on property valuation on page 35.

Related party transactions

Profit for the year includes minor related party transactions with Hansan AB and companies owned by Board Members Ingela Bendrot and Katarina Wallin.

Catena's property valuation

Precision, clear guidelines and well-functioning procedures engender conditions for fair valuation of assets.

A proven valuation model

Like most listed property companies, Catena has opted to recognise its investment properties at fair value, in accordance with IAS 40. Catena performs quarterly internal valuations of all of its investment properties. The internal valuation is used to determine the fair values recognised in the balance sheet. The valuation is based on a six-year cash-flow model for each individual property. The model is based on actual income and expenses, adjusted for a normalised future earnings capacity in terms of both income and expenses.

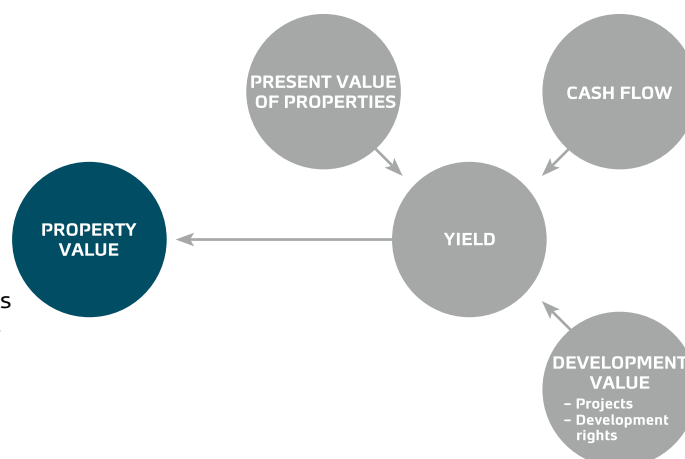
When assessing the future earnings capacity, factors taken into account include the expected changes in the rent level based on the current rent of the individual lease compared with the market rent for each date of maturity, and changes in letting ratio and property costs. The yield value has then been calculated in a cash-flow statement per property.

The yield value includes the value of the assessed future payment flows over the next five years and the present value of the assessed value of the property in five years' time. The yield value has then been adjusted for the value of on-going projects and land with unutilised development rights.

Significant variables

The parameters that significantly impact the value of a property are the discount rate and its development. Assumptions including interest rates, debt/equity ratio, inflation assumptions, yield requirements, property location, tenant structure, etc. are included in the discount rate.

Change	Impact	
	+1%	-1%
Discount rate, SEK M	-2,434	3,117
Assumed annual rent development, SEK M	759	-897



The operating surplus reflects how the market views the corresponding properties' income and expenses at the time of valuation. A change of +/-1 percent in these parameters impacts the estimated fair value.

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

Changes in value of investment properties

To verify the internal valuations, external valuations of a selection of the Company's properties are also carried out. During the year, Cushman & Wakefield valued approximately 59 percent of the portfolio, representing a value of SEK 9.6 billion.

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

Only when the deviation exceeds or falls short of this range is the fair value adjusted. This discrepancy is accepted since there is always an element of uncertainty in the estimated value.

Regional development

Comments on 2019

Priorities in 2020

GOTHENBURG



Contacts
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Regional Manager Gothenburg
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- A lease-extension agreement was signed with the region's largest customer, ICA, and its offices and warehouses of a total 54,000 square metres. The agreement covers a five-year period and also includes investments in energy saving measures.
- During the year, the 8,000 square-metre Muttern 6 property in Kungälv was acquired, with a ten-year agreement being signed with Ekoligens.
- A 15-year agreement was signed with LEO's Lekland for the 4,300 square-metre Klarinetten 1 property.
- A land allocation agreement for 210,000 square metres at Flygplatsmotet was signed with the Municipality of Härryda during the year.

- Focus on the detailed development planning process for the site at Flygplatsmotet.
- Focus on continued land acquisitions.
- Continued work on renegotiation of leases.
- Continued focus on energy projects involving renewable energy (photovoltaic cells/geothermal heat).

HELSINGBORG



Contacts
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- The conversion from natural gas to district heating was completed at the Vångagärdet 20 property.
- Construction commenced of a new 18,300 square-metre terminal building for PostNord at Tostarp in Helsingborg, the first property certified in accordance with Miljöbyggnad Silver.
- Construction commenced of a new 22,800 square-metre warehouse for Boozt.
- Construction of an 18,000 square-metre warehouses for Nowaste was started.
- A decision was taken to start work on a new detailed development plan for the Hästhagen area in Helsingborg.

- Continued efforts to gain ownership of land with detailed development planning.
- Completion of PostNord's terminal, the extension of Nowaste's warehouse in Helsingborg and of Boozt's warehouse in Ängelholm.

JÖNKÖPING



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- During the year, a three-year agreement was signed with DHL regarding its 34,000 square-metre warehouse at Torsvik in Jönköping. Also at Torsvik, a remodelling and extension project for Procurator was completed. Procurator now leases a total 35,000 square metres.
- At the 6,700 square-metre Postiljonen 1 property in Växjö, a three-party solution was secured with PostNord and Alvestaglass, with Alvestaglass signing a 15-year agreement.
- An option on 100,000 square metres of land in the Torsvik area was specified with the Municipality of Jönköping. A detailed development plan is in place and Catena can gain access to the land in 2021.

- Commence a new construction project or major extension during the year.
- Increase the surplus ratio through active efforts to fill vacancies and investments in energy efficiency improvements.
- Continued efforts to increase the land reserve.

MALMÖ



Contacts
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- Logistics Position Sunnanå in Malmö continued to be developed. Chefs Culinar's facility was ready by Easter and the first stage of the multi-tenant warehouse was ready by the summer, with DS Smith, DHL Supply Chain and Lekia as tenants. Construction commenced of a 10,200 square-metre air cargo facility for DHL Express, with the tenant scheduled to move in 2020.
- A new detailed development plan for the area east of the current Logistics Position Sunnanå was completed for consultation and approval. The area covers 110,000 square metres.

- Access to three new logistics facilities in Denmark with PostNord as the tenant.
- Continued work for the detailed development plan for the area east of Sunnanå to gain legal force, with accompanying marketing.
- Completion of DHL's air cargo warehouse and the second part of the multi-tenant guest warehouse in Sunnanå.
- Expand Mathem's space in Arlov.

STOCKHOLM

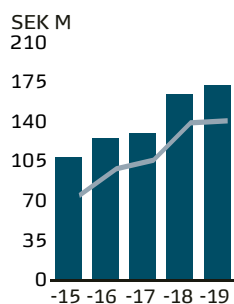


Contacts
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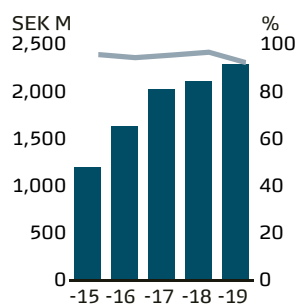
- The planning processes for current land holdings in Örebro, Stockholm Syd and Järna progressed according to plan.
- In older logistics properties, measures to improve energy efficiency continued, photovoltaic cells were brought into operation at a new cooling terminal in Linköping.
- In 2019, an agreement was signed for a hub terminal for PostNord in Katrineholm with the tenant scheduled to move in during June 2020.
- A decision was made to expand the warehouse and logistics space for the third-party logistics company Speed Logistics in Rosersberg by 7,500 square metres to 30,000 square metres.
- Strategic leasing of about 20,000 square metres in our two older logistics buildings in Linköping.

- Continued focus on planning for our regional land holdings, with the aspiration of commencing construction in late 2020.
- Refinement of the property portfolio, focusing on our logistics positions.
- Facilitate the commencement of construction of a multi-terminal on proprietary land in Umeå.

■ Rental income
■ Net operating surplus

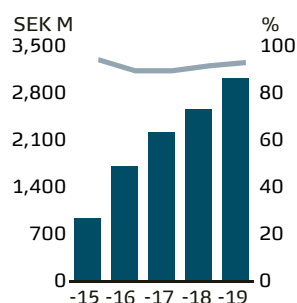
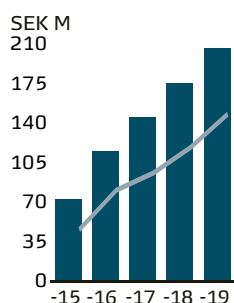


■ Property value
■ Letting ratio

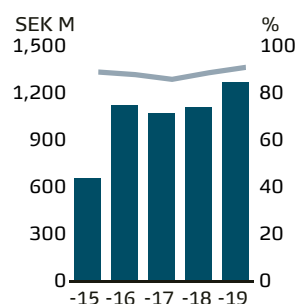
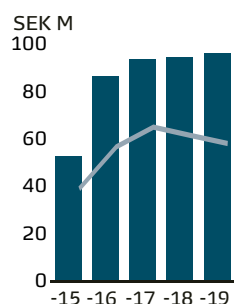


Key share data

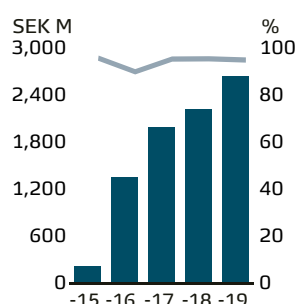
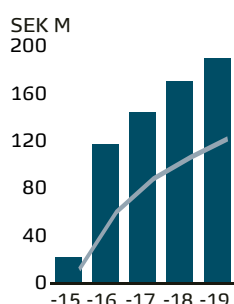
	2019	2018	Change, %
Surplus ratio, %	84.4	87.2	-3.2
Contractual annual rent, SEK M	164.1	170.4	-3.7
Rental value, SEK M	173.2	172.0	0.7
Profit from property management, SEK M	113.2	107.1 ¹⁾	5.7
Lettable area, thousand m ²	231.2	223.2	3.6
No. of properties	15	14	7.1
No. of contracts	46	46	0.0



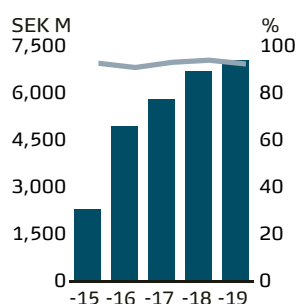
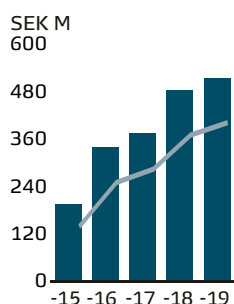
	2019	2018	Change, %
Surplus ratio, %	73.9	70.2	5.3
Contractual annual rent, SEK M	217.0	201.3	7.8
Rental value, SEK M	228.0	214.6	6.2
Profit from property management, SEK M	113.0	83.5 ¹⁾	35.3
Lettable area, thousand m ²	391.7	382.4	2.4
No. of properties	23	23	0.0
No. of contracts	128	128	0.0



	2019	2018	Change, %
Surplus ratio, %	62.9	67.4	-6.7
Contractual annual rent, SEK M	109.4	106.4	2.8
Rental value, SEK M	117.4	117.1	0.3
Profit from property management, SEK M	43.8	43.5 ¹⁾	0.7
Lettable area, thousand m ²	209.6	209.6	0.0
No. of properties	12	12	0.0
No. of contracts	66	50	32.0



	2019	2018	Change, %
Surplus ratio, %	66.5	65.2	2.0
Contractual annual rent, SEK M	198.4	175.1	13.3
Rental value, SEK M	204.2	179.3	13.9
Profit from property management, SEK M	85.1	73.4 ¹⁾	15.9
Lettable area, thousand m ²	245.4	219.3	11.9
No. of properties	17	16	6.3
No. of contracts	60	55	9.1



	2019	2018	Change, %
Surplus ratio, %	80.7	79.5	1.5
Contractual annual rent, SEK M	513.1	513.5	-0.1
Rental value, SEK M	542.0	533.1	1.7
Profit from property management, SEK M	310.2	289.4 ¹⁾	7.2
Lettable area, thousand m ²	764.8	758.0	0.9
No. of properties	42	42	0.0
No. of contracts	140	144	-2.8

1) For 2019, Catena has implemented a change in the capitalisation and adjustment of intra-Group interest rate terms. The segment's comparative figures for 2018 have been adjusted to reflect these changed conditions.

Norra Varalöv 31:11, Ängelholm.

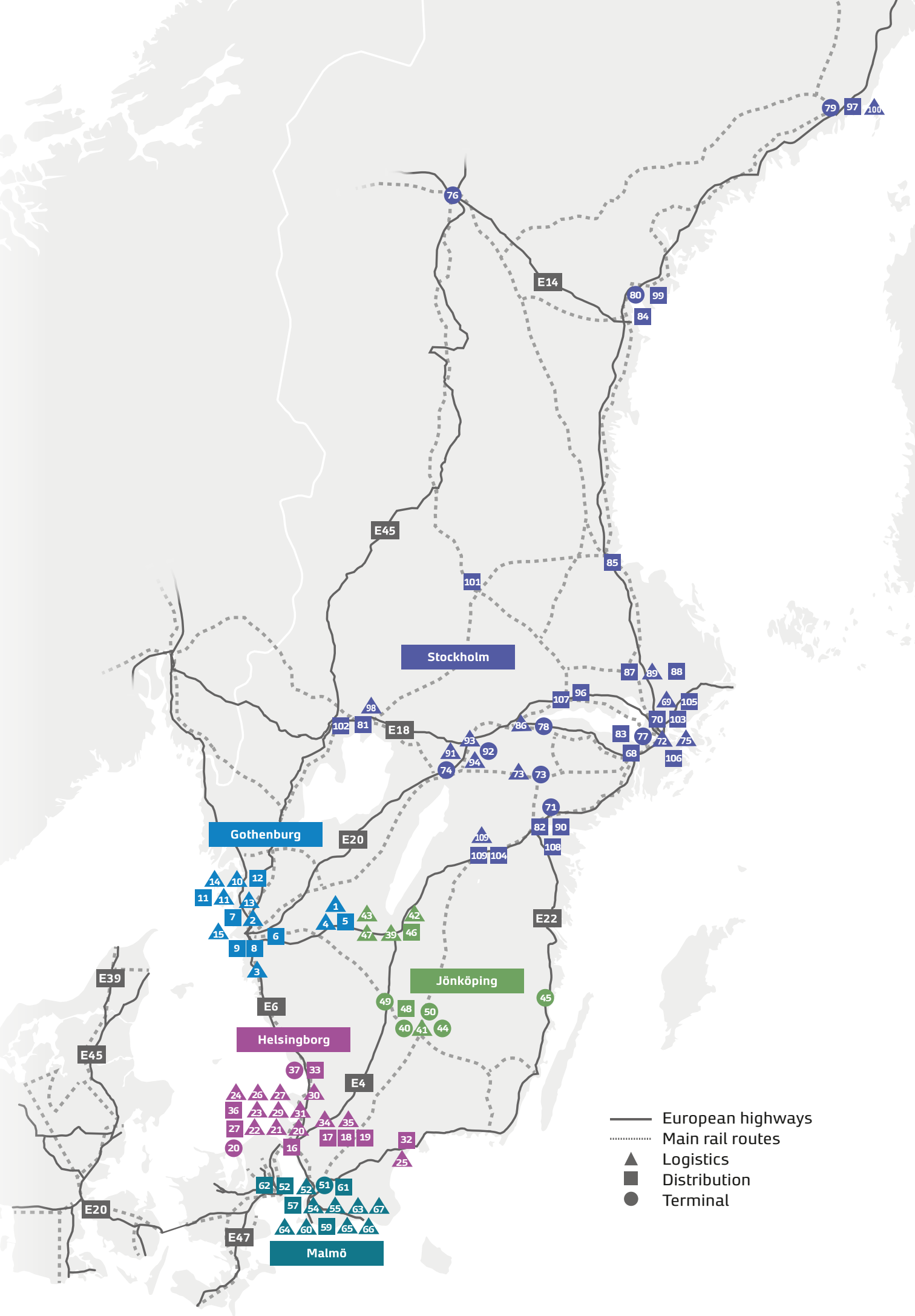


List of properties by region

Property	Postal address	Address	Value-year	Taxable value, SEK T	Rental value, SEK T	Type, square metres					Total
						Contractual rent, SEK T	Logistics warehouse	Distribution	Terminal	Other	
Gothenburg											
1 Vindtunneln 1	Borås	Vevgatan 18	2002	74,901	10,884	10,884	16,897	0	0	0	16,897
2 Backa 97:10	Hisings backa	Exportgatan 43	1979	57,901	10,084	10,084	13,983	0	0	0	13,983
3 Varla 6:15	Kungsbacka	Kabelgatan 5	1980	88,611	15,638	14,197	25,006	0	0	0	25,006
4 Vindtunneln 2	Borås	Segloravägen 6	2006	80,200	8,219	8,219	16,391	0	0	0	16,391
5 Källbäckstryd 1:408	Brämhult	Tvinnargatan 17	1990	5,111	571	571	0	1,247	0	0	1,247
6 Björröd 1:205	Landvetter	Västra Björrödsvägen 4	2018	26,927	6,266	6,266	0	3,380	0	0	3,380
7 Backa 23:2	Hisings Backa	Exportgatan 20 A	2006	33,600	5,457	5,457	0	3,984	0	0	3,984
8 Generatoren 11	Mölnadal	Aminogatan 32 C	2006	13,545	2,871	2,871	0	1,995	0	0	1,995
9 Klarinetten 1	Mölnadal	Arnegårdsgatan 12	2007	25,800	4,584	0	0	3,667	0	0	3,667
10 Muttern 6	Kungälv	Bilgatan 25	2010	49,870	4,800	4,800	8,000	0	0	0	8,000
11 Backa 23:5	Hisings Backa	Exportgatan 14-16	2013	49,263	17,559	17,559	7,670	7,659	0	0	15,329
12 Fördelaren 1	Kungälv	Truckgatan 15	1979	264,733	33,224	33,224	0	54,000	0	0	54,000
13 Bulten 1	Kungälv	Bultgatan 27	1997	90,344	17,265	16,852	23,090	0	0	0	23,090
14 Solsten 1:102	Mölnlycke	Fibervägen 2-8	1987	118,298	33,091	33,091	42,437	0	0	0	42,437
15 Backa 23:9	Hisings Backa	Exportgatan 20	2009	16,683	2,697	21	1,824	0	0	0	1,824
Total Gothenburg Region				995,787	173,209	164,095	155,298	75,932	0	0	231,230
Helsingborg											
16 Plantehuset 3	Helsingborg	Mineralgatan 15, 17	2018	99,123	26,459	26,459	0	41,460	0	0	41,460
17 Remmen 1	Åstorp	Ji-Te gatan 9/ Persbogatan 1-3	1985	14,346	3,737	3,063	0	6,782	0	0	6,782
18 Lejonet 6	Åstorp	Bangatan 7	1973	3,068	958	958	0	1,785	0	0	1,785
19 Lejonet 7	Åstorp	Bangatan 9 A	1995	9,566	1,877	1,877	0	3,624	0	0	3,624
20 Köpingegården 1	Helsingborg	Trintegatan 10, 13, 15	2004	122,991	26,229	26,229	14,403	0	24,522	0	38,925
21 Kopparverket 11	Helsingborg	Stormgatan 11	2007	114,400	7,298	7,298	26,600	0	0	0	26,600
22 Plantehuset 2	Helsingborg	Mineralgatan 11	2011	13,607	4,155	4,155	4,694	0	0	0	4,694
23 Hästhagen 4	Helsingborg	Landskronav. 5, 7 / Rännarbanan 30	2005	106,301	28,080	24,392	50,823	0	0	0	50,823
24 Förmannen 4	Ängelholm	Transportgatan 13	1993	63,871	12,125	12,125	22,241	0	0	0	22,241
25 Misteln 1	Åhus	Täppetleden 1	2011	9,332	1,521	1,521	1,900	0	0	0	1,900
26 Rebbelberga 26:37	Ängelholm	Framtidsgatan 3	2007	60,936	9,117	9,117	15,960	0	0	0	15,960
27 Norra Varalöv 31:11	Ängelholm	Produktionsvägen 10 m.fl.	2017	151,402	37,771	37,771	43,927	14,545	0	0	58,472
28 Kärra 1:23	Ängelholm	Helsingborgsvägen 528	1929	1,296	168	168	0	0	0	200	200
29 Norra Varalöv 31:5	Ängelholm	Produktionsvägen 11	2011	7,908	1,875	1,875	4,056	0	0	0	4,056
30 Rebbelberga 26:38	Ängelholm	Framtidsgatan 5	1998	3,873	754	754	849	0	0	0	849
31 Vångagårdet 20	Helsingborg	Landskronavägen 23, 25 A and B	1974	94,954	23,091	17,314	25,690	0	0	0	25,690
32 Arnulf Öfverland 1	Kristianstad	Estrids väg 2	1997	6,288	989	989	0	2,236	0	0	2,236
33 Konen 5	Halmstad	Kristinehedsvägen 16	2011	5,082	1,102	1,102	0	727	0	0	727
34 Hammaren 1	Klippan	Stackarpsvägen 8	1977	23,357	5,613	4,870	18,456	0	0	0	18,456
35 Hammaren 2	Klippan	Stackarpsvägen 10	2002	68,550	18,252	18,252	32,550	0	0	0	32,550
36 Bunkagården Mellersta 2	Helsingborg	Bunkagårdsgatan 5	Spec.	0	12,770	12,770	0	28,250	0	0	28,250
37 Fräsaren 12	Halmstad	Fräsaregatan 6	Spec.	0	4,001	4,001	0	0	5,435	0	5,435
38 Bunkagården Mellersta 1	Helsingborg	Bunkagårdsgatan 1	Land	14,964	0	0	0	0	0	0	0
Total, Helsingborg Region				995,215	227,940	217,059	262,149	99,409	29,957	200	391,715

Property	Postal address	Address	Value-year	Taxable value, SEK T	Rental value, SEK T	Type, square metres					Total
						Contractual rent, SEK T	Logistics warehouse	Distribution	Terminal	Other	
Jönköping											
39 Barnarps-Kråkebo 1:44	Jönköping	Möbelvägen 39	1991	115,446	14,405	14,405	34,126	0	0	0	34,126
40 Lagret 1	Nässjö	Terminalgatan 6	2004	66,224	20,957	20,957	0	0	24,404	0	24,404
41 Lagret 4	Nässjö	Terminalgatan 6	2016	44,595	5,490	5,490	9,252	0	0	0	9,252
42 Tahe 1:64	Taberg	Målövägen 2	1980	97,854	11,798	7,884	29,209	0	0	0	29,209
43 Barnarps-Kråkebo 1:56	Jönköping	Stolsvägen 2	2001	22,156	2,870	2,870	4,030	0	0	0	4,030
44 Postiljonen 1	Växjö	Nylandavägen 2	Spec.	0	6,003	6,003	0	0	6,702	0	6,702
45 Däcket 1	Oskarshamn	Lövgrensvägen 4	Spec.	0	1,367	1,367	0	0	2,908	0	2,908
46 Älghunden 3	Jönköping	Muttervägen 3	1983	17,047	1,819	1,819	0	3,738	0	0	3,738
47 Ätthögen 2	Jönköping	Herkulesvägen 56	1987	37,600	5,862	5,800	8,709	0	0	0	8,709
48 Fröträdet 1	Växjö	Högsbyvägen 3	1990	158,751	36,039	32,026	0	68,580	0	0	68,580
49 Rockan 2	Värnamo	Torpvägen 2	Spec.	0	5,361	5,361	0	0	9,729	0	9,729
50 Smeden 1	Växjö	Ljungadalsgatan 10	Spec.	0	5,417	5,417	0	0	8,210	0	8,210
Total, Jönköping Region				559,673	117,387	109,399	85,326	72,318	51,953	0	209,597
Malmö											
51 Sunnanå 12:51	Arlöv	Flansbjersvägen 10 and 12	Spec.	0	19,316	19,316	0	0	16,940	0	16,940
52 Sunnanå 12:52	Arlöv	Flansbjersvägen 13-18	2018	108,000	30,078	30,078	8,362	25,923	0	0	34,285
53 Sunnanå 1:20 & 1:21	Arlöv	Tullstorpsvägen 110	Land	7,999	1,202	1,202	0	0	0	0	0
54 Sockret 4	Malmö	Lodgatan 9-13/ Tånggatan 4	1979	45,542	4,023	3,361	14,796	0	0	0	14,796
55 Tågarp 16:22	Arlöv	Företagsvägen 14	1974	31,400	7,003	6,971	9,849	0	0	0	9,849
56 Sunnanå 5:16	Arlöv		Land	1,581	47	47	0	0	0	0	0
57 Morup 5	Malmö	Kosterögatan 12-14	Spec.	0	18,408	15,888	0	24,931	0	0	24,931
58 Sockret 7	Malmö	Tånggatan 2 A and B	Land	5,316	0	0	0	0	0	0	0
59 Bronsringen 1 & 3	Oxie	Bronsgjutaregatan 4	2008	54,000	8,576	8,576	0	5,510	0	0	5,510
60 Terminalen 1	Trelleborg	Terminalsgatan 2	1971	57,400	11,301	10,952	24,292	0	0	0	24,292
61 Tågarp 16:17	Arlöv	Lagervägen 4	1978	159,946	40,161	38,174	0	47,682	0	0	47,682
62 Kornmarksvej 1	Bröndby	Kornmarksvej 1		0	47,786	47,786	0	47,121	0	0	47,121
63 Slätthög 6	Malmö	Olsgårdsgatan 8 B	2014	25,317	2,853	2,853	3,158	0	0	0	3,158
64 Tankbilen 9	Trelleborg	Godsvägen 9	2008	35,821	5,579	5,579	8,700	0	0	0	8,700
65 Olsgård 4	Malmö	Olsgårdsgatan 11	2018	15,895	1,863	1,863	1,526	0	0	0	1,526
66 Slätthög 4	Malmö	Olsgårdsgatan 8 A	2015	20,602	2,287	2,287	2,123	0	0	0	2,123
67 Slätthög 1	Malmö	Olsgårdsgatan 6	2015	36,967	3,754	3,429	4,486	0	0	0	4,486
Total, Malmö Region				605,786	204,236	198,361	77,292	151,167	16,940	0	245,399

Property	Postal address	Address	Value-year	Taxable value, SEK T	Rental value, SEK T	Type, square metres					Total
						Contractual rent, SEK T	Logistics warehouse	Distribution	Terminal	Other	
Stockholm											
68 Tuvängen 1	Södertälje	Morabergsvägen 25	2000	21,128	2,495	2,495	0	2,640	0	0	2,640
69 Dikartorp 3:12	Järfälla	Passadvägen 8, 10	2002	185,173	23,418	23,418	29,465	0	0	0	29,465
70 Nattskiftet 11	Stockholm	Elektrav. 11-23/ Drivhjulsv. 42	1996	20,000	37,255	34,352	0	25,617	0	0	25,617
71 Slottshagen 2:1	Norrköping	Kommendantvägen 5	Spec.	0	10,301	8,748	0	0	15,126	0	15,126
72 Vanda 1	Kista	Vandagatan 3	1990	177,178	23,118	22,626	23,240	0	0	0	23,240
73 Sothönan 3	Katrineholm	Industrigatan 7, Terminalgatan 3	1986	22,850	12,363	11,278	10,000	0	14,755	0	24,755
74 Terminalen 1	Hallsberg	Hallsbergsterminalen 12-20	Spec.	0	12,531	12,531	0	0	25,850	0	25,850
75 Jordbromalm 4:33	Haninge	Lillsjövägen 19	2005	165,776	18,703	18,703	23,547	0	0	0	23,547
76 Skogskojan 1	Östersund	Grindvägen 3	Spec.	0	4,012	4,012	0	0	3,466	0	3,466
77 Drivremmen 1	Hägersten	Drivhjulsv. 17/ Västberga Allé 41	Spec.	0	26,453	26,453	0	0	33,123	0	33,123
78 Ekeby 2: 2	Eskilstuna	Folkestaleden 3	1976	3,709	3,551	3,551	0	0	7,976	0	7,976
79 Batteriet 7 & 8	Umeå	Spårvägen 26 A and B	Spec.	0	1,915	1,915	0	0	4,376	0	4,376
80 Målås 4:4	Sundsvall	Förmanslänken 9 A	Spec.	0	3,742	3,742	0	0	8,120	0	8,120
81 Östanvinden 5	Karlstad	Östanvindsgatan 4	1983	3,155	764	764	0	1,330	0	0	1,330
82 Basfiolen 7	Norrköping	Moa Martinsons gata 10 A	1983	4,957	555	555	0	1,318	0	0	1,318
83 Vasslan 1	Årsta	Sockengränd 2	1986	51,635	6,494	6,494	0	5,431	0	0	5,431
84 Vårdshuset 3	Sundsvall	Vårdshusvägen 5	1985	3,677	804	804	0	1,512	0	0	1,512
85 Sörby Urfjäll 38:2	Gävle	Elektrikergatan 4	1990	5,496	807	807	0	1,427	0	0	1,427
86 Källstalöt 1:6 & 1:7	Eskilstuna	Brunnsta 19	1975	81,070	18,320	18,320	32,200	0	0	0	32,200
87 Stenvreten 8:33	Enköping	Varggatan 17	2010	49,000	15,734	15,734	0	10,873	0	0	10,873
88 Rosersberg 11:81	Rosersberg	Metallvägen 31	2006	172,400	15,782	15,782	0	22,605	0	0	22,605
89 Rosersberg 11:116	Rosersberg	Metallvägen 60	2013	104,200	9,850	9,850	10,171	0	0	0	10,171
90 Statorn 31	Norrköping	Malmgatan 14	1972	59,600	6,855	6,327	0	15,708	0	0	15,708
91 Törsjö 2:49	Örebro	Paketvägen 1, 3	2004	207,768	31,537	31,537	55,255	0	0	0	55,255
92 Mosås 4:66	Örebro	Paketvägen 10	Spec.	0	7,498	7,498	0	0	8,885	0	8,885
93 Mosås 4:57	Örebro	Paketvägen 6	1970	39,517	4,437	4,407	12,089	0	0	0	12,089
94 Godsvagnen 6	Örebro	Terminalgatan 2	1992	83,784	9,376	9,376	19,600	0	0	0	19,600
95 Magneten 6	Umeå	Kontaktvägen 20	Land	23,000	338	338	0	0	0	0	0
96 Snesholm 1:16	Morgongåva	Molnebov. 10/ Tjusarev. 40	2018	81,000	18,916	18,916	0	38,000	0	0	38,000
97 Lagret 1	Umeå	Depåvägen 1	1991	126,902	15,379	15,379	0	24,892	0	0	24,892
98 Välingen 2	Karlstad	Välsviksleden 218	2009	12,374	1,827	808	3,430	0	0	0	3,430
99 Sköns Prästbord 2:4	Sundsvall	Timmervägen 4	1973	29,657	19,088	14,942	0	24,600	0	0	24,600
100 Mätaren 6	Umeå	Mätarvägen 3	1977	88,328	15,096	12,334	24,484	0	0	0	24,484
101 Planeraren 2	Borlänge	Planerargatan 3	1979	76,300	25,714	25,714	0	32,758	0	0	32,758
102 Bleket 2	Karlstad	Brisgatan 4/ Lovartsgatan 6	1973	37,795	13,381	5,476	0	22,605	0	0	22,605
103 Frukthallen 3	Årsta	Frukthandlarvägen 3-9	1968	119,400	22,000	19,756	0	21,696	0	504	22,200
104 Mappen 3	Linköping	Köpetorpsgatan 8	1977	93,200	18,921	15,340	0	28,500	0	0	28,500
105 Jordbromalm 4:41	Jordbro	Lillsjövägen 52	Spec.	0	22,630	22,630	0	32,898	0	0	32,898
106 Slammertorp 3:3	Järfälla	Mejerivägen 5	2000	134,000	16,230	16,230	0	17,545	0	0	17,545
107 Korsberga 1	Västerås	Saltängsvägen 50	2011	56,636	8,036	8,036	0	10,100	0	0	10,100
108 Adaptern 1	Norrköping	Blygatan 25	1975	105,800	17,299	17,299	0	28,429	0	0	28,429
109 Mappen 4	Linköping	Köpetorpsgatan 6, 10	1979	76,496	18,522	17,810	22,388	6,225	0	0	28,613
Total, Stockholm Region				2,522,961	542,047	513,088	265,869	376,709	121,677	504	764,759
TOTAL				5,679,422	1,264,819	1,202,001	845,934	775,535	220,527	704	1,842,700



Stockholm

Gothenburg

Jönköping

Helsingborg

Malmö

- European highways
- Main rail routes
- ▲ Logistics
- Distribution
- Terminal



Important events

Q1 Ahead of the Annual General Meeting on 25 April 2019, the Nomination Committee submitted a proposal regarding the composition of the Board of Directors. The Nomination Committee proposed that Henry Klotz, Katarina Wallin, Tomas Andersson, Ingela Bendrot and H el ene Briggert be re-elected as Board Members and that Gustaf Hermelin be re-elected as the Chairman of the Board. It was also proposed that Magnus Sw ardh be newly elected as Board Member, since Bo Fors en had declined re-election. The Annual General Meeting adopted the Nomination Committee's proposal.

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 ogle BK's home arena, which as of 1 May will change name to Catena Arena. The agreement extends for two years.

Q2 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 onan 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 alv 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.

Q3 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 o. 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 Culinar, Svensk Cater, DS Smith and Lekia.

In early September, Catena was released from an option agreement signed with the Kilenkrysset entitling Catena to acquire logistics land in the municipality of Staffans torp. Kilenkrysset, 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 obyggnad 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 kWp. The tenant is scheduled to move in during the autumn of 2020.

Q4 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 third-party logistics company Nowaste'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 and E4 motorways 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 was completed in November, both of which bear Green Building environmental certification. The extension project, which is also being environmentally certified, also includes 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 Mörby 5:28 property in the municipality of Nykvarn. Tenant Söderenergi acquired the plot of approximately 95,400 square metres on which a smaller building of 186 square metres is also located. Söderenergi'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.

In October, the Nomination Committee ahead of Catena's Annual General Meeting 2020 was appointed. The Nomination Committee consists of: Anders Nelson, appointed by Backahill Kil AB, Johannes Wingborg appointed by Länsförsäkringar Fondförvaltning AB, Jan Persson appointed by Kilen 134 Strängnäs AB, and Gustaf Hermelin, Chairman of the Board and appointed by SFU Sverige AB.

On 31 October, Catena appointed Sofie Bennsten as Deputy CEO and CFO. Sofie will succeed the current Deputy CEO and CFO, Peter Andersson, who has expressed his desire to reduce his current involvement following many successful years in this position. Peter will continue to be involved in Catena in a new role as Treasurer. In connection with this change, Jörgen Eriksson, Regional Manager Malmö, was also appointed Deputy CEO of the Company. All of these management changes will be implemented at the end of April 2020.

For a purchase consideration of SEK 50 million, in November Catena acquired 50 percent of the company Södertuna utveckling AB, a newly formed company in which the remaining 50 percent is held by Gerstaberger Gård AB. The purpose is to develop 1,000,000 square metres of land in Järna (in the Municipality of Södertälje) for logistics purposes. The new company owns the Södertälje Gerstaberger 1:7 property, situated in an excellent logistics location closely adjacent to the E4 motorway and the railway in the Municipality of Södertälje. Through the jointly-owned company, Catena seeks to advance the detailed planning process for the land concerned. Within the framework of the collaboration, Catena has preferential rights to purchase land from Södertuna utveckling as detailed planning is completed. The objective is to establish building rights for all or part of the area. Combined with Catena's development plans for Stockholm Syd in the Municipality of Nykvarn, this initiative, can make Catena a leading player in locations near the southern approach routes to Stockholm.

Significant events after the end of the year

On 9 January, Catena acquired three properties in Hilleröd, Horsens and Odense, in Denmark, from PostNord, which is also a tenant in the relevant properties. The acquisitions were conducted as a corporate transaction at a total underlying property value of SEK 235 million following the deduction of deferred taxes. The properties are situated on plots with a combined area of approximately 61,000 square metres and have a combined lettable area

of 12,700 square metres. Development rights for about 20,000 square metres are also associated with the properties, offering opportunities for future expansion. PostNord is signing a ten-year lease in connection with the transaction and the estimated net operating surplus for the properties amounts to approximately SEK 12.7 million. The acquired properties are modern, space-efficient, terminal-style distribution hubs, strategically located near access roads to urban areas, making them suitable for handling last-mile deliveries. Catena took possession of the properties in Hilleröd and Horsens on 31 January. The building in Odense is under construction, with Catena being scheduled to take possession on 1 September 2020.

Catena and Coop Logistik have agreed to continue discussions with the intention of Catena acquiring a property and constructing an approximately 105,000 square-metre automated warehouse in the Municipality of Eskilstuna. For Catena, this statement of intent entails acquiring part of the Aspestahult 1:1 property in Eskilstuna Logistik Park, and constructing and automating the new facility. Catena's total investment is estimated at between SEK 3.7 billion and SEK 3.9 billion. If the planned schedule holds, the facility is expected to be brought into operation in 2023. The process will continue with negotiations on the final terms of the collaboration. The parties involved will disclose further information in connection with the signing of a binding agreement.

Johan Franzén will be stepping down effective 1 April 2020 and will continue in his current role as Regional Manager for Gothenburg and Jönköping during his period of notice. The process of recruiting a successor has been initiated.

On 14 February, Catena signed an agreement to acquire the Magasinet 3 property, with a plot area of slightly more than 66,100 square metres. The property is situated adjacent to the 1,000,000 square-metre Gerstaberger 1:7 site that Catena intends to develop through its partnership holding in the company Södertuna utveckling AB. The property now being acquired encompasses building rights of approximately 10,000 square metres and a lettable area with tenants of approximately 21,000 square metres. The combined rental value amounts to approximately SEK 12 million. The acquisition is being conducted as a corporate transaction at a value of SEK 130 million. The site is being sold by Folkpolarna AB.

The Nomination Committee has submitted a proposal regarding the composition of the Board of Directors to the Annual General Meeting to be held on 29 April 2020. It is proposed that Magnus Swärdh, Katarina Wallin, Tomas Andersson and Hélène Briggert be re-elected and that Gustaf Hermelin be re-elected as the Chairman of the Board. In addition, the new election of Vesna Jovic and Caesar Åfors is proposed, as Henry Klotz and Ingela Bendrot have declined re-election.

Financing in focus

Developing, owning and managing logistics properties requires good access to capital. The combination of well-diversified financing with an attractive property portfolio generating strong cash flow makes room for continued controlled growth under favourable conditions.

Catena's portfolio, which focuses on strategically located logistics properties is characterised by long-term customer relationships and stable cash flows. The portfolio is distributed between more than 300 customers, several of which are among Sweden's most well-known brands in their respective industries. This creates security for both shareholders and credit providers and ensures that the Company is able to continue financing its operations on favourable terms, now and in the future.

Catena's financial strategy serves to ensure that the Group can, at any given time, secure capital and liquidity at the lowest possible cost and that payment systems are appropriate. The strategy is adapted partly to the Group's business operations and partly taking into account the financial policy reviewed and adopted by the Board of Directors annually. The finance policy constitutes an internal framework and regulations for how the Group's financial risks are defined and managed these mainly being counterparty, liquidity, refinancing and interest rate risks.

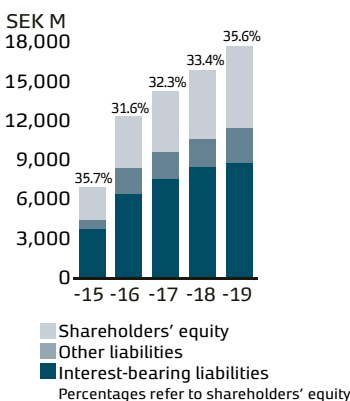
Policy	Objectives	Outcome
Average debt maturity, years	> 2	1.3
Credit providers, number	> 5	10
Interest-coverage ratio, multiple	> 1.75	4.1
Equity ratio, %	> 30	35.6

► Read more about financial risks on pages 131-132 and in note 19 and a set of financial targets on page 19.

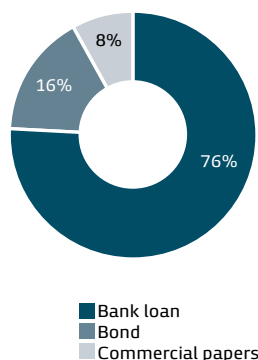
Capital structure

The relationship between equity and borrowed capital is of considerable significance for shareholders, credit providers and the operations in general. Changes in the capital structure affect the Company's risk and its return capacity, and Catena works continuously to achieve an appropriate structure.

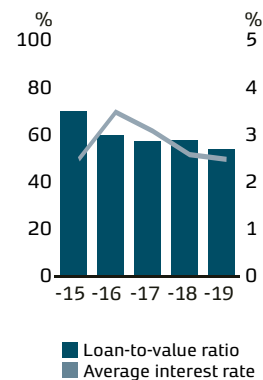
Capital structure



Source of financing



Borrowing and interest expenses



At the end of the year, Catena had assets amounting to SEK 17,770 million (15,906), of which property values accounted for SEK 16,271 million (14,721), with these being financed in part with equity of SEK 6,318 million (5,309) and in part with liabilities amounting to SEK 11,452 million (10,597). The equity ratio corresponded to 35.6 percent (33.4) on the balance sheet date.

► Read more about the balance sheet on page 79.

Interest-bearing liabilities and structure

In 2019, Catena negotiated new credit agreements and renegotiated existing ones totalling SEK 2,688 million (1,683). In total, the Group's net borrowing rose by SEK 268 million (949).

At the end of the year, interest-bearing liabilities amounted to SEK 8,785 million (8,517), all of which were secured through property mortgages. The liabilities consisted in part of SEK 6,724 million (6,390) in traditional bilateral bank loans, in part SEK 1,386 million (1,228) in secured bonds and in part SEK 675 million (899) in commercial papers. Consequently, interest-bearing liabilities amounted to 54.0 percent (57.9) of the value of the properties. In addition to loans raised, there were, at the time, confirmed and unutilised credit commitments from banks amounting to SEK 425 million (540). Combined, debt maturity on interest-bearing liabilities averaged 1.3 years (1.4) and, over the ensuing year, approximately 45 percent (27) of the portfolio will be refinanced under current agreements.

After the end of the year, approximately SEK 800 million was renegotiated and a backup facility of SEK 1 billion was expanded to SEK 2 billion.

Bank borrowing

Traditional and bilateral credit agreements with banks constitute Catena's main source of financing. At the end of the year, these amounted to 76 percent (75) of total interest-bearing liabilities and were distributed among

Capital and interest maturity						
Year	Debt maturity			Interest maturity, including derivatives		
	SEK M	Share, %	Interest, including margin, %	SEK M	Share, %	Interest, including margin, %
0-1	3,960.0	45.1	1.5	4,263.0	48.5	1.1
1-2	2,690.8	30.6	1.2	755.7	8.6	5.0
2-3	978.6	11.1	1.5	500.0	5.7	3.9
3-4	1,155.2	13.2	1.7	500.0	5.7	3.3
4-5	-	-	-	500.0	5.7	3.0
5-	-	-	-	2,265.9	25.8	4.1
Total	8,784.6	100.0	1.4	8,784.6	100.0	2.6

eight (eight) different banks. This diversified bank borrowing affords Catena scope and security in future acquisition situations and/or in connection with renegotiations.

Bonds

Within the framework of Svensk FastighetsFinansiering (SFF), Catena has issued secured bonds. At the end of the year, the outstanding volume amounted to SEK 1,386 million (1,228), corresponding to 16 percent of Catena's total interest-bearing liabilities. Diös Fastigheter AB, Catena AB, Fabege AB, Platzer Fastigheter Holding AB and Wihlborgs Fastigheter AB hold equal 20-percent shareholdings in SFF. The MTN programme, which is secured through property mortgages, amounts in its entirety to SEK 12,000 million and may be exercised by all shareholders, subject to certain predetermined parameters and commitments. After the end of the year, SFF received a credit rating equivalent to BBB+ from Nordic Credit Rating.

More about SFF can be found on the Company's website Svenskfastighetsfinansiering.se.

Commercial papers

Catena has an outstanding commercial paper programme, providing an attractive opportunity for short-term funding, at most one year. The programme has a framework amount of SEK 2 billion and can be traded through Swedbank and Danske Bank. At the end of the year, the outstanding volume issued amounted to SEK 675 million (900), corresponding to 8 percent (11) of total interest-bearing liabilities. The commercial papers are at all times backed by a secured, unutilised credit facility that hedges the refinancing risk in the underlying commercial papers.

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 (2.7). The lower real interest expense is primarily an effect of generally lower borrowing cost during the year. Given that a majority of the Group's loans are subject to interest rate floors, Catena's interest expenses are affected positively even when the market interest rate rises, assuming that it is in negative territory.

If the market interest rate, defined as Stibor 3 months, were to rise by 1 percentage point, Catena's interest expenses would, all else being equal, rise by approximately SEK 27 million (14) and, if the market interest rate were to fall by one percentage point, the interest expenses would increase by approximately SEK 24 million (36).

With Catena's financial strategy in mind, the interest-coverage ratio for the year was a multiple of 4.1 (3.4).

Interest-rate risk management

Interest expenses are a significant part of Catena's earnings. They are mainly affected by changes in the market interest rate, but also by changing rules and conditions in the credit market, which can, in turn, alter credit margins. Catena works continuously and strategically to limit the effect of these changes in various ways.

To limit the Group's interest-rate risk, Catena mainly uses fixed-rate loans and interest-rate derivatives, primarily traditional interest-rate swaps. Fixed rate loans are valued at nominal value, while interest rate derivatives are continuously marked to market, meaning that the carrying amount corresponds to fair value, with the change being recognised in the income statement. On the balance sheet date, the carrying amount was a negative SEK 381 million (411) and the change in value was SEK 29 million (35). The change in value of the derivatives does not affect cash flow and, on reaching maturity, the value of derivatives is always zero.

At the end of the year, fixed-rate loans, excluding commercial papers, amounted to SEK 843 million (920) and the nominal volume of outstanding interest rate swaps purchased amounted to SEK 4,522 million (4,529). Combined, they comprised an interest-rate hedge of 61 percent (64) of the total loan portfolio. At the end of the year, about 49 percent (37) of the portfolio had an interest maturity of less than one year and the average interest maturity for the entire portfolio including derivatives was 2.3 years (3.0).

Towards green financing

For a long time, Catena has worked purposefully towards sustainable operations, focusing on mitigating negative environmental effects and increasing energy efficiency. As part of this objective, Catena has initiated processes to ensure that future financing consists of green alternatives. An important piece of the puzzle in this work is linked to the Group's ambition to environmentally certify new buildings in accordance with Miljöbyggnad Silver.

Liquidity

During the year, the Group financed its operations with cash flow from its operating activities in the amount of SEK 614 million (518), contributing strongly to investment in 2019. At the end of the year, cash and cash equivalents amounted to SEK 131 million (281) and together with confirmed lines of credit, liquid funds amounted to SEK 556 million (821).

Catena's share performance

Catena strives to give the shareholders a long-term sustainable and competitive total return on their investment with a balanced risk. The share's total return over the year was 90 percent. Accurate, clear, current and transparent information facilitates the market valuation of the Company.

Catena's shares were listed on the Stockholm Stock Exchange on 26 April 2006. The shares are traded on the Nasdaq Stockholm exchange, Nordic list, Mid Cap in the Real Estate sector, under the ticker CATE. During 2019, the share price rose by 88 percent (38), from the opening price of SEK 220.50 to SEK 413.50. The lowest price quoted for the share was SEK 213.00 on 15 January, and the highest price was SEK 421.50 on 30 December. The total return on the share in 2019 amounted to 90 percent (45).

During the year, 19,329,083 shares (8,441,556) were traded on Nasdaq Stockholm, corresponding to a turnover rate of about 51 percent (23) based on the average number of shares.

Dividend policy and dividends

In the long-term, Catena's dividends to shareholders should amount to 50 percent of profit from property management after standard tax. For the 2019 financial year, the Board of Directors and the CEO propose a total dividend of SEK 245.0 million (216.8), corresponding to 50 percent of total profit from property management after standard tax. Per share, that is SEK 6.50 (5.75). This corresponds to a yield of 1.6 percent (2.6).

► Read more about the share and dividend on page 116.

EPRA

Since 2017, Catena has been included in the EPRA international property index on the London Stock Exchange, positively affecting the Company's ability to attract both existing and new investors.

Shares and share capital

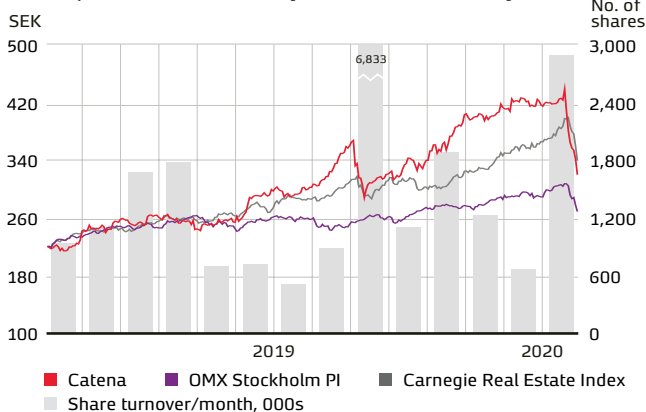
The share capital of Catena AB is to be no less than SEK 55,000,000 and no more than SEK 220,000,000. The total number of shares is not permitted to be less than 12,500,000 and more than 50,000,000. At 31 December 2019, the share capital in Catena AB totalled SEK 165,874,953.20 distributed between 37,698,853 ordinary shares. The quotient value per share is SEK 4.40. Each share confers one vote and each person entitled to vote at the General Meeting of shareholders may vote for the full number of shares held and represented. All shares confer equal rights to participate in the Company's assets and earnings. The shares are not subject to any limitations as regards the right to transfer of ownership.

► The development of share capital is described in Note 18 Shareholders' equity and under Earnings per share on page 97.

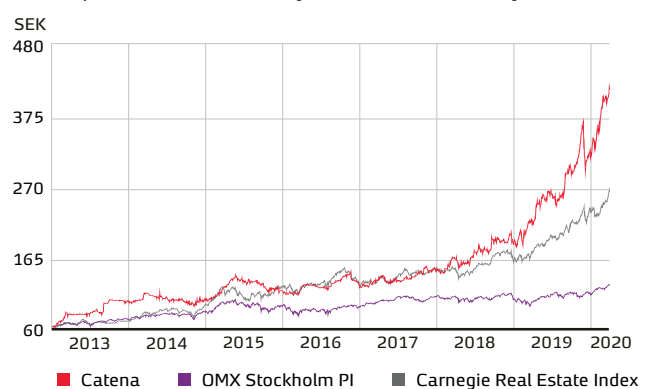
Net asset value

The net asset value is the Company's total capital that the Company has to manage to thereby create both a value development and yield for the owners. With assets and liabilities taken up at fair value, the net asset value can be calculated based on the Company's equity. However, consideration should be taken to tax effects. The long-term net asset value (EPRA NAV) is estimated at SEK 202.87/share (169.53). This corresponds to 49 percent of Catena's share price at year-end.

Share price trend 1 January 2018 – 29 February 2020



Share price trend 1 January 2013 – 29 February 2020



Shareholders

As at 29 February 2020, Catena AB had 14,308 shareholders (14,350). The largest shareholder is the Backahill Group with 29.8 percent (29.8) of the capital. No other shareholder held 10 percent or more of the shares outstanding. Owners outside of Sweden accounted for 43.6 percent (42.4) of the capital. Owners in Sweden accounted for 56.4 percent (57.6) of the share capital and votes, of which legal entities accounted for 50.9 percentage points (52.9) and private individuals for 5.6 percentage points (4.8) of the share capital and votes. On 29 February 2020, Catena AB held no treasury shares.

► Read about Catena's ownership structure and the largest owners on page 124.

	SEK M	SEK/share
Equity as per balance sheet	6,318.0	
Reversal		
Goodwill	-503.0	
Interest-rate derivatives as per balance sheet	381.1	
Deferred tax as per balance sheet	1,451.9	
Long-term net asset value, EPRA NAV	7,648.0	202.87

Incentive programmes

Catena has no share-based incentive programmes, options or convertible securities issued. Nor were there any authorisations to issue any such financial instruments in 2019. Accordingly, none of the Board members or any of the senior executives in Catena hold any warrants in Catena as per 31 December 2019.

Data per share

	2019	2018
Share price at year-end, SEK	413.50	220.50
Price trend over the year, %	87.5	38.3
Highest price paid during the year, SEK	421.50	224.50
Lowest price paid during the year, SEK	213.00	148.00
Profit from property management per share, SEK	16.63	15.21
Earnings per share, SEK	32.46	21.93
Dividend per share, SEK	6.50 ¹⁾	5.75
Dividend yield, %	1.6	2.6
Total return on the share, %	90.1	44.7
P/E ratio	13	10
Cash flow before change in working capital per share, SEK	16.25	14.67
Equity per share, SEK	167.59	140.82
Net asset value per share, EPRA NAV, SEK	202.87	169.53
Turnover rate, %	51.3	22.5
No. of shares at year-end, 000s	37,699	37,699
Average number of shares, 000s	37,699	37,550

¹⁾ According to the proposal by the Board of Directors and the CEO.

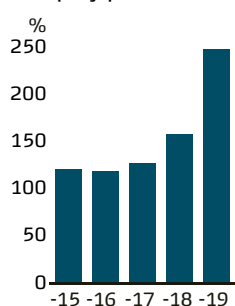
Analysts monitoring Catena

ABG Sundal Collier	Staffan Bülow
DNB	Niklas Wetterling
Erik Penser Bank	Rikard Engberg
Kempen	John Vuong
Kepler Cheuvreux	Jan Ihrfelt
Pareto Securities	Markus Henriksson

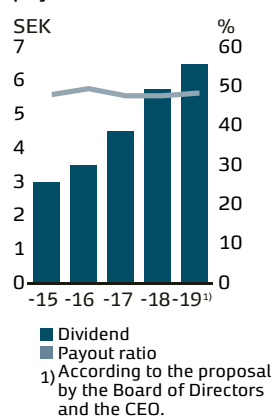


Contacts Peter Andersson, Deputy CEO, CFO
peter.andersson@catenafastigheter.se

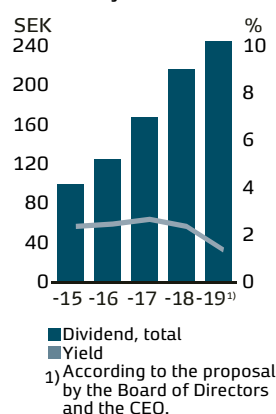
Market price relative to equity per share



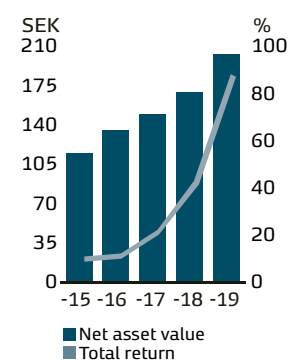
Dividend and payout ratio



Dividend yield



Net asset value, EPRA NAV and total return





"From the start, Catena has been an inquisitive and impelling client. With our systematic solution, most of the energy heating the building is renewable and free. That is why the amount of energy purchased from Sweden's almost fossil-free electricity grid is so low. Catena benefits from this, as do we and our environment."

– Knut Nordahl, founder of Energisystem Tellus AB.



At Catena's multi-tenant warehouse in Sunnanå, Catena's project manager has, in collaboration with Energisystem Tellus AB, taken another innovative approach and installed three space-saving energy walls measuring 10 x 8 metres. To date, the results are very promising.



We take responsibility

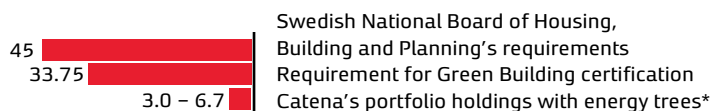
– Innovative solution provides energy-efficient facilities

Energy efficiency is a key issue when designing and constructing new facilities. The purpose is, of course, to cut costs for us and for our customers. Heating is one of the most significant expenses for large logistics properties with goods to protect and activities around the clock. It is equally a matter of sustainability though, and of our external impact – we and our customers know that our current and future business models require clear environmental responsibilities to survive. Catena has a number of sustainability goals and strategies related to energy that range from certifications for green financing, continuous targets for reducing consumption of heating and electricity to a target of fossil-free energy by 2030.

A tree that produces more energy than an entire forest

In several major projects of recent years, such as Boozt Fashion's e-commerce warehouse and DreamLogistics in Varalöv, Nowaste Logistics' facility outside Helsingborg and at four facilities in Sunnanå outside Malmö, we have chosen to collaborate with an innovative energy contractor, Energisystem Tellus. They use heat pump technology in a unique way to heat premises via underfloor heating, drastically reducing energy expenses. The system benefits from the inert mass and large surface area of the concrete floor and is so energy efficient that water of 25-30 °C is sufficient to heat the buildings even on the coldest winter days. A truly innovative part of the system is Tellus' energy tree, which, occupying very little space, absorbs renewable energy from the atmosphere by cooling water vapour to ice crystals. The water vapour in the outdoor winter air contains four times more energy than boiling water! The energy tree itself has just one moving part, while the entire system has fewer moving parts than conventional systems. In addition, all of the parts are of superior quality, which is why the heating system is sustainable in the long run. The results speak for themselves. For Green Building certification, the Swedish National Board of Housing, Building and Planning's annual energy requirement of 45 kWh/m² is adjusted, requiring a level that is 25 percent lower (33.75 kWh/m² annually). For Catena's holdings* with energy trees the average level is about 5.1 kWh/m² annually.

Energy consumption, kWh/m² annually



An important stance embodied in our values is that we assume responsibility over time. Both our own work environment and society as a whole are affected by how we act and the decisions we make. What we deliver must be sustainable over time – ecologically, socially and financially. Catena should never lose a transaction because we fail to meet the sustainability requirements imposed. We take our sustainability work very seriously and our business plan sets out strict rules of conduct, measurable sustainability targets and clear strategies for achieving those targets. You can read more about all of our sustainability work on pages 48-71.

* Catena's portfolio with Tellus' energy system includes Boozt Fashion's e-commerce warehouse and DreamLogistic in Varalöv, Nowaste Logistics' facility outside Helsingborg and four plants in Sunnanå outside Malmö. Variations in energy consumption depend on the design and use of the buildings.

Sustainable operations

In parallel with climate change, we are seeing changing consumption patterns and cargo flows in the global production systems. This imposes rigorous demands on fast, intelligent and cost-efficient deliveries that balance economic, social and environmental aspects – a more sustainable logistics.

Catena's sustainability work has taken a major step forward in 2019 and the bar will also be raised in 2020.

Benny Thögensen, CEO



Dikartorp 3:12, Järfälla.

Priority area

Sustainability is one of Catena’s prioritised strategic areas. This begins with the ongoing efforts made to ensure that Catena’s own operations are conducted sustainably. This, in turn, enables sustainable logistics solutions for the Company’s customers. The work is based on three focus areas: sustainable properties, sustainable logistics and being an attractive employer. Catena has a high level of ambition in the area of sustainability and seeks to maintain a high rate of development going forward.

In order to ensure that the sustainability perspective is integrated into all parts of the operations, all employees undergo environmental training when recruited and updates and development discussions in the area of sustainability occur continuously through internal channels, as well as at personnel and interdisciplinary meetings. In addition, certification in accordance with ISO 14001 constitutes a framework for the Company’s environmental work.

Strategic initiatives during the year

The year was characterised by major changes and a higher pace in Catena’s sustainability efforts. A strategically important part of this has been to appoint a Sustainability Manager. This has generated impetus for implementation, sustainability issues have become even more closely integrated into transactions, while processes in sustainability work and for initiating new projects within the Company have been simplified.

In 2019, Catena signed the UN Global Compact and its ten principles on human rights, the working environment,

the environment and anti-corruption. The ten principles also reflect Catena’s core values.

Furthermore, Catena has taken a position on the UN’s goal for sustainable development, Agenda 2030, and the Company’s operations have been mapped in relation to the global goals. Six main objectives have been identified where the operations have a major impact. The identified goals, together with the Company’s other strategic targets and stakeholder dialogues, have been the basis for the preparation of updated sustainability targets in Catena’s business plan. The new targets have been developed with the aim of both strengthening the operations and contributing to Agenda 2030. The targets are clearer, more long-term and more measurable.

In its environmental work, Catena has taken further steps forward, in particular with regard to climate change. Over the year, Catena initiated a risk analysis in line with the Task Force for Climate Related Financial Disclosures (TCFD). By reporting in accordance with the TCFD, the Company prepares and future-proofs itself for climate-related risks and opportunities. The ambition is to extend the reporting in accordance with the TCFD’s recommendations over the coming years.

To ensure a high standard in Catena’s sustainability reporting, the Company reports in accordance with the GRI Standards, Core level, and has implemented EPRA’s Sustainability Best Practice Recommendations. For the first time, Catena’s Sustainability Report has also been reviewed by an auditor. The Sustainability Report follows the principle of prudence and has been prepared in accordance with Chapter 7 of the Annual Accounts Act.

UN AGENDA 2030 GOALS SELECTED BY CATENA



Focus area	Sustainability targets 2019	Strategies 2019	Outcomes and activities 2019
SUSTAINABLE PROPERTIES	<p>Certify all newly-produced properties and, as far as possible, the properties undergoing major re-development, to enable green financing by 2020.</p> <p>Choose energy solutions from a lifecycle perspective, always examining possibilities to install photovoltaic cells.</p>	<p>Contribute to a better environment through energy-efficient solutions in our properties.</p>	<ul style="list-style-type: none"> • In 2019, one building was certified in accordance with the Green Building standard. • Certification processes in accordance with the Miljöbyggnad Silver standard were initiated for four new buildings and seven existing buildings in 2019. For one new building, the application for preliminary certification was submitted in December 2019. • One new photovoltaic cell facility was installed in 2019. Four photovoltaic cell facilities have been ordered and many more are planned for installation in 2020. • Ongoing energy efficiency measures at existing properties.
SUSTAINABLE LOGISTICS AND SOCIETAL DEVELOPMENT	<p>Being engaged in networks and holding regular meetings with stakeholders in our market areas.</p>	<p>Being involved in societal development through commitment in priority areas of logistics.</p>	<ul style="list-style-type: none"> • Participation in conferences, including the Sustainable Tomorrow and Business Arena conferences, and others. • We arranged our own conference, LogistikTrender 2019. • Participation in the forum on “shared development of property-adjacent delivery spaces” • Development of the “Arenastaden” project with the partly-owned company Urban Services.
ATTRACTIVE AND RESPONSIBLE EMPLOYER	<p>Participate in career days at universities and colleges with the aim of attracting young and committed employees.</p> <p>Achieve an eNPS of at least 40.</p>	<p>Be an exciting and responsible employer that attracts dedicated and competent employees, both new and existing – the best people should choose us</p>	<ul style="list-style-type: none"> • Collaboration with Malmö University. • Participation in a Master’s thesis project. • Two trainees in 2019 in salary and energy. • eNPS 2019 +61

1) Agenda 2030 targets refer to sustainability targets for both 2019 and 2020, unless otherwise stated.

Agenda 2030¹⁾

GOAL 7: AFFORDABLE AND CLEAN ENERGY



Target: 7.2

Increase the share of renewable energy in the world
(see pages 52–54)



Target: 7.3

Double the increase in energy efficiency
(see pages 52–54)

GOAL 9: SUSTAINABLE INDUSTRY, INNOVATION AND INFRASTRUCTURE



Target: 9.4

Upgrade all industries and infrastructure for increased sustainability
(see pages 52–54)

GOAL 9: SUSTAINABLE INDUSTRY, INNOVATION AND INFRASTRUCTURE



Target: 9.4

Upgrade all industries and infrastructure for increased sustainability
(see page 56)

GOAL 17: PARTNERSHIPS FOR THE GOALS



Target: 17.17

Encourage effective partnerships
(see page 56)

GOAL 4: QUALITY EDUCATION



Target: 4.4

Increase the number of people with skills fostering financial security
(see page 61)

GOAL 5: EQUALITY (NEW GOAL TO BE ADDED IN 2020)



Target: 5.5

Ensure full participation for women in leadership and decision making
(see page 61)

GOAL 8: DECENT WORK AND ECONOMIC GROWTH



Target: 8.8

Protect workers' rights and promote a safe and secure working environment for all
(see pages 60–61)

Sustainability targets 2020

- All free-standing new buildings should include a photovoltaic facility adapted to the conditions of the property and the tenant.
- Fossil-free energy by 2030 (applies to energy that Catena purchases/generates).
- Reduce energy use for normal-year adjusted heating by 15 percent in kWh/m² and for electricity by 10 percent in kWh/m² by 2025 compared with 2017.
- Based on SBT (Science Based Target) calculations, greenhouse gas emissions (Scope 1, 2 and 3) should be reduced. In 2020, the SBT calculation will be performed and the appropriate percentage for the reduction will be set.
- By 2025, 100 percent of our properties will be connected to our control and monitoring systems.
- Certify all newly produced properties at the Miljöbyggnad Silver standard or the equivalent and to investigate and document the possibility of certifying properties undergoing major redevelopment. The target is for 25 percent of the Group's total area to be certified by 2025.

- Exert a positive influence on our business partners and our environment by strengthening our brand and being involved in societal development.

- Increase gender equality and diversity in all occupational groups by 2025 to better reflect the composition of society.
- All employees shall be afforded equal opportunities for development and should consider their working environment to be safe and stimulating.
- Achieve an eNPS rating of at least 40 in the annual employee survey.

Sustainable properties

Catena works continuously to reduce greenhouse gas emissions. Together with customers and suppliers, the Company seeks to engender conditions for properties that are as sustainable as possible. This is achieved by, among other things, improving energy efficiency, transitioning to renewable energy and environmentally certifying buildings.

Climate

The world faces major challenges when it comes to reducing global greenhouse gas emissions and meeting the objectives of the Paris agreement. Business plays an important role in bringing this about and the demands for companies to reduce their greenhouse gas emissions are expected to increase. According to the Swedish National Board of Housing, Building and Planning, the property sector accounts for about 12.2 million tonnes CO₂e annually, corresponding to 19 percent of Sweden's total greenhouse gas emissions. Catena seeks to assume its responsibility and aims, with its updated sustainability targets, to reduce its greenhouse gas emissions. In 2020, the Company will set this target in relation to the Science Based Target Initiative's calculations to ensure that the work is in line with science.

Catena assumes responsibility for both direct and indirect emissions. The majority of Catena's greenhouse gas emissions come from energy use in properties. The Company has reduced emissions by 3 percent since 2018. The decrease is connected to Catena's decision to purchase only renewable electricity for its properties, to improve the energy-efficiency of its buildings and to replace fossil-based heating solutions with district heating or geothermal heat where possible.

To further reduce its greenhouse gas emissions, Catena continues to work with environmental certifications, photovoltaic cell facilities and other energy projects, as well as strengthening its cooperation with customers to also influence tenants' energy use.



Environmental certifications

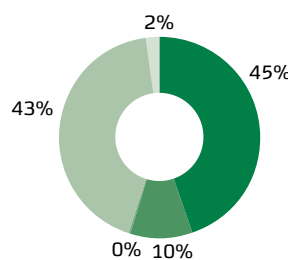
According to its sustainability targets, Catena will certify all newly produced properties. In the autumn of 2019, a decision was also made that they should be certified at the Miljöbyggnad Silver standard at least. Catena has previously worked in accordance with the GreenBuilding certification system and a building was certified according to GreenBuilding in the spring of 2019. This means that the building uses 25 percent less energy than required under the Swedish National Board of Housing, Building and Planning's construction regulations. Although several new buildings were prepared to be able to attain the GreenBuilding standard in 2019, the applications to certify these buildings were not submitted as Catena has chosen to aim for the Miljöbyggnad Silver standard instead.

The Miljöbyggnad Silver standard imposes significantly higher requirements than GreenBuilding – not only does it encourage the use of renewable energy and energy-efficient building designs, it also takes the origins of the building materials into account, for example, and their impact on health and the environment. The Silver level of Miljöbyggnad ensures more efficient use of resources while preparing Catena for potentially increasing future demands. In December 2019, Catena submitted its application for preliminary certification in accordance with Miljöbyggnad Silver for the new construction of a terminal for PostNord in Tostarp. This is expected to achieve certification in 2020. In addition, certification processes have been initiated for three new buildings and seven existing buildings. The ambition is for 25 percent of the entire port-

Greenhouse gas emissions by activity and in total (tonnes CO ₂ e)	2019	2018
Electricity	3,644	3,545
Natural gas	844	1,421
Heating oil	14	31
District heating	3,536	3,350
Business travel and commuting	167	142
Total	8,205	8,489

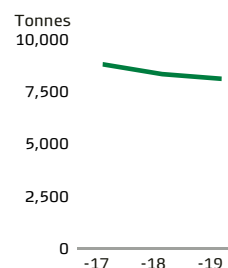
The table shows Catena's total greenhouse gas emissions by relevant activity. In 2019, Catena received supplementary data on energy use for 2018 and has therefore revised its greenhouse gas emissions for 2018.

Distribution of greenhouse gas emissions per activity 2019



- Electricity, tonnes CO₂e
- Natural gas, tonnes CO₂e
- Heating oil, tonnes CO₂e
- District heating, tonnes CO₂e
- Business travel and commuting, tonnes CO₂e

Catena's total greenhouse gas emissions (tonnes CO₂e), 2017-2019





CO₂ saving
765 tonnes CO₂e/year

13 % lower
energy use

Annual savings
SEK **900,000**

Vångagärdet energy project in Helsingborg

For Catena, improving the energy efficiency of our properties is one of the most important measures we can take from an environmental perspective, but also from a cost-saving perspective.

One of the largest energy projects of 2019 was carried out at the Vångagärdet 20 property in southern Helsingborg. The building, which was constructed between 1958 and 1988, comprises approximately 26,000 square metres, with production and warehouse areas accounting for 12,000 square metres, and the remainder being offices and other areas. Catena's head office is located in the property.

Together with Öresundskraft, Catena chose to convert the property from existing gas and steam systems to district heating. Heating with gas was both expensive and inefficient as an old steam boiler entailed considerable energy losses. The building was connected to the district heating network with the aim of creating a pleasant indoor climate, reducing environmental impact and supporting efficient and safe operation. The energy from the district heating network comprises nearly 100 percent recycled energy.

The project represents a financially and environmentally wise solution, since the change of system is expected to lead to an annual saving of about SEK 900,000 and of about 765 tonnes CO₂e, corresponding to about 300 cars driving 1,500 km/year.



Vångagärdet 20, Helsingborg.

folio to achieve at least the Miljöbyggnad Silver standard or the equivalent by 2025.

Although most environmental certification systems are adapted for properties that are not logistics facilities, Catena has been able to deal with various challenges and found a way forward for this type of property. As a member of the Sweden Green Building Council, Catena helps develop methods for more sustainable logistics buildings.

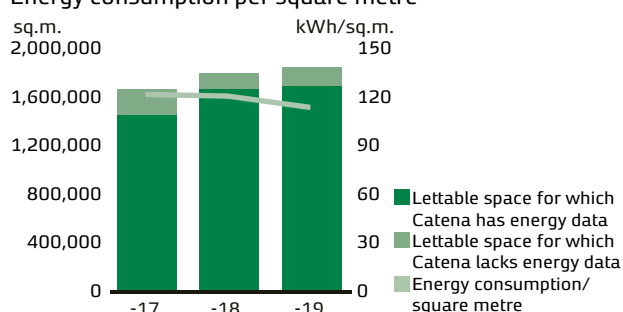
TARGET 7-2



Energy

Heating and electricity are the largest individual operating expenses for properties, and the opportunities for efficiency improvements, both in terms of expense and environmental impact are considerable. According to the updated sustainability targets, Catena will reduce energy use for normal-year adjusted heating by 15 percent (kWh/m²) and for electricity by 10 percent (kWh/m²) by 2025 compared with

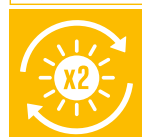
Energy consumption per square metre



The diagram shows the development of the property portfolio's size and energy consumption per square metre. Catena lacks access to data for the entire portfolio and energy use is based on the consumption by 92 percent of the portfolio in 2019.

2017. In 2019, consumption of both heating and electricity decreased in kWh/m² compared with 2018 and the total energy intensity (kWh/m²) decreased by 7 percent since 2017.

TARGET 7-3



Catena is also working to increase the proportion of renewable energy and, by 2030, 100 percent of Catena's energy will be fossil-free. Although the target is aimed primarily at energy purchased by Catena, the Company is also working to identify fossil-free solutions for energy purchased

by customers. Even today, all electricity purchased by Catena is green and the Company is working to influence energy sources for heating use, as well as energy purchased by our tenants. The Company assesses, for example, the district heating companies' environmental impact in producing heating and, where conditions are appropriate, Catena is examining the possibility of instead using geothermal heat or other electrical heating. At the same time, Catena is developing and strengthening its collaboration with tenants, providing increased knowledge and more opportunities for influence in terms of their purchased energy sources.

The properties' large roof areas provide good opportunities for installing photovoltaic cells and, together with customers, the Company is working to exploit these opportunities. Catena's objective is for all new buildings to include a photovoltaic system adapted to the circumstances of the property and the tenant, and where the electricity generated can be consumed within the property. There are currently six facilities installed on roofs, two of which are owned by Catena, while others are owned by the relevant tenant. In total, these six plants have an annual capacity of approximately 2,603 MWh, corresponding to the annual consumption of 160 single-family homes. Significantly more photovoltaic cell installations are planned for 2020.

Energy use

	Total			Comparable portfolios	
	2019	2018	2017	2019	2018
Total electricity use, MWh	122,200	118,234	103,295	103,978	104,884
- of which, purchased by landlord	55,773	53,021	40,249	48,386	46,950
- of which, purchased by tenants	65,184	64,656	63,046	55,461	57,922
- of which, solar energy generated in-house by landlord	257	1	-	-	-
- of which, solar energy generated in-house by tenant	986	556	-	131	11
LOA, m ²	1,633,637	1,493,457	1,264,347	1,284,902	1,284,902
Intensity, kWh/m ²	75	79	82	81	82
Total heat use (normal year corrected), MWh	61,967	64,872	53,627	48,640	53,075
- of which, natural gas	4,177	7,035	6,487	4,072	6,800
- of which, heating oil	51	110	55	51	110
- of which, electricity to heat pump	2,019	1,989	898	1,236	1,311
- of which, district heat	55,721	55,738	46,187	43,281	44,854
LOA, m ²	1,604,104	1,517,137	1,298,746	1,215,331	1,215,331
Intensity, kWh/m ²	39	43	41	40	44
Total, MWh	184,168	183,107	156,921	152,618	157,959
Number of properties reported	105	102	93	84	84
LOA, m ²	1,618,870	1,505,297	1,281,546	1,250,117	1,250,117
Energy intensity, kWh/m ²	114	121	122	122	126

The table shows the energy used in Catena's properties by type of energy and energy use per square metre (intensity). Energy generated in-house includes energy from photovoltaic cells used as electricity in the property. Electricity for heat pumps is included in total heating, not in total electricity. Heating use figures are normal-year-adjusted in accordance with SMHI's degree days. In 2019, Catena received supplementary data on energy use for 2017 and 2018 and has therefore revised energy use for those years.

To coordinate resources, knowledge and capacity in connection with solar energy, a photovoltaic cell group has been formed within the Company.

Collaboration with customers

Collaboration and close dialogue with tenants represent an important part of our work to create sustainable properties. Well-functioning collaborations are essential in reducing greenhouse gas emissions, environmentally certifying properties and improving their energy efficiency, as well as installing solar panels.

Accordingly, in connection with redevelopment, extension and new construction projects, the customer is involved in the project from an early stage and the Company also maintains an ongoing dialogue with tenants during the property management phase. For example, Catena measures not only its own energy use, but also the use for which the customer is responsible. By reporting consumption figures and exploring ways of streamlining and reducing these, Catena works alongside its customers to identify solutions suitable for both the tenant and the landlord.

One area in which collaboration with customers drives innovation and development is sustainable logistics solutions, about which you can read more on page 56.

Supplier assessments

Catena uses external suppliers and partners for, among other things, property management and large parts of the construction process for new construction and conversion. This means that a substantial part of sustainability management is conducted in partnership with suppliers and partners. The Company's employees are responsible for ascertaining whether the suppliers that are engaged are serious actors.

During the year, Catena developed its Code of Conduct for suppliers, which includes requirements in the areas of the environment, the working environment and ethics. The requirements are based on the ISO 14001 environmental management system, as well as the ten principles of the UN Global Compact. Suppliers performing work at Catena's properties and where Catena is expected to purchase services for at least SEK 250,000 annually must be approved in accordance with the Company's sustainability requirements. Suppliers are required to familiarise themselves with Catena's Code of Conduct for Suppliers and to accept these requirements by signing the document, which is then kept on file by Catena. For suppliers with more than 20 employees, a self-declaration must also be completed, in which information about the Company's work in the areas of the environment, working environment and ethics is documented and assessed. Relevant certificates, procedures and policies must be attached with the declaration. In 2019, Catena employed only Swedish and a small number of Danish suppliers. A total of 162 suppliers have been identified for assessment, of whom 65 have been assessed and approved. This work will continue in 2020 and Catena will also perform spot checks in the form of site visits to ensure compliance with the requirements.

Choice of materials for new builds and conversions

Careful selection of materials is important to ensure healthy and safe premises, but choice of material choice

also has a major impact on the buildings' energy performance during operation. In addition to standard supplier requirements, for any construction project exceeding SEK 5 million, Catena requires the preparation of an environmental plan. For contracts exceeding SEK 250,000, Catena requires systems for assessing and following up the construction materials used. Suppliers must use one of the three most common systems for assessing construction materials – Byggvarubedömningen (BVB), Sunda-Hus Miljödata or BASTA. For simpler projects carried out by local contractors, Folksam's green construction guide can be used.

Waste

In most cases, Catena's tenants are responsible for their own waste management. For those tenants where Catena is responsible for waste management, the objective is for waste to be sorted into the fractions applicable for each municipality. Sorting should be performed in a manner that is easy and natural for the tenants. Hazardous waste generated by Catena's own operations is primarily handled by the property maintenance contractors. Catena requires that contractors have environmental management systems in accordance with ISO 14001, with their own procedures for waste management or that they apply Catena's procedures for the management of hazardous waste.

Catena is well aware of the importance of the waste issue and seeks to increase knowledge about the amount of waste that is handled at our properties, to then be able to influence and reduce this amount. In 2019, Catena began collecting data on the amount of waste in accordance with EPRA's sustainability best practice recommendations, see page 67. Although not all suppliers of waste management services keep statistics, this represents an initial step in gaining greater control.

Business ethics guidelines

Catena's ethical guidelines provide the platform for the daily work of the Company's employees, partners and suppliers. Behaviour must always be pervaded by good business ethics and comply with current legislation and agreements.

Catena has an ethics policy that describes the Company's fundamental values and guidelines for employees and Board members. The policy includes guidelines in accordance with the ethical rules on contact and relation promoting benefits in business activities that were developed by the Swedish Anti-corruption Institute. It is management's responsibility to ensure that managers and employees have the knowledge required to follow the Company's policies and guidelines. All major purchases and agreements are controlled centrally and assessed to determine whether they are correct and reasonable.

Catena introduced a whistle-blower programme in 2019, under which employees and partners can report shortcomings that contravene applicable legislation, ethics, morals or Catena's policies. All reports are received anonymously and investigated by an external actor. Submitted reports are handled by a special whistle-blower committee at Catena.

No applications have been received via the function since its inception in the autumn of 2019.

Sustainable logistics and societal development

Catena operates in a context that is crucial for modern society but that unequivocally influences the environment, as tenants' operations often entail extensive transports. By developing more sustainable logistics solutions, Catena is able to influence both business partners and the environment positively, while, at the same time, a strong brand in sustainable logistics generates value for the Company's stakeholders.



Sustainable logistics solutions

Sustainable logistics entails optimising flows based on environmental, social and economic aspects. One of the challenges of sustainable logistics is logistics planning where optimisation can often point in different directions. Examples of common

optimisation parameters that can be contradictory are a maximal load factor, minimal transport time, the shortest possible route to the goods' final destination, and pre-determined delivery times.

Catena is working to create conditions for more sustainable logistics planning and the optimum solution varies and looks different for different customers. Understanding customers' various challenges and possible solutions, both today and in the future, is central to Catena's operations. Catena strives to be flexible and agile in the solutions it offers, always seeking to stay one step ahead and to understand emerging trends, challenges and new hubs.

Working closely with several municipalities to contribute to more cost and environmentally efficient solutions, facilitates greater use of vehicle capacity and more accurate route planning. In creating sustainable logistics solutions, a key strategic decision entails selecting appropriate locations for our properties – that is, logistics locations streamlining current cargo flows but also taking possible future trends in goods transport into account. Terminals located near major cities, adjacent to major motorways and rail freight stations ensure efficient transport routes and flexibility in choosing the mode of transport.

In addition, properties near metropolitan regions optimise intelligent and peri-urban logistics, as goods can be reloaded without passing through the urban centre as is currently often the case. Smart, peri-urban logistics are necessary in achieving a more sustainable society and is also of importance for the capacity to handle the ever increasing proportion of digitally-driven trade.

Knowledge and development

To create sustainable logistics solutions that take future trends and risks in the logistics industry into account, Catena is working to increase knowledge and the pace of development in the area. Catena would like to help steer the sector in a more sustainable direction while also

encouraging more efficient technologies and industrial processes with a lower environmental impact.

Involvement in networks and regular meetings with municipal councils, cooperative organisations and special interest associations in all market areas allows Catena to present the Company's views on logistics challenges and to ensure that logistics issues are taken into account in urban planning processes, for example, while Catena increases its internal knowledge on the topic. Catena also collaborates with various universities and, in 2019, cooperated in a master's thesis project at the Royal Institute of Technology, and commenced a partnership with Malmö University to conduct research into business models in e-commerce.

In 2019, Catena also joined a forum on the "shared development of property-adjacent delivery spaces", in which various stakeholders collaborate, including property owners, hauliers and systems suppliers. Focusing on the final transport leg, opportunities for new, sustainable solutions are discussed and developed.



Catena also arranges the annual LogistikTrender conference. Various industry stakeholders participate in this, and it provides a unique platform for knowledge exchange and for increasing collaboration between different parties. In 2019, the focus was on the technological revolution

and the topics discussed included the opportunities of digitalisation and the challenges facing the logistics industry. The focus area for LogistikTrender 2020 is "Logistics beyond time and space", with the perspective of sustainability running as a common thread throughout the programme.

Societal development outside the industry

Catena also contributes to societal development outside the logistics industry. By sponsoring a variety of initiatives, organisations and activities that contribute to positive and sustainable societal development, the Company aims to achieve values and benefits for all parties involved.

One of Catena's more extensive sponsorship partnerships was further expanded in 2019 when Catena became the arena sponsor for the Rögle BK ice hockey team. The collaboration benefits both the top-level ice hockey team, as well as the club's aggressive sustainability efforts and

ambitious activities for children and young people, in which both girls and boys have opportunities to develop in their sport in socially rewarding contexts.

Value creation for the Company’s stakeholders

Sustainable logistics has great potential for long-term impacts on society, in terms of environmental, social and economic parameters. Catena maintains an ongoing dialogue with its key stakeholders to ensure that the Company also focuses on the most relevant areas of sustainability.

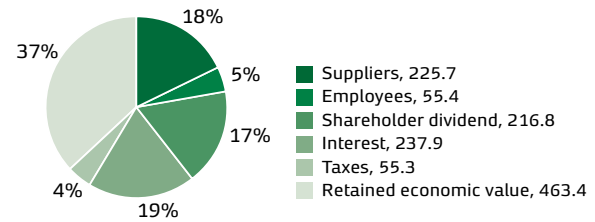
One way to quantify companies’ direct impact on their stakeholders is to assume how the Company’s income has been distributed to different stakeholder groups – employees, suppliers, and society through tax payments. The diagram shows how Catena’s income in 2019 was distributed among various stakeholder groups.

A strong brand in sustainable logistics generates value for the Company’s shareholders while opening up opportunities for green financing. Catena’s customers can also

benefit from the benefits of running their operations in properties that are sustainable.

Society benefits greatly from sustainable logistics solutions, not only because this ensures smooth logistics and efficient product flows, but also because strategically well-situated logistics properties enable sustainable urban development as goods traffic in cities is reduced.

Created and distributed economic value, SEK M



The diagram shows how Catena’s income in 2019 was distributed among various stakeholder groups. The total value generated amounted to SEK 1,254.5 million.

COMMUNITY PROJECT
**Hästhagen
Helsingborg**

From industrial property to one of Sweden’s largest paddle-ball halls

Identifying appropriate logistics locations is one of Catena’s key strategies for more sustainable logistics. However, these locations can shift as society develops and certain properties lose their logistics purpose. Although Catena usually sells such properties, in some cases the Company takes the initiative to convert logistics properties to more suitable purposes.

One such property is Hästhagen, a former industrial property in southern Helsingborg. As the city grows, the area has become increasingly important for urban social development, while space for logistics and industry is decreasing and moving further out from the city centre. Accordingly, in 2019, Hästhagen obtained a new function. The older industrial buildings now house one of Sweden’s largest paddle-ball halls, a trampoline park, café, salad bar and hamburger restaurant, as well as some smaller-scale office spaces. Catena has adapted the property to a more suitable purpose for the city and helped create a more attractive area for the urban community.



Hästhagen 4, Helsingborg.

COMMUNITY DEVELOPMENT
**Arenastaden
Solna**

Reduction of direct deliveries (target)
70%

Intelligent peri-urban logistics at Arenastaden, Solna.

At Arenastaden in Solna, outside Stockholm, Catena is working on a project to achieve sustainable peri-urban logistics. Without action, the Arenastaden neighbourhood, with about 100,000 square metres of shops, 4,000 homes and 30,000 workplaces, will generate more than 5,000 transports per week. Through the company Urban Services, which was founded in 2017, Catena collaborates with Fabege, RagnSells and Servistik in developing a locally sustainable logistics network in which deliveries, resource management and recycling are handled in a shared flow to and from the area. Overall, the project should reduce direct deliveries by 70 percent. This occurs through a shared loading centre from which goods can be transported the last stretch by smaller electric vehicles. The vehicles will then carry back returns and recycling materials to maximise the utilisation of the vehicles' capacity. In 2019, the customer agreement with Westfield Mall of Scandinavia was extended to 2022 and the focus remains on increasing the proportion of new customers.



Arenastaden, Solna.

A responsible and attractive employer

In order to understand customer needs and to generate business, it is crucial that Catena can attract and retain skilled employees. The work is based on shared values.



A value-driven organisation

Catena has a small but effective organisation comprised of individuals with substantial industry experience and considerable expertise. Being an attractive employer is a strategic objective for Catena and part of its business plan. Catena has also performed a risk analysis regarding its employees and this is described on page 130.

An important component in efforts to achieve set targets are shared values that all executives and employees can use as the starting point for all decisions, major as well as minor. Catena's values were launched in December 2018 and form a natural part of the operations (read more about Catena's values on page 30).



Satisfied employees

Its employees are Catena's most important resource and entirely crucial for the operations. One way of following up the employees' view of the Company's role as an employer and its ongoing sustainability work is by means of the annual employee survey. The latest employee survey was

conducted in November 2019 and was responded to by 100 percent of the employees.

The results of the employee survey show that Catena's employees are very satisfied and are good ambassadors for the Company.

One way of measuring an organisation's attractiveness as an employer is following up employee loyalty in terms of eNPS, Employee Net Promotor Score. The rating is a measure of how many of the employees are prepared to recommend the Company as a workplace on a scale of -100 to +100. A positive rating means that the organisation has more active ambassadors than critics. The eNPS score for 2019 was 61, which was slightly lower than for the preceding year but significantly higher than the target of at least +40. The result is also very high in both a national and international comparison.

Skills development

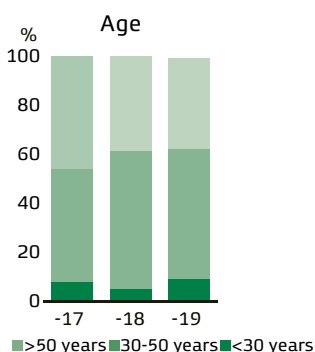
Continual skills development is crucial for Catena to continue to understand and be able to resolve the current and future challenges of its customers. Personal development plans are prepared in conjunction with the annual employee dialogues carried out with all employees. All employees are given a wide range of possibilities for choosing training, courses and seminars they wish to participate in on the Company's account. Central and prioritised training areas are management issues, finance, the environment and law. In 2019, Catena continued to offer substantial opportunities for employees to develop themselves and

Training hours

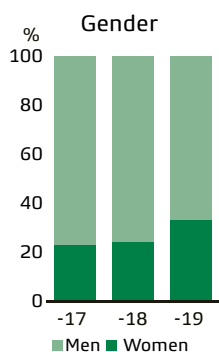
	2019	2018	2017
Average for all employees	17	8	21
Women	17	11	12
Men	17	6	23

The table above shows the average number of training hours per employee. In 2019, these broke down into 19 hours for management and 16 hours for other employees.

Employee distribution 2019



The diagram shows the percentage of employees in various age categories. There were a total of 43 employees as at 31 December 2019.



The diagram shows the percentage of women and men among Catena's employees.

Work-related accidents and accident frequency

	2019	
	Number	Frequency
Work-related accidents	0	0
Number of serious work-related accidents	0	0
Number of work-related accidents resulting in deaths	0	0

Accident statistics include in-house personnel only. The calculations are based on a total 83,567 working hours. Accident frequency is reported per 200,000 working hours.

Total labour force, number

	2019		2018		2017	
	Number	Proportion women, %	Number	Proportion women, %	Number	Proportion women, %
No. of employees	43	33	41	24	39	23
Employees on permanent contracts	42	31	41	24	37	22
– Of whom, full time	42	31	41	24	37	22
– Of whom, part-time	0	0	0	0	0	0
Employees on temporary contracts	1	100	0	0	2	50

The table shows the number of employees and the proportion of women at Catena, divided into different types of employment. During the year, Catena did not have any externally contracted personnel.

Employee mobility, count

	2019		2018		2017	
	Number	Proportion women, %	Number	Proportion women, %	Number	Proportion women, %
New employees	6	83	6	17	7	29
Share of total number of employees at year-end, %	14		15		18	
Employees who left	4	25	4	0	6	50
Share of total number of employees at year-end, %	9		10		15	

their professional skills, and a number of employees have taken more extensive courses in management and control. During the spring, all employees attended the Logistik-Trender event that Catena organises each year. This day is primarily aimed at customers and other stakeholders, but is, at the same time, also an opportunity for employees to learn more about where the logistics industry is heading and also entails all employees sharing the same knowledge platform.



Health and safety

Catena works to create a healthy and pleasant work environment for the Company's employees, encompassing work on risks associated with both the physical and psychosocial work environment.

Important elements of this work are to create the conditions for balance between work and leisure and ensure that employees have the opportunity to manage their own time and influence their work situation. Catena has collective bargaining agreements for all employees and allows employees to decide which tools they need to facilitate their work. Issues related to work environment, health and safety are addressed regularly at personnel meetings, at smaller personnel meetings held in each location, as well as at cross-group meetings. More ongoing information is distributed via internal channels.

Management also works on an ongoing basis with following up and ensuring a healthy work situation for all employees. Regional managers and others with responsibility for personnel bear considerable responsibility in working with Catena's employees to assure a safe working environment. In cases of insecure working situations, discussions are held with the manager responsible, with the CEO or HR Manager and measures are determined in joint consultation. In 2019, Catena also introduced a whistle-blower programme enabling employees to report shortcomings anonymously and in the strictest confidence. All reports are received and investigated by an external actor.

Absence due to illness			
	2019	2018	2017
Average, all employees, %	0.8	0.7	0.7
Women, %	1.5	0.9	1.0
Men, %	0.5	0.7	0.7

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

Salary relationship between men and women		2019 Ratio
Group Management, %		70
Other employees, %		73

The table shows women's salaries in relation to men's salaries. The salary relationship between men and women in Group management is significantly affected by the fact that the CEO is a man. For other employees, the average is affected by the fact that the female employees are younger and do not hold senior positions.

Catena's work environment policy provides a framework for systematic efforts regarding the work environment. In our systematic annual efforts on the working environment, three areas have been identified that need strengthening, these will be reviewed in 2020.

The work environment policy has been made available to all employees, who have also been given training in this area. All new recruits undergo the same training. If needed, further training is arranged via the occupational health service or other suppliers, and Catena also offers opportunities for further education on these issues. Because Catena did not hire in any external personnel during the year, the points stated above apply only to Catena employees.

Equal opportunities for all

Upon new employment, promotions and continuous evaluation, Catena assesses expertise, experience and personal characteristics. The Company shall not discriminate, either positively or negatively, on the basis of ethnicity, gender, religion or other beliefs, disability, sexual orientation, gender identity or expression, age or social origin.

The Board of Directors consists of three women and four men. However, women are currently under-represented in both the management team and the Board.



Catena works actively to attract female applicants in both recruitment and promotion and has the updated objective of increasing gender equality and diversity in all occupational groups by 2025. In 2020, Catena will strengthen its HR function and hire a new HR manager to safeguard, for

example, a broad recruitment process. The Company also seeks to develop role descriptions able to attract a diversified workforce. Because staff turnover at Catena is low, change will be slow.



Attracting new talent

One of Catena's strategic objectives is to attract new employees by participating in job fairs at universities and colleges.

Over the year, Catena participated in an MSc thesis project carried out by two students from the Royal Institute of Technology on the development of logistics in e-commerce. Students were given the opportunity to participate free of charge in the LogistikTrender conference arranged by Catena and to collect data through interviews with Catena's CEO. In partnership with Malmö University, Catena is participating in a project in business model development involving e-commerce logistics properties. Catena also hosted two trainees during the year. One in the area of salary administration and one in energy and technology.

Summary Board and employees							
	2019		2018		2017		
	Number	Proportion women, %	Number	Proportion women, %	Number	Proportion women, %	
Board of Directors	7	43	7	43	7	43	
Under 30 years	0	0	0	0	0	0	
30-50 years	2	100	2	100	2	100	
Over 50 years	5	20	5	20	5	20	
Management	7	14	7	14	7	14	
Under 30 years	0	0	0	0	0	0	
30-50 years	3	33	3	33	3	33	
Over 50 years	4	0	4	0	4	0	
Other Employees	36	36	34	26	32	25	
Under 30 years	4	100	2	50	3	33	
30-50 years	19	32	20	30	15	33	
Over 50 years	13	23	12	17	14	14	

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

Sustainability notes

Catena's Sustainability Notes contain supplementary data for the Company's sustainability reporting, which has been prepared in accordance with the guidelines from the Global Reporting Initiative (GRI) The sustainability reporting for the 2019 calendar year follows the GRI Standards, level Core.

The Sustainability Report applies to Catena AB and all of its wholly-owned subsidiaries. In the event that any subsidiaries are not included in a calculation or figure, this is stated on page 65.

The Sustainability Notes provide information on how the Company has chosen what the sustainability report

should focus on and how stakeholders' priorities are met, as well as additional information on governance in priority areas. Catena also presents a GRI index and discloses certain supplementary tables and charts, as well as the sources of the data, assumptions and conversion factors used in the accounts.



Stakeholders and materiality

Catena's operations aim to generate returns for the shareholders, and to succeed, Catena needs to meet the needs of the customers. Catena succeeds well when there are employees, partners and suppliers who can identify the customers' wishes and ensure that they are put into practice. New construction can be affected by political decisions and the approval of local residents. The table below presents the most important stakeholders, the most important possibilities for dialogue and the stakeholder groups' most important issues.

Based on an ongoing dialogue with stakeholders and an in-depth stakeholder dialogue conducted in 2014, nine areas have been identified as material in the Company's sustainability efforts. The table below lists these nine areas and the corresponding sustainability disclosures in the GRI Standards.

In 2020, Catena plans to conduct a new, more comprehensive materiality analysis and stakeholder dialogue.

Stakeholder group	Opportunities for dialogue	Key issues
Shareholders, analysts and investors	<ul style="list-style-type: none"> • Annual General Meeting • Regular meetings, including in connection with interim reports • Ongoing phone contacts • Meetings with shareholders and analysts • Capital Markets Day in Båstad • LogistikTrender – an annual day for the industry's stakeholders, at which a current theme is discussed and penetrated in detail • Website 	<ul style="list-style-type: none"> • Business model, objectives and strategy • Funding • Growth • Profit • Sustainability and Corporate Governance • Publication of information • Share liquidity
Employees	<ul style="list-style-type: none"> • Regular contacts • At least one annual performance interview and salary review • Annual personnel conference to educate and motivate • Intranet 	<ul style="list-style-type: none"> • Opportunities for training and skills development • Clear career paths • Salary and benefits • Balance between work and leisure • Diversity and equality
Society	<ul style="list-style-type: none"> • Regular contacts with public sector decision makers to improve logistics locally, regionally and nationally • LogistikTrender – an annual day for the industry's stakeholders, at which a current theme is discussed and penetrated in detail • The management organisation's regular contact with tenants, businesses and local officials • Website • Collaboration with, and sponsorship of, local sports and community associations 	<ul style="list-style-type: none"> • Goods supply and smooth logistics • Trends • Traffic intensity • Low environmental impact • Cost-efficient solutions • Long-term view
Suppliers	<ul style="list-style-type: none"> • LogistikTrender – an annual day for the industry's stakeholders, at which a current theme is discussed and penetrated in detail • Regular personal meetings with suppliers • Website 	<ul style="list-style-type: none"> • Stable partner
Customers	<ul style="list-style-type: none"> • LogistikTrender – an annual day for the industry's stakeholders, at which a current theme is discussed and penetrated in detail • Reinforced active management organisation that maintains regular contact with tenants • Website 	<ul style="list-style-type: none"> • Stable and flexible landlord • Accessibility • Cost-efficient premises • Environmental efficiency • Access to multiple modes of transport

Catena's sustainability aspects	GRI standards
Work with energy efficiency and renewable energy	Energy, Emissions
Offer training and skills development for employees	Terms of employment and working conditions, Health and safety, Training
Preventing bribery and corruption	Anti-corruption
Generate financial returns	Economic performance
Establish the conditions for logistics flows with a minimal environmental impact	Indirect financial impact
Disseminating knowledge about sustainable logistics	Indirect financial impact
Aim for a low environmental impact in new builds and conversions	Environmental impact from products and services, Labelling of products and services
Striving for diversity in the organisation	Diversity and equal opportunities, Non-discrimination and jobs
Imposing demands on suppliers with regard to health, safety and the environment	Assessment of suppliers' environmental impact

GRI index

The following table lists references to the GRI disclosures and indicators reported by Catena within the Company's reporting of its sustainability work. GRI Standard 403 is reported for the 2018 version, the remaining modules refer to the 2016 version.

GENERAL STANDARD DISCLOSURES		
GRI Standards	Description	Page reference/Comments
ORGANISATION PROFILE		
102-1	Name of the organisation	82
102-2	Key brands, products and services	3
102-3	The organisation's headquarters	82
102-4	Countries with operations	89
102-5	Ownership structure and corporate format	44-45
102-6	Markets	36-37
102-7	Size of the organisation	4-5, 37-39, 42-43, 60-61
102-8	Labour force	60-61
102-9	Supply chain	55
102-10	Significant changes in the organisation and its supply chain	5, 40-41
102-11	Application of the precautionary principle	49
102-12	External initiatives	49, 52
102-13	Membership	52
STRATEGY AND ANALYSIS		
102-14	Statement by senior decision maker	8-9
ETHICS AND INTEGRITY		
102-16	Values, principles, standards and codes of conduct	31
GOVERNANCE		
102-18	Governance structure	124-135
STAKEHOLDER COMMITMENT		
102-40	Stakeholder groups	63
102-41	Proportion of labour force covered by collective agreements	60
102-42	Identification and selection of stakeholder groups	63
102-43	Approach to communication with stakeholders	63
102-44	Issues raised by stakeholders and the handling of these	63
REPORTING PROFILE		
102-45	Entities included in the report	62
102-46	Process for defining the contents of the report	63, 65
102-47	Identified material areas	63
102-48	Revised information	65
102-49	Significant changes	63, 65
102-50	Reporting period	65
102-51	Date of latest report	March 2019
102-52	Reporting cycle	Annually
102-53	Contact details for questions regarding the report and its contents	71
102-54	Statement that the report complies with the GRI Standards	62
102-55	GRI index	64
102-56	External assurance	49, 71
SUBSTANCE-SPECIFIC DISCLOSURES		
GRI Standards	Description	Page reference/Comments
GRI 201: ECONOMIC PERFORMANCE		
103-1, 103-2, 103-3	Governance	11-13, 18-19, 57
201-1	Generated and distributed financial value	57
GRI 203: INDIRECT FINANCIAL IMPACT		
103-1, 103-2, 103-3	Governance	11-13, 56
203-2	Significant indirect financial impact	56-57
GRI 205: ANTI-CORRUPTION		
103-1, 103-2, 103-3	Governance	55
205-3	Number of corruption cases	No cases, see also page 55
GRI 302: ENERGY		
103-1, 103-2, 103-3	Governance	52-55
302-1	The organisation's energy consumption	54, 65
CRE1	Energy intensity in buildings	54, 65
GRI 305: EMISSIONS		
103-1, 103-2, 103-3	Governance	52-55
305-1	Direct GHG emissions (Scope 1)	67
305-2	Indirect GHG emissions (Scope 2)	67
305-3	Other indirect GHG emissions (Scope 3)	67
GRI 401: EMPLOYMENT AND WORKING CONDITIONS		
103-1, 103-2, 103-3	Governance	59-61
401-1	Personnel turnover	60, does not report region or age distribution due to the low number of individuals
GRI 403: OCCUPATIONAL HEALTH AND SAFETY		
103-1, 103-2, 103-3	Governance	59-61
403-1 – 403-7	Governance	59-61, 70-71
403-9	Work-related injuries	60-61
GRI 404: TRAINING AND EDUCATION		
103-1, 103-2, 103-3	Governance	59-61
404-1	Training for employees	60
404-3	Development interviews	60
GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES		
103-1, 103-2, 103-3	Governance	59-61
405-1	Composition of the Company	60-61
GRI 406: NON-DISCRIMINATION		
103-1, 103-2, 103-3	Governance	59-61
406-1	Number of cases of discrimination	No cases
CRE: PRODUCT LIABILITY		
103-1, 103-2, 103-3	Governance	52, 65
CRE8	Sustainability certifications for new construction, remodelling and extensions	67

EPRA sBPR: Performance measures

Catena reports the Company's sustainability indicators based on EPRA's latest recommendations: Best Practices Recommendations on Sustainability Reporting, sBPR, third edition from September 2017. Catena reports sustainability ratios for all 28 of EPRA's BPR Performance Measures. Key figures are reported for energy, greenhouse gas emissions, water, waste, environmentally certified buildings, corporate governance and social aspects.

EPRA's recommendations

Organisational boundaries

Catena reports key performance indicators in accordance with the Greenhouse Gas Protocol's 'Equity-share approach', that is, Catena reports the total consumption of its properties according to its share of the shareholders' equity in these. Catena is a co-owner of a joint venture property with a 45-percent holding. This property has been excluded from the EPRA accounting. Together with its subsidiaries, Catena owns the remaining properties 100 percent and they are included in the EPRA key performance indicators. Catena also reports consumption where the customer is responsible for electricity, heat and water, since Catena seeks to influence not only its own consumption, but also seeks to help tenants reduce/streamline their consumption.

It is only with regard to waste that Catena has no statistics on its customers' consumption.

Reporting

Catena is working actively to gain access to relevant data measures from all of its properties, hence the updated sustainability target for 100 percent of our properties to be connected to our control system by 2025. This is important in order to report correct and relevant data and to engender favourable conditions for good and efficient technical management. Today, Catena has access to data on almost the entire portfolio – in total, 92 percent of the 2019 portfolio. The total lettable area (LOA) included in the measure for each indicator is stated together with the respective key performance indicators.

For key figures in comparable holdings, Catena has included properties that have been part of the holdings since 2018 or earlier, where there is measurement data for all of 2018 and 2019 and where the size of the total lettable area has not changed between 1 January 2018 and 31 December 2019.

As mentioned, Catena has only limited data for waste, which is because tenants generally take care of waste management themselves and, for the properties where Catena handles waste management, the waste companies only have limited statistics.

Estimate of the landlord's consumption

Reported data are measured, statistically significant and are not estimated. Only data for Catena's head office at Vångagärdet 20 is estimated as Catena does not have sub-meters in the office area, which is part of a larger building. To obtain consumption figures, Catena has taken

consumption of the relevant indicator for the entire property (25,960 square metres), divided by the total area and then multiplied by the office area (645 square metres). The use of the office space is also included in the consumption figures reported for the total.

Third party review

Catena's Sustainability Report in accordance with the GRI Standards has been reviewed by PWC. See the auditor's review report of the Sustainability Report on page 71.

Delimitation – reporting of landlord and tenant's consumption

Catena reports statistics for electricity, heat and water regardless of whether the Company or the tenant is responsible for the agreement.

Normalisation

Catena calculates intensity key performance indicators by dividing by the total lettable area of the buildings.

Catena uses SMHI (Swedish Meteorological and Hydrological Institute) degree days for the normalisation of energy for heating.

Segment analysis (geography, building type, etc.)

Catena owns only logistics properties and just a few office buildings. As the proportion of offices is low and are often located within logistics properties, Catena has not divided the figures between different types of buildings.

Since Catena mainly owns properties in Sweden, and only a very small proportion in Denmark, it is also not relevant to report the statistics distributed geographically.

Reporting for the Company's own offices

Catena reports estimated consumption for its head office, where about half of Catena's employees work. For the remaining offices, there are no precise figures and reasonable estimates cannot be made as the offices represent only smaller parts of larger properties where energy-intensive operations are conducted.

Explanations of outcomes

Some key performance indicators differ from the figures presented in the preceding Annual Report. In its 2018 Annual Report, Catena cited figures that were, in part, estimates, while the 2019 Annual Report presents precise figures. To read more about the changes in the environmental key performance indicators between 2018 and 2019 and the savings achieved, see pages 52-54.

Location of EPRA Sustainability Performance data in the report

See Catena's EPRA index on page 68.

Reporting period

The reporting for each year presented in the EPRA table pertains to the calendar year (1 January to 31 December).

Materiality

Catena's materiality analysis is reported on page 63.

Environmental indicators, EPRA

Electricity use			Total			Comparable portfolios			
EPRA code	Unit	Indicator	2019	2018	2017	2019	2018	Change, %	
Elec-Abs Elec-Lfl	MWh	Electricity	Total purchased electricity	122,715	119,392	104,119	104,917	105,977	-1
			of which, purchased by landlord	56,290	53,154	40,249	48,480	46,950	
			of which, purchased by tenant	66,425	66,238	63,870	56,437	59,027	
			Total solar energy generated in-house	1,243	557	-	131	11	1,091
			of which, the landlord's	257	1	-	-	-	
			of which, the tenant's	986	556	-	131	11	
			Total electricity use	123,958	119,949	104,119	105,048	105,988	-1
			% renewable proportion	41	42	N/A	40	40	
			kWh/m² Intensity	75	78	79	81	82	-1
			m ² Area	LOA	1,648,182	1,540,947	1,322,819	1,299,447	1,299,447
%	Share of total LOA	89	86	80	71	72			

The table shows electricity use at Catena's wholly-owned properties, broken down into purchased sources and sources generated in-house. All reported energy generated in-house has been used in Catena's properties. In accordance with EPRA's guidelines and unlike the table on page 54, electric heating is included in electricity use. This explains the higher total electricity use compared with the table on page 54. The renewable proportion includes electricity that Catena purchases from Vattenfall, as well as electricity generated using photovoltaic cells. For electricity purchased by tenants, Catena has no details of the source. Accordingly, the renewable proportion is probably higher than stated.

District heating use			Total			Comparable portfolios			
EPRA code	Unit	Indicator	2019	2018	2017	2019	2018	Change, %	
DH&C-Abs DH&C-Lfl	MWh	District heating and district cooling	Total district heating use	55,721	55,738	46,187	43,281	44,854	-4
			of which, purchased by landlord	33,646	33,588	27,430	27,184	26,775	
			of which, purchased by tenant	22,075	22,150	18,757	16,097	18,079	
			% renewable proportion	94	93	N/A	93	93	
			kWh/m² Intensity	43	44	42	42	45	-5
			m ² Area	LOA	1,292,991	1,265,564	1,103,467	1,027,797	1,002,107
%	Share of total LOA	70	71	66	56	56			

The table shows district heating use and consumption at Catena's wholly-owned properties in comparable portfolios. The figures are normal-year-adjusted in accordance with SMHI's degree days. Catena does not use district cooling in its properties.

Fuel consumption			Total			Comparable portfolios			
EPRA code	Unit	Indicator	2019	2018	2017	2019	2018	Change, %	
Fuels-Abs Fuels-Lfl	MWh	Fuel	Total fuel use	4,228	7,145	6,542	4,123	6,910	-40
			of which, purchased by landlord	4,072	6,800	6,241	4,072	6,800	
			of which, purchased by tenant	155	345	301	51	110	
			% renewable proportion	0	0	0	0	0	
			kWh/m² Intensity	27	46	42	28	47	-40
			m ² Area	LOA	154,725	154,725	154,725	146,025	146,025
%	Share of total LOA	8	9	9	8	8			

The table shows fuel use and consumption at Catena's wholly-owned properties in comparable portfolios. The low total use for 2019 is attributable to a change in a property that switched from gas to district heating in August 2019.

Energy use, total			Total			Comparable portfolios			
EPRA code	Unit	Indicator	2019	2018	2017	2019	2018	Change, %	
Energy-Int	MWh	Energy	Total energy use	183,906	182,833	156,848	152,452	157,753	-3
			purchased/generated by landlord	94,265	93,543	73,920	79,737	80,525	
			purchased/generated by tenant	89,642	89,289	82,928	72,716	77,227	
			kWh/m² Intensity	114	121	122	122	126	-3
			m ² Area	LOA	1,618,870	1,505,297	1,281,546	1,250,117	1,250,117
%	Share of total LOA	88	84	77	68	70			

The table shows the energy intensity of all energy use at Catena's wholly-owned properties. The total energy use differs from the table on page 54 because electricity used for heat pumps is included as normal-year-adjusted heating on page 54, but is included as (non-normal-year-adjusted) electricity in the table above.

Greenhouse gas emissions, broken down between Scope 1, 2 and 3

EPRA-code	Unit	Indicator		Total		Comparable portfolios		
				2019	2018	2019	2018	Change, %
GHG-Dir-Abs	tonnes	Direct	Scope 1	958	1,506	274	470	-42
GHG-Indir-Abs	CO ₂ e	Indirect	Scope 2	926	859	5,728	5,707	0
		Indirect	Scope 3	6,321	6,124	N/A	N/A	N/A
GHG-Int	kg CO ₂ e/ m ²	GHG intensity	Intensity	5.1	5.6	4.8	4.9	-3.0
	m ²	Area	LOA	1,618,870	1,505,297	1,250,117	1,250,117	
	%		Share of total LOA	88	84	68	70	

The table shows indirect and direct greenhouse gas emissions and their intensity. Business travel and employee commuting are included in the total consumption figures for Scope 1 and 3, but are not included in the figures for comparable portfolios. Business travel and commuting accounted for 167 tonnes CO₂e in 2019 and 142 tonnes CO₂e in 2018.

Water use

EPRA-code	Unit	Indicator		Total		Comparable portfolios		
				2019	2018	2019	2018	Change, %
Water-Abs	m ³	Water	Total water use	240,487	215,407	198,901	191,050	5
Water-LfL			of which, purchased by landlord	136,526	123,308	115,858	112,137	
Water-int			of which, purchased by tenant	103,961	92,099	83,043	78,914	
	l/m ²		Intensity	152	153	171	164	5
	m ²	Area	LOA	1,586,399	1,409,796	1,163,563	1,163,563	
	%		Share of total LOA	86	79	63	65	

The table shows water use in Catena's properties.

Waste

EPRA-code	Unit	Indicator		Total		Comparable portfolios		
				2019	2018	2019	2018	Change, %
Waste-Abs	tonnes	Waste	Hazardous waste	14.21	0.66	14.21	0.66	95
Waste-LfL			other/unknown treatment method	14.21	0.66	14.21	0.66	
			Non-hazardous	247.90	277.19	144.45	256.08	-77
			for incineration	16.65	23.12	11.42	18.12	
			for recycling	151.24	113.77	82.54	98.08	
			for landfill	24.62	10.60	23.68	10.60	
			for composting	5.10	6.12	5.10	5.92	
			other/unknown treatment method	50.28	123.57	43.48	123.35	
			Total	262.11	277.84	158.66	256.73	-62
	m ²	Area	LOA	564,888	481,556	389,253	389,253	
	%		Share of total LOA	31	27	21	22	

The table shows the amount of waste in properties where Catena engages waste companies and where there are statistics on the amounts treated in terms of weight.

Environmental certifications

EPRA-code	Indicator	Total	
		2019	2018
Cert-tot	Number of certified items	7	6
	Certified area (m ²) Green Building	149,562	126,675
	Certified area (m ²) Miljöbyggnad Silver	0	0
	Total certified area (m²)	149,562	126,675
	Certified area, share of total portfolio (%)	8	7

The table shows the number of buildings that are environmentally certified, as well as the total certified area. Several properties are undergoing certification processes for Miljöbyggnad Silver and are planned to be certified in 2020.

Use at Catena's head office

EPRA-code	Unit	Indicator		Total, comparable portfolios		
				2019	2018	Change, %
Elec-Abs, Lfl	MWh	Electricity	Total electricity use	22.8	33.9	-33
DH&C-Abs, Lfl		District heating	Total district heating use	16.2	N/A	
Fuel-Abs, Lfl		Fuel	Total fuel use	48.4	N/A	
Energy-Int	kWh/m	Energy	Intensity	135.6	52.5	
GHG-Dir-Abs	tonnes CO ₂	Greenhouse gas emissions	Scope 1	8.6	N/A	
GHG-Indir-Abs			Scope 2	0.7	N/A	
GHG-Int	kg CO ₂ e/m ²		Intensity	14.4	N/A	
Water-Abs, Lfl	m ³	Water	Total water use	187	213	-12
Water-Int	l/m ²		Intensity	289.9	330.2	-12
Waste-ABS, Lfl	tonnes	Waste	Total (non-hazardous, for recycling)	0.5	0.3	31
	m ²	Area	LOA	645.0	645.0	

The table shows use at Catena's head office. All values are estimated. No data for heat use available for 2018.

Social indicators

EPRA-code	Indicator	Total	
		2019	2018
H&S-Asset	Proportion of properties where health and safety assessment has been performed (%)	100	100
H&S-Comp	Occasions when health and safety deficiencies have been observed at Catena properties	0	0
Comty-Eng	Proportion of properties where community projects have been implemented (%)	0	0

EPRA sBPR Index

The table below lists references to data for each EPRA sBPR indicator.

EPRA-code	GRI Standard indicator	Reference
Environmental Performance Measures		
Elec-Abs	302-1	66
Elec-Lf	302-1	66
DH&C-Abs	302-1	66
Dh&C-Lfl	302-1	66
Fuel-Abs	302-1	66
Fuel-Lfl	302-1	66
Energy-int	CRE1	66
GHG-Dir-Abs	305-1	67
GHG-Indir-Abs	305-2	67
GHG-Int	CRE3	67
Water-Abs	303-1	67
Water-Lfl	303-1	67
Water-Int	CRE2	67
Waste-Abs	306-2	67
Waste-Lfl	306-2	67
Cert-Tot	CRE8	67
Social Performance Measures		
Diversity-Emp	405-1	61
Diversity-Pay	405-2	61
Emp-Training	404-1	60
Emp-Dev	404-3	60
EmpTurnover	401-1	60
H&S-Emp	403-2 (2016)	60
H&S-Asset	416-1	68
H&S-Comp	416-2	68
Comty-Eng	413-1	68
Governance Performance Measures		
Gov-Board	102-22	134-135
Gov-Select	102-24	125-126
Gov-Col	102-25	126

Reporting in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD)

In 2019, Catena applied, for the first time, the TCFD’s recommendations in describing and analysing the Company’s work on climate-related risks and opportunities. In 2019, the focus was on identifying relevant financial climate-related risks and opportunities, as well as their impact and the Company’s exposure to them. Catena’s Sustainability Manager, Communication Manager and CFO worked together over the year to map this out. The results have been presented, revised and finally approved by the man-

agement team and the Board of Directors. Catena works with and applies frameworks including EPRA sBPR, GRI, Agenda 2030 and TCFD to measure, monitor and address climate-related risks and opportunities.

The table below describes the scope and refers to the relevant pages for more detailed explanations. In 2020, Catena will continue its efforts to integrate the framework more clearly into its operations.

TCFD

Governance	Strategy	Risk management	Indicators and targets
A) The Board of Directors’ monitoring of climate-related risks and opportunities, see pages 69 and 129.	A) Climate-related risks and opportunities identified by Catena and their impact, see pages 132–133.	A) Catena’s processes for identifying climate-related risks, see pages 69 and 129.	A) Catena’s indicators for assessing climate-related risks and opportunities, see pages 50–54, 65.
B) Role of management in assessing and managing climate-related risks and opportunities, see pages 69 and 129.	B) Impact of risks and opportunities on the organisation’s operations, strategy and financial planning, see pages 132–133.	B) Catena’s processes for managing climate-related risks, see pages 129 and 132–133.	B) Scope 1, 2 and 3 emissions in accordance with the Greenhouse Gas Protocol, see table on page 67.
	C) Contingencies in Catena’s strategy for various climate-related scenarios, see pages 49 and 69.	C) Integration of the above processes into the organisation’s general risk management, see pages 129 and 132–133.	C) Targets for management of climate-related risks, see Catena’s sustainability targets on pages 50–51.



Boundaries

All of the sustainability aspects Catena has deemed to be significant in various ways have an impact on the Company's operations and employees. The key performance indicators presented refer to Catena and its wholly-owned subsidiaries, unless exceptions are described in connection with the data presented. Catena strives for comparability in historical data.

Some of Catena's sustainability aspects may also have an impact outside the Company's legal framework, such as at customers and suppliers. In these cases, this impact and the limitations on Catena's responsibility are described in an ongoing manner in connection with the reporting of governance and indicators.

Background data and complementary indicators

In this section, Catena presents the methods, assumptions and conversion factors used to prepare the Company's key performance indicators and GRI indicators. Supplemental information is also presented.

Supplier evaluation

The Company is evaluating appropriate indicators to measure and follow up suppliers' performance in a relevant and cost-effective manner. Catena currently measures none of the GRI indicators for the disclosure of supplier evaluation of the environmental impact, despite this having been identified as material. In 2019, Catena updated its supplier assessment, see more on page 55.

Energy use and greenhouse gas emissions

Catena has this year changed its method for calculating energy use and now reports energy use for 89 percent of the total lettable area – the remaining 11 percent is not included in the figures because Catena lacks access to tenants' meter readings. To ease understanding, Catena presents all energy use in MWh or kWh. To convert energy use from MWh to GJ, use the conversion factor 3.6. Catena measures and monitors greenhouse gas emissions annually in accordance with the Greenhouse Gas Protocol (GHG Protocol). Information on usage and conversion fac-

tors is retrieved from the sources in accordance with the table below.

The conversion factors are reviewed and updated once a year in connection with the preparation of the Sustainability Report. As far as possible, Catena uses conversion factors that include all relevant greenhouse gases, that is, CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃. The Company does not perform its own conversions from other greenhouse gases to CO₂e and therefore has no overall value for Global Warming Potential (GWP). The combustion of renewable fuels, just like fossil fuels, causes greenhouse gas emissions, but as these emissions are part of a cycle, Catena does not report these emissions under the Company's greenhouse gas emissions. The conversion factors relating to the use of renewable fuels consist of the part of the fuel that is fossil, for example, the approximately 15 percent of E85 fuel that consists of petroleum.

Governance, health and safety

Catena's management system for health and safety applies to all employees and is based on identified risks and overarching legal requirements. Health and safety issues are dealt with on an ongoing basis at management meetings, personnel conferences and through contact with the occupational health service. Although the management team is responsible for the annual follow-up of work environment matters, all employees are able to submit cases or, if they so wish, to participate in management meetings when specific agenda items are addressed. Information regarding Catena's policies and manuals is available to all employees via Catena's internal IT platform.

The work environment policy contains instructions and forms for the reporting of incidents and accidents and for how these are to be investigated. From time to time, an appointed group shall ensure that no employees are subject to reprisals. Incidents are followed up by the management team and a health and safety officer if one has been appointed. The position of health and safety officer is currently vacant and all incidents must therefore be reported to the CEO.

Scope	Activity	Data source	Conversion factor
Scope 1	Use of oil and natural gas not metered individually for each tenant.	Internal data collection via energy monitoring system	Conversion factors are obtained from GHG Protocol
	Business trips by company car	Statistics on use are derived from mileage compensation	Conversion factors are obtained from the Swedish Transport Administration and NTM
Scope 2	Use of electricity and district heating in properties not metered individually for each tenant	Internal data collection via energy monitoring system	Conversion factors from the relevant energy suppliers, in some cases with one year's delay due to lack of access to current statistics
Scope 3	Use of oil, natural gas, electricity and district heating as metered individually for each tenant	Internal data collection via energy monitoring system	Conversion factors are obtained from GHG Protocol
	Business trips (own car, train, taxi, air)	Usage statistics are retrieved from distance-based compensation, recorded costs and travel agency	Conversion factors for car journeys are obtained from the Swedish Transport Administration and NTM, for taxi trips from Taxi Stockholm, for train journeys from SJ and for air travel from GHG Protocol
	Employee commuting	Statistics on use are based on employee surveys conducted annually.	Conversion factors for different modes of transport are obtained from the Swedish Transport Administration and NTM.

An annual review of the work environment is conducted in the form of safety rounds at each department and regional office. Catena also conducts an annual risk assessment, with action plans and follow-up of the systematic work environment efforts being prepared. Based on annual checks, assessments are made regarding what needs to be changed in the work environment.

Occupational health

Catena has signed an agreement on occupational health-care for all locations where Catena's employees are posted. Health checks and specific interviews on preventive measures are conducted with all employees every two years to identify, minimise and eliminate health risks. The health checks are performed by an external and independent occupational health care provider. Employees may also

contact the occupational health service directly when the need arises. This should first be approved by the manager responsible or HR.

Catena offers all employees an annual wellness subsidy. Involvement in various events is encouraged as employees can participate in various health runs and other events together. All employees also have the opportunity to take out private health insurance, a benefit that is voluntary for the employee and taxable.



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Auditor's review report on the sustainability reporting and opinion on the Statutory Sustainability Report

To the Annual General Meeting of Catena AB (publ), Corporate Registration Number: 556294-1715

Introduction

We have assigned by the management of Catena AB (publ) ("Catena") to review the 2019 Sustainability Report. Our review covers the Sustainability Report on pages 48-71 of the Annual Report, which also constitutes the Statutory Sustainability Report.

Responsibility of the Board of Directors and management for the Sustainability Report

The Board of Directors and company management are responsible for preparing the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act. The criteria are stated on page 62 of the Annual Report and consist of the parts of the GRI Standards that are applicable to the Sustainability Report, as well as the Company's own reporting and calculation principles. This responsibility also includes the internal control deemed necessary to prepare a sustainability report free of material errors, whether due to irregularities or mistakes.

Auditors' responsibility

Our responsibility is to express a conclusion on the Sustainability Report based on our review and to submit an opinion regarding the Statutory Sustainability Report. Our assignment is limited to the historical information presented and thus does not include future-oriented data.

We conducted our review in accordance with ISAE 3000 Certification assignments other than audits and reviews of historical financial information. A review consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical review and undertaking other review procedures. We conducted our review of the Statutory Sustainability Report in accordance with FAR's recommendation RevR 12 Auditor's opinion on the Statutory Sustainability Report. A summary review and a review in accordance with RevR 12 has a different focus and is substantially less in

scope than the focus and scope of an audit in accordance with the International Standards on Auditing and generally accepted auditing standards in Sweden.

The auditing firm applies ISQC 1 (International Standard on Quality Control) and thus has a comprehensive quality control system that includes documented guidelines and procedures regarding compliance with professional ethical requirements, standards of professional practice and applicable requirements in laws and regulations. We are independent in relation to Catena in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in a review do not enable us to obtain a level of assurance such that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Our review is based on the criteria selected by the Board of Directors and company management, as defined above. We believe these criteria are appropriate for the preparation of the Sustainability Report.

We believe that the evidence we obtained during our review is sufficient and appropriate for the purpose of providing a basis for our statement below.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the Sustainability Report has not, in all material respects, been prepared in accordance with the above-stated criteria selected by the Board of Directors and company management.

A statutory Sustainability Report has been prepared.

Malmö, 20 March 2020
PricewaterhouseCoopers AB

Mats Åkerlund
Authorised
Public Accountant

Fredrik Ljungdahl
Sustainability Specialist,
member of FAR



"Catena's commitment means a lot in connection with major financial undertakings, such as constructing a terminal. Both with regard to our shared ambitions in terms of the environment and sustainability, as well as their flexible approach to construction, making financial provisions that aid decision-making and give greater freedom."

- Mattias Hovinen, Project Manager Property Development, PostNord.





We are committed

– changing customer needs require flexibility and responsiveness

Digitally driven trade brings major changes that increase the need for logistics space, but that also place demands on fast, individualised and climate-smart deliveries. With its broad knowledge and analysis of goods and cargo flows, Catena is an active speaking partner and is highly committed to its customers' development. A good example is Catena's long-term and successful collaboration with PostNord, involving facilities in both Sweden and Denmark.

Logistics locations for growth

PostNord delivers more than 171 million packages to the 25 million inhabitants of the Nordic region each year, as well as to 2 million companies. Important synergies can be achieved when terminal and distribution operations are co-located and are able to coordinate more closely with nearby facilities. PostNord's new 18,300 square-metre terminal, being constructed by Catena at Logistics Position Tostarp in Helsingborg, will be an important node in the company's logistics network, the new facility being a natural step as parcel volumes from Europe steadily rise. The terminal is environmentally certified in accordance with Sweden Green Building Council's Miljöbyggnad Silver certification, and will mainly handle parcel, individual consignment and distribution operations, as well as some distribution of letters. It is built around an automated sorting machine and PostNord is scheduled to move in the summer of 2020. The new location in Helsingborg strengthens PostNord's presence in a highly expansive region, relieving existing terminals at a time when import volumes are increasing, when meeting our e-commerce customers' growth is crucial and PostNord's own third-party logistics operations are expanding. Catena is also building a 2,000 square-metre logistics facility for mail sorting and logistics shipments for PostNord at the Katrineholm logistics centre. A central location is necessary as consignments are distributed to the nearby town using electric vehicles.

Sustainable partnership for future parcel deliveries

To adapt to continuously growing e-commerce, with parcel volumes increasing and letter volumes drastically decreasing, PostNord is working purposefully on adding capacity and identifying new solutions. "Same-day deliveries" were recently launched in Sweden on a trial basis and, in Denmark, digital parcel boxes have begun to be introduced within walking distance from people's homes for easier, more convenient and environmentally friendly deliveries. Studies show that increasing numbers of consumers are prepared to make active choices for more environmentally-adapted deliveries. This requires increased transparency from PostNord and the capacity to propose more sustainable alternatives. PostNord sees considerable potential in artificial intelligence and 'machine learning' here, streamlining transport methods and logistics to be able to respond in detail to questions regarding returns and vehicle load levels. Reviewing flow analyses for transport methods, the effect on emissions and aspects of structural engineering are part of the process when selecting locations in which to establish operations.



One of our three values is that we are committed. We work close to our customers and one another and we are passionate about what we do. At Catena, we believe in having fun at work and we do not fear this joy being contagious – we are happy to share! Through property management close to customers, Catena creates the right conditions for a profitable property portfolio while helping the Company's customers achieve their business objectives. You can read more about our property management and project development close to customers on pages 22-29.



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Parent Company

Financial Statements

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Consolidated financial Statements

Consolidated Statement of Comprehensive Income

SEK M	Note	1 Jan 2019	1 Jan 2018
	3	-31 Dec 2019	-31 Dec 2018
Rental income	4	1,182.9	1,090.7
Property expenses	5	-280.1	-263.1
Net operating surplus		902.8	827.6
Central administration	5,6,7,8	-34.1	-31.4
Other operating income		4.5	2.5
Other operating expenses		-0.4	-0.3
Participations in profit of associated companies	14	-11.5	8.5
Financial income	9	3.4	2.9
Financial expenses	9	-228.2	-238.5
Financial expenses for right-of-use assets	7	-9.7	-
Profit from property management		626.8	571.3
Realised changes in value of investment properties	12	75.2	4.7
Unrealised changes in value of investment properties	12	791.2	329.1
Changes in values of derivatives	20	29.3	35.0
Profit before tax		1,522.5	940.1
Current tax	10	-21.8	-7.8
Deferred tax	10	-276.9	-108.9
Profit for the year	18	1,223.8	823.4
Other comprehensive income			
Translation difference ¹⁾		2.2	7.3
Comprehensive income for the year		1,226.0	830.7
Attributable to:			
Parent Company's shareholders	18	1,226.0	830.7
Non-controlling interests		-	-
Earnings per share			
Earnings per share, SEK ²⁾	18	32.46	21.93
Dividend per share, SEK		6.50 ³⁾	5.75

1) The item may be reversed in the Income Statement.

2) Prior to and after dilution.

3) The Board's proposed dividend.

Consolidated quarterly earnings

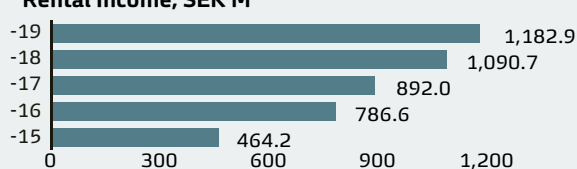
SEK M	2019				2018			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Rental income	297.8	300.1	291.0	294.0	285.3	277.9	264.3	263.2
Net operating surplus	220.9	226.8	231.9	223.2	217.1	213.9	204.0	192.6
Profit from property management	148.8	160.1	162.0	155.9	148.5	148.6	138.3	135.9
Profit before tax	461.0	419.0	329.2	313.3	191.5	365.5	160.4	222.7
Profit after tax	372.0	344.3	261.7	245.8	158.1	294.1	194.6	176.6

RENTAL INCOME

Rental income for the year increased by 8 percent to SEK 1,182.9 million (1,090.7), corresponding to SEK 651/m² (638). In comparable portfolios, rental income increased by 2.3 percent compared with the preceding year. The remaining increase in rental income derives from completed projects and the net effect of acquisitions and disposals.

► See list of acquisitions and divestments on page 25.

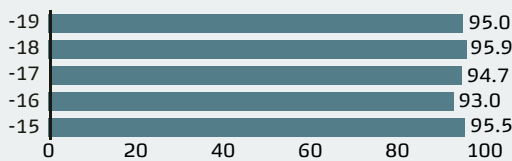
Rental income, SEK M



Duration of leases as per 31 December 2019			
Year of maturity	Number of contracts	Contractual annual rent, SEK M	Contractual annual rent, %
2020	178	108.4	9
2021	69	163.2	14
2022	49	141.4	12
2023	60	182.7	15
2024	25	108.2	9
2025	22	135.2	11
2026+	42	362.9	30
Total	445	1,202.0	100

Income from contracts with terms of more than three years accounted for 66 percent of Catena's contracted annual rent. The average remaining lease period has decreased slightly but remains high at 4.9 years (5.1).

Economic letting ratio, %

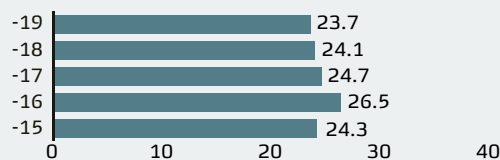


The letting ratio decreased in 2019, partly due to bankruptcies at the end of the year and partly due to premises temporarily vacant during remodelling for new tenants.

NET OPERATING SURPLUS

The net operating surplus increased by 9 percent in 2019, reaching 76.3 percent. The net operating surplus increased, primarily due to acquisitions and completed projects, but was also affected by ground rents being reported as a financial expense as of 2019.

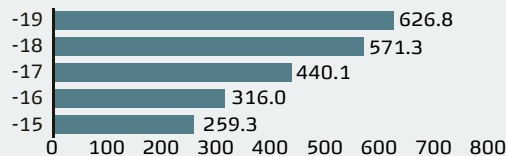
Property expenses in relation to rental income, %



PROFIT FROM PROPERTY MANAGEMENT

Profit from property management increased by 10 percent. Underlying the improvement is an expanded portfolio, an improved operating surplus and lower financing expenses in relation to the size of the loan portfolio.

Profit from property management, SEK M



Over the year, Catena's average interest rate was 2.6 percent (2.7), as an effect of loan renegotiations and the market interest rate trend having a positive impact on the cost of interest rate swaps.

Average interest rate, %



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 381.1 million (410.5). 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 51 percent of consolidated interest-bearing liabilities.

Fixed interest, including derivatives

Year	SEK M	Interest rate, % ¹⁾	Share, %
2020	4,263.0	1.1	48.5
2021	755.7	5.0	8.6
2022	500.0	3.9	5.7
2023	500.0	3.3	5.7
2024	500.0	3.0	5.7
2025	1,122.0	3.9	12.8
2026	1,143.9	4.3	13.0
Total	8,784.6	2.6	100.0

¹⁾ Refers to the current average interest rate per 31 December 2019. The margin is distributed evenly across the fixed-interest period.

Reduction in the rate of interest through interest-rate swaps

Start year	End year	Interest rate, %	SEK M
2011	2021	2.9	500.0
2012	2021	2.7	191.7
2013	2021	2.8	22.0
2013	2021	2.8	42.0
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
Total		2.3	4,521.7

PROFIT

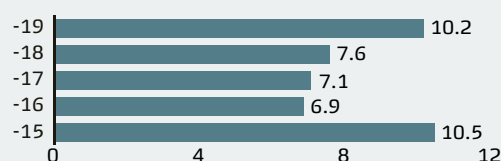
Profit for the year was SEK 400.4 million higher than for the preceding year. Changes in the property values had a positive effect on profit for the year and were SEK 532.6 million higher than in 2018.

The change in the value of derivatives was positive due to the fact that market rates on shorter maturities increased more than the rates on long maturities have fallen.

RETURN ON TOTAL EQUITY

The return on total equity increased from 7.6 to 10.2 percent. The increase was predominantly attributable to changes in the values of properties, although these also increased the balance sheet total.

Return on equity, %



Consolidated Statement of Financial Position

SEK M	Note	31 Dec 2019	31 Dec 2018
ASSETS			
Non-current assets			
Goodwill	11	503.0	503.0
Investment properties	12	16,270.5	14,721.1
Tangible fixed assets	13	4.0	1.5
Right-of-use asset ground rent	7	330.2	-
Participations in associated companies	14	75.9	27.4
Deferred tax assets	10	85.1	96.9
Other non-current receivables	19,20	94.1	61.2
Total non-current assets		17,362.8	15,411.1
Current assets			
Accounts receivable	15	16.6	12.7
Other receivables	16	191.4	125.6
Prepaid expenses and accrued income	17	68.1	75.3
Cash and cash equivalents	19	131.2	281.2
Total current assets		407.3	494.8
TOTAL ASSETS	20	17,770.1	15,905.9
EQUITY AND LIABILITIES			
Share capital		165.9	165.9
Other capital contributions		2,161.3	2,161.3
Profit brought forward		3,990.8	2,981.6
Shareholders' equity attributable to Parent Company shareholders		6,318.0	5,308.8
<i>Non-controlling interests</i>		-	-
Total equity	18	6,318.0	5,308.8
Interest-bearing liabilities	19,20,21	4,784.7	6,170.2
Deferred tax liability	10	1,537.0	1,271.6
Lease liability	19	327.8	-
Other non-current liabilities	19	384.3	412.6
Total non-current liabilities	20	7,033.8	7,854.4
Interest-bearing liabilities	19,20,21	3,999.9	2,346.6
Accounts payable		125.5	105.4
Current tax liabilities		19.6	22.6
Liabilities to associated companies		-	1.0
Other liabilities		74.5	75.4
Accrued expenses and deferred income	22	198.8	191.7
Total current liabilities	20	4,418.3	2,742.7
TOTAL EQUITY AND LIABILITIES		17,770.1	15,905.9

CAPITAL STRUCTURE

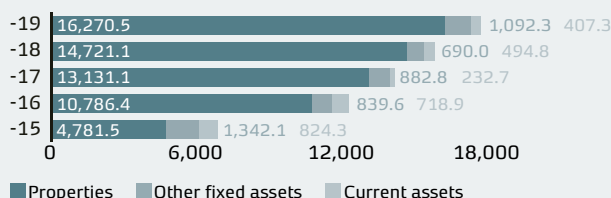
Catena manages its capital to generate a return to its owners. A well-considered balance between equity, interest-bearing debt and capital employed is pursued so that capital is sufficient considering the operations being conducted. Over the year, the equity ratio rose to 35.6 percent (33.4), following the financial target set by the Board of Directors.

ASSETS

Properties

Catena's capital employed is primarily placed in 109 logistics properties at strategic locations next to transport routes and hubs and in locations adjacent to cities or nearby. The lettable area has increased by 2.8 percent over the year, following acquisitions and divestments. In recent years, the bulk of assets have been gradually replaced from out-dated warehouse and industrial properties to modern logistics facilities and developable land, which gradually improves the asset portfolio's possibilities of generating returns.

Assets, SEK M



► A list of the properties is provided on pages 38-39 and in the fold-out.

Property portfolio		
Property portfolio development, 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	752.6	
Sales	-82.6	-1
Translation difference	6.1	
Unrealised changes in value	791.2	
Total investment properties	16,270.5	109

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

Acquisitions

During the year, the net property value increased by 11 percent. Among other things, three properties were acquired. The Muttern 6 property in Kungälv for a property value of SEK 52.1 million, the Vålingen 2 property in Karlstad for a property value of SEK 20.4 million and the Sockret 7 property in Malmö for a property value of SEK 9.2 million.

► The acquisitions are presented on page 25.

Disposals

In accordance with an option agreement with the tenant, the Mörby 5:28 property in Nykvarn was sold during the year, at a value of SEK 83.0 million.

► The disposals are reported on page 25.

Investments

In addition to acquisitions, ongoing investments of SEK 752.6 million have been made in existing properties. At Logistics Position Sunnanå, outside Malmö, the first tenants have now moved into the 36,200 square-metre multi-tenant warehouse and Chefs 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 has been completed of a 11,000 square-metre logistics warehouse for Nowaste Logistics, including a high-bay section. At the same time, construction of PostNord's new 18,300 square-metre terminal is in progress. Work to extend Nowaste's major, 30,400 square-metre warehouse by an additional 18,000 square metres has also commenced. Space for further construction remains on Catena's

land at the Tostarp Logistics Position and leasing efforts are ongoing.

At the Tahe 1:64 property in Jönköping, adaptations and an extension have been completed for the tenant Procurator, which has moved into the well-adapted premises that now offer 35,000 square metres of space.

Unrealised changes in value

Reassessments of fair value over the course of the year take place through an internal valuation, which is described in more detail in Note 12. The valuation model entails a present value estimate of assessed future payment flows.

Goodwill

Reported goodwill of SEK 503.0 million on the balance sheet date is, in full, an effect of the reporting of nominally deferred tax relating to temporary differences between fair value and taxation value recognised for properties included in the business combination of Tribona in 2016.

Current assets

A large part of Catena's income is charged in advance, while interest and other expenses are charged in arrears, limiting the need for working capital. That and good liquidity mean that Catena is well equipped for continued acquisitions and investments.

LIABILITIES

Interest-bearing liabilities

At the end of the year, Interest-bearing liabilities amounted to SEK 8,784.6 million (8,516.8) of which the share of traditional bank loans amounted to 76 percent, secured bonds to 16 percent and commercial papers to 8 percent. The credit framework amounted to SEK 9,209.6 million.

During the year, Catena has renegotiated financing agreements with a total framework of approximately SEK 2,687.8 million. On the balance sheet date, interest maturity, including derivatives, was 2.3 years, with a debt maturity of 1.3 years. After the end of the year, approximately SEK 800 million was renegotiated and a backup facility of SEK 1 billion was expanded to SEK 2 billion.

Debt maturity			
Year	Contract volume, SEK M	Utilised, SEK M	Unutilised, SEK M
2020	4,060.0	3,960.0	100.0
2021	3,015.8	2,690.8	325.0
2022	978.6	978.6	-
>2023	1,155.2	1,155.2	-
Total	9,209.6	8,784.6	425.0

Bonds via SFF

Catena's outstanding covered (through property mortgages) bond financing amounts to SEK 1,386 million and is fully financed through Svensk FastighetsFinansiering AB (SFF).

Commercial paper financing

Catena has 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).

On the balance sheet date, the outstanding volume was nominally SEK 675 million.

EQUITY

In 2019, equity changed comprehensive income for the year less dividends paid.

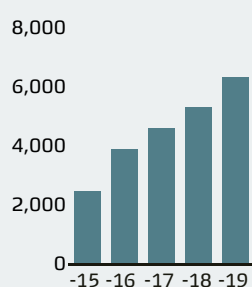
► Changes in shareholders' equity are presented on page 80.

Consolidated changes in shareholders' equity

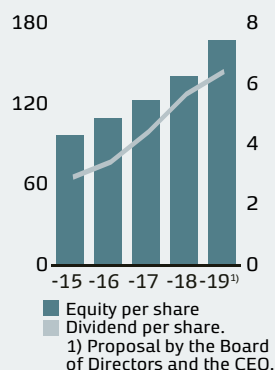
SEK M	Share capital	Other capital contributions	Profit brought forward	Total Parent Company shareholders	Non-controlling interests	Total equity
Equity brought forward 1 Jan 2018	164.6	2,112.6	2,319.3	4,596.5	-	4,596.5
New share issue	1.3	48.7	-	50.0	-	50.0
Comprehensive income for the year	-	-	830.7	830.7	-	830.7
Dividend	-	-	-168.4	-168.4	-	-168.4
Equity carried forward 31 Dec 2018	165.9	2,161.3	2,981.6	5,308.8	-	5,308.8

SEK M	Share capital	Other capital contributions	Profit brought forward	Total Parent Company shareholders	Non-controlling interests	Total equity
Equity brought forward 1 Jan 2019	165.9	2,161.3	2,981.6	5,308.8	-	5,308.8
Comprehensive income for the year	-	-	1,226.0	1,226.0	-	1,226.0
Dividend	-	-	-216.8	-216.8	-	-216.8
Equity carried forward 31 Dec 2019	165.9	2,161.3	3,990.8	6,318.0	-	6,318.0

Equity, SEK M



Equity and dividend per share, SEK

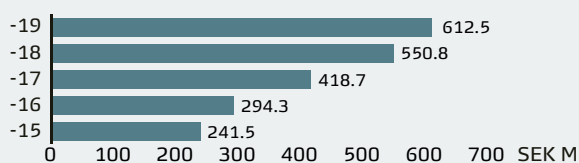


Consolidated cash flow analysis

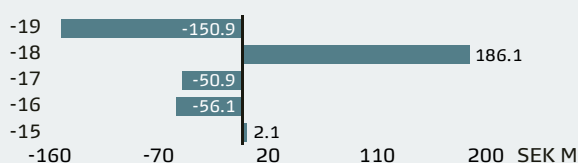
SEK M	Note 25	1 Jan 2019 -31 Dec 2019	1 Jan 2018 -31 Dec 2018
Operating activities			
Profit before tax		1,522.5	940.1
Adjustments for non-cash items		-894.9	-375.6
Tax paid		-15.1	-13.7
Cash flow before changes in working capital		612.5	550.8
Changes in working capital			
Change in operating receivables		-87.1	-13.9
Change in operating liabilities		88.3	-19.2
Cash flow from operating activities		613.7	517.7
Investing activities			
Acquisition of assets via subsidiaries		-18.7	-75.3
Divestment of assets via subsidiaries		7.6	24.3
Investments in investment properties		-752.6	-796.6
Divestment of investment properties		0.2	4.8
Investments in property, plant and equipment		-3.2	-0.4
Acquisitions of other financial assets		-75.1	-92.0
Divestments of financial assets		16.3	120.1
Cash flow from investing activities		-825.5	-815.1
Financing activities			
Borrowings		2,822.7	2,423.0
Amortisation of loans		-2,545.0	-1,771.1
Dividend paid		-216.8	-168.4
Cash flow from financing activities		60.9	483.5
Cash flow for the year		-150.9	186.1
Opening cash and cash equivalents		281.2	94.8
Exchange rate difference in cash and cash equivalents		0.9	0.3
Closing cash and cash equivalents		131.2	281.2

CASH FLOW BEFORE CHANGES IN WORKING CAPITAL

Primarily due to the improved profit from property management, cash flow for the year before changes in working capital increased by SEK 61.7 million to SEK 612.5 million.


CASH FLOW

Cash flow has been impacted by significant investments in existing investment properties of SEK 752.6 million.



Notes – Group

Note 1. General information

Catena AB (publ), corporate registration number 556294-1715, has its registered office in Helsingborg, in the County of Skåne, Sweden. The Company is the Parent Company of a Group of companies including subsidiaries. The address of the Company's headquarters is PO Box 5003, SE-250 05 Helsingborg, Sweden and the visiting address is Landskronavägen 23A in Helsingborg.

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

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

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

The Annual Report and the consolidated accounts were approved for publication by the Board of Directors and the CEO on 20 March 2020 and will be presented to the Annual General Meeting on 29 April 2020.

Note 2. Accounting policies

Amounts in SEK M unless otherwise specified.

Compliance with standards and legal requirements

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

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

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

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

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

clearly specified from other sources. The actual outcome may deviate from these estimates and assessments.

Those assessments made by the senior management on application of IFRS that have a material impact on the financial statements and estimates made that can entail material adjustment of ensuing years' financial statements are described in the note for the item that could be subject to such adjustment. This applies in particular to the note regarding investment properties.

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

New and amended standards applied by the Group

The following standards are applied for the first time by the Group for financial years commencing 1 January 2019 or later:

Leases – the new IFRS16 standard is applied with retroactive application of the transition method without recalculation of comparison figures. Implementation of the standard means that nearly all 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 leases (of 12 months or less) and leases where the underlying asset is of a low value are exempt and expensed on a straight-line basis in profit or loss. These consist mainly of short-term leasing of land and renting of office equipment. In the Group's capacity as a lessee, the change consists of the present value of ground rents and leased cars being booked up in the balance sheet. With regard to leasehold agreements, Catena recognises assets with a right-of-use asset of SEK 349.2 million and a lease liability of SEK 346.6 million at the transition to IFRS 16 as of 1 January 2019 and SEK 3.5 million for cars. During the transition, there is no effect on equity and comparative figures for 2018 have not been restated. The Income Statement and Cash-Flow Statement is primarily be affected by ground rent being reclassified from Property expenses to Financial expenses. For 2018, ground rents amounted to SEK 10.4 million and for 2019 to SEK 9.7 million. For further information, see also Note 7.

New standards and interpretations yet to be adopted by the Group

A number of new standards and interpretations will come into effect for financial years commencing after 1 January 2019 and have not been applied in the preparation of this financial report. None of these are expected to have a material impact on the consolidated financial statements except.

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

Segment reporting

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

Classification

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

current liabilities, essentially, consist only of amounts expected to be recovered or paid within 12 months of the balance-sheet date.

Consolidation principles

Subsidiary

Subsidiaries are all companies (including structured companies) over which the Group has decisive control. The Group controls a company when it is exposed to, or is entitled to, variable returns from its holdings in that company and has the opportunity to affect the return through its influence over the company. A controlling influence implies directly or indirectly a right to determine a company's financial and operational strategies in order to gain financial benefits, which is the general rule with a shareholding of 50 percent or more of the voting rights. In assessing the existence of a controlling influence, potential voting shares that can be utilised or converted promptly are taken into consideration.

Subsidiaries are recognised in accordance with the acquisition method if the acquisition of a subsidiary meant the acquisition of a business and not solely of assets and liabilities. This method entails that the acquisition of a subsidiary is treated as a transaction through which the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The consolidated cost is established through an acquisition analysis in conjunction with the acquisition of operations. The analysis establishes the cost of the participation rights or the business, the fair value of the identifiable assets acquired and the liabilities and contingent liabilities assumed. The acquisition value of the shares in the subsidiary or business comprises the fair values as of the day of transfer for assets, liabilities arising or assumed and issued equity instruments paid in consideration for the net assets acquired. The acquisition value includes the fair value of all assets and liabilities resulting from an agreed conditional purchase price. Acquisition related costs are expensed as incurred. Identifiable assets and liabilities assumed in a business combination are initially measured at fair value on the acquisition date. For each acquisition, the Group determines if the non-controlling interest in the acquired company should be recognised at fair value or at the holding's proportional share of the acquired company's net assets.

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

When the acquisition of subsidiaries means the acquisition of investment properties that are not part of a business, the cost is allocated over the individually identifiable assets and liabilities based on their relative fair values at the acquisition date. All acquisitions of subsidiaries in 2018 and 2019 were recognised as asset acquisitions.

The financial statements of subsidiaries are incorporated in the consolidated financial statements from the moment controlling influence arises until the date the controlling influence ceases. Intra-Group receivables and liabilities, income or expenses and unrealised gains or losses arising from intra-Group transactions among Group companies are entirely eliminated in the preparation of the consolidated financial statements.

Associated companies and joint ventures

A company is reported as an Associated company when Catena holds at least 20 percent of the votes, or at most 50 percent, or otherwise has a significant, but non-controlling influence over its operational and financial control. A joint venture is a collaborative arrangement through which the parties with a shared controlling influence over the operations are entitled to the venture's net assets. From the point at which a significant influence is obtained, and until it ceases, the holdings are reported in the consolidated accounts in accordance with the equity method. The equity method means that the Group's carrying amounts for shares in associated companies and joint ventures correspond to the Group's share of the companies' equity as well as consolidated goodwill and any other remaining values

of consolidated surplus and deficit values. In the Consolidated Income Statement the Group's share of the companies' net earnings after taxes adjusted for any depreciation, amortisation, impairment losses or reversals of acquired surplus and deficit values is reported as participations in the earnings of associated companies. Dividends received from associated companies reduce the carrying amounts of the investment. "Participations in the earnings of associated companies" are reported as part of profit from property management

Where the Group's share of losses reported by the associated company exceeds the reported value of the Group's holdings, the value of the holdings is reduced to zero. The equity method is applied until the time the significant influence ceases. Unrealised gains that arise from transactions with associated companies and jointly controlled companies are eliminated to an extent that corresponds with the Group's participation in the Company. Unrealised losses are eliminated in the same manner as unrealised gains, but only to the extent that no indication of a need for impairment exists.

Catena notes that, the accounting of its participation in Svensk FastighetsFinansiering AB (SFF), is described as having been reported in accordance with the equity method. SFF is, in fact, a joint operation and, with the exception of a minor reclassification, has actually been reported as such. Accordingly, Catena's holding in SFF has been redefined from an associated company to a joint operation. This change entails no effect on shareholders' equity, profit or cash flow. The principal change entails an adjustment of the balance sheet through the elimination of the shareholding and liabilities and Catena's participation in current investments instead being recognised among current receivables. Comparison figures have been adjusted where necessary.

Holding in joint operations

A holding in a joint operation is a collaborative arrangement through which the parties with a joint controlling influence over the operations are entitled particular assets and have particular obligations regarding the liabilities arising from the operations. The joint controlling influence is regulated in agreements and is exerted only when the parties sharing the controlling influence must give their consent to the relevant operations. For joint operations, Catena recognises its share of assets, liabilities, income and costs, as well as its share of shared assets, liabilities, revenues and expenses item by item in the consolidated financial statements. Transactions and other interactions with shared operations are eliminated in the consolidated financial statements.

Transactions with holdings without controlling influence

The Group treats transactions with non-controlling interests as transactions with the Group's shareholders. In the case of acquisitions from non-controlling interests, the difference between the price paid and the actual share acquired of the carrying amount of the subsidiary's net assets is recognised in equity. Gains and losses on divestments to non-controlling interests are also recognised in equity.

Divestment of a controlling influence, significant influence and shared influence, respectively

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

Translation of foreign currencies

Items included in the financial statements for the various units in the Group are valued in the currency used in the economic

environment in which the respective company is primarily active (functional currency). In the consolidated financial statements, the Swedish krona (SEK) is used, which is the Parent Company's functional currency and the Group's reporting currency.

Transactions and balance sheet items in foreign currencies

Transactions in foreign currencies are translated into the functional currency at the exchange rate in force on the transaction date or the date that the items were revalued. Exchange gains and losses that arise in the payment of such transactions and in the translation of monetary assets and liabilities in foreign currencies at the closing day rate are recognised in profit or loss.

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

Group companies

Earnings and financial position for Group companies (Catena Bröndby A/S and Catena Holding NO AS), which have a different functional currency than the reporting currency are translated to the reporting currency according to the following:

- assets and liabilities for each of the balance sheets are translated at the closing day rate,
- revenues and expenses for each of the income statements are translated at the average exchange rate, and
- all exchange differences that arise are recognised in other comprehensive income.

Goodwill and fair value adjustments that arise on acquisition of a foreign business are treated as assets and liabilities of this business and translated at the closing day rate.

Operating income

Income is recognised in profit or loss when the control of a product or service has been transferred to the counterparty. If any material uncertainty exists regarding payment, attached costs or risk and if seller retains an involvement in the day-to-day management such as would usually be associated with ownership, the payment is not taken up as income. Income is recognised at the fair value of what has been received or is expected to be received after deductions for any discounts given.

Rental income

Income from property and rental discounts are recognised on a straight-line basis in profit or loss, based on the terms and conditions of the lease. Advance rents are recognised as prepaid rental revenue. Revenues from early redemption of leases are reported, in cases where no further performance is required from Catena, as revenue in the period in which compensation was received. Included in rental income are expenses invoiced on to customers, consisting primarily of property tax and media, since these are directly linked to the lease agreements. In all material respects, onward invoicing is deemed to correspond to performance commitments that, like rent, are settled over time and reported as revenue in the corresponding period.

Income from property sales

Catena recognises income and costs from the acquisition and sale of property at the date on which control transferred to the purchaser, which normally coincides with the occupancy date.

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

Criteria for income recognition are applied individually for each transaction.

Operating expenses and financial income and expenses

Central administration

This includes the cost at overall Group level for items including Group management, personnel administration, IT, investor relations, audits, financial statements and listing costs.

Financial income and expenses

Financial income and expenses comprise interest income on bank account funds and receivables, interest expenses on loans, dividend income and exchange gains and losses.

Interest income on receivables and interest expenses on liabilities are calculated using the effective interest method. Effective interest is the interest-rate at which the present value of all future incoming and outgoing payments during the fixed-interest term is equal to the carrying amount of the receivable or liability.

Interest income and interest expense respectively include amounts distributed over time for transaction expenses and any discounts, premiums and other differences between the initial carrying amount of the receivable or liability and the amount settled when the item falls due for payment.

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

Profit from property management

Catena's operations focus on growth in cash flow from on-going property management operations. Catena has elected to present a single performance measure called "profit from property management", which essentially reflects the cash flow generated from its on-going property management operations. Changes in the value of investment properties and derivative instruments are not included in cash flow from on-going property management operations and are therefore not included in this performance measure.

Tax

Income taxes consist of current tax and deferred tax. Income taxes are recognised in profit or loss unless the underlying transaction is recognised directly in equity, whereby the associated tax effect is recognised in equity. Current tax is the tax payable or receivable for the current year, which includes adjustment of current tax attributable to preceding periods.

Deferred tax is calculated in accordance with the balance-sheet method, based on temporary differences between the accounting and tax values of assets and liabilities. The following temporary differences are not taken into consideration: temporary differences arising on initial recognition of goodwill, the initial reporting of assets and liabilities that are not business combinations and that, at the transaction date, do not impact the carrying amount or the taxable earnings. Nor are temporary differences attributable to participations in subsidiaries and associated companies not likely to be reversed within the foreseeable future. The valuation of deferred tax is based on how the carrying amounts of assets or liabilities are expected to be realised or settled.

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

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

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

Financial instruments

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

A financial asset or liability is recognised in the Balance Sheet when the Company becomes a party to the commercial terms and conditions of the instrument. Accounts receivable including rent claims, termed accounts receivable in the Annual Report, are recognised when the invoice has been sent. A liability is recognised when the counterparty has performed and a contractual obligation to pay exists, even if an invoice has not yet been received. Accounts payable are recognised when invoices are

received. A financial asset is removed from the Balance Sheet when the rights inherent in the agreement are realised or expire or if the Company loses control over them. This applies equally for part of a financial asset. A financial liability is removed from the Balance Sheet when the obligation arising from the agreement has been met or has otherwise been extinguished. This applies equally for part of a financial liability.

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

On initial recognition, financial instruments are classified based on the type of asset and, for debt instruments, based on the business model. Financial instruments are initially recognised at a cost corresponding to the instrument's fair value with an addition for transaction expenses. Exceptions are those categorised as financial assets or liabilities recognised at fair value through profit or loss, which are recognised at fair value excluding transaction expenses. Subsequent reporting depends on how the financial instruments are classified in accordance with what is outlined below. For further information, please refer to the Impairment section below.

Financial assets measured at fair value via profit or loss

The category includes derivatives for which hedge accounting is not applied.

Financial assets reported at amortised cost

Loan receivables and accounts receivable are financial assets held for the purpose of collecting contractual cash flows. The receivables arise on cash lending and when Catena provides services directly to the credit recipient without intending to trade in the receivables. This category also includes acquired receivables. Receivables are measured at amortised cost. Amortised cost is determined on the basis of the effective interest rate calculated at the time of acquisition. This means that surplus and deficit values and direct transaction expenses are accrued over the term of the instrument. Accounts receivable are reported at the amount expected to be received, less deductions for loss risk reserves. The expected maturity of accounts receivable is short and, accordingly, amounts are recognised at the nominal amount without discounting. The reserve for expected credit losses is calculated based on the loss risk for the entire maturity of the claim and is recognised on initial reporting of the claim. The size of the provision comprises the difference between the asset's carrying amount and the present value of future cash flows. An impairment of accounts receivable is recognised in profit or loss as a reduction in operating income and impairment of a loan receivable is recognised under the item, financial expenses.

Financial liabilities measured at fair value via profit or loss

This category consists of derivatives for which hedge accounting is not applied. Liabilities in this category are measured at fair value on an on-going basis and any value changes are recognised in profit or loss.

Financial liabilities measured at amortised cost

Loans and other financial liabilities, such as accounts payable, are included in this category. Financial liabilities are initially valued at fair value, net after transaction expenses. Thereafter, financial liabilities are measured at amortised cost and any difference between amounts received (net after transaction expenses) and the repayment amount is recognised in profit or loss allocated over the term of the loan using the effective interest method. On premature redemption of loans without new loans being secured, interest compensation is reported in profit or loss on the date of redemption. Non-current liabilities have an expected maturity exceeding one year, while current liabilities have a maturity of less than one year. Accounts payable and other operating liabilities with short expected maturities are therefore normally recognised at nominal value. Dividends paid are recognised as a liability from the moment the AGM adopts the dividend.

Derivative and hedge accounting

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

Fair value of financial instruments

The fair value of loans and interest-rate swaps is determined by discounting future cash flows by the quoted market interest rate for each maturity. Values of interest-rate cap agreements are determined using the option pricing model. In all cases level 2 is applied under IFRS 13. The Company's own credit risk is taken into account in the fair value valuation of the loans.

Set-off of financial assets and liabilities

Financial assets and liabilities are offset and the net amounts recognised in the Statement of Financial Position only when the following criteria are met:

- There is a legal right to offset the recognised amounts and the Company intends to settle the items with a net amount or to realise the assets and liabilities at the same time.
- Financial income and expenses are offset in profit or loss when they are connected to the offset financial assets and liabilities.

More information is available about accounting policies and financial risk management in Note 19, Financial instruments and financial risk management.

Cash and cash equivalents

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

Property, plant and equipment

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

Property, plant and equipment are recognised in the Group at cost after the deduction of accumulated depreciation and any impairment. The cost includes the purchase price and expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended.

Where property, plant and equipment comprise components with significant differences in useful life, these are treated as separate components of property, plant and equipment.

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

Additional expenses

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

Depreciation methods for property, plant and equipment

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

Investment properties

Investment properties are those held with the purpose of generating rental income, value appreciation or a combination of the two. Investment properties are initially recognised at cost in the Balance Sheet, which includes expenses directly attributable to the acquisition. Investment properties are subsequently recognised at fair value in the Balance Sheet. If the Group begins refurbishing an existing investment property for continued use as an investment property, during the renovation, the property is recognised as an investment property. Reassessments of fair value over the course of the year take place through an internal valuation, which is described in more detail in Note 12. The valuation model entails a present value estimate of assessed future payment flows. If, during the current year, any significant value changes exist for individual properties, revaluation is carried out in conjunction with the quarterly reports. Quality assurance is carried out of any internal valuations performed on a sample of properties, which are then valued externally each year, after which a reconciliation of the internal and external valuations is performed. Investment properties are at level 3 in the valuation hierarchy.

Both unrealised and realised value changes are recognised in profit or loss. Realised value changes pertain to changes in value over the past quarterly reporting period for properties sold. Unrealised changes in value pertain to other value changes. In connection with acquisitions of properties or companies, the transaction is usually recorded per the date on which Catena gains access, since control of the item is normally transferred on that date. Rental income and income from property sales are recognised in accordance with the principles described in the section on operating income.

Additional expenses

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

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

Assets held for sale

Non-current assets are classified as held for sale when their carrying amounts will mainly be recovered through a sale transaction and a sale is considered highly likely. They are recognised at the carrying amount or at fair value less selling expenses, whichever is lower.

Impairment

The carrying amounts for the Group's assets are reviewed on each balance-sheet date to ascertain whether any need for impairment exists. IAS 36 is applied for testing the need for impairment of assets other than financial assets, which are tested under IFRS 9, investment properties carried at fair value, which are tested under IAS 40 and deferred tax assets. The valuation of the excepted assets as noted above is tested in accordance with the applicable standard.

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

If an indication of a need for impairment exists, the recoverable amount of the asset is estimated under IAS 36 as the higher of the asset's value in use and fair value less selling expenses. When calculating the value in use, future cash flows are discounted at an interest rate before tax that takes into account the market's assessment of the risk-free interest rate and the risk associated with the specific asset. If it is not possible to establish substantially independent cash flows to individual assets, the

assets are grouped for impairment testing at the lowest level where substantially independent cash flows can be identified (known as a cash-generating unit). Impairments are recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses are expensed in profit or loss.

Impairment testing of non-financial assets

Goodwill and intangible assets that have an indefinite useful life or intangible assets that are not ready for use, are not amortised, but rather impairment tested annually or upon an indication of a value decrease. An impairment loss is recognised in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less selling expenses and value in use. When assessing impairment requirements, assets are grouped at the lowest level at which there are essentially independent cash flows (cash-generating units). For assets (other than goodwill) that were previously impaired, a test for reversal is done every closing date.

Impairment tests for financial assets

Catena values the future expected credit losses associated with investments in debt instruments reported at amortised cost and at fair value with changes via other comprehensive income on the basis of forward-looking information. The Group selects a reservation method based on whether or not there has been a significant increase in credit risk.

In accordance with the rules under IFRS 9, Catena applies a simplified method for impairment testing of accounts receivable. For expected credit losses, Catena recognises reserves based on the loss risk for the entire maturity of the claim and is recognised on initial reporting of the claim.

Reversal of impairments

Impairments are reversed if indications exist that the impairment need no longer exists and a change has occurred in the underlying assumptions for the calculation of the recoverable amount. A reversal is only carried out to the extent that the asset's carrying amount does not exceed the carrying amount that would have been reported after any applicable deduction for depreciation, if no impairment had been carried out. Adjustments of amounts for expected credit losses relating to loans, leases and accounts receivable are reported as an impairment gain or loss in profit or loss.

Cash-Flow Statement

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

Share capital

Buyback of Catena shares

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

Earnings per share

Calculation of earnings per share is based on consolidated profit for the year attributable to the Parent Company's shareholders and the weighted average number of shares outstanding during the year.

Employee benefits

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

Pensions

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

The Company has not been provided with information for the 2004-2019 financial years that would allow the reporting of its commitments under the ITP plan as a defined-benefit plan. Accordingly, commitments under the ITP plan, which are secured through insurance with Alecta, are reported as a defined-contribution plan. The year's fees for pension insurance contracted with Alecta amounted to SEK 3.4 million (3.6). For 2020, the Company is expected to pay about SEK 3.8 million to Alecta. Alecta's surplus can be distributed to the policy owners and/or insured parties. At the end of 2019, Alecta's surplus in the form of the collective consolidation level was 148 percent (142). The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance obligation calculated in line with Alecta's actuarial assumptions, which do not comply with IAS 19. The Company's share of the total savings premiums for ITP 2 in Alecta amount to 0.01183 percent and the Company's share of the total number of active insured parties amounts to 0.00621 percent.

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

Termination benefits

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

Provisions

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

Contingent liability

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

Leasing – lessee

For reporting periods up to and including 2018, leases are classified in the consolidated accounts either as financial or operational leases. Financial leasing exists when the economic risks and benefits associated with ownership are, essentially, transferred to the lessee, and where this is not the case the lease is defined as operational leasing. Catena reported no financial leases in the Balance Sheet in 2018. Operational leasing means that the leasing fee is recognised as a cost in profit or loss, and allocated over the term, starting from initial utilisation, which may differ from what has actually been paid in the form of leasing fees during the year.

As of 1 January 2019, the leasing agreements are reported as right-of-use assets and corresponding liabilities from the date on which the leased asset is available for use by the Group. Assets and liabilities arising from lease agreements are initially recognised at present value. Payments included in the present value pertain to fixed fees. Leaseholds are judged to have an almost perpetual time horizon, so payments that are expected to be paid after the current contract period are also included in the calculation of the present value. Ground rents are discounted at a 3 percent rent rate and vehicle leasing at the implicit contract rate. The Group is exposed to future adjustments in ground rents. When such adjustments take effect, the lease liability is revalued and adjusted against the right-of-use assets. Leasing payments for vehicles are broken down into amortisation of the liability and interest. Since leaseholds are considered to have a perpetual useful life, the entire payment is reported as interest. The interest is recognised in profit or loss over the lease period in a manner that results in a fixed interest rate for the lease liability reported in each period.

The right-of-use assets are valued at cost and include the amount at which the lease liability was originally valued, plus leasing fees paid on or before the commencement date. Right-of-use assets pertaining to vehicles are depreciated on a straight-line basis over period of use. Since leaseholds are considered to have an almost eternal time horizon, these right-of-use assets are not subject to amortisation.

Leasing – lessor

The Group enters into operational leases with customers in its capacity as landlord, see Note 4. Accounting policies for the recognition of rental income are stated above. Catena is also a lessor of automation equipment to a limited extent. These leases are reported in the consolidated financial statements as financial receivables with the income as interest income in net financial items.

Note 3. Operating segment information

	Gothenburg		Helsingborg		Jönköping		Malmö		Stockholm	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Income Statement										
Rental income	173.2	165.4	207.2	175.9	96.2	94.8	190.6	170.5	515.7	484.1
(Of which, re-invoiced expenses)	(10.3)	(7.8)	(15.2)	(12.5)	(13.6)	(12.1)	(39.5)	(37.7)	(39.3)	(40.0)
Property expenses	-27.1	-21.1	-54.0	-52.4	-35.7	-30.9	-63.9	-59.4	-99.4	-99.3
Net operating surplus	146.1	144.3	153.2	123.5	60.5	63.9	126.7	111.1	416.3	384.8
Central administration	-	-	-	-	-	-	-	-	-	-
Other operating income	-	-	-	-	-	-	-	-	-	-
Other operating expenses	-	-	-	-	-	-	-	-	-	-
Participations in the earnings of associated companies	-	-	-	-	-	-	-	-	-	-
Financial income ¹⁾	2.4	3.2	0.6	1.2	1.2	1.6	1.5	1.5	6.2	6.3
Financial expenses ¹⁾	-35.3	-40.4	-40.8	-41.2	-17.9	-22.0	-43.1	-39.2	-112.3	-101.7
Profit from property management	113.2	107.1	113.0	83.5	43.8	43.5	85.1	73.4	310.2	289.4
Realised changes in value of investment properties	15.7	1.3	-	0.1	0.2	-	58.7	-	0.6	3.3
Unrealised changes in value of investment properties	104.2	36.8	211.3	87.7	43.2	23.8	121.7	20.8	310.8	160.0
Changes in value of goodwill	-	-	-	-	-	-	-	-	-	-
Changes in values of derivatives	-	-	-	-	-	-	-	-	-	0.3
Profit before tax	233.1	145.2	324.3	171.3	87.2	67.3	265.5	94.2	621.6	453.0
Tax										
Profit for the year										

1) For 2019, Catena has implemented a change in the capitalisation and adjustment of intra-Group interest rate terms. The segment's comparative figures for 2018 regarding financial income and expenses have been adjusted to reflect these changed conditions.

	Gothenburg		Helsingborg		Jönköping		Malmö		Stockholm	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Other disclosures										
Goodwill	110.7	110.7	41.5	41.5	40.1	40.1	76.1	76.1	234.6	234.6
Investment properties	2,296.6	2,114.9	3,019.3	2,564.6	1,266.3	1,109.6	2,639.6	2,220.3	7,048.7	6,711.7
Investments through acquisitions	52.2	-	-	45.0	-	-	9.3	21.2	20.6	541.3
Investments in non-current assets	25.3	67.4	243.4	236.4	113.5	14.0	282.2	169.3	88.0	197.2
Amortisation and depreciation	-	-	-	-	-	-	-	-	-	-
Deferred tax receivables	1.5	1.7	0.3	0.3	-	3.3	0.1	-	4.1	6.4

Central administration and eliminations		Total	
2019	2018	2019	2018
-	-	1,182.9	1,090.7
-	-	(117.9)	(110.1)
-	-	-280.1	-263.1
-	-	902.8	827.6
-30.0	-31.4	-34.1	-31.4
-	2.5	4.5	2.5
-	-0.3	-0.4	-0.3
-11.5	8.5	-11.5	8.5
-8.5	-10.9	3.4	2.9
11.5	6.0	-237.9	-238.5
-38.5	-25.6	626.8	571.3
-	-	75.2	4.7
-	-	791.2	329.1
-	-	-	-
29.3	34.7	29.3	35.0
-9.2	9.1	1,522.5	940.1
		-298.7	-116.7
		1,223.8	823.4

Central administration and eliminations		Total	
2019	2018	2019	2018
-	-	503.0	503.0
-	-	16,270.5	14,721.1
-	-	82.1	607.5
0.2	0.4	752.6	684.7
-0.6	-0.9	-0.6	-0.9
79.1	85.2	85.1	96.9

Operating segments

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

The Group's segments comprise the following regions:

Gothenburg – comprising 15 properties
 Helsingborg – comprising 23 properties
 Jönköping – comprising 12 properties
 Malmö – comprising 17 properties
 Stockholm – comprising 42 properties

For more information on the regions' properties, see the property list in the Administration Report.

Internal prices between the Group's various segments are calculated according to market terms and consist mainly of invoiced administrative expenses.

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

Catena has one tenant who individually accounts for more than 10 percent of the Group's income. These revenues, which together amount to approximately SEK 175 million, are distributed between the Helsingborg, Jönköping, Malmö and Stockholm regions.

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

All operations are conducted in Sweden, except for one property that is in Denmark and this property belongs to the Malmö region.

Note 4. Rental income

Duration of leases as per 31 December 2019

Information on operating leases – the Group as lessor.

Year of maturity	Number of contracts	Contractual annual rent, SEK M	Contractual annual rent, %
2020	178	108.4	9.0
2021	69	163.2	13.6
2022	49	141.4	11.8
2023	60	182.7	15.2
2024	25	108.2	9.0
2025	22	135.2	11.2
2026+	42	362.9	30.2
Total	445	1,202.0	100.0

Contracted rental income by contract size, SEK M

	Number of contracts	Contractual rental income, %
>10.0	33	51.6
5.0–10.0	39	24.4
3.0–5.0	33	10.8
2.0–3.0	19	4.0
1.0–2.0	34	4.4
0.5–1.0	40	2.6
<0.5	247	2.2
Total	445	100.0

Note 5. Property expenses and central administration

Property expenses	2019	2018
Operating expenses	87.2	86.4
Repair and maintenance	67.5	54.2
Property maintenance and technical inspection	27.5	28.5
Property tax	33.9	27.3
Ground rent	–	10.4
Other external expenses	24.4	21.0
Property administration	39.6	35.3
Total	280.1	263.1

Central administration	2019	2018
Personnel expenses	15.9	15.0
Services purchased	17.6	15.5
Depreciation of property, plant and equipment	0.6	0.9
Total	34.1	31.4

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

Note 6. Fees and expenses to auditors

	2019	2018
Audit engagement	1.6	1.4
Audit activities in addition to the audit engagement	–	–
Tax consultancy	0.3	0.2
Total	1.9	1.6

Fees for audit engagements pertain to fees for the statutory audit, that is, all work necessary to prepare the auditors' report, as well as audit advice provided in conjunction with the audit engagement. Audit activities in addition to the audit engagement pertain to fees for various types of quality assurance services.

Note 7. Leases

In the Group's capacity as lessee

	2019	2018
Cash outflow	10.9	11.8
Total	10.9	11.8

Of the cash outflow, SEK 9.7 million (0.0) was reported as interest expenses.

Future undiscounted cash flows for contracted periods mature for payment:

	2019	2018
Within one year	10.9	11.7
Between one and five years	40.0	42.5
Longer than five years	344.0	381.3
Total	394.9	435.5

The Group's leases consist primarily of leaseholds and to a lesser extent car leases. Leaseholds are deemed to have a perpetual term and no depreciation is therefore applied. Ground rent may be changed, resulting in a change in the value of the right-of-use asset and the lease liability.

Lease commitments as per 31 December 2018 435.5

Leasehold commitments per 31 December 2018, discounted at an interest rate of 3% 230.4

Additional: Effect of leasehold contracts being deemed to have a perpetual term 116.2

Car leasing per 31 December 2018 discounted at an implicit contractual rate of interest 3.5

Lease liability recognised per 1 January 2019 350.1

Prepaid lease premiums 2.6

Right-of-use assets recognised per 1 January 2019 352.7

Additional right-of-use assets, leaseholds 4.4

Additional right-of-use assets, vehicles 1.2

Changed ground rent in existing right-of-use assets -26.9

Depreciation, vehicles -1.2

Right-of-use assets recognised as per 31 December 2019 330.2

There are no variable fees that are not included in the lease liability.

Of the total value for right-of-use assets, SEK 326.7 million comprises leaseholds and SEK 3.5 million comprise car leases.

The year's expense for short-term leases amounts to SEK 1.5 million and is reported as property expenses. The year's expense for leases where the underlying asset is of low value is less than SEK 0.1 million and is reported as central administration.

Note 8. Employee and personnel expenses

Average number employees	of whom		of whom	
	2019	men	2018	men
Employees in Sweden	42	72%	38	76%

Gender distribution	2019		2018	
	Men	Women	Men	Women
Board of Directors	57%	43%	57%	43%
Management	86%	14%	86%	14%

Salaries, fees, benefits and other remuneration	2019	2018	Pension expenses	2019	2018
Chairman of the Board	0.3	0.3	Chief Executive Officer	1.4	1.1
Chairman of the Board (special fee, Jan-Apr 2018)	–	0.6	Other senior executives (6 and 6 individuals respectively)	2.6	3.0
Other Board Members	1.0	0.9	Other employees	3.7	3.2
Chief Executive Officer			Total	7.7	7.3
Base salary	2.2	1.9			
Other remuneration	0.5	0.5	Statutory social security contributions incl. payroll tax	2019	2018
Other senior executives (6 and 6 individuals respectively)			Chairman of the Board	0.1	0.1
Base salary	6.8	6.4	Chairman of the Board (special fee, Jan-Apr 2018)	–	0.2
Other remuneration	1.7	1.5	Other Board members	0.3	0.2
Other employees	22.2	19.8	Chief Executive Officer	1.4	1.0
Total	34.7	31.9	Other senior executives (6 and 6 individuals respectively)	3.1	3.1
			Other employees	7.5	6.8
			Total	12.4	11.4
			Total	54.8	50.6

Fees, Board Member, SEK thousands (annual Board fee determined by AGM, April 2019 and April 2018 respectively)	2019		2018	
	Board fee	of which, for committee work	Board fee	of which, for committee work
Gustaf Hermelin	330	–	300	–
Henry Klotz	225	60	210	60
Bo Forsén	–	–	170	20
Hélène Briggert	190	25	175	25
Katarina Wallin	185	20	160	10
Tomas Andersson	165	–	150	–
Ingela Bendrot	190	25	175	25
Magnus Swärdh	175	10	–	–
Total	1,460	140	1,340	140

Remuneration to the Board and CEO pertains to the Board and CEO of the Parent Company. At the 2019 Annual General Meeting, it was decided, as at the 2018 Annual General Meeting, that compensation for participation in the Remuneration Committee should be paid in the amount of SEK 20 thousand to the chairman of the Remuneration Committee and SEK 10 thousand each to the other two members. Fees are also paid to the chairman of the Audit Committee in the amount of SEK 50 thousand and of SEK 25 thousand each to the other two members.

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

Policies

Remuneration paid to the CEO and other senior executives comprises base salary, other remuneration (which comprises bonus and mileage allowance) and pension. The term senior executives refers to the six individuals at Catena (six) who, together with the Chief Executive Officer, comprise the senior management. For the composition of management, see pages 134-135.

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

Fees are paid to the Board in accordance with a decision by the Annual General Meeting. For 2019, fees totalled SEK 1.5 million (1.3), of which the Chairman received SEK 0.3 million (0.3).

Market-based compensation of SEK 25 thousand (0) and SEK 80 thousand (0) respectively for services rendered in sustainability consulting and as a conference moderator, was paid to companies owned by Board members Ingela Bendrot and Katarina Wallin. The amounts are not included in the above table.

Bonus

Bonuses to the CEO can amount to a maximum of 50 percent of annual fixed salary. Bonus decisions are made on an annual basis and do not imply any entitlement to bonuses in coming years. The bonuses are pensionable. In addition, senior executives can receive a bonus in addition to their fixed salaries. Other senior executives can receive a maximum bonus of 25 percent of their fixed annual salary.

The main principle in the Group is fixed monthly salary. For other company employees, when extraordinary work has been performed or extraordinary results have been achieved, a bonus may be paid corresponding to a maximum of one month's salary. Bonus decisions are made annually in arrears by the Remuneration Committee.

The bonus target for 2019 was that profit from property management should exceed the adjusted budget by 3 percent.

The Remuneration Committee considers the matter of the Company's obligations and provisions have been made for bonuses of SEK 4.2 million (3.7) for 2019, including social security contributions.

The bonus system covers only one year at a time, currently only 2019. The Remuneration Committee is responsible for the evaluation and outcome of the system.

Pensions

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

Retirement age for the Deputy CEO and other senior executives, six individuals in total (six), is 65. Their pensions are secured through insurances. Pension agreements stipulate pension premiums of 15-35 percent of pensionable salary and, in other cases, in accordance with the ITP plan. In addition, other senior executives and all other personnel are also covered by the ITP agreement.

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

Severance pay

Upon termination by the Company, the CEO shall be paid during a 12 months notice period. No severance pay is paid. Should the CEO secure other employment or start his own operations, his salary during the termination period is offset by income from the new employer. In the event of notice being provided by the CEO, the notice period is six months.

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

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

Preparation and decision-making process

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

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

The Remuneration Committee met on one occasion in 2019.

Note 9. Financial income and expenses

Financial income	2019	2018
Interest income ¹⁾	2.4	2.9
Exchange gains	1.0	-
Total	3.4	2.9

Financial expenses	2019	2018
Interest expenses ²⁾	-216.0	-227.3
Exchange losses	-	-1.3
Other financial expenses	-12.2	-9.9
Financial expenses for lease assets	-9.7	-
Total	-237.9	-238.5

Net financial items	2019	2018
	-234.5	-235.6

1) All interest income refers to assets valued at amortised cost.

2) Of which interest expenses from liabilities valued at amortised cost, SEK 105.8 million (101.8).

Note 10 Tax

Recognised in the Statement of Comprehensive Income	2019	2018
<i>Current tax</i>		
Tax for the year	-21.8	-7.7
Tax attributable to amended tax assessment	-	-0.1
Total	-21.8	-7.8

<i>Deferred tax</i>		
Investment properties	-247.1	-69.5
Derivatives	-6.1	-13.4
Tax loss carry-forwards	-0.7	-19.0
Untaxed reserves	-23.2	-7.0
Other deferred taxes	0.2	-
Total	-276.9	-108.9
Total recognised tax	-298.7	-116.7

Reconciliation of effective tax	2019	2018
Profit before tax	1,522.5	940.1
Tax according to current rate: 21.4% (22.0%)	-325.8	-206.8
Effect of changed tax rate	11.2	79.2
Non-deductible expenses, incl. interest deduction limitation	-1.2	-0.8
Tax attributable to preceding years	0.3	-0.1
Non-taxable sales of companies	17.6	3.5
Other non-taxable income	-	2.1
Tax on participations in profit of associated companies	-2.4	1.9
Other	1.6	4.3
Recognised effective tax	-298.7	-116.7

The recognised effective tax rate in percent totalled 19.6 (12.4).

Deferred tax recognised in the financial statements	2018					2019				
	OB 2018	Recognised in profit or loss	Recognised in equity	Acquisi- tions/ Disposals of compa- nies	CB 2018	Recog- nised in profit or loss	Recog- nised in equity	Acquisi- tions/ Disposals of compa- nies	CB 2019	
Deferred tax assets										
Investment properties	16.8	-8.0	-1.5	-	7.3	-4.7	-0.5	-	2.1	
Tax loss carry-forwards	21.0	-19.0	-	2.6	4.6	-0.7	-	-	3.9	
Derivatives	98.0	-13.4	-	-	84.6	-6.1	-	-	78.5	
Pension provisions	0.4	-	-	-	0.4	0.2	-	-	0.6	
Total deferred tax assets	136.2	-40.4	-1.5	2.6	96.9	-11.3	-0.5	-	85.1	
Deferred tax liability										
Investment properties	1,152.6	61.5	-0.4	-	1,213.7	242.4	-0.1	-0.1	1,455.9	
Untaxed reserves	50.9	7.0	-	-	57.9	23.2	-	-	81.1	
Total deferred tax liabilities	1,203.5	68.5	-0.4	-	1,271.6	265.6	-0.1	-0.1	1,537.0	

In addition to the above tax loss carry-forwards, there are no material unused tax losses for which deferred tax assets have not been recognised.

Note 11. Goodwill

Goodwill	2019	2018
Opening cost	503.0	503.0
Closing cost	503.0	503.0

The acquisition of Tribona in 2016 constituted a business combination and is recognised in accordance with IFRS 3 Business Combinations. Unlike in the case of an acquisition of assets, this entails that deferred tax should be taken into account in all temporary differences. The remaining reported goodwill of SEK 503.0 million on the balance sheet date is, in full, an effect of the reporting in full of nominally deferred tax relating to temporary differences between fair value and taxation value. The item will change as properties including goodwill are sold or revalued at less than cost.

Note 12. Investment properties

Investment properties are recognised at fair value.

Change for the year	2019	2018
Opening balance	14,721.1	13,131.1
Acquisitions	82.1	607.5
New builds, extensions and conversions ¹⁾	752.6	684.3
Sales	-82.6	-46.5
Translation differences, etc.	6.1	15.6
Unrealised changes in value	791.2	329.1
Carrying amount	16,270.5	14,721.1

Taxable values	2019	2018
Taxable values, buildings	3,980.0	3,094.8
Taxable value, land (of which leaseholds, SEK 117.3 million)	1,699.4	1,329.8
Total	5,679.4	4,424.6

Impact on profit for the year	31 Dec 2019	31 Dec 2018
Rental income	1,182.9	1,090.7
Property expenses before property management for investment properties that generate rental income	240.5	227.7

1) Borrowing costs are expensed to earnings in the period to which they pertain except for the interest expense under the production time pertaining to larger new builds, extensions and conversions that take considerable time to complete. These are organised as their own companies where all borrowing pertains to these new builds, extensions and conversions, which means that interest expense attributable loans in these companies is capitalised. The capitalised interest expense was SEK 7.5 million (6.0).

Investment properties by region	Number of properties	Lettable area, m ² thousands	Fair value, SEK M
Gothenburg	15	231.2	2,296.6
Helsingborg	23	391.7	3,019.3
Jönköping	12	209.6	1,266.3
Malmö	17	245.4	2,639.6
Stockholm	42	764.8	7,048.7
Total	109	1,842.7	16,270.5

Fair value

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

Valuation categories for investment properties

All of the Group's properties are assessed as being at level 3 in the valuation hierarchy. The Group's properties comprise primarily logistics properties, which have similar risk profiles and valuation methods. The Group also has significant component of projects. The assessed value of projects in progress is based on the value of the development rights where the flow in progress is also taken into account.

Yield and real growth

The most significant variables in the model, which are decisive for assessed fair value, are the yield requirement and the inflation assumption. Other key variables are long-term operating surpluses, rent levels, vacancy levels and geographic location.

Among other items, the applicable market risk-related interest rate for property investments is used to establish the yield requirement. This is based on a number of factors including market interest rates, debt/equity ratio, inflation forecasts and the required return on paid-in capital. However, property-specific conditions also affect the yield requirement. The yield requirement is the property's net operating surplus in relation to its fair value.

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

Net operating surplus and vacancy rate

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

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

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

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

Development rights

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

Calculation

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

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

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

For definitions, see pages 136-137.

	Actual outcome						Total
	Gothenburg	Helsingborg	Jönköping	Malmö	Stockholm		
Rental value, SEK M	173.2	228.0	117.4	204.2	542.0	1,264.8	
Economic letting ratio, %	94.7	95.2	93.2	97.2	94.7	95.0	
Contractual annual rent, SEK M	164.1	217.0	109.4	198.4	513.1	1,202.0	
Net operating surplus before property administration costs, SEK M	151.3	161.6	65.0	131.8	432.7	942.4	
Property yield before property administration costs, %	6.6	5.4	5.1	5.0	6.1	5.8	
Surplus ratio before property admin. %	87.4	78.0	67.6	69.2	83.9	79.7	

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

To ensure the accuracy of the internal valuation, external valuations are conducted of a selection of the portfolio, with Cushman & Wakefield valuing about 59 percent of the portfolio, corresponding to a value of SEK 9.6 billion during 2019.

Number of properties valued	2019	2018
No. of properties	61	67
External valuation, SEK M	9,887.1	10,033.0
Corresponding internal valuation, SEK M	9,566.8	9,807.9
Deviation, SEK M	320.3	225.1
Deviation in %	3.3	2.3
Carrying amount	16,270.5	14,721.1
Proportion valued externally, %	58.8	66.6

Valuation

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

Sensitivity analysis

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

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

Change	Impact	
	+1%	-1%
Discount rate, SEK M	-2,434	3,117
Rental value, SEK M	759	-897

Note 14. Participations in associated companies and collaborative arrangements

The following table shows the ownership share and the consolidated carrying amount for associated companies and joint ventures, SEK M.

2019	Classification	Corp. Reg. No.	Registered office	Participation	Carrying amount
Foodhills Fastighet AB	Associated companies	559122-6617	Bjuv	45.0%	15.6
Södertuna utveckling AB	Joint Venture	559184-0367	Södertälje	50.0%	50.0
Törsjö Logistik AB	Associated companies	559014-0272	Örebro	34.0%	9.3
Urban Services Sweden AB	Associated companies	559108-8397	Solna	25.0%	1.0
Total					75.9

2018	Classification	Corp. Reg. No.	Registered office	Participation	Carrying amount
Foodhills Fastighet AB	Associated companies	559122-6617	Bjuv	45.0%	17.3
Huddinge Regulatörn 2 AB	Joint Venture	556584-0005	Stockholm	0.0%	-
Törsjö Logistik AB	Associated companies	559014-0272	Örebro	34.0%	9.3
Urban Services Sweden AB	Associated companies	559108-8397	Solna	25.0%	0.8
Total					27.4

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

Note 13. Tangible fixed assets

Equipment	2019	2018
Opening cost	5.0	4.6
Acquisitions	3.1	0.4
Sales and disposals	-0.1	0.0
Closing cost	8.0	5.0
Opening depreciation	-3.5	-2.6
Sales and disposals	0.1	0.0
Depreciation for the year	-0.6	-0.9
Closing depreciation	-4.0	-3.5
Carrying amount	4.0	1.5

Depreciation is distributed over the following items in profit or loss

	2019	2018
Central administration	0.6	0.9

Total assets, liabilities, income and expenses for the above holdings, which are not individually significant, are presented in the following tables.

Associated companies' summary income statements and balance sheets, SEK M (100%)

	31 Dec 2019	31 Dec 2018
Income statement		
Rental income	36.6	18.0
Net operating surplus	-14.6	-17.5
Profit for the year	-29.8	-20.1

	31 Dec 2019	31 Dec 2018
Balance Sheet		
Fixed assets	306.8	213.2
Current assets	27.1	22.6
Total assets	333.9	235.8
Shareholders' equity	24.1	34.5
Provisions	-	-
Other liabilities	309.8	201.3
Total shareholders' equity and liabilities	333.9	235.8

Joint ventures' summary income statements and balance sheets, SEK M (100%)

	31 Dec 2019	31 Dec 2018
Income statement		
Rental income	-	19.4
Net operating surplus	-	12.8
Profit for the year	0.0	4.7

	31 Dec 2019	31 Dec 2018
Balance Sheet		
Fixed assets	1.5	-
Current assets	-	-
Total assets	1.5	-
Shareholders' equity	1.5	-
Provisions	-	-
Other liabilities	-	-
Total shareholders' equity and liabilities	1.5	-

Associated companies

Törsjö Logistik AB owns land and is developing a logistics position in Örebro. Catena owns 34 percent of the company together with Örebroporten Förvaltning AB with 33 percent and AB Lokalhusman i Örebro 2 with 33 percent.

Urban Services Sweden AB is owned by Catena as an associated company together with Fabege, Ragnsells and Servistik, with 25 percent each. The company will develop and coordinate logistics for the transport of products and goods into and out of Arenastaden in Solna.

On 1 March 2018, Foodhills Fastighet AB acquired three properties in Bjuv and will own and manage these. The company is owned by Catena and Backahill AB, with 45 percent each, and by Foodhills AB with a holding of 10 percent.

	2019	2018
Accumulated cost		
Opening balance	27.4	10.4
Acquisitions	-	0.3
Shareholder contributions	10.0	25.0
The year's participation in profit after tax	-11.5	-8.3
Carrying amount at year-end	25.9	27.4

Joint ventures

On 3 September 2018, Catena divested its remaining share of the company Huddinge Regulatorn 2 AB to the other partner, WA Huddinge AB.

In 2019, Catena acquired 50 percent of the newly formed company Södertuna utveckling AB. The remaining 50 percent of the company, the purpose of which is to develop 1,000,000 square metres of land for logistics purposes, is owned by Gerstabergrård AB.

	2019	2018
Accumulated cost		
Opening balance	0.0	82.5
Acquisitions	50.0	-
Sales	-	-99.3
The year's participation in profit after tax	-	16.8
Carrying amount at year-end	50.0	0.0

Joint operation

The Group has one material joint operation. Catena conducts financial operations in an associated company, SFF Holding AB (referred to below as SFF), through the subsidiary Svensk FastighetsFinansiering AB (publ), which entail raising loans on the capital market through the issuance of bonds (MTN-Medium Term Notes), and conducting lending operations by providing cash loans. The company is owned by Catena AB, Diös Fastigheter AB, Fabege AB, Platzer Fastigheter Holding AB and Wihlborgs Fastigheter AB – each with a holding of 20 percent. For these operations, Catena recognises its share of joint assets, liabilities, revenues and expenses item by item in the consolidated financial statements. Transactions and other interactions with the joint operations have been eliminated in the consolidated financial statements. Assets and liabilities of the Group, attributable to the operations of SFF, mainly comprise bond loans and the Group's share of short-term investments. As of 31 December, Catena had outstanding bonds through the SFF totalling SEK 1,386 million (1,228), which are described in more detail in the financing section on pages 42-43 of the Annual Report. On 31 December, current investments amounted to SEK 66.8 million (59.4). In 2018, this holding was reported as an associated company in accordance with the equity method. Comparison figures have been adjusted where necessary.

Note 15. Accounts receivable

Maturity structure, accounts receivable	31 Dec 2019	31 Dec 2018
< 30 days	1.1	3.0
31-60 days	1.2	0.8
61-90 days	0.5	0.4
>91 days	3.5	1.4
Total	6.3	5.6
Not yet due	13.3	8.6
Total	19.6	14.2

Impaired receivables

Opening provision	-1.5	-0.6
Provision for probable losses	-3.6	-3.0
Reclassification as contract asset	-	1.9
Confirmed losses	2.1	0.2
Closing provision	-3.0	-1.5
Total accounts receivable	16.6	12.7

The Group applies the simplified method for calculating expected credit losses. The method is based on the application of expected losses across the entire the maturity of the claim.

To calculate expected credit losses, accounts receivable have been grouped based on their credit characteristics and the number of days by which they are overdue. Historical loss data are used together with current and forward-looking data that can affect customers' ability to pay the claim. Delayed payments (more than 30 days overdue) constitute a presumption that a heightened credit risk prevails.

Note 16. Other receivables

	31 Dec 2019	31 Dec 2018
Receivable, associated companies	34.9	20.1
VAT and other tax receivables	76.9	44.0
Short-term investments	66.8	59.4
Other receivables	12.8	2.1
Total	191.4	125.6

Note 17. Prepaid costs and accrued income

	31 Dec 2019	31 Dec 2018
Administration and property expenses	5.1	3.9
Prepaid fee for credit facility	3.2	4.1
Prepaid project expenses	12.1	6.3
Prepaid ground rent	-	3.0
Prepaid insurance premiums	9.4	8.5
Periodised rent discounts	30.7	38.6
Accrued income	7.5	10.9
Total	68.1	75.3

Note 18. Equity and earnings per share

		Number of shares	Total number of shares
Number of registered shares			
New share issue	May 17, 1999	490,754	11,555,662
Bonus issue	March 9, 2006	8,838	11,564,500
Private placement	Oct 18, 2013	13,630,952	25,195,452
Private placement	March 10, 2014	446,469	25,641,921
Private placement	Jan 22, 2016	7,246,971	32,888,892
Private placement	Feb 15, 2016	346,614	33,235,506
Private placement	Oct 11, 2016	2,500,000	35,735,506
Private placement	Dec 19, 2017	1,678,017	37,413,523
Private placement	Jul 9, 2018	285,330	37,698,853
Number of registered shares			37,698,853

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

	2019	2018
<i>Earnings per share</i>		
Profit for the year	1,223.8	823.4
Ordinary shares outstanding	37,698,853	37,698,853
Weighted average of ordinary shares outstanding	37,698,853	37,549,847
Earnings per share, SEK	32.46	21.93

(There is no dilution effect, as no potential shares exist.)

Note 19. Financial instruments and financial risk management
Financial policy

Catena is exposed to financial risks and Catena AB's central financial management bears the operational responsibility for the implementation of the financial operations. The Board of Directors of Catena AB reviews the financial policy annually and determines its contents, regulating the mandate of the financial management and determining the financial risks to which the Group is exposed and how these are to be managed. The overall objectives of the financial operations can be summarised in four parts i) safeguarding the Group's capital requirements in the short and long term, ii) minimising the Group's financial expenses within the framework and guidelines of the financial policy, iii) ensuring that the Group has access to liquidity of a satisfactory level and that its payment capacity is secured in the short and long term and iv) ensuring that the financial operations are conducted with good internal control.

Financial targets

	Target 2019	Outcome 2019
In the long-term, dividends should amount to 50% of profit from property management less standard rate tax.	SEK >246.3 M	SEK 245.0 M
Average debt maturity	>2 years	1.3 years
Credit providers	> 5	10
Interest coverage ratio	>1.75 multiple	4.1 multiple
Equity/assets ratio	>30%	35.6%

Income

Interest-bearing liabilities in Catena consist primarily of traditional loans from credit institutions but also of bonds and commercial papers. On 31 December 2019, interest-bearing liabilities amounted to SEK 8,784.6 million (8,516.8), of which SEK 75.3 million (70.5) under existing agreements will be amortised in 2020. The financing is secured entirely through property mortgages. In some cases, the subsidiaries' shares are also pledged and guarantees are provided by the Parent company. Some of the loan agreements include financial covenants and, if the Company were to violate any of these commitments, this could result in the loan or loans being terminated, with payment being required immediately or the relevant creditor claiming the secured assets. The principal covenants include an interest coverage ratio of at multiple of at least 1.5-2.0, a loan-to-value ratio of not less than 60-75 percent and an equity/assets ratio of at least 25 percent. The Group's companies met all covenants during the year.

Liquidity risk

A liquidity risk prevails if Catena is unable to meet its payment commitments due to a shortage of cash and cash equivalents or these can only be met by borrowing funds at a significantly higher cost than normal or by the assets having to be sold at a price below market level. Catena monitors cash flow developments closely to ensure adequate cash and cash equivalents at all times. In addition, Catena renegotiates confirmed loan commitments further safeguarding capital needs in the short term. As at 31 December 2019, lines of credit totalling SEK 9,209.6 million (9,056.5) were available, of which SEK 425.0 million (539.8) was unutilised.

The table below shows when the financial assets and liabilities fall due taking contractual amortisation into account.

Maturity structure of financial assets and liabilities, 31 December 2019

	Financial liabilities					Payment flows			
	Financial assets	Loans	Supplier	Associated company	Accrued	Unutilised lines of credit	Interest on loans ¹⁾	Interest on derivatives ¹⁾	
0-3 months	155.3	1,660.7	125.5	-	68.0	-	27.4	28.0	
3-12 months	100.1	2,339.1	-	-	-	100.0	57.6	84.0	
1-2 years	72.7	3,641.1	-	-	-	325.0	42.3	104.2	
2-5 years	7.6	1,143.6	-	-	-	-	40.0	82.1	
More than 5 years	21.3	-	-	-	-	-	-	179.8	
Total	357.0	8,784.6	125.5	-	68.0	425.0	167.3	478.1	

1) At current interest rates.

Maturity structure of financial assets and liabilities, 31 December 2018

	Financial liabilities					Payment flows			
	Financial assets	Loans	Supplier	Associated company	Accrued	Unutilised lines of credit	Interest on loans ¹⁾	Interest on derivatives ¹⁾	
0-3 months	293.9	683.1	105.4	1.0	87.0	-	25.1	24.9	
3-12 months	24.0	1,610.7	-	-	-	539.8	58.4	74.6	
1-2 years	115.0	3,772.8	-	-	-	-	41.4	99.5	
2-5 years	-	2,389.0	-	-	-	-	9.3	92.2	
More than 5 years	-	61.2	-	-	-	-	11.1	206.7	
Total	432.9	8,516.8	105.4	1.0	87.0	539.8	145.3	497.9	

1) At current interest rates.

Loan maturity structure

Year of maturity	2019	2018
2019	-	2,293.8
2020	3,960.0	3,772.8
2021	2,690.8	2,389.0
2022	978.6	-
>2023	1,155.2	61.2
Total	8,784.6	8,516.8

Financing and refinancing risk

Refers to the risk that financing of investments or renegotiated financing cannot be obtained or that these can only be obtained under terms that are unfavourable for the Group. To safeguard financing today and in the future and to minimise the cost of borrowing, Catena uses several sources of financing with varying debt maturities. In addition, Catena's finance policy states that the Company must at all times maintain certain levels in terms of loan-to-value ratio, equity ratio and interest-coverage ratio to ensure a high credit rating.

Maturity structure for recognised long-term interest-bearing liabilities

	31 Dec 2019	31 Dec 2018
Maturity, 1-5 years from balance-sheet date	4,784.7	6,109.0
Maturity later than five years from balance-sheet date	-	61.2
Total	4,784.7	6,170.2

Interest-rate risk

The interest-rate risk refers to the risk of changes in market interest rates impacting borrowing costs or the fair value of financial assets and liabilities. Interest expenses are affected mainly by the level of current market interest rates and the banks' margins, as well as the chosen strategy for fixing the interest on borrowed capital. Most of the Group's interest-bearing liabilities have a short interest maturity, and Catena mainly uses fixed-rate loans and interest rate derivatives to adjust the aggregate interest maturity in its loan portfolio. Interest rates on variable loans are typically based on the 3-month STIBOR with the addition of a margin.

Loan terms, interest and maturity structure

	Nominal amount		Average interest rate	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Interest-bearing liabilities	8,784.6	8,516.8	2.6%	2.7%

The average interest rate takes interest-rate derivatives into consideration. The margin is distributed evenly across the term to interest rate maturity.

For interest-rate swaps, the total volume outstanding amounted to SEK 4,521.7 million (4,528.6).

Interest rate maturity structure

Year	SEK M	Effective interest rate, % ¹⁾	Share in %
2020	4,263.0	1.1	48.5
2021	755.7	5.0	8.6
2022	500.0	3.9	5.7
2023	500.0	3.3	5.7
2024	500.0	3.0	5.7
2025	1,122.0	3.9	12.8
2026	1,143.9	4.3	13.0
Total	8,784.6	2.6	100.0

1) Refers to the current average interest rate per 31 December 2019.
 The margin is distributed evenly across the fixed-interest period.

	Nominal value		Fair value (excl. accrued interest)		Carrying amount	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Interest-rate swap contracts (receive floating, pay fixed interest)	4,521.7	4,528.6	-381.1	-410.5	-381.1	-410.5

The full carrying amount, SEK -381.1 million (-410.5) pertains to the non-current portion.

The fair values of other contracted financial assets and liabilities in the Group and the Parent Company also correspond to their carrying amounts as per 31 December 2019.

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

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

	2019	Net profit/loss in profit or loss
Loan receivables and accounts receivable		-3.0
Financial assets and liabilities measured at fair value via profit or loss		29.3
	2018	Net profit/loss in profit or loss
Loan receivables and accounts receivable		-2.8
Financial assets and liabilities measured at fair value via profit or loss		35.0

Credit and counterparty risk

Credit and counterparty risk refers to the risk that tenants and suppliers are unable to meet their obligations to Catena and partly to the risk that Catena is unable to meet its commitments, which can greatly reduce the Company's creditworthiness. In the first case, the credit risk can mainly be attributed to outstanding accounts receivable, although it may nonetheless mean that major suppliers, such as banks and/or contractors fail to meet their commitments. In this regard, the credit risk is considered low as, at the aggregate level, Catena's customers and suppliers have a high creditworthiness. Credit checks are normally performed regarding customers and, in the event of any uncertainty, Catena often requires a bank guarantee or guarantee commitment. In the second case, Catena guarantees its own creditworthiness by maintaining a stable cash flow, satisfactory liquidity and secure levels in its key performance indicators with regard to loan-to-value ratio, equity ratio and interest coverage ratio.

Credit risk exposure	31 Dec 2019	31 Dec 2018
Cash and cash equivalents	131.2	281.2
Accounts receivable	16.6	12.7
Other current receivables	191.4	125.6
Other non-current receivables	94.1	61.2
Total	433.3	480.7

Note 20. Classification of financial instruments

2019	Measurement categories			
	Measured at fair value via profit or loss	Measured at fair value via other comprehensive income	Measured at amortised cost	Carrying amount
Financial assets				
Other non-current receivables	-	-	90.3	90.3
Accounts receivable	-	-	16.6	16.6
Other current receivables	-	-	111.4	111.4
Accrued income	-	-	7.5	7.5
Cash and cash equivalents	-	-	131.2	131.2
Total	-	-	357.0	357.0
Non-financial assets				17,413.1
Total				17,770.1
Financial liabilities				
Long-term interest-bearing liabilities	-	-	-4,784.7	-4,784.7
Lease liability	-	-	-327.8	-327.8
Interest-rate derivatives	-381.1	-	-	-381.1
Current interest-bearing liabilities	-	-	-3,999.9	-3,999.9
Accounts payable	-	-	-125.5	-125.5
Other current liabilities	-	-	-24.5	-24.5
Accrued expenses	-	-	-68.0	-68.0
Total	-381.1	-	-9,330.4	-9,711.5
Non-financial liabilities				-1,740.6
Total				-11,452.1

Carrying amounts correspond, to all intents and purposes, to fair values for all balance-sheet items.
During the year, Catena has renegotiated financing agreements with a total framework of approximately SEK 2.7 billion.

2018	Measurement categories			
	Measured at fair value via profit or loss	Measured at fair value via other comprehensive income	Measured at amortised cost	Carrying amount
Financial assets				
Other non-current receivables	-	-	59.3	59.3
Accounts receivable	-	-	12.7	12.7
Other current receivables	-	-	79.7	79.7
Cash and cash equivalents	-	-	281.2	281.2
Total	-	-	432.9	432.9
Non-financial assets				15,473.0
Total				15,905.9
Financial liabilities				
Long-term interest-bearing liabilities	-	-	-6,170.2	-6,170.2
Interest-rate derivatives	-410.5	-	-	-410.5
Current interest-bearing liabilities	-	-	-2,346.6	-2,346.6
Accounts payable	-	-	-105.4	-105.4
Current liabilities to associated companies	-	-	-1.0	-1.0
Other current liabilities	-	-	-24.4	-24.4
Accrued expenses	-	-	-86.1	-86.1
Total	-410.5	-	-8,733.7	-9,144.2
Non-financial liabilities				-1,452.9
Total				-10,597.1

Carrying amounts correspond, to all intents and purposes, to fair values for all balance-sheet items.

Note 21. Pledged assets and contingent liabilities

Pledged assets	31 Dec 2019	31 Dec 2018
Property mortgages for liabilities to credit institutions	9,745.8	8,950.2
Shares for liabilities to credit * institutions ¹⁾	5,831.9	4,876.5
Guarantee obligations	–	–
Total	15,577.7	13,826.7
Contingent liabilities		
Responsibility for Group companies' liabilities (HB/KB)	357.3	355.3
Guarantees given for Group companies	8,104.3	7,590.9
Guarantee obligations for the benefit of associated companies	110.7	35.0
Other contingent liabilities	48.1	–
Total	8,620.4	7,981.2

1) Pertains to shares in Group companies.

Note 22. Accrued expenses and deferred income

	31 Dec 2019	31 Dec 2018
Advance payment of rents	135.2	104.7
Accrued operating expenses	11.8	11.9
Prepaid media expenses	0.1	0.9
Accrued interest expenses	28.8	33.4
Accrued salary-related expenses	15.1	14.9
Accrued selling expenses	3.9	17.0
Other items	3.9	8.9
Total	198.8	191.7

Note 23. Related parties
Related-party transactions

The Group is under a significant influence from Erik Paulsson, with his family and companies. At 31 December 2019, his holding amounted to 29.8 percent (29.8) of the voting rights in the Group's Parent Company. Erik Paulsson's influence means that the Group has related-party transactions with Erik Paulsson's wholly owned company, Hansan AB. Related-party transactions have also taken place with companies owned by Board members Ingela Bendrot and Katarina Wallin.

In addition to the above related-party transactions, Catena AB itself or via Group companies, has holdings in the following associated companies: Törsjö Logistik AB, Urban Services Sweden AB, Foodhills Fastighet AB and joint operations in the form of a holding in SFF Holding AB. Transactions in the form of shareholder contributions, loans and interest with SFF have been eliminated in the consolidated accounts. Reported instead is Catena's share of SFF's external involvement in the consolidated financial reports. See Note 14 Participations in associated companies and shared operations.

In 2019, no Board Member or senior executives in Catena AB or its subsidiaries have themselves, via companies or related parties, had any direct involvement in business transactions carried out by Catena that were or are unusual in their nature or their terms and conditions. See Note 8 Employee and personnel expenses.

In one case, Catena has given guarantees for Group companies' associated companies, see Note 21 Pledged assets and contingent liabilities.

	2019	2018
Transactions with the Group's associated companies		
Sales	0.4	0.7
Interest income	1.4	0.4
Current receivables	34.9	20.1
Non-current receivables	37.5	9.7
Interest-bearing liabilities	0.0	1.0
Current liabilities	–	–
Guarantees given	76.7	35.0
Transactions with other related parties		
Purchases	0.2	0.1

Other information

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

Transactions with related parties are priced at market rates.

Note 24. Significant events after the end of the financial year

On 9 January, Catena acquired three properties in Hilleröd, Horsens and Odense, in Denmark, from PostNord, which is also a tenant in the relevant properties. The acquisitions were conducted as a corporate transaction at a total underlying property value of SEK 235 million following the deduction of deferred taxes. The properties are situated on plots with a combined area of approximately 61,000 square metres and have a combined lettable area of 12,700 square metres. Development rights for about 20,000 square metres are also associated with the properties, offering opportunities for future expansion. PostNord is signing a ten-year lease in connection with the transaction and the estimated net operating surplus for the properties amounts to approximately SEK 12.7 million. The acquired properties are modern, space-efficient, terminal-style distribution hubs, strategically located near access roads to urban areas, making them suitable for handling last-mile deliveries. Catena took possession of the properties in Hilleröd and Horsens on 31 January. The building in Odense is under construction, with Catena being scheduled to take possession on 1 September 2020.

Catena and Coop Logistik have agreed to continue discussions with the intention of Catena acquiring a property and constructing an approximately 105,000 square-metre automated warehouse in the Municipality of Eskilstuna. For Catena, this statement of intent entails acquiring part of the Aspestahult 1:1 property in Eskilstuna Logistik Park, and constructing and automating the new facility. Catena's total investment is estimated at between SEK 3.7 billion and SEK 3.9 billion. If the planned schedule holds, the facility is expected to be brought into operation in 2023. The process will continue with negotiations on the final terms of the collaboration. The parties involved with disclose further information in connection with the signing of a binding agreement.

Johan Franzén will be stepping down effective 1 April 2020 and will continue in his current role as Regional Manager for Gothenburg and Jönköping during his period of notice. The process of recruiting a successor has been initiated.

On 14 February, Catena signed an agreement to acquire the Magasinet 3 property, with a plot area of slightly more than 66,100 square metres. The property is situated adjacent to the 1,000,000 square-metre Gerstaberg 1:7 site that Catena intends to develop through its partnership holding in the company Södertuna utveckling AB. The property now being acquired encompasses building rights of approximately 10,000 square metres and a lettable area with tenants of approximately 21,000 square metres. The combined rental value amounts to approximately SEK 12 million. The acquisition is being conducted as a corporate transaction at a value of SEK 130 million. The site is being sold by Folkpolarna AB.

The Nomination Committee has submitted a proposal regarding the composition of the Board of Directors to the Annual General Meeting to be held on 29 April 2020. It is proposed that Magnus Swärth, Katarina Wallin, Tomas Andersson and Hélène Briggert be re-elected and that Gustaf Hermelin be re-elected as the Chairman of the Board. In addition, the new election of Vesna Jovic and Caesar Åfors is proposed, as Henry Klotz and Ingela Bendrot have declined re-election.

No other significant events affecting the Group's financial position have taken place following the balance sheet date. 101

Note 25. Cash-Flow Statement

Supplementary disclosures to the cash-flow statement	1 Jan 2019 -31 Dec 2019	1 Jan 2018 -31 Dec 2018
Interest paid and dividends received		
Interest received	2.4	2.9
Interest paid	-237.9	-231.3
Adjustments for non-cash items		
Amortisation, depreciation and impairment of assets	0.6	0.9
Change in value of investment properties	-791.2	-329.1
Change in value of derivatives	-29.3	-35.0
Participations in the profits/losses of associated companies	11.5	-8.5
Net capital loss from the divestment of non-current assets	-74.5	-3.5
Net capital loss from the divestment of operations	-13.1	-1.2
Other non-cash profit/loss items	1.1	0.8
	-894.9	-375.6
Acquisition of assets via subsidiaries		
All acquisitions during the year have been classified as asset acquisitions with net proceeds comprised of the following items:		
<i>Assets acquired and liabilities assumed:</i>		
Investment properties	82.1	495.3
Deferred tax assets	-	2.6
Operating receivables	0.7	8.2
Cash and cash equivalents	0.6	25.2
Loans	-63.4	-347.3
Operating liabilities	-0.7	-33.5
Total net assets	19.3	150.5
Purchase consideration paid	19.3	150.5
Non-cash issue and new share issue through settlement of pre-acquisition liabilities	-	-50.0
Total	19.3	100.5
Less: Cash and cash equivalents in the acquisition	-0.6	-25.2
Impact on cash and cash equivalents	18.7	75.3
Divestment of operations		
<i>Divested assets and liabilities:</i>		
Investment properties	82.5	44.9
Operating receivables	-0.1	0.4
Loans	-75.4	-19.3
Operating liabilities	-	-2.9
Capital gain	0.6	1.2
Total	7.6	24.3
Purchase consideration received	7.6	24.3
Total	7.6	24.3
Less: Cash and cash equivalents in the acquisition	-	-
Impact on cash and cash equivalents	7.6	24.3
Acquisitions of other financial assets		
Investments in associated companies	-60.0	-62.4
Changes in interest-bearing items	-15.1	-29.6
Total investments in financial assets	-75.1	-92.0
Divestment of financial assets		
Disposals of associated companies	-	99.3
Settlement of financial receivables	16.3	20.8
Total divestment of financial assets	16.3	120.1

Reconciliation of net debt	Cash and cash equivalents	Liability to associated companies	Property loans	Total
Net debt as at 31 December 2018	281.2	-1.0	-8,516.8	-8,236.6
Cash flow	-150.9	1.0	-203.3	-353.2
Acquisitions	-	-	-63.4	-63.4
Disposals	-	-	0.1	0.1
Exchange rate differences	0.9	-	-1.2	-0.3
Net debt as at 31 December 2019	131.2	0.0	-8,784.6	-8,653.4

Note 26. Reconciliation of alternative performance measures

			31 Dec 2019	31 Dec 2018
	Reference	Formula reference		
<i>Property-related</i>				
Surplus ratio, %				
Net operating surplus	IS	A	902.8	827.6
Rental income	IS	B	1,182.9	1,090.7
Surplus ratio = A/B			76.3%	75.9%
Loan-to-value ratio, %				
Long-term interest-bearing liabilities	BS	A	4,784.7	6,170.2
Current interest-bearing liabilities	BS	B	3,999.9	2,346.6
Investment properties	BS	C	16,270.5	14,721.1
Loan-to-value ratio = (A+B)/C			54.0%	57.9%
<i>Financial</i>				
Return on equity, %				
Profit for the year	IS	A	1,223.8	823.4
Total equity at beginning of the year	BS	B	5,308.8	4,596.5
Total equity at end of the year	BS	C	6,318.0	5,308.8
Return on equity = A/((B+C)/2)			21.1%	16.6%
Return on total capital, %				
Profit before tax	IS	A	1,522.5	940.1
Reversal of financial expenses	IS	B	228.2	238.6
Reversal of unrealised changes in value of derivatives	IS	C	-29.3	-35.0
Total assets at beginning of year	BS	D	15,905.9	14,246.6
Total assets at end of year	BS	E	17,770.1	15,984.9
Return on total capital = A+B+C/((D+E)/2)			10.2%	7.6%
Interest-coverage ratio, multiple				
Profit before tax	IS	A	1,522.5	940.1
Reversal of financial expenses	IS	B	228.2	238.6
Reversal of unrealised changes in value of investment properties	IS	C	-791.2	-329.1
Reversal of changes in value of goodwill	IS	D	-	-
Reversal of changes in value of derivatives	IS	E	-29.3	-35.0
Interest coverage ratio = (A+B+C+D+E)/B			4.1	3.4
Average interest rate, %				
See Interest rate maturity structure in	Note 19		2.6	2.7
Term to interest rate maturity, years				
See Interest rate maturity structure in	Note 19		2.3	3.0
Interest-bearing liabilities concerning properties, SEK M				
Long-term interest-bearing liabilities	BS	A	4,784.7	6,170.2
Current interest-bearing liabilities	BS	B	3,999.9	2,346.6
Interest-bearing liabilities concerning properties =A+B			8,784.6	8,516.8
Capital tied-up, years				
See loan agreement maturity structure in	Note 19		1.3	1.4
Debt/equity ratio, multiple				
Interest-bearing liabilities concerning properties, SEK M		A	8,784.6	8,516.8
Total equity at end of the year	BS	B	6,318.0	5,308.8
Debt/equity ratio = A/B			1.4	1.6
Equity ratio, %				
Total equity at end of the year	BS	A	6,318.0	5,308.8
Total assets at end of year	BS	B	17,770.1	15,905.9
Equity ratio =A/B			35.6%	33.4%
Equity/assets ratio, excluding goodwill and right-of-use assets, %				
Total equity at end of the year	BS	A	6,318.0	5,308.8
Total assets at end of year	BS	B	17,770.1	15,905.9
Deductions, goodwill	BS	C	503.0	503.0
Less right-of-use assets for leaseholds	BS	D	330.2	-
Equity ratio excl. goodwill = A/(B-C-D)			37.3%	34.5%

			31 Dec 2019	31 Dec 2018
	Reference	Formula reference		
<i>Share-related</i>				
Dividend yield, %				
Dividend per share, SEK		A	6.50	5.75
Share price at year-end		B	413.50	220.50
Dividend yield = A/B			1.6%	2.6%
Total return on the share, %				
Dividend per share, SEK		A	5.75	4.50
Property portfolio at beginning of year		B	220.50	155.50
Share price at year-end		C	413.50	220.50
Total return on the share = (C-B+A)/B			90.1%	44.7%
Equity per share, SEK				
Equity attributable to Parent Company shareholders, SEK M	BS	A	6,318.0	5,308.8
Number of shares outstanding at year-end		B	37,698,853	37,698,853
Equity per share = A/B			167.59	140.82
Profit from property management per share, SEK				
Profit from property management, SEK M	IS	A	626.8	571.3
Total No. of shares outstanding		B	37,698,853	37,549,847
Profit from property management per share = A/B			16.63	15.21
P/E ratio				
Earnings per share, SEK		A	32.46	21.93
Share price at year-end		B	413.50	220.50
P/E ratio = B/A			13	10
Cash flow before change in working capital per share, SEK				
Cash flow before change in working capital, SEK M	CFS	A	612.5	550.8
Total No. of shares outstanding		B	37,698,853	37,549,847
Cash flow before change in working capital per share, SEK			16.25	14.67
Long-term net asset value per share, EPRA NAV				
Equity attributable to Parent Company shareholders, SEK M	BS	A	6,318.0	5,308.8
Goodwill as an effect of deferred tax	BS	B	-503.0	-503.0
Deferred tax assets, SEK M	BS	C	-85.1	-96.9
Fair value of interest-rate derivatives, SEK M	Note 19	D	381.1	410.5
Deferred tax liability, SEK M	BS	E	1,537.0	1,271.6
Number of shares outstanding at year-end		F	37,698,853	37,698,853
Non-current net asset value per share, EPRA NAV = (A+B+C+D+E)/F			202.87	169.53

BS=Consolidated Statement of Financial Position.

CFS=Consolidated Cash-flow Statement.

IS=Consolidated Statement of Comprehensive Income.

Financial statements – Parent Company

Parent Company Income Statement			
SEK M	Note	1 Jan 2019 -31 Dec 2019	1 Jan 2018 -31 Dec 2018
Net sales	4	50.6	47.6
Cost of services performed	5,6,7,8	-85.0	-78.1
Operating profit/loss		-34.4	-30.5
Financial income and expenses	9		
Interest income and similar profit/loss items		212.4	149.4
Profit from participations in Group companies		58.1	1,219.1
Interest expense and similar profit/loss items		-109.3	-248.4
Profit before tax		126.8	1,089.6
Appropriations		-	-7.0
Tax on profit for the year	10	-37.0	-58.8
Comprehensive income for the year		89.8	1,023.8

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

Balance Sheet, Parent Company			
SEK M	Note	31 Dec 2019	31 Dec 2018
ASSETS			
Fixed assets			
Tangible fixed assets			
Equipment	11	1.0	1.5
Financial non-current assets			
Participations in Group companies	12	3,235.2	3,235.2
Participations in associated companies	13	1.0	1.0
Deferred tax assets	10	78.9	84.8
Receivables from associated companies		20.0	–
Other non-current receivables		5.4	2.7
Total financial fixed assets		3,340.5	3,323.7
Total non-current assets		3,341.5	3,325.2
Current assets			
Current receivables			
Accounts receivable	14	–	0.8
Receivables from Group companies	15	3,728.5	3,900.5
Receivables from associated companies		34.9	20.1
Other receivables		18.3	–
Prepaid expenses and accrued income	16	6.4	5.1
Total current receivables		3,788.1	3,926.5
Cash and bank balances		90.0	195.7
Total current assets		3,878.1	4,122.2
TOTAL ASSETS	22	7,219.6	7,447.4
EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted equity			
Share capital		165.9	165.9
Statutory reserve		10.0	10.0
Total restricted equity		175.9	175.9
Unrestricted equity			
Share premium reserve		1,996.6	1,996.6
Profit brought forward		645.2	-161.9
Comprehensive income for the year		89.8	1,023.8
Total unrestricted equity		2,731.6	2,858.5
Total equity		2,907.5	3,034.4
Untaxed reserves			
Excess depreciation		0.1	0.2
Tax allocation reserve		24.0	24.0
Total untaxed reserves		24.1	24.2
Provisions			
Other provisions	18	2.1	1.0
Total provisions		2.1	1.0
Liabilities			
Long-term liabilities			
Interest-bearing liabilities	15,20	674.3	898.6
Interest-rate derivatives	15	381.1	410.5
Total non-current liabilities		1,055.4	1,309.1
Current liabilities			
Interest-bearing liabilities	15,20	–	–
Accounts payable		3.6	4.1
Liabilities to Group companies	15	3,194.0	3,025.1
Liabilities to associated companies		–	1.0
Other liabilities		2.4	2.1
Tax liability		–	15.3
Accrued expenses and deferred income	19	30.5	31.1
Total current liabilities		3,230.5	3,078.7
Total liabilities	22	4,285.9	4,387.8
TOTAL EQUITY AND LIABILITIES		7,219.6	7,447.4

Parent Company changes in shareholders' equity

SEK M	Restricted equity		Unrestricted equity			
	Share capital	Statutory reserve	Share premium reserve	Accumulated profit	Comprehensive income for the year	Total equity
Equity brought forward 1 Jan 2018	164.6	10.0	2,116.2	2.9	-164.8	2,128.9
Transfer comprehensive income	-	-	-	-164.8	164.8	-
New share issue	1.3	-	48.7	-	-	50.0
Comprehensive income for the year	-	-	-	-	1,023.8	1,023.8
Dividend	-	-	-168.3	-	-	-168.3
Equity carried forward 31 Dec 2018	165.9	10.0	1,996.6	-161.9	1,023.8	3,034.4
Equity brought forward 1 Jan 2019	165.9	10.0	1,996.6	-161.9	1,023.8	3,034.4
Transfer comprehensive income	-	-	-	1,023.8	-1,023.8	-
Comprehensive income for the year	-	-	-	-	89.8	89.8
Dividend	-	-	-	-216.8	-	-216.8
Equity carried forward 31 Dec 2019	165.9	10.0	1,996.6	645.2	89.8	2,907.5

Parent Company Cash Flow Analysis

SEK M	Note 21	1 Jan 2019 -31 Dec 2019	1 Jan 2018 -31 Dec 2018
Operating activities			
Profit before tax		126.8	1,089.6
Adjustments for non-cash items		-27.6	-33.1
Tax paid		-11.3	-0.1
Cash flow before changes in working capital		87.9	1,056.4
Changes in working capital			
Change in operating receivables		-10.3	2.1
Change in operating liabilities		2.7	-0.5
Cash flow from operating activities		80.3	1,058.0
Investing activities			
Acquisitions of property, plant and equipment		-0.2	-0.4
Sales and net amortisation of financial assets		255.3	-1,191.9
Cash flow from investing activities		255.1	-1,192.3
Financing activities			
New share issue ^{*)}		-	-
Borrowings		134.9	898.6
Amortisation of loans		-359.2	-439.0
Dividend		-216.8	-168.3
Cash flow from financing activities		-441.1	291.3
Cash flow for the year		-105.7	157.0
Opening cash and cash equivalents		195.7	38.7
Closing cash and cash equivalents		90.0	195.7

*) The preceding year's new share issue for SEK 50 million has been offset against acquisition liabilities.

Notes – Parent Company

Note 1. Accounting policies

Amounts in SEK million unless otherwise specified.

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

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

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

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

The following accounting policies for the Parent Company have been applied consistently for all periods presented in the Parent Company's financial reports, unless specifically stated otherwise

Financial instruments

In the Parent Company, IFRS 9 shall also to be applied to intra-Group receivables and liabilities. Since the market value of the underlying assets in the subsidiaries to a significant extent exceeds the carrying amount, no loss risk reserve has been made on intra-Group transactions. This assessment is updated for each new accounting period and is set in relation to the prevailing market situation.

Subsidiaries, associated companies and joint ventures

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

Shareholder contributions and Group contributions

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

Presentation of Income Statement and Balance Sheet

The Parent Company follows the presentation format in the Swedish Annual Accounts Act for the Income Statement and Balance Sheet, which means that a different presentation format for equity and that other provisions are reported as a separate item in the Balance Sheet.

Note 2. Financial risk management

The Group applies common risk management for all units. Consequently, the description included in Note 19 is, to all intents and purposes, also applicable to the Parent Company.

Note 3. Significant estimates and assumptions for accounting purposes

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

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

Note 4. Net sales

Turnover primarily comprises intra-Group administration fees.

Note 5. Cost of services performed

	2019	2018
Personnel expenses	55.9	50.6
Other external expenses	28.5	26.6
Depreciation of property, plant and equipment	0.6	0.9
Total	85.0	78.1

Note 6. Employee and personnel expenses

Average number of employees	of whom		of whom	
	2019	men	2018	men
Employees in Sweden	42	72%	38	76%

	2019	2018	2019	2018
Gender balance of senior management	Board of Directors		Senior executives	
Men	57%	57%	86%	86%
Women	43%	43%	14%	14%

	2019	2018
Salaries, fees, benefits and other remuneration		
Chairman of the Board	0.3	0.3
Chairman of the Board (special fee, Jan-Apr 2018)	-	0.6
Other Board Members	1.0	0.9
Chief Executive Officer		
Base salary	2.2	1.9
Other remuneration	0.5	0.5
Other senior executives (6 and 6 individuals respectively)		
Base salary	6.8	6.4
Other remuneration	1.7	1.5
Other employees	22.2	19.8
Total	34.7	31.9

	2019	2018
Pension expenses		
Chief Executive Officer	1.4	1.1
Other senior executives 6 (6) individuals	2.6	3.0
Other employees	3.7	3.2
Total	7.7	7.3
Statutory social security contributions incl. payroll tax		
Chairman of the Board	0.1	0.1
Chairman of the Board (special fee, Jan-Apr 2018)	-	0.2
Other Board members	0.3	0.2
Chief Executive Officer	1.4	1.0
Other senior executives (6 and 6 individuals respectively)	3.1	3.1
Other employees	7.5	6.8
Total	12.4	11.4
Total	54.8	50.6

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

Note 7. Fees and expenses to auditors

	2019	2018
Audit engagement	1.5	1.3
Audit activities in addition to the audit engagement	-	-
Tax consultancy	0.3	0.2
Total	1.8	1.5

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

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

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

Note 8. Leasing

Catena AB mainly has use of cars through leasing agreements. The cost is recognised on a straight-line basis over the lease period.

	2019	2018
Leasing cost	1.6	1.4

Future undiscounted cash outflows related to the lease agreements are distributed as follows:

	2019	2018
Within one year	1.2	1.3
Between one and five years	0.5	1.0
Total	1.7	2.3

Note 9. Financial income and expenses

Interest income and similar profit/loss items	2019	2018
Interest income, Group companies	205.6	134.2
Interest income, other	1.2	0.3
Exchange gain	5.6	14.9
Total	212.4	149.4
Profit from participations in Group companies	2019	2018
Dividends from subsidiaries	-	1,000.0
Group contributions received	172.5	376.8
Impairment of shares in subsidiaries	-114.4	-157.7
Total	58.1	1,219.1
Interest expense and similar profit/loss items	2019	2018
Interest expenses, Group companies	-15.9	-147.8
Interest expenses, derivatives	-110.2	-125.5
Interest expenses, other	-3.1	-1.9
Interest-rate derivatives, changes in value	29.3	34.7
Other financial expenses	-9.4	-7.9
Total	-109.3	-248.4
Net financial items	161.2	1,120.1

Note 10 Tax

Recognised in profit or loss	2019	2018
<i>Current tax</i>		
Tax for the year	-31.1	-45.5
<i>Deferred tax</i>		
Deferred tax regarding temporary differences	-5.9	-13.3
Total recognised tax	-37.0	-58.8

Reconciliation of effective tax	2019	2018
Profit before tax	126.8	1,082.6
Tax according to current rate: 21.4% (22%)	-27.1	-238.2
Effect of changed tax rate	0.4	-5.7
Non-taxable dividends	-	220.0
Offsetting of net interest	14.7	-
Non-deductible expenses	-25.0	-34.9
Recognised effective tax	-37.0	-58.8

The recognised effective tax rate in percent totalled 29.2 (5.4). ▶

Deferred tax assets	OB 2018	Recognised in profit or loss 2018	Acquisitions/ disposals 2018	CB 2018	Recognised in profit or loss 2019	Acquisitions/ disposals 2019	CB 2019
Pension provisions	0.2	–	–	0.2	0.2	–	0.4
Derivative instruments	96.6	-13.3	1.3	84.6	-6.1	–	78.5
Total deferred tax assets	96.8	-13.3	1.3	84.8	-5.9	–	78.9

Note 11. Tangible fixed assets

Equipment	2019	2018
Opening cost	5.0	4.6
Acquisitions	0.1	0.4
Sales and disposals	-0.1	0.0
Closing cost	5.0	5.0
Opening depreciation	-3.5	-2.6
Sales and disposals	0.1	0.0
Depreciation for the year	-0.6	-0.9
Closing depreciation	-4.0	-3.5
Carrying amount	1.0	1.5

Depreciation is distributed over the following items in profit or loss

	2019	2018
Central administration	0.6	0.9

Note 12. Participations in Group companies

	31 Dec 2019	31 Dec 2018
<i>Accumulated cost</i>		
Opening balance	3,870.1	3,759.7
Acquisitions	–	–
Disposals	–	-24.6
Group contributions paid ¹⁾	114.4	135.0
Capital contribution made	–	–
Closing balance	3,984.5	3,870.1

Accumulated write-downs

Opening balance	-634.9	-499.9
Impairment for the year ²⁾	-114.4	-135.0
Closing balance	-749.3	-634.9
Carrying amount at year-end	3,235.2	3,235.2

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

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

Specification of Parent Company's direct holdings of shares in subsidiaries					31 Dec 2019	31 Dec 2018
Subsidiary	Corp. No.	Registered office	Number of shares	Holding in % ¹⁾	Carrying amount	Carrying amount
Catena Logistik AB	556922-7365	Helsingborg	1,000	100.0	1,154.8	1,154.8
Catena Fastigheter AB	556754-0843	Helsingborg	1,000	100.0	0.1	0.1
Catena Obl. Holding AB	556984-8467	Helsingborg	1,000	100.0	15.1	15.1
Tribona AB	556870-4646	Helsingborg	48,657,051	100.0	2,065.2	2,065.2
Total					3,235.2	3,235.2

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

Specification of indirectly owned subsidiaries

Name	Corp. Reg. No.	Registered office	Name	Corp. Reg. No.	Registered office
Catena Adaptren 1 AB	556606-3631	Helsingborg	Catena Misteln AB	559011-1307	Helsingborg
Catena Backa 23:5 KB	916624-0797	Helsingborg	Catena Morup 5 AB	556632-3621	Helsingborg
Catena Backa 23:9 AB	556822-2433	Helsingborg	Catena Mosås AB	556710-4459	Helsingborg
Catena Backa 97:10 AB	556595-0002	Helsingborg	Catena Mållås 4:4 AB	559083-7133	Helsingborg
Catena Backa Invest AB	556758-6838	Helsingborg	Catena Mölnlycke AB	556990-3379	Helsingborg
Catena Backanet AB	556720-9035	Helsingborg	Catena Obl. AB	556984-8426	Helsingborg
Catena Basfiolen AB	556697-7129	Helsingborg	Catena Projekt AB	556824-7570	Helsingborg
Catena Batteriet AB	559083-7182	Helsingborg	Catena Rollsbo AB	559053-0266	Helsingborg
Catena Björrod AB	559106-8829	Helsingborg	Catena Rosersberg 11:81 AB	559130-9629	Helsingborg
Catena B-Kråkebo 1:56 AB	559016-9198	Helsingborg	Catena Rosersberg 11:116 AB	556893-9325	Helsingborg
Catena Borlänge AB	556605-0620	Helsingborg	Catena Service AB	556750-7917	Helsingborg
Catena Borås Tre AB	556691-3223	Helsingborg	Catena Skogskojan 1 AB	556972-7547	Helsingborg
Catena Borås Två AB	556537-6141	Helsingborg	Catena Slottshagen 2:1 AB	556703-2809	Helsingborg
Catena Bronsringen AB	556702-8153	Helsingborg	Catena Slätthög 1 AB	556929-6873	Helsingborg
Catena Bråta AB	559211-4259	Helsingborg	Catena Slätthög 4 AB	556872-7639	Helsingborg
Catena Bröndby A/S	DK 30926080	Copenhagen	Catena Slätthög 6 AB	556929-6881	Helsingborg
Catena Bulten 1 AB	556968-2478	Helsingborg	Catena Smeden 1 AB	556950-7584	Helsingborg
Catena Bunkagården M 1 AB	556445-0087	Helsingborg	Catena Snesholm 1:16 AB	559043-5995	Helsingborg
Catena Bunkagården M 2 AB	556912-0339	Helsingborg	Catena Sockret 4 AB	559025-6698	Helsingborg
Catena Burlöv AB	556605-0992	Helsingborg	Catena Sockret 7 AB	559029-1208	Helsingborg
Catena Dansered AB	556537-6166	Helsingborg	Catena Statorn AB	559130-9637	Helsingborg
Catena Drivremmen 1 AB	559083-7117	Helsingborg	Catena Stenvreten AB	556791-3982	Helsingborg
Catena Däcket 1 AB	559083-7166	Helsingborg	Catena Stockholm AB	556519-4148	Helsingborg
Catena Ekeby 2:2 AB	559081-1880	Helsingborg	Catena Sundsvall AB	556605-0596	Helsingborg
Catena Fosie 4 AB	556775-7819	Helsingborg	Catena Sunnanå 5:16 AB	559071-0090	Helsingborg
Catena Fräsaren 12 AB	556987-6773	Helsingborg	Catena Sunnanå AB	556699-7788	Helsingborg
Catena Fröträdet 1 AB	556605-2139	Helsingborg	Catena Sunnanå Tre AB	556809-9955	Helsingborg
Catena Fördelaren 1 AB	556605-2097	Helsingborg	Catena Sunnanå Två AB	559023-3911	Helsingborg
Catena Förmannen AB	556667-7299	Helsingborg	Catena Södertälje AB	556524-7433	Helsingborg
Catena Generatorn 11 AB	556720-9043	Helsingborg	Catena Söderåsen Fastighets AB	556634-8776	Helsingborg
Catena Godsvagnen AB	556740-8801	Helsingborg	Catena Tahe AB	556102-5304	Helsingborg
Catena Gävle AB	556697-7194	Helsingborg	Catena Tankbilen 9 AB	556956-0690	Helsingborg
Catena Haninge AB	556660-1596	Helsingborg	Catena Terminal AB	559081-1948	Helsingborg
Catena Holding 6 AB	556877-4250	Helsingborg	Catena Terminalen 1 AB	556312-0236	Helsingborg
Catena Holding 9 AB	556912-0313	Helsingborg	Catena Tostarp AB	556667-8784	Helsingborg
Catena Holding I AB	556707-7580	Helsingborg	Catena Tostarp Tre AB	559211-5124	Helsingborg
Catena Hästhagen AB	556252-1616	Helsingborg	Catena Tostarp Två AB	559025-2259	Helsingborg
Catena Invest AB	556649-9108	Helsingborg	Catena Transportstaden Örebro AB	556591-2309	Helsingborg
Catena Jakobsberg AB	556607-0925	Helsingborg	Catena Tågarp 16:22 AB	559018-0880	Helsingborg
Catena Jordbromalm 4:41 AB	556731-8554	Helsingborg	Catena Umeå AB	556605-0562	Helsingborg
Catena Järfälla AB	556605-0737	Helsingborg	Catena Umeå Två AB	556708-3422	Helsingborg
Catena Jönköping AB	556536-7587	Helsingborg	Catena Vanda AB	556672-1402	Helsingborg
Catena Jönköping Två AB	556691-3215	Helsingborg	Catena Varalöv AB	556663-0025	Helsingborg
Catena Karlstad AB	556605-0695	Helsingborg	Catena Vasslan AB	556697-7137	Helsingborg
Catena Klarinetten 1 AB	556720-9050	Helsingborg	Catena Vindtunneln 2 AB	556685-3064	Helsingborg
Catena Klippan AB	556536-7579	Helsingborg	Catena Vissol AB	556140-0135	Helsingborg
Catena Klippan Mega AB	556594-2603	Helsingborg	Catena Vissol Två AB	556717-7653	Helsingborg
Catena Konen AB	556802-4771	Helsingborg	Catena Vångagärdet AB	559086-8021	Helsingborg
Catena Kopparverket AB	556700-1275	Helsingborg	Catena Vålingen KB	969728-6160	Helsingborg
Catena Korsberga 1 AB	556834-6539	Helsingborg	Catena Vårdshuset AB	556697-7145	Helsingborg
Catena Kristianstad AB	556697-7202	Helsingborg	Catena Värnamo AB	556950-7592	Helsingborg
Catena Kungsbacka AB	556969-5439	Helsingborg	Catena Växjö Ett AB	556222-2595	Helsingborg
Catena Källstalöt AB	556499-4076	Helsingborg	Catena Årsta AB	556605-0760	Helsingborg
Catena Köpingegården HB	916626-8806	Helsingborg	Catena Ätthögen AB	556659-9360	Helsingborg
Catena Lagret 1 AB	556660-1539	Helsingborg	Catena Örebro AB	556636-3270	Helsingborg
Catena Lagret 4 AB	559007-5544	Helsingborg	Catena Östanvinden AB	556697-7111	Helsingborg
Catena Linköping AB	556605-0471	Helsingborg	Hallsbergs Kombiterminal AB	556643-8023	Helsingborg
Catena Logistikposition Helsingborg AB	556688-6635	Helsingborg	Hallsbergs Terminal AB	556317-5966	Helsingborg
Catena Magneten 6 AB	559090-1715	Helsingborg	Logistikposition Karlshamn AB	556752-6040	Karlshamn
Catena Mappen 4 AB	559100-3776	Helsingborg	Logistikposition Katrineholm AB	556692-4147	Katrineholm
			Queenswall AB	559001-6696	Helsingborg
			Queenswall Två AB	559164-2979	Helsingborg

Note 13. Participations in associated companies

Associated companies	31 Dec 2019	31 Dec 2018
<i>Accumulated cost</i>		
Opening balance	1.0	1.0
Acquisitions	-	-
Carrying amount at year-end	1.0	1.0

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

Urban Services Sweden AB is owned by Catena as an associated company together with Fabege, Ragnsells and Servistik, with 25 percent each. The Company will develop and coordinate logistics for the transport of products and goods into and out of Arenastaden in Solna.

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

2019

Joint ventures/ Associated companies	Corp. Reg. No.	Registered office	Participation	Assets	Liabilities	Income	Profit	Carrying amount
Urban Services Sweden AB	559108-8397	Solna	25.0%	5.2	2.0	16.0	0.7	1.0
Total				5.2	2.0	16.0	0.7	1.0

2018

Joint ventures/ Associated companies	Corp. Reg. No.	Registered office	Participation	Assets	Liabilities	Income	Profit	Carrying amount
Urban Services Sweden AB	559108-8397	Solna	25.0%	1.5	0.7	2.4	-0.2	1.0
Total				1.5	0.7	2.4	-0.2	1.0

For more information, see Group Note 14, Participations in associated companies and collaborative arrangements.

Note 14. Accounts receivable

The Parent Company's accounts receivable amounted to SEK 0.0 million (0.8). Of these, SEK 0.0 M (0.6) has not fallen due. No bad debt losses arose for the Parent Company during the year.

Note 15. Financial instruments and financial risk management

Financial policy

The Parent Company's assumption of financial risk is governed by the risk mandate set by Catena's Board. The policy and targets are detailed in Note 19 for the Group.

Financing and financing risks

Loan terms, interest and maturity structure

	Nominal amount in original currency		Average interest rate	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Commercial papers*	674.3	898.6	0.9%	0.7%
Liabilities to Group companies	3,194.0	3,025.1	3.0%	3.0%
Liabilities to associated companies	-	1.0	3.0%	3.0%

* The average interest rate is stated with regard to the cost of the backup facility.

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

	Nominal value		Carrying amount	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Interest-rate swap contracts	4,521.7	4,528.6	-381.1	-410.5

A one percentage-point rise in the interest rate for interest-bearing liabilities, assuming unchanged loan volumes and fixed-interest terms in line with valid derivative agreements, would have a positive impact on earnings of SEK 6.6 million (6.1).

Note 16. Prepaid expenses and accrued income

	31 Dec 2019	31 Dec 2018
Prepaid fee for credit facility	3.2	2.8
Prepaid rent	0.7	0.7
Other prepaid expenses	2.5	1.6
Total	6.4	5.1

Note 17. Shareholders' equity**Number of shares in issue at 31 December 2019**

Class of shares	Number of registered shares	Quotient value per share, SEK	Total value per share, SEK	Number of votes per share	Total votes
Ordinary shares	37,698,853	SEK 4.40	SEK 165,874,953.20	1	37,698,853

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

Development of share capital

Year	Transaction	Increase in share capital, SEK	Total share capital, SEK	Increase in number of registered shares	Total number of registered shares	Total number of shares outstanding
1999	New share issue	49,075,400	50,000,000	490,754	11,555,662	11,555,662
2006	Bonus issue	883,800	50,883,800	8,838	11,564,500	11,564,500
2013	Private placement	59,976,189	110,859,989	13,630,952	25,195,452	25,195,452
2014	Private placement	1,964,464	112,824,452	446,469	25,641,921	25,641,921
2016	Private placement	31,886,672	144,711,124	7,246,971	32,888,892	32,888,892
2016	Private placement	1,525,102	146,236,226	346,614	33,235,506	33,235,506
2016	Private placement	11,000,000	157,236,226	2,500,000	35,735,506	35,735,506
2017	Private placement	7,383,275	164,619,501	1,678,017	37,413,523	37,413,523
2018	Private placement	1,255,452	165,874,953	285,330	37,698,853	37,698,853

The dividends adopted by the Annual General Meeting and disbursed in 2019 were SEK 5.75 per share or a total of SEK 216.8 million. For 2019, the Board proposes an ordinary dividend of SEK 6.50 per share. Based on the number of shares outstanding entitled to receive a dividend for the 2019 financial year, the proposed dividend means a total dividend amount of SEK 245.0

million. The dividend amount corresponds to 99.5 percent of the dividend target in Catena's financial targets, SEK 246.3 million.

The Parent Company's target for asset management and the financial targets correspond with the Group's and are detailed in Note 19 for the Group.

Note 18. Other provisions

	2019	2018
Pension commitments	1.7	0.8
Special payroll tax	0.4	0.2
Total other provisions	2.1	1.0

Payments

	2019	2018
Amount for which a provision is expected to be paid after more than 12 months	2.1	0.9

	2019	2018
Opening balance	1.0	0.2
New provision	1.2	0.9
Settled commitments	-0.1	-0.1
Closing balance	2.1	1.0

Note 19. Accrued expenses and deferred income

	31 Dec 2019	31 Dec 2018
Accrued salary-related expenses	15.1	14.4
Accrued interest expenses	11.9	12.9
Other accrued expenses	3.5	3.8
Total	30.5	31.1

Note 20. Pledged assets and contingent liabilities

Pledged assets	31 Dec 2019	31 Dec 2018
Guarantee obligations	-	-
Total	-	-

Contingent liabilities	31 Dec 2019	31 Dec 2018
Guarantees given for Group companies	8,104.3	7,590.9
Guarantees given for associated companies	110.7	35.0
Total	8,215.0	7,625.9

Note 21. Cash-Flow Statement

Supplementary disclosures	1 Jan 2019 -31 Dec 2019	1 Jan 2018 -31 Dec 2018
Interest paid and dividends received		
Interest received	206.8	134.5
Interest paid	-130.3	-276.1
Adjustments for non-cash items		
Amortisation, depreciation and impairment of assets	0.6	0.9
Change in value of derivatives	-29.3	-34.7
Other non-cash profit/loss items	1.1	0.7
Total	-27.6	-33.1

Reconciliation of changes in net debt	Cash and cash equivalents	Interest-bearing liabilities	Total
Net debt as at 31 December 2018	195.7	-898.6	-702.9
Cash flow	-105.7	224.3	118.6
Net debt as at 31 December 2019	90.0	-674.3	-584.3

Note 22. Classification of financial instruments

2019	Measurement categories			Carrying amount
	Measured at fair value via profit or loss	Measured at fair value via other comprehensive income	Measured at amortised cost	
Financial assets				
Other non-current receivables	-	-	1.7	1.7
Accounts receivable	-	-	-	-
Other current receivables	-	-	3,763.4	3,763.4
Cash and cash equivalents	-	-	90.0	90.0
Total	-	-	3,855.1	3,855.1
Non-financial assets				3,364.5
Total				7,219.6
Financial liabilities				
Commercial papers	-	-	-674.3	-674.3
Interest-rate derivatives	-381.1	-	-	-381.1
Accounts payable	-	-	-3.6	-3.6
Other current liabilities	-	-	-3,194.0	-3,194.0
Accrued expenses	-	-	-30.5	-30.5
Total	-381.1	-	-3,903.0	-4,284.1
Non-financial liabilities				-4.5
Total				-4,288.0

Carrying amounts correspond, to all intents and purposes, to fair values for all balance-sheet items.

2018	Measurement categories			
	Measured at fair value via profit or loss	Measured at fair value via other comprehensive income	Measured at amortised cost	Carrying amount
Financial assets				
Other non-current receivables	–	–	0.8	0.8
Accounts receivable	–	–	0.8	0.8
Other current receivables	–	–	3,925.7	3,925.7
Cash and cash equivalents	–	–	195.7	195.7
Total	–	–	4,123.0	4,123.0
Non-financial assets				3,324.4
Total				7,447.4
Financial liabilities				
Commercial papers	–	–	-898.6	-898.6
Interest-rate derivatives	-410.5	–	–	-410.5
Accounts payable	–	–	-4.1	-4.1
Other current liabilities	–	–	-3,026.1	-3,026.1
Accrued expenses	–	–	-31.1	-31.1
Total	-410.5	–	-3,959.9	-4,370.4
Non-financial liabilities				-18.4
Total				-4,388.8

Carrying amounts correspond, to all intents and purposes, to fair values for all balance-sheet items.

Note 23. Significant events after the end of the financial year

Catena and Coop Logistik have agreed to continue discussions with the intention of Catena acquiring a property and constructing an approximately 105,000 square-metre automated warehouse in the Municipality of Eskilstuna. For Catena, this statement of intent entails acquiring part of the Aspestahult 1:1 property in Eskilstuna Logistik Park, and constructing and automating the new facility. Catena's total investment is estimated at between SEK 3.7 billion and SEK 3.9 billion. If the planned schedule holds, the facility is expected to be brought into operation in 2023. The process will continue with negotiations on the final terms of the collaboration. The parties involved with disclose further information in connection with the signing of a binding agreement.

Johan Franzén will be stepping down effective 1 April 2020 and will continue in his current role as Regional Manager for Gothenburg and Jönköping during his period of notice. The process of recruiting a successor has been initiated.

The Nomination Committee has submitted a proposal regarding the composition of the Board of Directors to the Annual General Meeting to be held on 29 April 2020. It is proposed that Magnus Swärdh, Katarina Wallin, Tomas Andersson and Hélène Briggert be re-elected and that Gustaf Hermelin be re-elected as the Chairman of the Board. In addition, the new election of Vesna Jovic and Caesar Åfors is proposed, as Henry Klotz and Ingela Bendrot have declined re-election.

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

Note 24. Related parties

Related-party transactions

In addition to the related parties detailed for the Group in Note 23, the Parent Company exercises controlling influence over its subsidiaries, see Note 12 Participations in Group companies.

	2019	2018
Transactions with subsidiaries		
Purchases	2.8	2.6
Sales	49.0	46.0
Interest income	205.6	134.2
Interest expenses	15.9	147.8
Dividends received	–	1,000.0
Group contributions received are reported as dividends	172.4	376.8
Group contributions paid	89.1	202.1
Current receivables	3,728.5	3,001.9
Interest-bearing liabilities	3,194.0	3,025.1
Guarantees given	8,104.3	7,590.9
Transactions with the Group's associated companies		
Sales	0.4	0.7
Interest income	1.4	0.4
Current receivables	34.9	20.1
Non-current receivables	37.5	9.7
Interest-bearing liabilities	0.0	1.0
Guarantees given	76.7	35.0
Transactions with other related parties		
Purchases	0.2	0.1

Other information

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

Transactions with related parties are priced at market rates.

Appropriation of earnings

The Board assesses that the financial status of the Company and the Group is sufficiently sound to both develop the operations and propose a cash dividend in accordance with the Company's dividend policy.

Appropriation of earnings

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

Proposed appropriation of accumulated profit

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

	SEK
Profit brought forward	2,641,760,535.36
Profit for the year	89,847,046.71
Total	2,731,607,582.07

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

	SEK
To be distributed to shareholders: SEK 6.50 per share	245,042,544.50
To be carried forward	2,486,565,037.57
Total	2,731,607,582.07

The Board of Directors' proposal

In the proposed appropriation of earnings, the Board of Directors proposes to the 2020 Annual General Meeting that Catena pay a dividend of SEK 6.50 per share for the 2019

financial year, which entails a total dividend payment of SEK 245,042,544.50 (216,768,404.75). From the annual accounts it can be seen that Catena's consolidated equity ratio amounts to 35.6 percent. After deduction of the proposed dividend, the Group's equity ratio amounts to approximately 34.2 percent. One of Catena's financial targets is that the consolidated equity ratio should be a minimum of 30 percent.

Explanatory statement by the Board

In light of the aforementioned, the Board believes that the proposed dividend to shareholders is warranted considering the stipulations in Chapter 17, Section 3, Paragraph 2 and 3 of the Swedish Companies Act. The Board is of the opinion that there is full cover for the Company's restricted equity following the proposed dividend. After the proposed dividend, the Board believes that the Company's and Group's equity and liquidity will be sufficient considering the nature, scope and risk of the operations. The Board is of the opinion that the proposed dividend will not affect Catena's capacity to meet its short or long-term commitments. Moreover, the Board believes that the investments required for the Company's operations will not be adversely impacted. As regards the Company's earnings and overall financial position in other regards, please refer to the financial statements in this report and the notes to the financial statements on pages 75–115.

Market outlook

The area of logistics faces an exciting future – and this also applies to properties linked to the sector. New technologies pave the way for more efficient and intelligent solutions. Over time, the market for logistics properties is ultimately driven by the supply and demand of goods and the cargo flows that these forces generate. The function and composition of the properties are, in turn, influenced increasingly by laws, infrastructure, purchasing behaviour and demographics. An adaptation of the logistics property portfolio is currently required for it to fit better in a modern society, globally and nationally. To date, the market has not had a problem absorbing additional properties – rather, the availability of modern and strategically located logistics premises has been limited, which we believe will impact the letting ratio positively in the future.

Access to appropriate land is limited in certain geo-

graphical areas, not seldom where it is needed most. This provides good conditions for growth in leasing over time and for achieving profitable new production.

In 2019, the transaction market for logistics properties reached new heights, confirming an underlying strong demand for improved and more intelligent logistics. Over the past year, we witnessed how a greater proportion of foreign capital found its way to Sweden, both from pure investors and from property companies seeking out Swedish logistics properties at ever-lower yields. We believe this trend will continue given the low interest rates and a relatively weak SEK.

Having a good spread of financiers causes us to feel secure in the refinancing processes that await in 2020. We are monitoring developments in the world's financial markets and are well-prepared regardless of the direction these take.

Signing of the Annual Report

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

fair view of the development of the Group's operations, financial position and performance and describes significant risks and uncertainty factors facing the Group.

The annual accounts and consolidated financial statements were approved for release by the Board on 20 March 2020. The Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position and the Parent Company's Income Statement and Balance Sheet are subject to the approval of the Annual General Meeting on 29 April 2020.

Helsingborg, 20 March 2020

Gustaf Hermelin
Chairman of the Board

Tomas Andersson
Board Member

Ingela Bendrot
Board Member

Hélène Briggert
Board Member

Magnus Swärdh
Board Member

Henry Klotz
Board Member

Katarina Wallin
Board Member

Benny Thøgersen
Chief Executive Officer

Our auditors' report was submitted on 20 March 2020

PricewaterhouseCoopers AB

Mats Åkerlund
Authorised Public Accountant

Audit Report

To the Annual General Meeting of Catena AB (publ), Corporate Registration Number:
556294-1715

Report on the annual accounts and consolidated financial statements

Statements

We have audited the annual and consolidated accounts for Catena AB (publ) for the year 2019 with the exception of the Corporate Governance Report and the Sustainability Report on pages 122-135 and 48-71 respectively. The Company's Annual Report and consolidated accounts are included in pages 18-117 and 122-135 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present, in all material respects, a fair portrayal of the financial position of the Parent Company as of 31 December 2019 and its financial performance and its cash flows for the year in accordance with the Annual Accounts Act, and that the consolidated financial statements have been prepared in accordance with the Annual Accounts Act and provide, in all significant respects, a true and fair representation of the Group's financial position at 31 December 2019 and of its earnings and cash flows for the year pursuant to International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. Our statements do not include the Corporate Governance Report and Sustainability Report on pages 122-135 and 48-71 respectively. The Board of Directors' report is consistent with the other parts of the annual accounts and the consolidated accounts.

We therefore recommend that the General Meeting adopt the Consolidated Income Statement and Balance Sheet of the Parent Company, and the Consolidated Statement of Comprehensive Income.

Our statements in this report on the annual and consolidated accounts are consistent with the content of the supplementary report that has been submitted to the Parent Company and the Group's Audit Committee in accordance with Article 11 of the Auditors' Regulation (537/2014).

Basis for the statements

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibility according to these standards is described in more detail in the section on Auditors' responsibility. We are independent in relation to the Parent Company and Group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethics responsibility according to these requirements. This means that, based on our best knowledge and belief, no prohibited services referred to in Article 5.1 of the Auditors' Regulation (537/2014) have been provided to the audited company or, as the case may be, its parent company or any company under its control within the EU.

We believe that the audit evidence we have gathered is sufficient and appropriate as a basis for our statements.

Our audit approach

Audit focus and scope

We structured our audit by determining the materiality level and assessing the risk of material misstatements in the financial statements. We paid particular attention to the areas where the CEO and Board made subjective judgements, such as important accounting estimates made based on assumptions and forecasts of future events, which are uncertain by nature. As in all audits, we also took into account the risk that the Board and the CEO neglect internal control, and among other things have considered if there is evidence of systematic deviations that have given rise to a risk of material misstatements as a result of improprieties.

We adapted our audit to carry out an appropriate review with the aim of being able to express an opinion on the financial statements as a whole, considering the Group's structure, accounting processes and controls and the industry within which the Group is active. Catena's property portfolio consists primarily of logistics properties with a concentration on Stockholm, Gothenburg and the Öresund region. For various reasons, Catena is structured and legally organised into a number of legal entities. In practice, however, Catena is considered to be a single company that owns properties in various locations in Sweden. All accounting and consolidation is performed centrally at the headquarters. Based on this, in the audit, we have viewed the Group as a single company and have included all properties and companies in the population from which we select our sample. In addition, the Group team has performed the audit of the Parent Company, the consolidation, the Annual Report and significant assumptions and assessments. Based on the review measures mentioned above, it is our view that we have obtained sufficient audit evidence to be able to express our opinion on the financial statements as a whole.

Materiality

The scope and focus of the audit was influenced by our assessment of materiality. An audit is structured to achieve a reasonable degree of certainty as to whether or not the financial statements contain any material misstatements. Misstatements can arise as a result of fraud or error. They are viewed as material if they individually or together can reasonably be expected to affect the financial decisions the users make based on the financial statements.

Based on professional judgement, we determined quantitative materiality figures for the financial statements as a whole. Using these and qualitative considerations, we determined the audit's focus and our audit measures' nature, timing and scope. The quantitative materiality figures are also used to assess the effect of any misstatements, individually or together, on the financial statements as a whole.

Particularly significant areas

Areas of particular significance to the audit are those that in our professional opinion were the most significant to the audit of the annual accounts and consolidated financial statements for the period in question. These areas are addressed within the scope of the audit of, and in our opinion on, the annual accounts and consolidated financial statements as a whole, but we make no separate statements regarding these areas.

PARTICULARLY SIGNIFICANT AREA**HOW OUR AUDIT TOOK PARTICULARLY SIGNIFICANT AREA INTO ACCOUNT****Valuation of properties**

See page 35 in the Administration Report and Notes 2 (Accounting and valuation policies) and 12 (Investment properties).

The Group recognised SEK 16.3 billion related to investment properties. In 2019, the Group recognised SEK 791 million in positive value changes on properties. The Group's property portfolio primarily consists of logistics properties with a concentration to Stockholm, Gothenburg and the Öresund region.

The Group makes quarterly appraisals of all properties using a consistently applied model. The Group also has Newsec and Cushman & Wakefield make appraisals according to a rolling schedule. In 2019, a total of 59 percent of the properties were appraised at some time by external appraisers. Every quarter, the internal appraisal and the external appraisals are compared and any differences to the internal values are explained or corrected for.

In recent years, as a result of the low-interest environment we are in, the required rate of return has steadily declined, which has had a large positive impact on the property values.

An appraisal is associated with material assessments and estimates. The most significant are assumptions of required rate of returns and future rental income. The Group has also a principle of solely focusing on logistics properties, which is why assumptions of the average vacancy rate are also material assumptions.

With the help of our specialists in property appraisal, we assessed the Group's process and method for internal appraisal. We studied the external appraisals and compared them with appraisals done by Catena and checked that no material differences are unexplained or unadjusted.

We challenged the management team regarding the explanations they have for differences for which they have not corrected.

We compared material assumptions, such as required return and future growth in rental income, with external transactions and industry data.

We assessed the independence, expertise and integrity of the external appraisers. We also studied the assignment contract with the appraiser to assess if it may contain conditions, such as fee terms, that may cause the independence and integrity to be questioned.

We spot-checked data used regarding investments, rental income and operating costs against the budgets established or presented to the Board.

We did not note any material deviations in connection with the examination that was made.

Acquisition and sale of properties

See Note 2 (Accounting policies) and Note 12 (Investment properties)

Purchases and sales of properties are a natural part of Catena's business and it is therefore not unusual that such transactions include complex contractual terms that may demand an assessment and analysis regarding the time of acquisition, acquisition price or if the transaction shall be recognised as a business combination or asset acquisition.

We studied the management's analysis of transactions made and assessed the accuracy of the accounts of transactions made.

We studied agreements entered and read through them to identify any terms that could lead to a different recognition.

We checked disclosures in the annual accounts on transactions made during the year to assess completeness and accuracy in material disclosures.

We studied acquisition analyses and checked correct recognition of the acquisitions and sales.

We did not note any material deviations in connection with the examination that was made.

PARTICULARLY SIGNIFICANT AREA

HOW OUR AUDIT TOOK PARTICULARLY SIGNIFICANT AREA INTO ACCOUNT

Income tax

See Note 2 (Accounting and valuation policies) and Note 10 (Income taxes).

For the 2019 financial year, the Group reported tax expenses of SEK 298 million and deferred tax receivables of SEK 85 million, attributable mainly to unrealised losses on derivative instruments, and SEK 1,537 million in deferred tax liabilities attributable mainly to temporary differences between taxed values of properties and their carrying amounts.

In 2019, new tax legislation limited the possibility of obtaining tax deductions for interest expenses exceeding a given level. The application of the new regulations is inherently complex and the large number of legal entities that Catena, as a property company, comprises further increases this complexity as the calculation is to be performed for each legal entity.

An incorrect assessment of how the new regulations should be applied or errors in the tax calculations made in the individual companies could lead to significant errors in the reported tax expense for the year.

With the help of our tax specialists, we have randomly checked the model Catena uses to calculate the tax expenses of the individual property companies, the consolidated tax expense and the current tax liability.

We have, with the help of our tax specialists, reviewed the assessments made by Catena in applying the new regulations regarding interest deduction restrictions.

We have examined the calculation of deferred tax assets and tax liabilities against the underlying temporary differences in derivatives and properties.

We have randomly examined the data used in the calculation of current and deferred tax.

We have reviewed the calculation of the Group's effective tax rate.

We have reviewed relevant notes in the financial reports.

We did not note any material deviations in connection with the examination that was made.

Information other than the annual accounts and consolidated financial statements

This document also contains information other than the annual accounts and consolidated financial statements and can be found on pages 1-17 and 136-139. The other information does not form part of the Annual Report. It is the Board and the CEO who have the responsibility for this other information.

Our statement regarding the annual accounts and consolidated financial statements does not comprise this information and we make no statement confirming this other information.

In connection with our audit of the annual accounts and consolidated financial statements, it is our responsibility to read the information identified above and consider if the information to a material extent is inconsistent with the annual accounts and consolidated financial statements. In this review, we also take into account the information we collected otherwise during the audit and assess if the information otherwise appears to contain material misstatements.

If we draw the conclusion based on the work done regarding this information that the other information contains a material misstatement, we are obliged to report it. We have nothing to report in this respect.

Responsibility of the Board of Directors and the CEO

It is the Board of Directors and the CEO who are responsible for the preparation of the Annual Report and consolidated accounts and that they provide a fair view according to the Annual Accounts Act and, with regard to the consolidated accounts, in accordance with IFRS as adopted by the EU, and the Annual Accounts Act. The Board of Directors and the CEO are also responsible for the internal control that they deem necessary in preparing annual and consolidated accounts

that do not contain any material misstatement, whether due to error or impropriety.

In preparing the annual accounts and consolidated financial statements, the Board and CEO are responsible for the assessment of the Company's and the Group's ability to continue the operations. They provide information, when appropriate, concerning conditions that may affect the ability to continue operations and to use the going concern assumption. The going concern assumption is not, however, applied if the Board and CEO intend to liquidate the Company, cease operations or have no realistic alternative than to do either.

The Board's Audit Committee shall, without it affecting the Board's responsibility and duties otherwise, monitor the Company's financial reporting, among other things.

Auditors' responsibility

Our objective is to achieve a reasonable degree of certainty whether or not the annual and consolidated accounts, as a whole, contain any material misstatements, whether due to error or impropriety, and to provide an Audit Report containing our statements. Reasonable certainty is a high degree of certainty, but is no guarantee that an audit done according to ISA and generally accepted auditing standards in Sweden will always discover a material misstatement if such exists. Misstatements can arise due to impropriety or error and are considered to be material if they individually or together can reasonably be expected to affect financial decisions that users make based on the annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated financial statements is available on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description is a part of the audit report.

Report on other legal and regulatory requirements

Statements

In addition to our audit of the annual accounts and consolidated financial statements, we have also examined the proposed appropriations of the Company's profit or loss and the administration of the Board and CEO of Catena AB (publ) for 2019.

We recommend that the General Meeting appropriate Company's profit or loss in accordance with the proposal presented in the Administration Report (Board of Directors' Report) and that the directors and the CEO be discharged from liability for the financial year.

Basis for the statements

We have conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibility according to these is described in more detail in the section on Auditors' responsibility. We are independent in relation to the Parent Company and Group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethics responsibility according to these requirements.

We believe that the audit evidence we have gathered is sufficient and appropriate as a basis for our statements.

Responsibility of the Board of Directors and the CEO

The Board of Directors has the responsibility for the proposal on the appropriation of the Company's profit or loss. In the event of a proposed dividend, this includes an assessment of whether the dividend is justifiable considering the requirements set by the Company's and Group's nature of operations, scope and risks on the size of the Parent Company's and the Group's equity, consolidation requirements, liquidity and position otherwise.

The Board is responsible for the Company's organisation and the management of its affairs. This includes continuously assessing the Company's and Group's financial situation, and ensuring that the Company's organisation is structured so that accounting, asset management and the Company's financial affairs otherwise are controlled in a satisfactory manner. The CEO shall take care of the operating management according to the Board's guidelines and instructions and take the actions necessary for the Company's bookkeeping to be performed in accordance with law and for asset management to be managed in a satisfactory manner.

Auditors' responsibility

Our objective regarding the audit of the management, and thereby our statement regarding discharge from liability, is to collect audit evidence to be able to assess with a reasonable degree of certainty if any Board Member or the CEO to any material respect:

- took any action or committed any negligence that may lead to a liability to pay damages to the Company, or
- in any way acted counter to the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective regarding the audit of the proposed appropriation of the Company's profit or loss, and thereby our statement regarding this, is to assess with a reasonable degree of certainty if the proposal is consistent with the Swedish Companies Act.

Reasonable certainty is a high degree of certainty, but no guarantee that an audit done in accordance with generally accepted auditing practices in Sweden will always discover actions or negligence that can lead to liability to pay damages to the Company, or that a proposed appropriation of the Company's profit or loss is not consistent with the Swedish Companies Act.

A further description of our responsibility for the audit of the management is available on the website of the Supervisory Board of Public Accountants: www.revisorsinspektionen.se/revisornsansvar. This description is a part of the audit report.

Auditor's review of the Corporate Governance Report

The Board of Directors is responsible for the Corporate Governance Report on pages 122-135 and for it being prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our review of the Corporate Governance Report, as required by law, has another focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing practices in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance report has been prepared. Disclosures in accordance with chapter 6, Section 6, second paragraph, items 2-6 of the Annual Accounts Act and Chapter 7, Section 31, second paragraph of the same Act are consistent with the other parts of the Annual Report and consolidated accounts and are in accordance with the Annual Accounts Act.

Auditor's opinion regarding the statutory Sustainability Report

The Board of Directors is responsible for the statutory Sustainability Report on pages 48-71, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory Sustainability Report. This means that our examination of the statutory Sustainability Report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory Sustainability Report has been prepared.

PricewaterhouseCoopers AB, Box 4009, SE-203 11 Malmö, Sweden, was elected as the Auditor for Catena AB (publ) by the Annual General Meeting of 25 April 2019 and has been the Company's Auditor since 26 April 2012.

Malmö, 20 March 2020
PricewaterhouseCoopers AB

Mats Åkerlund
Authorised Public Accountant

Active and transparent corporate governance lays the foundation for continued value creation

Since its inception, Catena has demonstrated its capacity to generate strong cash flow from its continuing operations and to combine this with profitable growth. As we further consolidated our position as the leading player in logistics properties, 2019 proved to be no exception. This was largely a result of the year's active project development efforts, with significant new leases taking effect at Logistics Positions Sunnanå and Tostarp, among others. In addition, the forward-looking land acquisition agreements signed in Järna and Stockholm Syd also grant Catena the opportunity to become a leading player at the southern approach routes to Stockholm.

The market for logistics properties continues to show strong development, which is reflected in the high level of activity among investors and the capital markets. An important driving force is the singularisation we are now seeing even more clearly in our customers' cargo flows and those of their customers. Where pallets were previously handled, deliveries are now measured in terms of parcels and individual consignments. The underlying factor is the powerful transformation that e-commerce has entailed, where the same warehouse will both serve larger deliveries to shops, as well as deliveries direct to consumers, while demands for faster and cheaper deliveries further increase the need for efficient logistics. Not only does Catena provide properties in optimum locations, the Company has considerable and long-term experience in all aspects of customising logistics facilities. We act as a speaking partner and, increasingly, also as a facilitator of collaboration between different areas of expertise in logistics to achieve the optimum solution for the customer – with regard to automation, for example, which is increasingly an important component.

With growth-driven operations like Catena's comes a responsibility to safeguard value-generating growth. Accordingly, an important aspect of the work of the Board of Directors, is to keep an eye on long-term trends, to maintain a favourable balance between the Group's business

opportunities and to identify and manage the risks that a complex and dynamic external environment entails. For this reason, Catena's corporate governance includes a clear structure with overall objectives, instructions and guidelines for the Company's ongoing work, but also well-balanced restrictions that set the framework for the operations and ensure that the Company is managed in the most focused, efficient, ethical and sustainable manner possible.

I am therefore pleased with the momentum and strong focus embodied in Catena's sustainability work. In addition to value-creating energy efficiency improvements and environmental certifications, I perceive opportunities in our ability to help our customers with those critical last-mile deliveries. With optimal logistics locations and customised facilities, Catena is able to improve flows, ensure that customers' vehicles are as completely loaded as possible, thereby reducing the environmental impact.

All of this rests on an established corporate culture and core values. We want to be able to exceed our customers' often complex demands by means of our knowledge, commitment and a sustainable approach that is of benefit to all. Catena's strength lies in our ability to combine and utilise our local property management and knowledge of the market with a coordination of the Group's business-critical processes.

Following a few years with a controlled rejuvenation process, Catena has a well-balanced Board of Directors with the skills, experience and qualities to cover all of the key areas of operations. With three women and four men and a breadth of life experience, we gain a balance and different perspectives assuring well-informed decisions. The work of the Board of Directors is constantly evolving and new for this year are the processes and work devoted to the remuneration to senior executives. Over the year, we also engaged external consultants to assess the Board of Directors and its work. I am pleased with the excellent manner in which the Board of Directors was deemed to have conducted its duties in 2019, while, at the same time, we continue to define new value-creating processes developing this work.

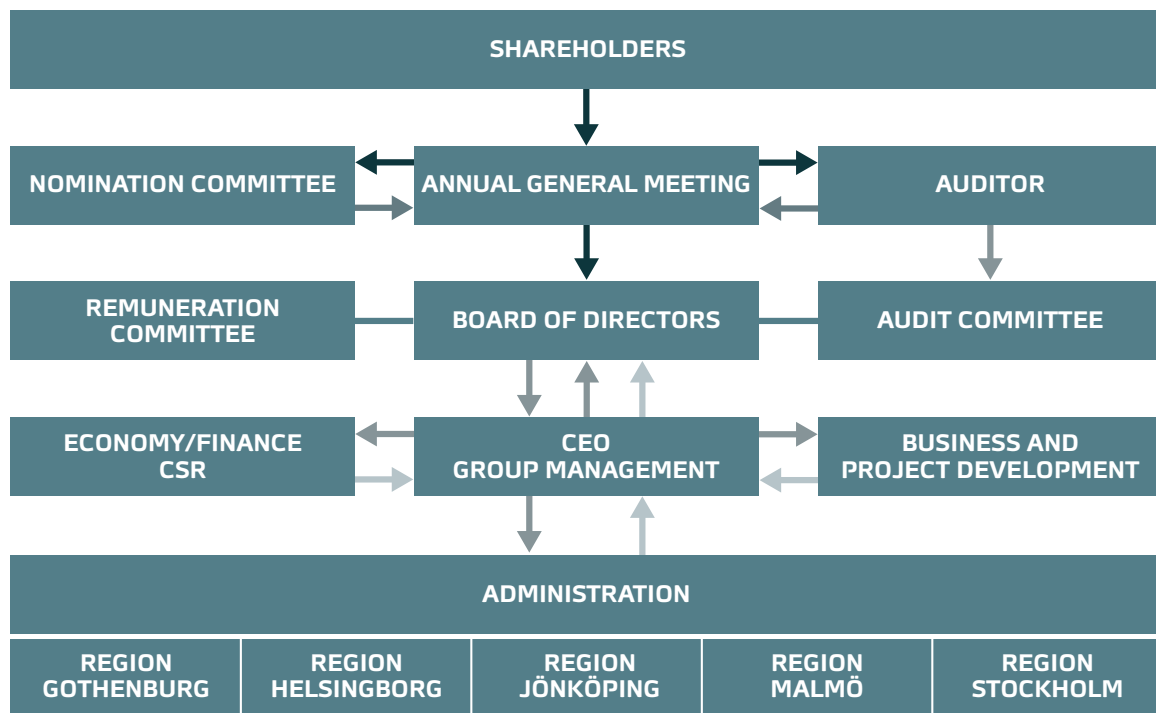
Responsible corporate governance is a cornerstone of Catena's efforts to build confidence with, not only customers, employees and shareholders, but with all stakeholders. This confidence is a prerequisite for our continued success as we now, with both financial and organisational capacity, continue to consolidate our position as a leader in logistics properties.

Helsingborg, March 2020
Gustaf Hermelin,
Chairman of the Board



Corporate governance

All business decisions at Catena must be justifiable from a financial and ethical perspective. Through transparency and availability, shareholders and other stakeholders are afforded insight into decision paths, responsibility, powers and control systems. In this way, the confidence is generated that is central to Catena’s continued successes.



- A** Elections
- B** Evaluation and ongoing reporting
- C** Targets, strategy, policies, instructions
- D** Reporting, ongoing evaluation

External rules	Internal rules
Swedish Companies Act	Articles of Association
Annual Accounts Act	The Board’s formal work plan
Other applicable legislation	Position instructions
IFRS	Values
Nasdaq’s Rule Book for Issuers	Code of Conduct
Swedish Code of Corporate Governance	Financial policy
Global Compact	Personnel policy
EU Market Abuse Regulation (MAR)	Environmental policy
	Information policy
	Other policies and instructions

Catena’s organisation is based on a customer-oriented management structure, consisting primarily of the enterprise-driven Property Management and Business and Project Development functions and divided into five regions. There are also Group-wide functions for Economy/Finance and CSR, which encompasses HR, IR, Communications and Sustainability. Group management has the overall responsibility for development, financial management, earnings follow-up and communication with all of the Company’s stakeholders. Economy/Finance is responsible for the continuous reporting that is based on international standards and the Group’s financing. The functions are also responsible, alongside the CEO, for the Group’s profiling and its communications with the financial markets and society.

Corporate governance

Catena is a Swedish public limited liability company listed on NASDAQ Stockholm. The applicable regulations for governance and control of the Group are primarily the Articles of Association, the Swedish Companies Act, the Swedish Annual Accounts Act, Nasdaq Stockholm's Regulations for Issuers, the Swedish Code of Corporate Governance, internal guidelines and policies, as well as other applicable laws and regulations. Catena's Board and executive management endeavour to ensure that Catena complies with the requirements imposed by the stock exchange, shareholders and other stakeholders. The Swedish Code of Corporate Governance, the "Code", available at www.bolagsstyrning.se, is aimed at ensuring favourable conditions for active and responsible ownership. It is based on the principle of comply or explain. Deviations from the Code must be justified and explained. This Corporate Governance Report describes how Catena applied the Code in 2019.

Deviations from the Swedish Code of Corporate Governance

The Company follows the Swedish Code of Corporate Governance with the following exceptions: the Company has no separate internal audit function. The Board assesses the need for such a function annually and has determined that ongoing internal control efforts, which should preferably be performed by management, constitute a sufficient audit function in terms of the Company's business and size.

Shareholders

At 31 December 2019, the share capital in Catena AB totalled SEK 165,874,953.20 distributed between 37,698,853 ordinary shares.

The largest shareholder, as per 29 February 2020, is the Backahill Group with 29.8 percent (29.8) of the capital. No other shareholders held 10 percent or more of the shares outstanding. Each share confers one vote and each person entitled to vote at the General Meeting of shareholders may vote for the full number of shares held and represented.

► Read more about Catena's shares and shareholders on pages 44-45.

Ownership structure, 29 February 2020

	No. of shares, thousands	Votes, %
Backahill	11,221	29.8
PGGM Pensioenfonds	3,531	9.4
Länsförsäkringar Fonder	3,100	8.2
Gustaf Hermelin	1,310	3.5
Fjärde AP-Fonden (AP4)	977	2.6
Vanguard	831	2.2
BlackRock	704	1.9
SEB Fonder	575	1.5
Cohen & Steers	568	1.5
Norges Bank	541	1.4
BMO Global Asset Management	433	1.2
Swedbank Robur Fonder	347	0.9
Degroof Peterkam	344	0.9
Other shareholders	13,217	35.0
Total	37,699	100.0

Source: Monitor (Modular Finance)

Shareholder distribution by holding, as of 29 February 2020

	Number	Owners Share, %
1-500	13,523	94.5
501-1,000	365	2.6
1,001-5,000	230	1.6
5,001-10,000	48	0.3
10,001-15,000	26	0.2
15,001-20,000	20	0.1
20,001-	96	0.7
Total	14,308	100

Source: Euroclear



Catena continuously provides information through a number of activities to investors, lenders and shareholders.

Annual General Meeting

The Annual General Meeting (AGM) is the Company's highest decision-making body. At the AGM, all shareholders are provided with the opportunity, not subject to limitation, to exercise influence over the Company corresponding to their respective share-holdings. The Company applies no special arrangements concerning the function of the AGM – neither based on any provisions in the Articles of Association or, insofar as the Company is aware, any agreements between shareholders. The AGM appoints the Board and auditors and adopts principles for the remuneration of the Board, auditors and Group management. When necessary, the AGM also makes decisions regarding amendments to the Articles of Association, dividends and changes in share capital. At the AGM, which must be held within six months of the close of the financial year, resolutions must be passed on the adoption of the Balance Sheets and Income Statements, the appropriation of Catena's profit or loss and the discharge of responsibility of the Board and the CEO.

Nomination Committee

The Nomination Committee is tasked with preparing and submitting proposals for the Board, Chairman of the

Board, directors' fees, policies for appointing the Nomination Committee, the Chairman at the AGM and, when applicable, auditors and auditors' fees. Catena's Annual General Meeting on 25 April 2019 decided to appoint a Nomination Committee consisting of representatives of the four largest shareholders and the Chairman. If any one of the four largest shareholders declines to appoint a representative, the Chairman shall urge the next-largest shareholder to appoint a shareholder representative. Since two of the major shareholders have declined participation, the Nomination Committee was constituted, in accordance with a press release issued on 28 October 2019. Due to changes in Catena's shareholder composition when Kilen 134 Strängnäs AB, represented by Jan Persson, reduced its shareholding in February, the Nomination Committee has the following composition, in accordance with a press release issued on 9 March 2020.

Name	Appointed by
Anders Nelson	Backahill Kil AB
Johannes Wingborg	Länsförsäkringar Fondförvaltning AB
Olof Nyström	Fjärde AP-Fonden (AP4)
Gustaf Hermelin	Chairman, SFU Sverige AB

ANNUAL GENERAL MEETING, 25 APRIL 2019

Following the adoption of the balance sheet and income statement in the Annual Report, the Meeting resolved, in accordance with the Board's proposal, to approve payment of a dividend of SEK 5.75 per share. The record date was set as 29 May 2019 and the dividend was expected to be paid on 3 May 2019.

The AGM resolved that the number of Board Members elected by the Annual General Meeting should be seven ordinary members with no deputies. The Meeting adopted Nomination Committee's proposal that Henry Klotz, Gustaf Hermelin, Katarina Wallin, Héléne Briggert, Tomas Andersson and Ingela Bendrot be re-elected as ordinary Board Members, that Magnus Swärdh be newly elected as ordinary Board Member, and that Gustaf Hermelin be re-elected as the Chairman of the Board. The auditing firm, PricewaterhouseCoopers AB was appointed auditor, with authorised public accountant Mats Åkerlund as the principal auditor. The AGM discharged the Board members and CEO from liability for the 2018 financial year.

The AGM approved the Nomination Committee's proposal for remuneration of SEK 330,000 (previously SEK 300,000) for the Chairman of the Board and SEK 165,000 (previously SEK 150,000) for each of the other Board members not employed by the Company. The AGM resolved that remuneration for work in the Remuneration Committee would be added in the

amount of SEK 40,000 (previously SEK 40,000), to be distributed with SEK 20,000 being paid to the chairman of the committee and SEK 10,000 each being paid to the other two members; that remuneration for work in the Audit Committee would be added in the amount of SEK 100,000 (previously SEK 100,000), to be distributed with SEK 50,000 being paid to the chairman of the committee and SEK 25,000 each being paid to the other two members. It was resolved that fees to the auditors be paid according to customary standards and approved invoicing. The Board's proposal for remuneration principles for senior executives was also approved. The Annual General Meeting resolved that no changes be made to the instructions for, or the composition of, the Nomination Committee and that fees should not be paid to the members of the Nomination Committee.

In accordance with the proposal presented, the Annual General Meeting authorised the Board to acquire and divest treasury shares. Acquisitions and divestments may not exceed one-tenth of the Company's total shares. The AGM also authorised the Board to decide on a new share issue not exceeding one-tenth of the total number of shares outstanding.

The complete minutes can be found at www.catenafastigheter.com/about-us/corporate-governance/general-meetings/.



Anders Nelson,
Chairman of the Nomination Committee
nelson@backahill.se

The Chairman of the Nomination Committee is Anders Nelson, while the Chairman of the Board, Gustaf Hermelin, convenes the Committee. Combined, the four shareholders represented hold approximately 44 percent of the votes in Catena as of 29 February 2020.

All members of the Nomination Committee have thoroughly considered whether there is any conflict of interest in

accepting the assignment as a member of Catena's Nomination Committee. The Nomination Committee has addressed the issues incumbent on it to address in accordance with the Swedish Code of Corporate Governance and has, among other topics, discussed:

- The size of the Board of Directors
- Areas of expertise that the Board of Directors should embody
- How the current Board of Directors meets the requirements that will be imposed with regard to Catena's future development
- The composition of the Board of Directors, taking experience, gender and background into account, as well as the regeneration of the Board of Directors and any conflicts of interest in its work
- Election of auditors and their remuneration
- Decision on principles for the appointment of the Nomination Committee

The Nomination Committee has strived to achieve an even gender distribution, versatility and a broad expertise in Catena's Board of Directors. In the view of Catena's Nomination Committee, the members of the Board are highly skilled and experienced in the areas of property, logistics and sustainability. The area of sustainability concerns not only the direct environmental issues, such as energy use and choice of materials, but also the major socio-economic areas, including infrastructure, the final part of a transport, the location of logistics properties, etc.

Board of Directors

The Board's overriding task is to manage Catena's and the Group's activities on behalf of the owners in a way that best secures the owners' interest in a favourable long-term return on capital. The members are elected annually at the AGM for the period up to the end of the following AGM.

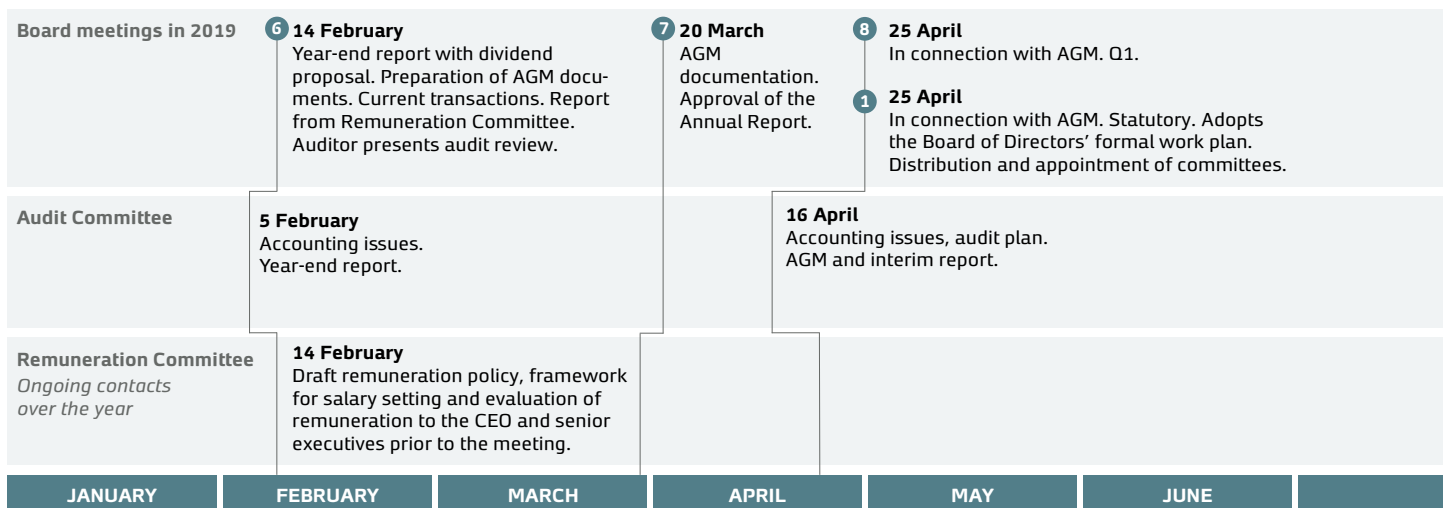
The Board's work is carried out in compliance with statutory provisions, regulations, the Articles of Association and the formal work plan. The formal work plan is discussed at the statutory Board meeting and is set annually. The composition of the Board includes expertise and experience from the areas that are of major importance as part of efforts to support, monitor and control operations in a property company. Board Members have expertise in properties, the real estate market, and financing, digital trade and business development, for example.

In accordance with the Articles of Association, Catena's Board is to comprise not fewer than five and not more than nine members with no deputies. Catena's Board comprises seven members who were elected at the AGM on 25 April 2019. For further information on the members of the Board of Directors, see the presentation of the Board and Management on pages 134-135.

The work of the Board

The Chairman of the Board is responsible for leading the work of the Board in an efficient and appropriate manner. In addition to leading the work, the Chairman monitors the Group's development on an on-going basis through contact with the CEO on strategic issues. During 2019, eight minutes Board meetings were held, one of which was statutory. The members' attendance is shown in the Board Presentation on pages 134-135.

During the year, the CFO acted as the secretary of the Board. In addition to the above items, Board meetings have addressed market issues, plans and strategies for the Group's development and the on-going follow-up of results and position, valuations of the Group's properties, liquidity and financing as well as investment decisions. Catena's auditor in charge, Mats Åkerlund, PwC, was co-opted to attend Board meetings on 14 February 2019 and 5 July 2019.



Formal work plan

The Board of Catena works in accordance with a formal work plan consisting of instructions in respect of the division of duties and financial reporting. The formal work plan represents a complement to the provisions of the Swedish Companies Act and Catena's Articles of Association and is reviewed annually. The Board appoints the CEO and assesses his/her work. The CEO does not attend this assessment. The Board is responsible for continuously monitoring and controlling Catena's operations. Consequently, it is the duty of the Board to ensure there is a functioning reporting system. The systems, which were evaluated during the year, and have proven appropriate and effective. Regular reports concerning Catena's and the Group's economic and financial position, current market issues, project reporting, and, in certain cases, underlying information for investment decisions and property sales, are presented at Board meetings.

In addition to being responsible for Catena's organisation and administration, the Board's key task is to make decisions on strategic issues. Each year, the Board sets the overall goals for the Group's operations and decides on strategies to attain these goals. The CEO's instructions and internal policy documents are also reviewed annually.

Assessment of the work of the Board

Each year, the Chairman of Catena's Board has performed an evaluation of the Board's ability to perform its duties, its working methods and composition in relation to the direction and challenges facing the Company. This is a process that the Chairman of the Board continued and developed over the year. The individual Board Members' competence, commitment and suitability (from a variety of perspectives) are tested by means of a small number of open questions that each member is required to respond to. Questions that also concern the composition of the Board, its function, including its structure and processes, as well as collaboration with Management. That is, questions that assess the Board's function and capacity to make correct decisions and manage the Company responsibly. These considerations form the basis of a private dialogue between the Chairman, the Nomination Committee and the individual member, based on the Company's

planning and the expectations of the member as well as the member's expectations on the Board. Based on an assessment of the Board, the Nomination Committee, which also has discussions with the Company's CEO and auditor, proposes to the Annual General Meeting, among other things, a Board of Directors for the coming financial year. This process has proven to work well, taking the balanced composition of the Board into account, with regard primarily to expertise, but also gender and age.

Board Committees

Remuneration Committee

The Board of Catena has established a Remuneration Committee. The Remuneration Committees shall address issues regarding, for example, remuneration and other terms of employment for the CEO and senior executives, as well as remuneration frameworks for other employees and questions regarding any variable remuneration programmes within the Group. In 2019, the Remuneration Committee consisted of Katarina Wallin (Chairman), Henry Klotz and Magnus Swärdh.

Audit Committee

Catena's Board has established an Audit Committee. The task of the Audit Committee is to maintain and add to efficiency in contacts with the Group's auditor and to supervise the procedures for auditing and financial reporting. The Committee also evaluates the work of the auditor and monitors how accounting principles and requirements are progressing.

During 2019 the Committee consisted of Henry Klotz (chairman), Héléne Briggert and Ingela Bendrot. Peter Andersson (CFO), Anders Holmqvist (Chief Accountant) and Carl Fogelberg (Auditor, PwC) also participated in the Committee's meetings.



Mats Åkerlund, Auditor PwC
mats.akerlund@pwc.com

Auditor

The auditor reports the results of his examination to the shareholders in the auditor's report. This is presented at



the AGM. In addition, the auditor presents a detailed report to the Board twice annually. In conjunction with this report, a discussion is also held concerning the observations of the audit. In addition to auditing, PwC has also provided services in the areas of taxes and accounting.

CEO

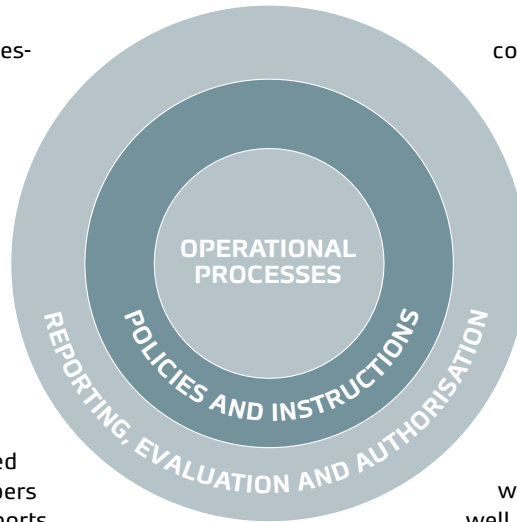
The CEO leads operations on the basis of the CEO's instructions drawn up by the Board. According to the instructions, the CEO is tasked with ensuring that the Board Members receive regular information and reports on Catena's progress to enable them to make sound assessments and well-founded decisions. The CEO must also ensure that Catena observes the obligations regarding information and so forth that arise from the listing agreement with NASDAQ Stockholm. The CEO's duties also include supervising compliance with the goals, policy and strategic plans established by the Board and ensure that they are submitted to the Board for updating or review whenever necessary.

Stock market information

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

Internal control

The Board is responsible for internal control pursuant to the Swedish Companies Act and the Swedish Code of Corporate Governance. This Corporate Governance Report has been prepared in accordance with Chapter 6, Section 6 of the Swedish Annual Accounts Act and Item 10 in the Swedish Code of Corporate Governance, and is thus limited to internal control and risk management related to financial reporting. The basis of internal control is the



control environment in which the work of the Board and executive management is set. The Board has adopted a number of important policies and basic guidelines for internal control programmes, such as a financial policy, an ethics and crisis management policy and information policies.

The CEO presents regular reports to the Board on the basis of established routines and documents. Catena's internal control structure is based on a clear division of responsibility and work between the Board and CEO, as well as within operational activities. Operational activities include business control and business planning processes. Examples of these include tools for monitoring operations, preparations ahead of the purchase and sale of properties/companies, and underlying data for property valuations. Control activities are conducted at both the property level and the regional level through continuous performance monitoring. Key performance indicators are also analysed within the legal Group structure.

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

► See also page 124, deviations from the Swedish Code of Corporate governance.

Helsingborg, March 2020

Board of Directors



Contacts

Gustaf Hermelin, Chairman of the Board
gustaf.hermelin@catenafastigheter.se

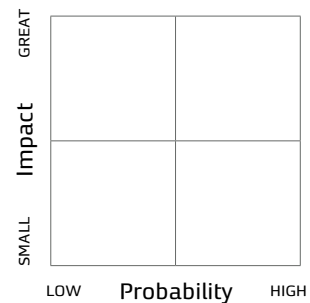
Catena's risk management

Successful business operations are built on the responsible and controlled management of risks. Well managed, risks can generate value, while risks that are not managed properly can lead to damage and losses. Accordingly, risk management is an important part of the governance and control of Catena's business operations.

Responsibility for Catena's risk management lies with the Board. The ongoing management and monitoring of risk management has been delegated to the CEO and regional managers.

For identified risks that may arise in the operations and from behaviours that could affect the Company's brand and reputation, there are developed policies, instructions and mandates that are continuously reviewed.

Risks based on events beyond the Company's control and which could disrupt business are evaluated on an ongoing basis. To reduce potentially harmful effects, the Company takes out carefully considered insurance coverage. The risk of personal injury or harm to property that could be incurred as a consequence of Catena's actions is treated in the same way.



RISK	MANAGEMENT	EXPOSURE	ASSESSMENT
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PROPERTY MANAGEMENT AND PORTFOLIO

Vacancies

The letting ratio is influenced by factors including general economic conditions, the pace of production for new properties, infrastructure changes as well as population growth and employment. Changes in these factors can impact vacancy rates and rent levels.

There are no seasonal effects affecting income.

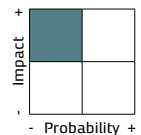
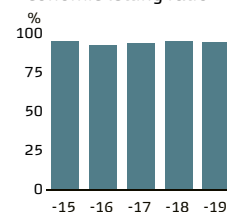
After a tenant vacates a property, there is a risk pertaining to the length of time that elapses before a new tenant is in place. The risk of substantial changes in vacancies and rental income increases in line with the number of individual major tenants a property company has.

Catena's lease portfolio is long term. The majority of the Company's properties are also modern and located at key logistic hubs by ports and along the major European motorways adjacent to population centres. This makes Catena less sensitive to market fluctuations and their impact on the overall letting ratio.

New leases are generally signed for a term of more than five years. Local asset management in close collaboration with tenants reduces the risk of unexpected termination of leases.

Catena monitors vacancies and terminated contracts. An increase in the vacancy rate by 5 percent is defined as a risk.

Economic letting ratio



Increasing operating and maintenance costs

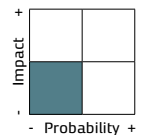
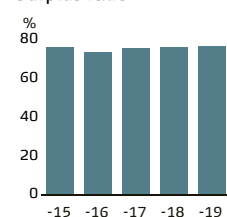
Earnings can be impacted if increases in operating and maintenance costs outpace growth in compensation to Catena in the form of contractual rents. Unforeseen and extensive renovation needs can also have an impact.

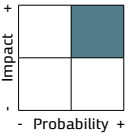
Property belonging to Catena can be destroyed by fire, theft or other damage. Similarly, through, for example, negligence Catena can cause injury to another person or another person's property.

Changes in regulations can have a major impact. Leases for logistics properties are normally linked to the Consumer Price Index (CPI). Catena also works continuously to identify cost-efficient solutions, particularly in the area of energy.

Unforeseen renovation needs arise primarily when damage has been incurred, for which Catena has secured insurance policies. Insurance has been contracted to cover liability or property damage claims. The properties are covered by unlimited buildings insurance.

Surplus ratio



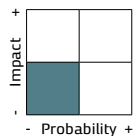
RISK	MANAGEMENT	EXPOSURE	ASSESSMENT
<p>Properties – changes in value Catena reports its property portfolio at its assessed market value. This means that changed market values as a result of changed rent levels and vacancy rates, changed yield requirements and detailed development plan processes, etc., impacts Catena’s financial statements.</p>	<p>Payment of reasonable acquisition prices and a thorough analysis based on extensive experience reduces the risk of impaired property values, which is also balanced by the favourable earnings potential. Each quarter, Catena performs an internal valuation of its properties. External valuations and completed transactions confirm Catena’s internal valuations.</p>		

TRANSACTIONS AND INVESTMENTS

Acquisitions

Catena acquires some properties in the form of companies. In 2019, three properties were acquired through companies. Historical decisions and actions, as well as the future financial performance of the acquired companies could affect Catena’s earnings.

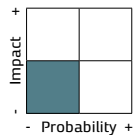
Ahead of each acquisition, thorough due diligence is performed. In addition to a thorough financial examination, this also includes a number of other areas, including customer relationships, commitments and the environment.



Sales

New consumption patterns, cargo flows and other factors mean that, as time passes, logistics properties become better suited to other purposes. Catena disposes these properties to responsible buyers. Other disposals are driven by individual customers’ wishes to own the property in which they operate. This resulted in a total of one property being divested during the year at a value of SEK 82.6 million.

In addition to a well-thought-out sales process, under which the properties are sold to responsible buyers, the focus is on risk description and management enabling the guarantees provided to be covered in connection with sales.

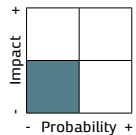
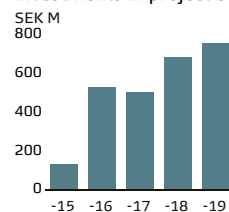


Project

Catena pursues active project development, through both new development and remodelling, which is important for the Company’s continued growth. Investments are often made several years before to the completed property can be put into operation. Project development risks include weather conditions during the construction period, shortages of skills/continuity with regard to project managers and construction workers, official decisions that are delayed or fail to pass (planning approval, for example).

Cost control and follow-up of calculations are important instruments in identifying and managing the risks. Development rights and options represent a capital-efficient method for safeguarding a project portfolio that can be activated when the time is right and the customer is in place.

Investments in project development



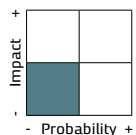
EMPLOYEES

Personal injury

Catena could, through negligence for example, cause personal injury. This also includes psychosocial harm/issues.

Risks of personal injury are handled via procedures in Catena’s work environment policy. For contractors and consultants, construction and liability insurance exists.

Over the past few years, no company in the Catena Group has incurred any significant personal injuries.

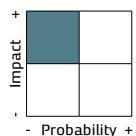
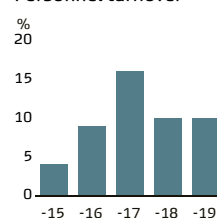


Shortage of skills

Catena’s future development depends extensively on the knowledge, experience and commitment of a limited number of individuals in senior management and other key persons.

Catena’s executives all have comprehensive knowledge of property development and management. On-going dialogues and development together with market terms also contribute to low employee turnover. The Company also actively applies an order of succession for key individuals.

Personnel turnover



RISK MANAGEMENT EXPOSURE ASSESSMENT

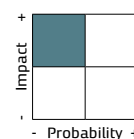
Deficient procedures and irresponsible behaviour

The Company may suffer harm as a result of criminal or irresponsible behaviour by its employees or other representatives. Catena's projects extend over long periods of time and include numerous sub-contractors and other stakeholders. Despite the Company's zero tolerance policy, applicable to all involved, regarding unsound business practices, whether these involve working conditions, corruption and restraint of competition, there is always the risk that an individual operator fails to live up to Catena's requirements.

The Company has developed procedures for how executives should be bound to the Company and duties should be delegated. In addition, there are clear policies and instructions regarding how all processes should be implemented. Well-developed internal control monitors operations continuously. In the event that damage nonetheless occurs, the Company is insured. Subcontractors are initially checked so that any financial discrepancies are discovered as soon as possible. The partnership is then evaluated on a continuous basis. Catena's suppliers are also encouraged to check their subcontractors.

The slightest suspicion of any deviation is investigated promptly.

Over the past ten years, the Company has not suffered any damage attributable to criminal or irresponsible behaviour.



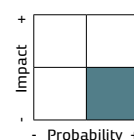
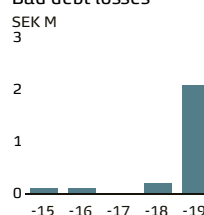
FINANCIAL RISKS

Bad debt losses

Commercial tenants are not always able to discharge their obligations.

Risk decreases through a solid understanding of customers. In certain leases, tenants' obligations are guaranteed by a parent company or by way of bank guarantees. Accordingly, Catena's bad debt losses have been minor over the past five years.

Bad debt losses

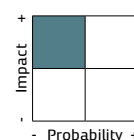
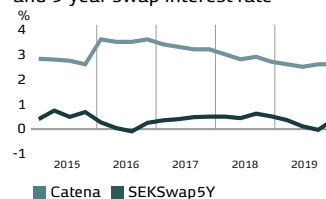


Financial instruments

As part of managing interest-rate risk, Catena utilises financial instruments in the form of interest-rate derivatives, primarily interest-rate swaps.

Inefficient hedging exists where interest rate swaps do not have STIBOR floors while the loans do.

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

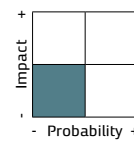
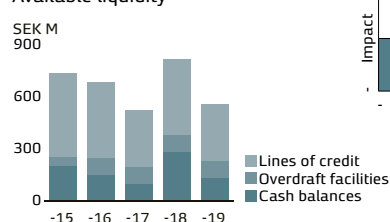


Liquidity risks

Insufficient access to the liquid funds or credit facilities necessary to meet payment obligations could negatively impact Catena's earnings and financial position.

On the balance sheet date, Catena had unutilised lines of credit and overdraft facilities of SEK 425.0 million and a cash balance of SEK 131.2 million.

Available liquidity



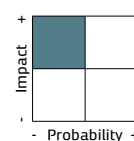
Refinancing

The properties owned by Catena are financed by a combination of loans and equity. There are no guarantees that existing credit providers will renew loans when they fall due.

The Group's financial policy stipulates how funding and liquidity is to be secured through a diversified spread of loan agreements, banks and strong owners. Catena targets a minimum period for which capital is tied up of at least two years. As per 31 December 2019, existing loan frameworks entailed capital being tied up for a period of 1.3 years.

Debt maturity

Year	Contract volume, SEK M	Utilised, SEK M	Unutilised, SEK M
2020	4,060.0	3,960.0	100.0
2021	3,015.8	2,690.8	325.0
2022	978.6	978.6	-
> 2023	1,155.2	1,155.2	-
Total	9,209.6	8,784.6	425.0



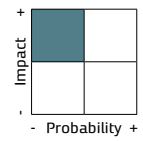
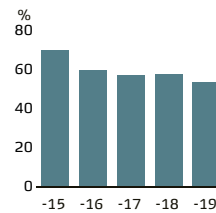
RISK MANAGEMENT EXPOSURE ASSESSMENT

Loan-to-value ratio

The balance between interest-bearing liabilities (relating to properties) and carrying amounts for properties is of importance from a risk perspective. Most of Catena's financing consists of bank loans.

Catena maintains a historically low loan-to-value ratio. When property values decline, this allows the Company to minimise the risk of contravening the covenants on its loan agreements and, as a consequence, having to repay those loans.

Loan-to-value ratio



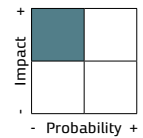
Interest

Catena's single largest cost item is interest, which can vary over time. These changes can substantially impact Catena's earnings. Property values are also impacted by raised interest rate levels.

Catena's properties have been financed at market interest rates and financing costs are secured through fixed-rate loans and derivatives equivalent to 61 percent of the Group's liabilities. The Company expects to be able to maintain a low interest rate level that follows changes in the market with a time lag. The derivatives are specified in the comments on the Consolidated Statement of Comprehensive Income.

Fixed interest, years

Year	SEK M	Interest rate, % ¹⁾	Share, %
2020	4,263.0	1.1	48.5
2021	755.7	5.0	8.6
2022	500.0	3.9	5.7
2023	500.0	3.3	5.7
2024	500.0	3.0	5.7
2025	1,122.0	3.9	12.8
2026	1,143.9	4.3	13.0
Total	8,784.6	2.6	100.0



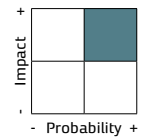
1) Refers to the current average interest rate per 31 December 2019. The margin is distributed evenly across the fixed-interest period.

CLIMATE-RELATED RISKS

Increased financial focus on sustainability issues

As climate changes in our environment increase, risks from climate effects both on our assets and the transition to a CO₂-free economy increase. We expect that the financial market will increasingly price in climate risks, with the risk that investors find the Catena share less attractive relative to other investments. In addition, borrowing can become more expensive and insurance premiums could increase.

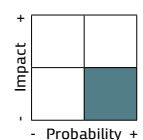
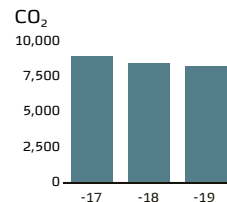
Through systematic sustainability efforts, the risks can be turned into competitive advantages.



Sharpening of political control signals

Globally and nationally, requirements are expected to increase for companies to reduce their greenhouse gas emissions. The transition to a CO₂-free society can lead to increased expenses, for example through CO₂ taxation, higher material expenses and rising energy prices – particularly from fossil sources.

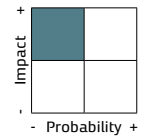
Catena is actively working to reduce greenhouse gas emissions, through environmental certification, for example, and increasing the energy-efficiency of our properties, as well as purchasing renewable electricity and increasing the proportion of renewable electricity generated in-house.



Physical risks

Greater variations in weather, with extremes of heat and cold, large amounts of precipitation with the risk of leaks/flooding also entail increased needs for cooling and snow removal, for example.

Protecting assets from damage that could be caused by climate change is conducted both strategically and operationally. New buildings are environmentally certified in accordance with Miljöbyggnad Silver, imposing, among other things, requirements on the choice and documentation of building materials and inspections by moisture experts. Operational risk management involves insurance cover and advance planning with effective procurement of snow removal, etc. Catena's customer-oriented property management also means that new needs can quickly be identified, thereby avoiding problems.



RISK	MANAGEMENT	EXPOSURE	ASSESSMENT																		
<p>Indirect CO₂ emissions Catena operates in a context that unequivocally impacts the climate as our tenants' operations consist extensively of transport.</p>	<p>Offering strategically located logistics positions makes us an attractive landlord who helps reduce fuel costs while reducing emissions from fossil fuels. Catena also participates in the development of new concepts for peri-urban logistics, such as at Arenastaden, with more efficient handling of both goods deliveries and waste management.</p>																				
OTHER RISKS																					
<p>Economic trend and demand Global trade conflicts or other political tensions around the world are examples of societal changes that can affect trade routes and trade patterns. This can, in turn, affect the conditions for Catena's operations.</p>	<p>Catena performs continuous analyses and studies and performs active business intelligence to protect its interests and those of its customers.</p>																				
<p>Infrastructure changes Catena's customers are dependent on proximity and secured access to Scandinavia's cargo flows. These cargo flows can be impacted by altered conditions with regard to motorways, railways, ports and airports due to inadequate maintenance, severe damage or political decisions.</p>	<p>Catena performs continuous analyses and studies and performs active business intelligence to protect its interests and those of its customers. An important aspect in evaluating current and future logistics locations involves the diversity in the modes of transport accommodated as this improves the spread of risk, both financially and from an environmental perspective.</p>																				
<p>Contamination According to the Swedish Environmental Code, those who conduct operations that contribute to contamination are responsible for the ensuing treatment and remediation thereof. If the party that has conducted such operations cannot carry out or defray the cost of subsequent treatment and remediation, then the party that acquired the property – and who at the time of acquisition was aware of or should have been aware of the contamination – is liable.</p>	<p>Prior to each acquisition, Catena conducts a thorough analysis and risk assessment.</p>	<p><i>Despite in-depth analyses, no complete investigation of possible, hitherto unknown environmental contamination in the property portfolio has been carried out. It cannot be precluded that environmental contamination exists that could result in costs and/or claims for compensation on Catena.</i></p>																			
<p>Taxes Changes in tax legislation have occurred or have been proposed in recent years, mainly in terms of limits on interest deductions and so-called packaging in connection with acquisitions. There is a risk of further changes in legislation.</p>	<p>Catena maintains a high level of preparedness and monitors developments closely.</p>	<p>Tax expenses SEK M</p>																			
<p>Disputes It cannot be excluded that Catena may become involved in a legal dispute or arbitration proceedings that have significant impact on Catena's earnings or financial position.</p>	<p>The risk is reduced through diligently prepared contracts and agreement.</p>	<p><i>Over the past five years, Catena has not had any significant disputes over the last six years, nor does it currently have any.</i></p>																			
<p>IT disruptions Interruptions or targeted attacks (overload attacks, ransomware or the like) can affect Catena's operational security as well as IT security.</p>	<p>Continuous monitoring of the IT environment, ongoing checks with our IT provider to ensure a relevant and updated level of security.</p>	<p>Three incidents reported to the Swedish Data Protection Authority in 2019, all of a less serious nature.</p>																			
<p>Sensitivity analysis The table presents the theoretical effect on pre-tax profit of Catena's annual earnings capacity after financial items with full disclosure of an isolated change in each variable. The sensitivity analysis applies to all risks covered in this section.</p>	<table border="1"> <thead> <tr> <th>Factor</th> <th>Change, %</th> <th>Impact on earnings, SEK M</th> </tr> </thead> <tbody> <tr> <td>Contractual rental income</td> <td>+/- 1.0</td> <td>12.0</td> </tr> <tr> <td>Economic letting ratio</td> <td>+/- 1.0 percentage point</td> <td>12.6</td> </tr> <tr> <td>Interest rate level for interest-bearing liabilities with regard to swaps</td> <td>+/- 1.0 percentage point</td> <td>-27.5 / -24.1</td> </tr> <tr> <td>Property expenses</td> <td>+/- 1.0</td> <td>2.8</td> </tr> <tr> <td>Changes in value of investment properties</td> <td>+/- 1.0</td> <td>162.7</td> </tr> </tbody> </table>	Factor	Change, %	Impact on earnings, SEK M	Contractual rental income	+/- 1.0	12.0	Economic letting ratio	+/- 1.0 percentage point	12.6	Interest rate level for interest-bearing liabilities with regard to swaps	+/- 1.0 percentage point	-27.5 / -24.1	Property expenses	+/- 1.0	2.8	Changes in value of investment properties	+/- 1.0	162.7		
Factor	Change, %	Impact on earnings, SEK M																			
Contractual rental income	+/- 1.0	12.0																			
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Property expenses	+/- 1.0	2.8																			
Changes in value of investment properties	+/- 1.0	162.7																			

Board of Directors







	Gustaf Hermelin	Tomas Andersson	Ingela Bendrot
Born, year	1956	1956	1962
Position on the board	Chairman	Member	Member
Year elected	2013	2018	2018
Training	Business administration studies, Stockholm School of Economics.	Business administration studies, Stockholm University. Law studies.	Chemical engineer.
Principal occupation	Board work.	Own company.	CEO Nya Ostkustbanan. CEO Bendrot Kommunikation AB.
Other assignments	Board Member of a large number of subsidiaries within, or related to, the Catena Group. Board Member of Vectura Fastigheter AB and companies wholly or partly owned by SFU Sverige AB.	Board Member of Tuve Bygg.	
Terminated assignments	CEO and Board Member of Klövern AB, Brinova Fastigheter AB. Board Member of AMF Fastigheter AB, Diös Fastigheter AB, Fabege AB and Platzer Fastigheter Holding AB (publ).		
Own shareholdings and shareholdings of related parties in 2019	1,312,400 shares via companies and related parties.	–	200 shares.
Dependent in relation to: the Company major shareholders	Yes Yes	No Yes	No No
Attendance at Board meetings	8/8	8/8	8/8
Attendance, audit committee			3/4
Attendance, remuneration committee			

Company management



	Benny Thögerson	Peter Andersson	Sofie Bennsten
Born, year	1966	1966	1969
Position	CEO	CFO and Deputy CEO	HR Manager
Employee since	15 November 2016	1 October 2013.	1 October 2013.
Training	Halmstad University	M.Sc. in Business Administration.	M.Sc. Economics.
Previous positions	CEO of Knapp AB and several assignments at, e.g. Consafe, Ica and Akzo Nobel.	CFO at Brinova Fastigheter AB and CFO at Fastighets AB Skånehus.	Head of Administration at Brinova Fastigheter AB. Former Head of Accounting at Brinova Fastigheter AB.
Own shareholdings and shareholdings of related parties in 2019	1,600 shares.	500 shares.	200 shares.

► Additional and updated information on assignments and holdings is available at www.catenafastigheter.com

			
Hélène Briggert	Magnus Swärth	Henry Klotz	Katarina Wallin
1985	1968	1944	1970
Member	Member	Member	Member
2017	2019	2007	2013
M.Sc. in Business Administration, Lund University.	M.Sc. in Business Administration.	Engineer in property engineering, M.Sc. Economics.	M.Sc. in Engineering, Royal Institute of Technology. Behavioural Science and Business Administration, Stockholm University.
Partner in HEG & Partners Fastigheter 5 AB and HEG Invest AB.	CFO Backahill AB.		Strategy Consultant and Partner at Evidensgruppen.
Board Member of companies in the HEG Group.	Chairman of the Boards of Destination Bjäre AB and Lima Timmerhus AB. Member of the Boards of Rögle BK and Foodhills Fastigheter AB.		Chairman of the Boards of Belatchew Arkitekter AB, Evimetrix AB, Bernow Lindqvist Wallin AB and Au Point AB. Board Member of Evidens blw AB and Sveafastigheter Utveckling AB, Kavaljer AB and Nordisk Byggdag.
Head of Marketing at Gymgrossiten Sweden AB. Management consultant at Business Sweden.			CEO Evidens blw AB. Chairman of the Board of REIM AB, Ekologigruppen AB and Evidens Fastighetsutveckling AB. Board Member of Temaplan AB and others.
800 shares.	800 shares.	-	-
No	No	No	No
No	Yes	No	No
8/8	6/8	6/8	8/8
4/4		4/4	
	1/1	1/1	1/1

			
Jörgen Eriksson	Maths Carreman	Johan Franzén¹⁾	Göran Jönsson
1972	1958	1978	1961
Regional Manager, Malmö	Regional Manager, Stockholm	Regional Manager, Gothenburg and Jönköping	Regional Manager, Helsingborg
15 August 2016.	1 October 2013.	1 October 2013.	1 October 2013.
M.Sc. in Business Administration, Örebro University.	Structural Engineer.	Business administration studies, School of Economics, Business and Law, Gothenburg University.	Structural Engineer.
Controller at Catena and Finance Manager at Helsingborgs storbildsbolag.	Regional Manager/Business Developer at Brinova Fastigheter AB, Unit Manager at Klövern and Works Manager/Purchasing Manager and Project Developer at Skanska.	Business Development at Brinova Fastigheter AB and District Manager at Jungheinrich Svenska AB.	Head of Business Area Residential/Commercial in Brinova Fastigheter AB and CEO of Maintech Forvaltning Syd.
-	500 shares.	-	-

1) Leaving the Company on 1 April 2020.

Multi-year overview

Alternative performance measures

In the report, the Company presents certain financial measures beyond those defined in accordance with IFRS. The Company believes that these measures provide valuable additional information to investors and management as they

enable assessment of the Company's performance. Since not all companies calculate financial measurements in the same way, these are not always comparable to measurements used by other companies.

► Calculation of alternative performance measures can be found in Note 26 Alternative performance measures.

Key financial figures for the Group

	2019	2018	2017	2016	2015
KEY PERFORMANCE INDICATORS ACCORDING TO IFRS					
Rental income, SEK M	1,182.9	1,090.7	892.0	786.6	464.2
Net operating surplus, SEK M	902.8	827.6	671.2	578.1	351.3
Profit from property management, SEK M	626.8	571.3	440.1	316.0	259.3
Pre-tax profit, SEK M	1,522.5	940.1	758.6	386.6	590.3
Profit for the year, SEK M	1,223.8	823.4	634.7	338.4	571.5
Earnings per share, SEK ¹⁾	32.46	21.93	16.08	10.20	22.11
Cash flow before change in working capital, SEK M	612.5	550.8	418.7	294.3	241.5
Fair value of the properties, SEK M	16,270.5	14,721.1	13,131.1	10,786.4	5,340.3
Total assets, SEK M	17,770.1	15,905.9	14,246.6	12,344.9	6,947.9
Number of shares outstanding, millions	37.7	37.7	37.4	35.7	25.6
Average number of shares outstanding, millions	37.7	37.5	35.8	33.2	25.9
ALTERNATIVE PERFORMANCE MEASURES					
Property-related					
Surplus ratio, %	76.3	75.9	75.2	73.5	75.7
Loan-to-value ratio, %	54.0	57.9	57.6	59.9	70.3
Financial					
Return on equity, %	21.1	16.6	14.9	10.6	25.6
Return on assets, %	10.2	7.6	7.1	6.9	10.5
Interest-coverage ratio, multiple	4.1	3.4	3.5	2.3	4.8
Average interest rate, %	2.6	2.7	3.2	3.6	2.6
Term to interest rate maturity, years	2.3	3.0	4.1	3.5	3.1
Interest-bearing liabilities, SEK M	8,784.6	8,516.8	7,568.2	6,457.2	3,754.1
Debt maturity, years	1.3	1.4	1.9	1.5	2.5
Debt/equity ratio, multiple	1.4	1.6	1.6	1.7	1.5
Equity ratio, %	35.6	33.4	32.3	31.6	35.7
Equity/assets ratio, excluding goodwill, %	37.3	34.5	33.4	33.3	35.7
Share-related					
Dividend yield, %	1.6	2.6	2.9	2.7	2.6
Total return on the share, %	90.1	44.7	23.7	14.3	12.3
Equity per share, SEK	167.59	140.82	122.86	109.13	96.46
Profit from property management per share, SEK ¹⁾	16.63	15.21	12.30	9.53	10.03
P/E ratio	13	10	10	13	5
Cash flow before change in working capital per share, SEK ¹⁾	16.25	14.67	11.70	8.87	9.43
Long-term net asset value per share, EPRA NAV	202.87	169.53	149.85	135.80	115.00
OTHER KEY PERFORMANCE INDICATORS					
Property-related					
No. of properties	109	107	109	94	55
Lettable area, thousand sq. m.	1,842.7	1,792.5	1,661.6	1,490.9	816.8
Rental value, SEK M	1,264.8	1,216.1	1,109.9	925.7	511.5
Economic letting ratio, %	95.0	95.9	94.7	93.0	95.5
Share-related					
Share price, SEK	413.50	220.50	155.50	128.50	115.75
Market capitalisation, SEK M	15,588	8,313	5,818	4,592	2,968
Highest price paid during the year, SEK	421.50	224.50	158.50	145.00	141.00
Lowest price paid during the year, SEK	213.00	148.00	128.50	109.25	103.00
Dividend per share, SEK	6.50 ²⁾	5.75	4.50	3.50	3.00
Other					
No. of employees	42	38	38	33	22

Calculation of alternative performance measures can be found in Note 26 Alternative performance measures.

1) Prior to and after dilution 2) Board proposal.

Definitions

Rental income according to Statement of comprehensive income
Income from property less operating and maintenance costs, property tax, ground rents and property administration costs.
Pre-tax profit with reversal of changes in value.
Profit before tax in accordance with Statement of comprehensive income.
Profit for the year in accordance with Statement of comprehensive income
Profit for the year attributable to the Parent Company's shareholders in relation to the weighted average number of shares outstanding.
Cash flow for the year before change in working capital according to the cash-flow statement

Number of shares on the balance sheet date
Weighted average number of shares.

Net operating surplus as a percentage of income from property.
Interest-bearing liabilities attributable to the properties as a percentage of the carrying amounts of the properties at the end of the year.

Net profit for the year as a percentage of average equity.
Pre-tax profit plus financial expenses as a percentage of average total assets.
Pre-tax profit before reversal of financial expenses and unrealised changes in value in relation to financial expenses.
Average interest on the loan portfolio with derivatives being taken into account.
Average remaining period of fixed interest on the loan portfolio with derivatives being taken into account.

The average remaining period of fixed interest in the loan portfolio.
Interest-bearing liabilities divided by equity at year end.
Equity including non-controlling interests as a percentage of total assets.
Equity including non-controlling interests as a percentage of total assets less goodwill.

Proposed dividend in relation to the share price at year-end.
The change in share price change over the year plus dividends paid in relation to the share price at the beginning of the year.
Equity attributable to Parent Company shareholders in relation to the number of shares outstanding at year end.
Profit from property management in relation to the number of shares outstanding at year-end.
Share price at year end in relation to earnings per share for the year.

Shareholders' equity with reversal of the fair value of interest rate derivatives and deferred taxes in the balance sheet and goodwill associated with the deferred tax, calculated per share.

Total area available for letting.
Contractual rents (including property tax, electricity and heating) on an annual basis plus a supplement for assessed market rents for vacant space.
Contractual rents under valid leases at year end as a percentage of rental value.

The number of shares outstanding multiplied by the latest price paid on the specified day.

Dividend for the financial year in relation to the number of shares outstanding on the record date.

Average number of employees.

Catena through the year

Catena seeks to facilitate the market's valuation of the Company by providing clear information. Catena works for fast and transparent reporting to shareholders, financial markets and other stakeholders. Information is published in accordance with current legislation, Nasdaq's regulations, the Swedish Code of Corporate Governance and the Company's insider policy.

Annual General Meeting

Shareholders are cordially invited to attend the Annual General Meeting on 29 April. The announcement of the Annual General Meeting was published on 25 March 2020 and is available at www.catenafastigheter.com – see also information in the front cover fold-out.

Important dates

29 April 2020	Interim Report, January – March 2020
29 April 2020	2020 Annual General Meeting
7 July 2020	Interim report April – June 2020
28 October 2020	Interim report July – September 2020
19 February 2021	Year-end Report 2020
29 April 2021	2021 Annual General Meeting

Capital market information

In connection with the publication of the interim reports, a presentation of the interim financial statements is broadcast via the Internet. It is also presented to investors in connection with meetings arranged by banks and Catena also plans its own, one-on-one meetings with investors and banks (for example at the Capital Markets Days in Båstad in conjunction with the half-year report), as well as participating in shareholder meetings. Interim and Annual Reports are sent by post to those who request this.

At the forefront

Catena leads development in both the field of logistics area and in the property sector by partnering in innovation and development in various ways and in different forums. In addition, the Company arranges the annual LogistikTrender seminar – a much-appreciated meeting place for new knowledge and inspiration.

Follow Catena

The Company's website, www.catenafastigheter.com, presents up-to-date information the operations. All financial reports and press releases are available there in Swedish and English and, to receive information on an ongoing basis, a subscription service is also available via the Company's website. Financial information can also be ordered directly from Catena by telephone or post.

By following Catena on LinkedIn, Facebook, Twitter or Instagram, additional information about what is happening within the Company can be obtained.



Selection of press releases from 2019

20 Dec 2019	Catena invests in extension for DHL at Logistics Position Sunnanå, Malmö
26 Nov 2019	Ground broken on new air cargo warehouse for DHL Express at Logistics Position Sunnanå
22 Nov 2019	Catena secures additional strategic logistics location south of Stockholm
31 Oct 2019	Management change at Catena
14 Oct 2019	Catena sells logistics land in Nykvarn
2 Oct 2019	Catena invests SEK 132 million in an extension at Logistics Position Tostarp, Helsingborg
20 Sep 2019	Catena invests SEK 193 million in new logistics facility at E-City Engelholm
20 Sep 2019	Ekoligens establishes operations at Catena's premises in Umeå
4 Sep 2019	Catena released from option agreements
3 Sep 2019	Catena extends several leases with ICA
12 Jul 2019	Catena applies for building permit in Ängelholm
11 Jul 2019	Catena invests an additional SEK 150 million at Sunnanå Logistics Position
18 Jun 2019	Catena extends property in Rosersberg
10 Jun 2019	Christoffer Böj becomes new Business Developer at Catena
29 May 2019	Catena acquires property in Kungälv
23 May 2019	Helén Lindskog new Business Controller at Catena
22 May 2019	Catena leases to Alvestaglass in Växjö
3 Apr 2019	Catena constructs new facility for PostNord in Katrineholm
28 Mar 2019	Catena puts its name on Rögle's arena
1 Mar 2019	New Sustainability Manager at Catena
26 Feb 2019	Catena invests SEK 250 million in Helsingborg and signs lease with PostNord

Glossary

Logistics properties

Property constructed with a terminal and/or warehouse intended for goods handling and distribution for logistics companies' customers.

Terminals/Container terminals

Properties that are primarily designed for transshipment operations. This type of property includes container terminals, where possibilities of moving goods from one mode of transport to another are optimised.

Logistics warehouses

These are defined as properties with inventories of finished goods and importers' stocks of goods awaiting sale.

Logistics location

Generally recognised locations considered well suited for logistics in view of, for example, freight flows, infrastructure, proximity to consumer markets and skills.

Logistics Position

Particularly prominent hub in Catena's property network.

Distribution centres

A property with goods that are stored for a shorter period to then be transported onward.

City logistics

A distribution centre that is optimised for rapid and short-distance transports, of fast moving goods such as perishable goods.

Omni warehouse

Facility including multiple logistics features.

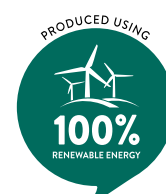
E-commerce

E-commerce is defined as when a company or consumer buys or sells a product, normally over the Internet or other computer networks.

Catena AB is a Swedish public limited-liability company. The Company is incorporated and registered under Swedish law with the company name Catena AB (publ) and the corporate registration number 556294-1715. The Company has its registered office in Helsingborg, Sweden. Catena's Annual Report is available in Swedish and English with the Swedish version as the official version. The Annual Report is published on the Company's website www.catenafastigheter.com from 30 March 2020. Printed copies are distributed to shareholders and other stakeholders on demand. The Administration Report comprises pages 18–71 and 122–135. The financial reports comprise pages 75–121 and were prepared in accordance with IFRS. All amounts are stated in SEK million unless otherwise specified. The figures in parenthesis pertain to 2018 unless otherwise stated.

Market information is based on Catena's assessment unless another source is specified. Assessments are based on the highest quality of data available at the time of preparing the Annual Report. This report also contains forward-looking statements. Even if Catena's management assess these statements as reasonable, no guarantees can be provided that these expectations will prove correct. Accordingly, actual future results can vary compared with what is shown in the forward-looking statements depending on, items including, changing conditions for the economy, market and competition, changes in the regulatory environment and other government actions as well as fluctuations in exchange rates and other factors. For financial and operational definitions, please refer to page 137.

This Annual Report was produced in collaboration with RHR Corporate Communication in Malmö. It was printed by DanagårdLitho on environmentally certified paper, with vegetable-based pigments based on renewable raw materials and using 100-percent renewable energy.



CATENA

Catena is a listed property company that, through collaboration sustainably develops, owns and manages efficient logistics facilities. Its strategically located properties supply the Scandinavian metropolitan areas and are adapted for both current and future goods flows. The overall objective is to generate strong cash flow, enabling stable development and providing shareholders a favourable total return in the long term. Catena's shares are traded on NASDAQ Stockholm, Mid Cap.

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