

# CATENA Q2

## Interim Report January – June 2020

- Rental income increased by 6 percent to SEK 622.3 million (585.0).
- The net operating surplus increased by 10 percent to SEK 500.3 million (455.1).
- Profit from property management rose by 13 percent to SEK 358.5 million (317.9).
- Profit for the period decreased to SEK 323.5 million (507.5), corresponding to earnings per share of SEK 8.58 (13.46), including changes in value of SEK 52.8 million (324.6).
- Net asset value per share, EPRA NAV, increased to SEK 207.79 (182.01).

## Significant events in the second quarter

- Catena has signed a lease with Seafrigo Nordic and is investing SEK 147 million in a newly constructed 10,800 square-metre distribution warehouse in Åstorp.

EXCEEDING  
EXPECTATIONS

TAKING LONG-TERM  
RESPONSIBILITY

BEING  
COMMITTED

# Catena in brief

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

## Vision

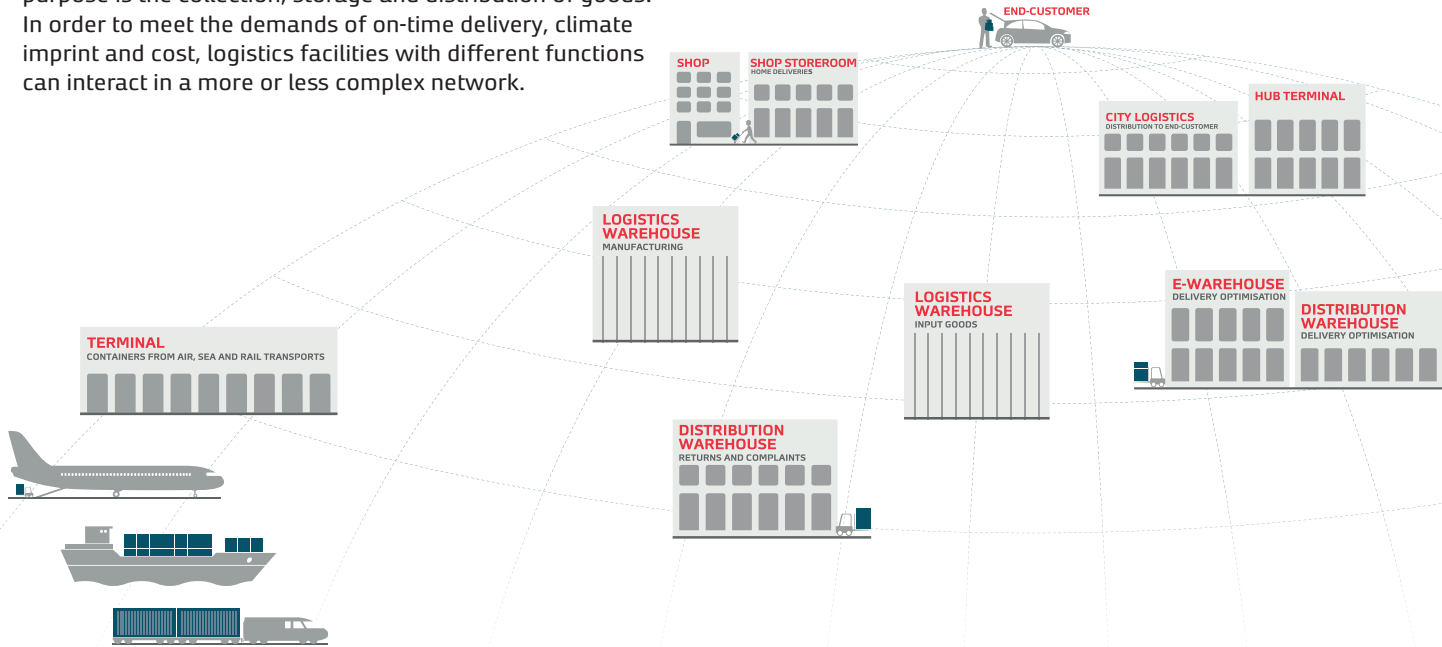
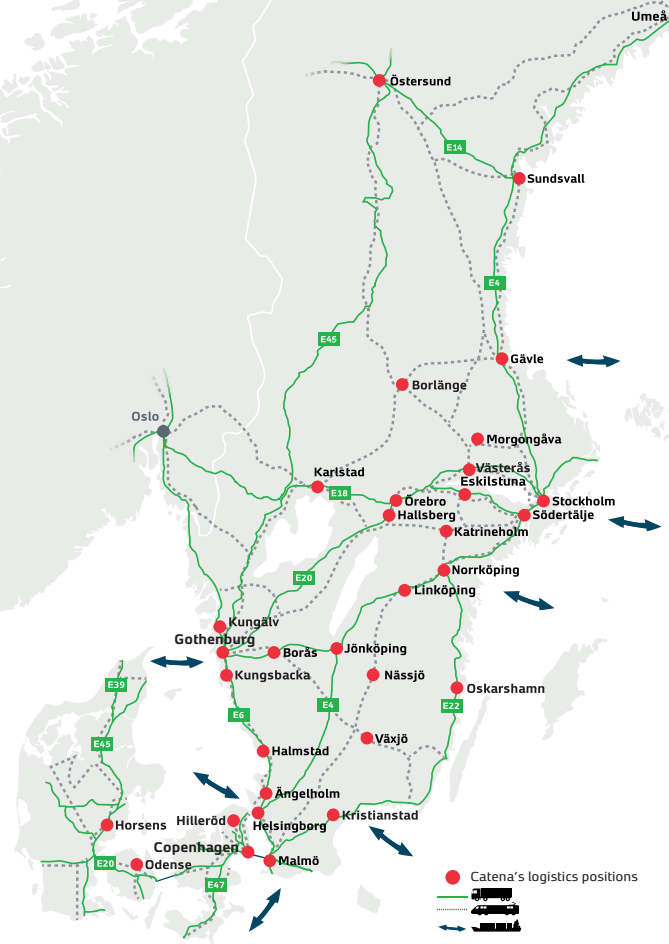
Catena's good insights regarding future freight and cargo flows are absolutely crucial to the ability to offer the right locations, the right premises and the right service. By generating strong cash flows, development takes place towards the vision – *Catena links Scandinavia's cargo flows.*

## Business concept

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

## Customer offering

Logistics solutions is a collective term for properties whose purpose is the collection, storage and distribution of goods. In order to meet the demands of on-time delivery, climate imprint and cost, logistics facilities with different functions can interact in a more or less complex network.



The Catena Group in figures							
	2020, Apr–Jun	2019, Apr–Jun	2020, Jan–Jun	2019, Jan–Jun	Rolling 12-month	2019, Jan–Dec	
Rental income, SEK M	307.2	291.0	622.3	585.0	1,220.2	1,182.9	
Net operating surplus, SEK M	251.2	231.9	500.3	455.1	948.0	902.8	
Surplus ratio, %	81.8	79.7	80.4	77.8	77.7	76.3	
Profit from property management, SEK M	181.1	162.0	358.5	317.9	667.4	626.8	
Profit for the period, SEK M	179.7	261.7	323.5	507.5	1,039.8	1,223.8	
Earnings per share, SEK	4.77	6.94	8.58	13.46	27.58	32.46	
Equity ratio, %	34.0	33.0	34.0	33.0	34.0	35.6	
Economic letting ratio, %	95.9	95.5	95.9	95.5	95.9	95.0	

# Flexibility and dialogue add value

Catena delivers a good outcome for the second quarter of 2020 despite uncertainty in the market. A net operating surplus increasing by 10 percent is one of several factors contributing to continued future capacity.



Catena shows strong profit from property management and stable cashflows. The net operating surplus increased by 10 percent and rental income by 6 percent, which was a satisfactory outcome against the background of the COVID-19 pandemic and its consequences.

Despite the bond and commercial paper markets having been more volatile, Catena's financing is stable, with long-term interest rate hedging at attractive levels. The banking system has functioned well, with our available backup facilities safeguarding our financing even in times such as these.

## Critical offering

Our overarching focus on logistics properties and our well-diversified customer base, focused on retail and wholesale, affords us a favourable foundation in the situation caused by the Coronavirus. Swedish retail and wholesale have coped relatively well with the crisis, demonstrating a general capacity for rapid recovery, although there are considerable differences between sub-sectors. In the first half of 2020, a small number of our tenants were impacted seriously. Although the market has been cautious, our perception is, at the same time, that efficient and sustainable logistics facilities remain in demand. In the discussions we are pursuing, issues of logistics and functioning goods flows are more relevant than ever. Interest in both new production and transactions exists and, on the transaction side, we also noted several transactions during the period showing required returns in line with those we were seeing before COVID-19. This confirms continued strong interest in logistics properties as an investment and, looking towards upcoming periods, Catena sees potential for continued growth.

In the longer term, the effect of COVID-19 on our operations and those of our customers is hard to assess in terms of both its strength and future impact. We are monitoring developments closely and remain respectful of the potential long-term outcome and how the macroeconomic effects could impact us indirectly.

## Equipped for realignment

Clearly the demands imposed as circumstances change increase the pressure on many of our properties significantly. In April, digitally driven commerce grew by 44 percent, with as many as 78 percent of Swedes shopping online that month according to PostNord's E-barometer. Against that background, the capacity of the entire logistics network has had to be adjusted within just a brief period. We and our tenants have been able to handle these fluctuations, largely thanks to the adaptability that we are pleased to incorporate into our properties from the outset. One example is our tenant Nowaste, a third-party logistics company that is now seeing several of its customers switch completely to e-commerce, imposing rigorous demands on inventory management. Already having an omni warehouse able to handle both store and e-commerce orders at the same facility made the transition possible. Rapid fluctuations can be managed by quickly reassigning and adapting spaces, although it can also be a matter of building in well-considered energy solutions. For our tenants Dagab and Apohem, we are currently improving an older property in Stockholm, investing in geothermal energy, updated ventilation with recirculation, LED lighting, cooling systems and a photovoltaic facility. This project to enhance energy efficiency brings direct cost savings but also opens up additional opportunities for tenants of the property in the long term.

## Relationships a core area of expertise

Flexibility and fast decision-making build not only on our properties exceeding expectations but also on favourable relationships that have been established over time. Close dialogue, a high level of service and a high level of commitment to issues, major and minor alike, are central parts of Catena's offering. Although we now meet digitally more frequently, I feel that the ties we have with our customers, partners and other stakeholders have been further strengthened during the spring. This equips us well in preparation for various future scenarios.

Helsingborg, June 2020  
Benny Thøgersen, CEO

# Income and profit

## Effects of COVID-19

The novel Coronavirus, COVID-19, has triggered a pandemic that has had a huge impact on public health as well as national economies and the financial markets. Today, the full extent and duration of the pandemic remains unknown, meaning that the future impact on Catena's earnings and position cannot be quantified.

The impact on the reporting period presented here was limited. The uncertain market situation has entailed in a sharper assessment of the reserve for expected credit losses, resulting in a reduction in income of about SEK 7 million for the first six months of the year. Catena maintains a close dialogue with its customers and has, among other things, offered liquidity relief in the form of extended payment deadlines.

Uncertainty regarding future income has affected the interim report through the impact on the discounted cash flows that form the basis for valuing the investment properties. Both feared reductions in income and increased/longer vacancies have affected the values negatively. The fact that the combined changes in value were nonetheless positive is explained by the additional cash flow from completed projects and leasing of vacant facilities. The external valuations we obtain to assure the accuracy of our internal valuations does not show any clear change in the market's direct yield requirements.

## Rental income

Rental income for the period increased by 6 percent to SEK 622.3 million (585.0), corresponding to SEK 661 per square metre (654) when adjusted for non-recurring effects. Income for the period was affected by compensation for the premature termination of leases in the amount of SEK 14 million, where the vacancy is immediately filled by a new tenant, and reserves for feared credit losses in the amount

of approximately SEK 7 million. In comparable portfolios, rental income, adjusted for non-recurring effects, increased by 1.9 percent compared with the preceding year. The remaining increase in rental income derives from completed projects and the net effect of acquisitions.

Income from contracts with terms of more than three years accounted for 74 percent of Catena's contracted annual rent. This entails stable income that does not vary substantially between periods, except in connection with acquisitions, completed projects and sales. The average remaining lease period is slightly less than five years.

## Duration of leases

Duration	Number of contracts	Contractual annual rent, SEK M	Contractual annual rent, %
2020	93	8.4	1
2021	144	184.6	14
2022	64	142.3	11
2023	62	189.0	15
2024	37	136.4	11
2025	27	126.2	10
2026+	53	483.4	38
<b>Total</b>	<b>480</b>	<b>1,270.3</b>	<b>100</b>

## Property expenses

Property expenses decreased to SEK 122.0 million (129.9), corresponding to SEK 131 per square metre (145). Planned maintenance has to some extent been postponed due to tenants having limited access to premises as part of efforts to limit the spread of COVID-19.

There are seasonal variations in the operation and maintenance of properties. Winters with much cold and snow entail higher costs for heating and snow removal. A hot summer can

Boozt has its major e-commerce warehouse in the Norra Varalöv 31:11 property. The warehouse has partially automated product handling with small shuttles picking goods. Catena is now expanding the warehouse by 22,800 square metres.



Rental income, regions												
SEKM	2020, Apr-Jun		2019, Apr-Jun		2020, Jan-Jun		2019, Jan-Jun		Rolling 12-month		2019 Jan-Dec	
	Rental income	Of which, re-invoiced*	Rental income	Of which, re-invoiced*	Rental income	Of which, re-invoiced.*	Rental income	Of which, re-invoiced.*	Rental income	Of which, re-invoiced.*	Rental income	Of which, re-invoiced.*
Gothenburg	41.2	1.9	43.4	2.2	80.9	4.3	86.7	4.5	167.4	10.1	173.2	10.3
Helsingborg	54.6	3.8	50,5	3.4	108.1	7.5	102.0	7.0	213.3	15.7	207.2	15.2
Jönköping	27.5	3.7	23.1	3.0	52.8	6.9	46.7	6.3	102.3	14.2	96.2	13.6
Malmö	52.4	9.4	46.4	9.3	103.9	19.1	91.8	19.4	202.7	39.2	190.6	39.5
Stockholm	131.5	10.7	127.6	8.1	276.6	21.4	257.8	18.6	534.5	42.1	515.7	39.3
<b>Total</b>	<b>307.2</b>	<b>29.5</b>	<b>291.0</b>	<b>26.0</b>	<b>622.3</b>	<b>59.2</b>	<b>585.0</b>	<b>55.8</b>	<b>1,220.2</b>	<b>121.3</b>	<b>1,182.9</b>	<b>117.9</b>

\* Of which, re-invoiced expenses.

Operating surplus, regions						
	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	Rolling 12-month	2019 Jan-Dec
Gothenburg	36.1	38.5	69.6	75.6	140.1	146.1
Helsingborg	42.9	38.4	82.7	76.0	159.9	153.2
Jönköping	20.6	13.9	38.0	28.3	70.2	60.5
Malmö	39.2	32.9	76.1	62.3	140.5	126.7
Stockholm	112.4	108.2	233.9	212.9	437.3	416.3
<b>Total</b>	<b>251.2</b>	<b>231.9</b>	<b>500.3</b>	<b>455.1</b>	<b>948.0</b>	<b>902.8</b>

mean increased expenses for cooling. These variations, that have the greatest impact during the winter and summer months, are, to some extent, offset by a change in billed expenses to tenants. The winter of 2020 was milder than normal and had less snowfall.

#### Financial expenses

Financial expenses, excluding expenses for lease assets, amounted to SEK 116.8 million during the period (113.4).

The average interest rate was 0.1 percentage point lower compared with the corresponding period last year, while the loan portfolio increased by about SEK 870 million.

#### Profit

Profit from property management during the period rose by SEK 40.6 million to SEK 358.5 million compared with the preceding year – an increase of 13 percent. The primary reason for the improved profit from property management is an increased operating surplus.

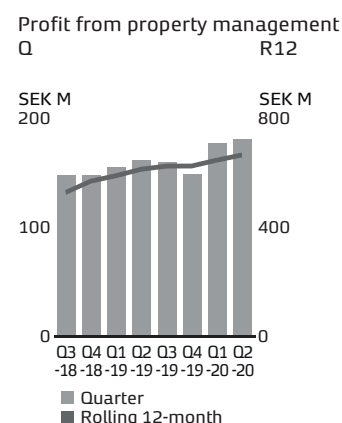
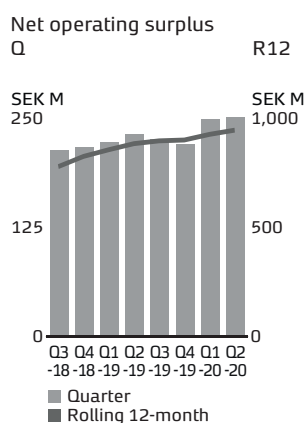
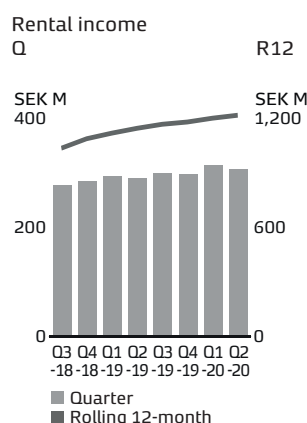
Profit for the period amounted to SEK 323.5 million, which is SEK 184.0 million lower than in the preceding year. The unrealised changes in value of properties amounted to SEK 76.7 million (382.5). The change in the value of derivatives was a negative SEK 23.9 million (70.4).

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



### Consolidated Statement of comprehensive income

SEK M	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	Rolling 12-month	2019 Jan-Dec
Rental income	307.2	291.0	622.3	585.0	1,220.2	1,182.9
Property expenses	-56.0	-59.1	-122.0	-129.9	-272.2	-280.1
<b>Net operating surplus</b>	<b>251.2</b>	<b>231.9</b>	<b>500.3</b>	<b>455.1</b>	<b>948.0</b>	<b>902.8</b>
Central administration	-8.3	-8.8	-17.0	-16.0	-35.1	-34.1
Other operating income	0.3	0.5	0.6	1.3	3.8	4.5
Other operating expenses	-	-0.2	-1.5	-0.2	-1.7	-0.4
Interest in profits from associated companies	-1.2	-3.6	-3.5	-5.8	-9.2	-11.5
Financial income	0.3	1.3	1.3	2.1	2.6	3.4
Financial expenses	-58.8	-56.5	-116.8	-113.4	-231.6	-228.2
Financial expenses for right-of-use assets	-2.4	-2.6	-4.9	-5.2	-9.4	-9.7
<b>Profit from property management</b>	<b>181.1</b>	<b>162.0</b>	<b>358.5</b>	<b>317.9</b>	<b>667.4</b>	<b>626.8</b>
Realised changes in value of investment properties	-	12.5	-	12.5	62.7	75.2
Unrealised changes in value of investment properties	65.8	199.8	76.7	382.5	485.4	791.2
Changes in values of derivatives	-18.4	-45.1	-23.9	-70.4	75.8	29.3
<b>Profit before tax</b>	<b>228.5</b>	<b>329.2</b>	<b>411.3</b>	<b>642.5</b>	<b>1,291.3</b>	<b>1,522.5</b>
Tax for the period/year	-48.8	-67.5	-87.8	-135.0	-251.5	-298.7
<b>Profit for the period/year</b>	<b>179.7</b>	<b>261.7</b>	<b>323.5</b>	<b>507.5</b>	<b>1,039.8</b>	<b>1,223.8</b>
<b>Other comprehensive income</b>						
Translation difference	-14.2	3.9	-0.7	6.6	-5.1	2.2
<b>Comprehensive income for the period/year</b>	<b>165.5</b>	<b>265.6</b>	<b>322.8</b>	<b>514.1</b>	<b>1,034.7</b>	<b>1,226.0</b>
Comprehensive income for the period/year distributed among the Parent Company's shareholders	165.5	265.6	322.8	514.1	1,034.7	1,226.0
<b>Key share data</b>						
Shareholders' equity, SEK per share	169.66	148.71	169.66	148.71	169.66	167.59
Net asset value per share, EPRA NAV, SEK	207.79	182.01	207.79	182.01	207.79	202.87
Profit for the period/year, SEK per share	4.77	6.94	8.58	13.46	27.58	32.46
Number of shares outstanding, millions	37.7	37.7	37.7	37.7	37.7	37.7

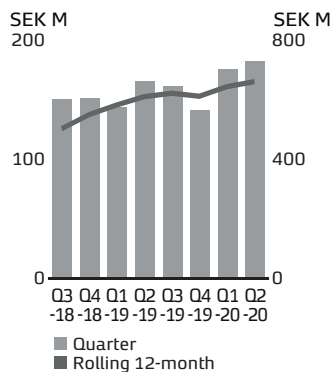


# Financial position

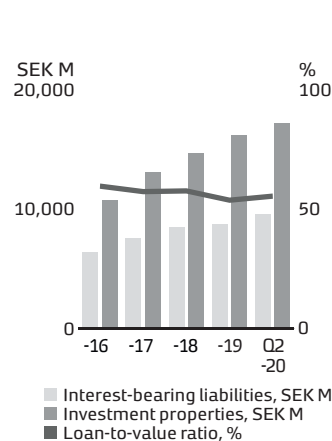
Cash flow			
SEK M	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Profit before tax	411.3	642.5	1,522.5
Adjustments for non-cash items	-47.0	-318.1	-894.9
Tax paid	-5.8	-14.8	-15.1
<b>Cash flow before changes in working capital</b>	<b>358.5</b>	<b>309.6</b>	<b>612.5</b>
Change in operating receivables	-35.6	-17.6	-87.1
Change in operating liabilities	-119.3	27.0	88.3
<b>Cash flow from operating activities</b>	<b>203.6</b>	<b>319.0</b>	<b>613.7</b>
Acquisition of assets via subsidiaries	-142.3	-18.3	-18.7
Divestment of operations	-	-	7.6
Investments in investment properties	-570.8	-371.2	-752.6
Divestment of investment properties	-	-	0.2
Acquisitions of property, plant and equipment	-	-0.1	-3.2
Change in financial assets	-15.8	-5.1	-58.8
<b>Cash flow from investment operations</b>	<b>-728.9</b>	<b>-394.7</b>	<b>-825.5</b>
Change in loans	804.3	145.7	277.7
Dividend paid	-245.0	-216.8	-216.8
<b>Cash flow from financing operations</b>	<b>559.3</b>	<b>-71.1</b>	<b>60.9</b>
<b>Cash flow for the period</b>	<b>34.0</b>	<b>-146.8</b>	<b>-150.9</b>
<b>Opening cash and cash equivalents</b>	<b>131.2</b>	<b>281.2</b>	<b>281.2</b>
Exchange rate difference in cash and cash equivalents	-	1.4	0.9
<b>Closing cash and cash equivalents</b>	<b>165.2</b>	<b>135.8</b>	<b>131.2</b>

Statement of financial position			
SEK M	2020 30 Jun	2019 30 Jun	2019 31 Dec
<b>Assets</b>			
<b>Fixed assets</b>			
Goodwill	503.0	503.0	503.0
Investment properties	17,222.5	15,570.4	16,270.5
Tangible fixed assets	2.3	1.2	4.0
Right-of-use assets	334.5	357.1	330.2
Financial non-current assets	172.6	111.0	170.0
Deferred tax assets	90.1	112.6	85.1
<b>Current assets</b>			
Current receivables	307.5	198.0	276.1
Cash and cash equivalents	165.2	135.8	131.2
<b>Total assets</b>	<b>18,797.7</b>	<b>16,989.1</b>	<b>17,770.1</b>
<b>Equity and liabilities</b>			
Equity attributable to Parent Company shareholders	6,395.8	5,606.1	6,318.0
<b>Non-current liabilities</b>			
Interest-bearing liabilities	7,371.0	4,543.3	4,784.7
Deferred tax liability	1,625.9	1,416.4	1,537.0
Lease liability	332.0	354.5	327.8
Other non-current liabilities	408.6	483.5	384.3
<b>Current liabilities</b>			
Interest-bearing liabilities	2,220.5	4,176.6	3,999.9
Other current liabilities	443.9	408.7	418.4
<b>Total equity and liabilities</b>	<b>18,797.7</b>	<b>16,989.1</b>	<b>17,770.1</b>

Cash flow before change in operating profit



Loan-to-value ratio



Change in equity

SEK M	2020 30 Jun	2019 30 Jun	2019 31 Dec
<b>Opening balance</b>	<b>6,318.0</b>	<b>5,308.8</b>	<b>5,308.8</b>
Dividend paid to shareholders	-245.0	-216.8	-216.8
Comprehensive income for the period/year attributable to Parent Company shareholders	322.8	514.1	1,226.0
<b>Closing balance</b>	<b>6,395.8</b>	<b>5,606.1</b>	<b>6,318.0</b>
Attributable to:			
Parent Company's shareholders	6,395.8	5,606.1	6,318.0

# The property portfolio

## Property portfolio

SEK M	Fair amount	Number of properties
Property portfolio at beginning of year	16,270.5	109
Acquisitions*	302.6	3
Investments in existing properties	570.8	
Translation differences, etc.	1.9	
Unrealised changes in value	76.7	
<b>Total investment properties</b>	<b>17,222.5</b>	<b>112</b>

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

### Changes in the property portfolio

During the period, Catena acquired the Lokesvej 18 property in Hilleröd, Denmark, the Kometvej 15 property in Horsens, Denmark and the Magasinet 3 property in Södertälje, Sweden at a total value of SEK 302.6 million.

In addition, investments have been made in new construction, remodelling and extensions at existing properties for SEK 570.8 million. At the Plantehuset 3 property, within Logistics Position Tostarp in Helsingborg, construction is in progress of PostNord's new 18,300 square-metre terminal, which is scheduled for completion in the summer of 2020. Work to extend Nowaste Logistic's major, 30,400 square-metre warehouse by an additional 18,000 square metres is in full progress with the tenant being scheduled to move in during the Autumn of 2020.

At Logistics Position Sunnanå, outside Malmö, construction of DHL Express' new 10,200 square-metre air cargo warehouse is in progress and the second part of the 36,200 square-metre multi-tenant warehouse is being completed.

In Ängelholm, E-City is being expanded with a new 22,800 square-metre building for Boozt Fashion.

### Property valuation

During the period, unrealised changes in the value of Catena's properties arose mainly as a consequence of well-executed projects, new letting and renegotiation to higher rental levels and, taking into account the aspects of uncertainty regarding

future revenues and increased vacancies stemming from the Coronavirus, they amounted to SEK 76.7 million for the period. This corresponds to 0.4 percent of the value before adjustment.

Each quarter, Catena implements internal valuations of all its investment properties and this is used to determine the fair values recognised in the balance sheet. During the first half of 2020, approximately SEK 4.6 billion of the property portfolio was valued externally, with these valuations not reflecting any change in the market's direct yield requirement associated with the Coronavirus.

All of the Group's investment properties are assessed as being at level 3 in the valuation hierarchy. A detailed description of the valuation principles is available on page 35 of Catena's Annual Report for 2019.

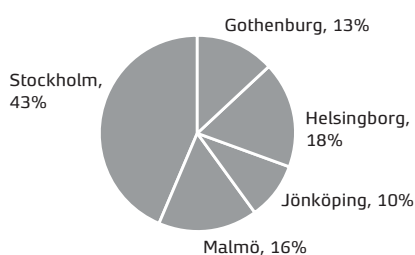
A certain discrepancy is permitted between the internal valuation and the fair value before the fair value is adjusted. The discrepancy should be within a range controlled by a permitted discrepancy from the established direct yield requirement of +/- 0.25 percent. Only when the deviation exceeds or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

### Sustainable properties

Two of Catena's new builds in progress in the first half of 2020 were certified in accordance with the Miljöbyggnad 3.0 Silver standard: the PostNord terminal in Tostarp and the PostNord Hub in Katrineholm. The certification process is also in progress for the Boozt new build in Ängelholm and for DHL's new air freight warehouse in Sunnanå, as well as for eight existing buildings. A total of 20,250 square metres have been certified, with an additional 155,841 square metres in the certification process for Miljöbyggnad Silver, corresponding to 9 percent of Catena's total lettable area.

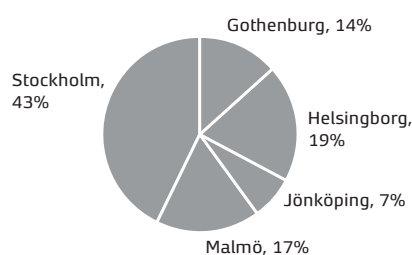
Catena is also working actively with photovoltaic facilities, with eight new facilities currently being installed. Along with the facilities already installed on Catena's roofs, these are estimated to achieve an annual capacity of approximately 5,000 MWh. That is equivalent to the annual consumption of 250 single-family homes.

Rental value by region



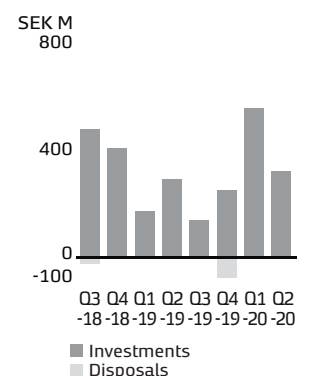
Total: SEK 1,324.2 million

Property portfolio by region



Total: SEK 17,222.5 million

Investments and disposals





### Properties by region

Regions	Number of properties	Lettable area, thousand sq. m.	Fair value, SEK M	Rental value, SEK M	Economic letting ratio, %	Contractual annual rent, SEK M	Surplus ratio, %
Gothenburg	15	231.8	2,308.4	174.5	99	172.6	86
Helsingborg	23	391.7	3,341.7	231.8	95	220.8	77
Jönköping	12	222.2	1,281.0	126.5	96	121.8	72
Malmö	19	241.8	2,954.5	216.6	98	211.7	73
Stockholm	43	789.0	7,336.9	574.8	95	543.4	85
<b>Total</b>	<b>112</b>	<b>1,876.5</b>	<b>17,222.5</b>	<b>1,324.2</b>	<b>96</b>	<b>1,270.3</b>	<b>80</b>

### Property acquisition

Property designation	Transfer date	Region	Municipality	Space, sq. m.	Property value, SEK M	Rental income/year, SEK M
Lokesvej 18	31 Jan 2020	Malmö	Hilleröd, DK	4,176	96.5	5.8
Kometvej 15	31 Jan 2020	Malmö	Horsens, DK	4,484	79.7	4.2
Magasinet 3	14 Feb 2020	Stockholm	Södertälje	21,240	130.0	12.0
<b>Total</b>				<b>29,900</b>	<b>306.2</b>	<b>22.0</b>



At the Solsten 1:102 property in Mölnlycke, outside Gothenburg, Catena is installing a photovoltaic cell facility.

### Efficient property management



**Deputy CEO, Head of Business and Property Development**  
Acting Regional Manager Gothenburg  
Acting Regional Manager Jönköping  
Jörgen Eriksson, phone +46 (0)42 449 22 42  
jorgen.eriksson@catenafastigheter.se



**Regional Manager, Malmö**  
Fredrik Renå, phone +46 (0)72-743 45 44  
fredrik.rena@catenafastigheter.se



**Regional Manager, Helsingborg**  
Göran Jönsson, phone +46 (0)42-449 22 66  
goran.jonsson@catenafastigheter.se



**Regional Manager, Stockholm**  
Tobias Karlsson, phone +46 (0)73-070 22 36  
tobias.karlsson@catenafastigheter.se

# Projects

## New production

Catena has the ambitious objective of growing by investing in projects, partly by developing the existing properties, but above all by developing the company's potential land reserves of approximately 5 million square metres. The first half of 2020 was a very busy period in terms of Catena's ongoing project development. The project portfolio includes remaining investments of SEK 533 million, including both major projects and new construction at our Logistics Positions, as well as tenant adaptations to existing properties. Catena currently has six major projects under construction in Helsingborg, Malmö, Åstorp and Ängelholm.

For a long time, Catena has worked to identify strategically favourable locations in which to develop new logistics properties. One of these areas is the Helsingborg, Ängelholm and Åstorp triangle. The infrastructure is very good here, with Sweden's second largest port and, in particular, the junction of two transport-intensive roads, the E4 and E6 motorways. In this area, Catena is constructing almost 70,000 square metres of warehouses and logistics properties for Boozt, PostNord, Nowaste and Seafrigo.

The latest new construction project in the area is for Catena's new customer, Seafrigo Nordic, which works with frozen and chilled foods. Although the company already has a facility in the area, because it has grown strongly, it now needs another. The new warehouse for chilled and frozen goods is being constructed alongside the E4 motorway in Åstorp, will be approximately 10,800 square metres in size and will be environmentally certified in accordance with the Miljöbyggnad Silver standard. A photovoltaic installation is also being planned for installation on the roof. Seafrigo is expected to move into the premises in the summer of 2021.

## Logistics positions of the future

Catena has a couple of larger landholdings where the process of creating major logistics positions is in progress. One of these is the Örebro Syd area where, together with partners, Catena is working to have a detailed development plan approved for an area of 920,000 square metres. Catena already has three logistics facilities in the area with a total 76,000 square metres of space. The area is very well suited for logistics properties, situated in one of the country's best logistics locations, midway between Scandinavia's metropolitan regions and with favourable opportunities for both rail and road traffic.

## Property improvements

Catena works continuously to develop the existing properties in its portfolio. One example is the Frukthallen 3 property located in Årsta, to the south of Stockholm, adjacent to major roads including E20/E4 motorway and the network of tunnels circling central Stockholm to the south. Of the building, which will total 22,200 square metres, 13,500 square metres will be rebuilt and adapted to the tenants' operations. The largest tenant will be Dagab, which will move into a warehouse of more than 10,000 square metres for the storage of dry, chilled and frozen goods. At the same time as the property is being adapted to the tenant's needs, major investments are being made to reduce energy consumption and thus reduce operating costs and the property's climate footprint. On the roof, a 255 kWp photovoltaic cell facility will be installed, together with new ventilation with recirculation, LED lighting and a geothermal energy facility. Combined, these measures are expected to halve the property's energy consumption.

## Major projects during the year <sup>1)</sup>

Project	Property	Municipality	Lettable space, m <sup>2</sup>	assessed net operating surplus SEK M	Estimated investment, SEK M	Degree of completion by Q2 2020, SEK M	Letting ratio on the balance sheet date, %	Completed <sup>2)</sup>
<i>New construction and extensions in progress &gt; SEK 100 million</i>								
PostNord	Plantehuset 3	Helsingborg	18,300	15.7	250	240	100	2020 Q3
Nowaste Logistics, extension	Plantehuset 3	Helsingborg	18,000	9.1	132	98	100	2020 Q3
Multi-tenant warehouse, part 2	Sunnanå 12:52	Burlöv	18,100	12.2	179	161	64	2020 Q4
DHL Express	Sunnanå 12:52	Burlöv	10,200	10.2	150	110	100	2020 Q4
Boozt Fashion	Norra Varalöv 31:11	Ängelholm	22,800	12.0	193	115	100	2020 Q4
Seafrigo Nordic	Part of Broby 57:1 etc.	Åstorp	10,800	9.0	147	0	100	2021 Q3
<b>Total, ongoing major projects</b>			<b>98,200</b>	<b>68.2</b>	<b>1,051</b>	<b>724</b>		

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

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

# Financing

Debt and interest maturity							
Year	Debt maturity			Interest maturity, including derivatives			
	SEK M	Share, %	Interest, including margin, %	SEK M	Share, %	Interest, including margin, %	
0-1	2,169.5	22.6	1.5	3,455.6	36.0	1.4	
1-2	1,853.0	19.3	1.5	1,252.2	13.1	4.1	
2-3	2,913.5	30.4	1.5	258.0	2.7	1.3	
3-4	2,495.7	26.0	1.4	500.0	5.2	3.2	
4-5	0.0	0.0	0.0	1,220.8	12.7	3.0	
5-	159.8	1.7	0.8	2,904.9	30.3	2.7	
<b>Total</b>	<b>9,591.5</b>	<b>100.0</b>	<b>1.5</b>	<b>9,591.5</b>	<b>100.0</b>	<b>2.4</b>	

\* The margin is evenly spread across the maturity structure of the swap portfolio.

## Interest-bearing liabilities

At the end of the period, interest-bearing liabilities amounted to SEK 9,591.5 million (8,719.9) of which the share of traditional bank loans amounted to 85 percent, secured bonds to 11 percent, Danish mortgage bonds to 3 percent and commercial papers to 1 percent. At the time, there were confirmed and unutilised credit commitments from banks amounting to SEK 400 million.

During the period, Catena renegotiated financing agreements with a total framework of SEK 4,899.9 million and, in addition, extended the backup facility from SEK 1 billion to SEK 2 billion. On the balance sheet day, interest maturity, including derivatives, averaged 3.4 years and debt maturity averaged 2.4 years.

## Interest expenses and sensitivity

On the balance sheet date, the average interest rate, including the cost of derivatives and unutilised lines of credit, was 2.4 percent (2.5).

If the market interest rate defined as Stibor 3-month were to increase by one percentage point, all else being equal, the interest expenses would increase by around SEK 33 million. If the market interest rate were to instead decrease by one percentage point, the interest expenses would increase by around SEK 38 million.

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

## Bond financing

During the period, Catena issued secured bonds and extended financing agreements totalling SEK 840 million within the framework of Svensk FastighetsFinansiering (SFF). On the balance sheet date, the outstanding volume was SEK 1,079 million.

SFF is equally owned by Catena, Diös, Fabege, Platzer and Wihlborgs. The MTN programme, which is secured by property mortgages, amounts in its entirety to SEK 12 billion. SFF holds a credit rating equivalent to BBB+ from Nordic Credit Rating. More about SFF can be found on the company's website [Svenskfastighetsfinansiering.se](http://Svenskfastighetsfinansiering.se)

## Commercial paper financing

Catena has established a commercial paper programme with a framework amount of SEK 2 billion. Papers within the pro-

gramme 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 50 million, which is within the scope of the unutilised lines of credit from banks.

## Derivative instruments

Financial instruments consist of derivative instruments in Category 2 of the valuation hierarchy. The derivatives are marked to market, meaning that the carrying amount agrees with the fair value. The change is recognised in the Income Statement. The carrying amount was a negative SEK 405.0 million (480.8). The change in value of the derivatives does not affect cash flow and, on reaching maturity, the value of derivatives is always zero.

The nominal value of the derivatives is equivalent to 60 percent of consolidated interest-bearing liabilities.

During the period, Catena entered into new interest rate swaps for a nominal SEK 1.2 billion, at an average fixed interest rate of 0.16 percent and partly extended existing interest rate swaps for approximately SEK 1.1 billion at a new average fixed interest rate of 1.7 percent. All in all, this extends the fixed income portfolio's interest maturity and secures a substantial share of the Group's interest expenses.

Interest hedges through interest-rate swaps				
Start year	End year	Contract interest, %	SEK M	
2011	2021	2.9	500.0	
2012	2021	2.7	191.7	
2013	2021	2.8	22.0	
2013	2021	2.8	38.5	
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	2026	2.7	571.9	
2020	2027	0.2	300.0	
2020	2027	0.2	300.0	
2020	2028	0.1	300.0	
2020	2028	0.1	300.0	
2020	2029	1.5	561.0	
2020	2030	1.9	572.0	
<b>Total</b>		<b>1.7</b>	<b>5,718.1</b>	

Current earnings capacity								
SEK M	2020 30 Jun	2020 31 March	2019 31 Dec	2019 30 Sep	2019 30 Jun	2019 31 March	2018 31 Dec	2018 30 Sep
Rental income	1,285.8	1,245.9	1,208.9	1,183.6	1,169.6	1,157.7	1,158.0	1,112.8
Property expenses	-293.7	-284.5	-276.0	-272.4	-268.2	-265.5	-276.0	-276.3
<b>Net operating surplus</b>	<b>992.1</b>	<b>961.4</b>	<b>932.9</b>	<b>911.2</b>	<b>901.4</b>	<b>892.2</b>	<b>882.0</b>	<b>836.5</b>
Central administration	-36.4	-36.4	-36.4	-32.4	-32.4	-32.4	-32.4	-32.4
Interest in profits from associated companies	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	-10.0
Net financial items	-235.6	-221.9	-223.4	-224.6	-216.8	-216.2	-223.9	-232.7
Ground rent	-9.8	-9.8	-9.8	-9.7	-10.5	-10.5	-	-
<b>Profit from property management</b>	<b>705.3</b>	<b>688.3</b>	<b>658.3</b>	<b>639.5</b>	<b>636.7</b>	<b>628.1</b>	<b>620.7</b>	<b>561.4</b>
Tax for the period	-150.9	-147.3	-140.9	-136.9	-136.3	-134.4	-132.8	-123.5
<b>Profit for the period</b>	<b>554.4</b>	<b>541.0</b>	<b>517.4</b>	<b>502.6</b>	<b>500.4</b>	<b>493.7</b>	<b>487.9</b>	<b>437.9</b>
<b>Key share data</b>								
Profit for the period/year, SEK per share	14.7	14.4	13.7	13.3	13.3	13.1	12.9	11.6
Number of shares outstanding, millions	37.7	37.7	37.7	37.7	37.7	37.7	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, 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 lease liability for the right-of-use assets. The tax is calculated on a conventional basis according to the tax rate at any given time.

Direct yield								
%	2020 30 Jun	2020 31 March	2019 31 Dec	2019 30 Sep	2019 30 Jun	2019 31 March	2018 31 Dec	2018 30 Sep
EPRA NIY (initial yield)	5.9	5.9	5.8	6.0	6.1	6.2	6.2	6.0
EPRA "topped-up" NIY (normalised yield)	6.1	6.1	6.1	6.3	6.3	6.5	6.4	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, property tax 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 direct yield by around 0.1 percentage points.



Cramo is the tenant in the Björrodd 1:205 property. Catena constructed the building for the tenant in 2018.

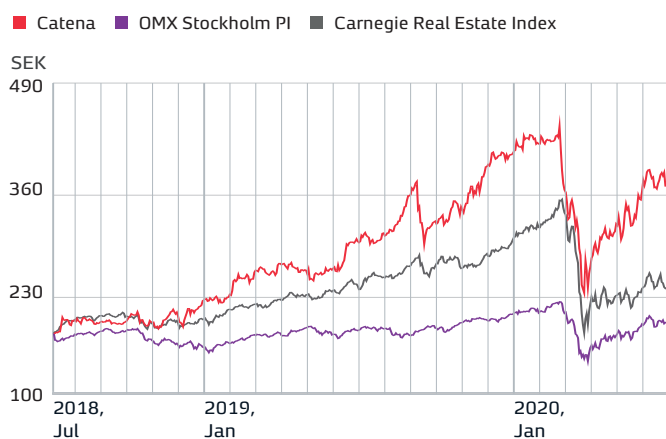
# Shares and shareholders

## The share

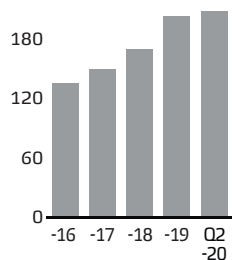
As at the closing date, the Catena share was registered on the Nasdaq Stockholm Nordic Mid Cap list. The closing price on 30 June 2020 was SEK 367.00, against the closing price of SEK 413.50 on 30 December 2019, representing an decrease of 11 percent over the period. During the period, the highest price noted for the Catena share was SEK 446.00 and the lowest was SEK 213.50. Since the autumn of 2017, Catena's share has been included in the international property index EPRA.

As at 31 May 2020, Catena had 15,016 shareholders, and the number of shares amounted to 37,698,853.

## Share price trend 1 July 2018 – 30 June 2020



Net asset value per share, EPRA NAV  
SEK  
240



### Contacts



Benny Thögensen,  
CEO  
benny.thogersen@  
catenafastigheter.se  
phone +46 (0)70-660 83 50



Sofie Bennsten  
Deputy CEO, CFO  
sofie.bennsten@  
catenafastigheter.se  
phone +46 (0)42-449 22 41



Peter Andersson,  
Head of Treasury  
peter.andersson@  
catenafastigheter.se  
phone +46 (0)42 449 22 44

## Dividend policy

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

## Financial reporting

28 October 2020 Interim Report, January – September 2020

19 February 2021 Year-end Report 2020

29 April 2021 2021 Annual General Meeting

29 April 2021 Interim Report, January – March 2021

Catena's interim report for the first half of 2020 will be presented online on 7 July at 9.30 a.m. CET – to participate, please see the instructions given on Catena's website. Up-to-date financial information is always available in both Swedish and English on Catena's website.

## Ownership structure as at 31 May 2020, major shareholders

	No. of shares, 000s	Votes, %
Backahill	11,221	29.8
PGGM Pensioenfonds	3,560	9.4
Länsförsäkringar Fonder	2,833	7.5
SFU Sverige AB	1,310	3.5
Fjärde AP-Fonden (AP4)	936	2.5
Vanguard	839	2.2
BlackRock	715	1.9
BMO Global Asset Management	569	1.5
SEB Fonder	569	1.5
Aberdeen Standard Investments	548	1.4
Norges Bank	512	1.4
Cohen & Steers	483	1.3
Odin Fonder	447	1.2
Duff & Phelps Investment Management	351	0.9
Other shareholders	12,806	34.0
<b>Total</b>	<b>37,699</b>	<b>100.0</b>

In the expansive Logistics Position Sunnanå, outside Malmö, DHL is a tenant in three different buildings. The picture shows the DHL terminal that is currently being expanded.



# Parent Company's financial statements

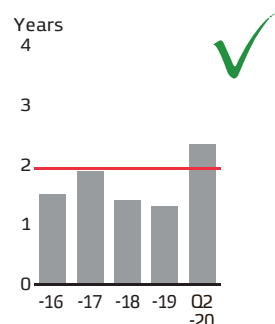
Parent Company Income Statement			
SEK M	2020, Jan–Jun	2019, Jan–Jun	2019, Jan–Dec
Net sales	26.9	25.7	50.6
Cost of services performed	-43.5	-41.2	-85.0
<b>Operating profit/loss</b>	<b>-16.6</b>	<b>-15.5</b>	<b>-34.4</b>
<b>Financial income and expenses</b>			
Other interest income and similar income	102.9	118.9	212.4
Profit from participations in Group companies	–	–	58.1
Interest expenses and similar expenses	-92.9	-140.8	-109.3
<b>Profit before appropriations and taxes</b>	<b>-6.6</b>	<b>-37.4</b>	<b>126.8</b>
Tax on profit for the period/year	1.2	7.4	-37.0
<b>Comprehensive income for the period/year</b>	<b>-5.4</b>	<b>-30.0</b>	<b>89.8</b>

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

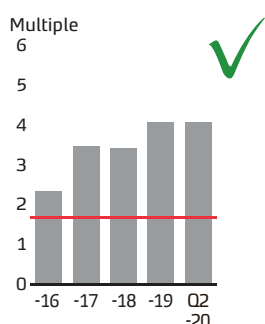
Parent Company Balance Sheet			
SEK M	2020, 30 Jun	2019, 30 Jun	2019, 31 Dec
<b>Assets</b>			
<b>Fixed assets</b>			
Tangible fixed assets	0.8	1.2	1.0
Financial non-current assets	3,236.2	3,236.2	3,236.2
Deferred tax assets	84.0	99.4	78.9
Non-current receivables	27.7	23.1	25.4
<b>Current assets</b>			
Receivables from Group companies	4,473.6	4,070.5	3,728.5
Receivables from associated companies	39.4	–	34.9
Current receivables	9.4	14.3	24.7
Cash and cash equivalents	131.7	59.6	90.0
<b>Total assets</b>	<b>8,002.8</b>	<b>7,504.3</b>	<b>7,219.6</b>
<b>Equity and liabilities</b>			
Shareholders' equity	2,657.0	2,787.6	2,907.5
Untaxed reserves	24.1	24.2	24.1
<b>Non-current liabilities</b>			
Interest-bearing liabilities	1,749.9	998.9	674.3
Liabilities to associated companies	–	30.8	–
Provisions	2.5	1.1	2.1
Other non-current liabilities	405.0	481.1	381.1
<b>Current liabilities</b>			
Liabilities to Group companies	3,111.9	3,128.3	3,194.0
Other current liabilities	52.4	52.3	36.5
<b>Total equity and liabilities</b>	<b>8,002.8</b>	<b>7,504.3</b>	<b>7,219.6</b>

## Financial targets, Group operations

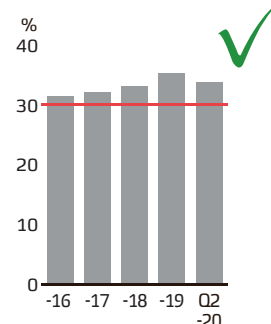
Average debt maturity



Interest coverage ratio



Equity/assets ratio



# Other

## Market outlook

Over time, the market for logistics properties is driven by increased cargo flows and growing retail trade, particularly e-commerce. Technical factors enabling a transition to digital commerce, followed by expanded delivery methods, continues to drive demand for larger spaces for logistics purposes and we believe we are in the midst of an ongoing phase of development. This development is currently being partly overshadowed by the novel Coronavirus, COVID-19, which has triggered a pandemic that has had a huge impact on public health as well as national economies and the financial markets. Today, the full extent and duration of the pandemic remains unknown, meaning that the future impact on Catena's earnings and position cannot be quantified. It is nonetheless our assessment that long-term demand for Catena's properties, which are well-suited to their purposes, is very favourable.

The combination of limited access to developable land and modern, strategically located logistics premises is a reality favouring growth in new production in the long term and, in certain locations, also at a higher rent level. In our view, growth in digital commerce linked to FMCG and parcel deliveries is, on the whole, set to accelerate and will therefore contribute to a stable letting ratio even in the future. We note that certain segments have experienced particularly strong digitally drive sales in the wake of the virus outbreak and make the assessment that this could increase the transition we are already experiencing.

Following the shock of the Coronavirus to the world early in the year, both the transaction and capital markets are now showing signs of recovery in the second quarter. In addition to the world's collective effort to curb the virus, record-breaking monetary and fiscal stimulus measures have contributed to the recovery.

We are not yet able to draw any definitive conclusions regarding the development of COVID-19. We continue to monitor the situation closely, however, and are preparing ourselves, as far as possible, for any unpredictable effects that may occur in the long term.

## Catena's sustainability activities

Sustainability is one of Catena's four prioritised areas. Our sustainability work focuses on participating in social progress by establishing the conditions for more sustainable logistics, reducing the environmental impact of our properties and being an attractive employer. The sustainability work is organised within the Agenda 2030 framework and, as a member of the United Nations Global Compact, the company works actively to contribute to the global sustainability goals.

Catena works continuously to environmental certify its properties in accordance with the Miljöbyggnad Silver standard or equivalent, for both new and existing buildings. The certification imposes strict requirements on energy consumption, indoor environment and choices of materials and all projects are verified by a third party that reports back to the company on an ongoing basis. In addition, Catena is working in a number of ways to improve energy efficiency in its properties and, in new construction projects, generally prepares for future installation of photovoltaic cell facilities.

Catena serves as the specifier to contractors and suppliers regarding sustainability aspects and by participating in networks and monitoring external trends, the sustainability work is further developed. This brings an increased focus on issues of sustainability while also strengthening the partnership with customers. The sustainability efforts bring solid commercial benefits by, among other things, generating conditions for green financing.

## Related parties

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

### Catena's values



We exceed expectations



We take long-term responsibility



We are committed

## Quarterly overview

	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3
Rental income, SEK M	307.2	315.1	297.8	300.1	291.0	294.0	285.3	277.9
Net operating surplus, SEK M	251.2	249.1	220.9	226.8	231.9	223.2	217.1	213.9
Surplus ratio, %	81.8	79.1	74.2	75.6	79.7	75.9	76.1	77.0
Economic letting ratio, %	95.9	95.4	95.0	96.0	95.5	95.8	95.9	95.8
Profit from property management, SEK M	181.1	177.4	148.8	160.1	162.0	155.9	148.5	148.6
Profit for the period, SEK M	179.7	143.8	372.0	344.3	261.7	245.8	158.1	294.1
Return on equity, %	2.8	2.3	6.1	6.0	4.7	4.5	3.0	5.9
Equity ratio, %	34.0	35.1	35.6	33.7	33.0	33.7	33.4	33.4
Share price at end of period, SEK	367.00	289.50	413.50	323.00	292.00	257.50	220.50	199.00
Cash flow before change in working capital per share, SEK	4.84	4.67	3.75	4.29	4.40	3.81	4.01	3.99
Earnings per share, SEK	4.77	3.81	9.87	9.13	6.94	6.52	4.19	7.81
Net asset value per share, EPRA NAV, SEK	207.79	208.16	202.87	194.07	182.01	178.50	169.53	164.88

# Important events



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. 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.

On 10 January, Catena and Coop Logistik announced that they had 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.

Johan Franzén stepped down from his position at Catena on 1 April 2020. 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 Gerstabergr 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.

Due to ownership changes in Catena, with Kilen 134 Strängnäs AB, represented by Jan Persson, having reduced its shareholding, the Nomination Committee now has the following composition: Anders Nelson, appointed by Backahill Kil AB, Gustaf Hermelin, Chairman of the Board and appointed by SFU Sverige AB; Johannes Wingborg, appointed by Länsförsäkringar Fondförvaltning AB; Olof Nyström, appointed by Fjärde AP-fonden (AP4 – new member of the Nomina-

tion Committee). The chairman of the Nomination Committee is Anders Nelson, while the Committee is convened by Chairman of the Board, Gustaf Hermelin. Combined, the four shareholders represented hold approximately 44 percent of the votes in Catena as of 29 February 2020.

In preparation for the Annual General Meeting on 29 April 2020, the Nomination Committee submitted its proposal regarding Chairman of the Board and other Board members. The Nomination Committee proposed re-election of Katarina Wallin, Tomas Andersson, Hélène Briggert and Magnus Swärdh and that Gustaf Hermelin be re-elected as the Chairman of the Board, with Caesar Åfors and Vesna Jovic being newly elected as Henry Klotz and Ingela Bendrot have declined re-election.



Given the altered circumstances in the market, Catena AB and Coop Logistik AB agreed on 3 April not to fulfil the letter of intent previously established between the parties. The letter of intent between Catena AB and Coop Logistik AB included the acquisition of part of the Aspestahult 1:1 property in Eskilstuna and the new construction of an approximately 105,000 square-metre automated warehouse. With reference to the new conditions now affecting the market, the parties have agreed that the terms of the letter of intent no longer apply.

Catena has implemented changes in its management team. As of 1 May 2020, Catena's management team consists of the CEO, the CFO, the Head of Treasury, the Head of Business and Property Development and the Head of Business Support. The two new roles being introduced are the Head of Business and Property Development, responsible for regions, projects and business development, and the Head of Business Support, responsible for HR, communications and sustainability. In addition to CEO Benny Thögersen, the new management team thus consists of Deputy CEO/CFO Sofie Bennsten, who is now also the Acting Head of Business Support, the Head of Treasury Peter Andersson and Deputy CEO/Head of Business and Property Development Jörgen Eriksson. The company's regional managers will report to the Head of Business and Property Development in a clearer business-generating context with a strong focus on project development.

On 8 April, Catena signed an agreement with Sven-Olof Hagelin of the Tahe Gård farm in Taberg regarding the acquisition of an area of land in the Municipality of Jönköping. The plot of land in question, which covers approximately 190,000 square metres, is adjacent to Torsvik, one of Sweden's largest logistics sites, with a location that allows transport to several metropolitan regions within one day. The transaction will be implemented by consolidating the land with Catena's existing Tahe 1:64 property and is conditional on detailed plan gaining legal force. Catena will gain access to the site when the detailed development plan has gained legal force.



Fredrik Renå stepped in as the new Regional Manager for Malmö on 1 May 2020, replacing Jörgen Eriksson, who stepped into a new role as Deputy CEO/Business and Property Manager.

At the end of May, Catena signed a 12-year lease with Seafrigo Nordic and will be investing SEK 147 million in a new 10,800 square-metre distribution centre, comprising facilities for both chilled and frozen goods and a smaller office space, with an estimated net operating surplus of SEK 9 million. Seafrigo is an international third-party logistics company that focuses on the handling and storage of food. The new property will have a storage capacity of 25,000 pallets, a larger food freezing facility and backup power guaranteeing cooling and operation even in the event of an extended power failure. The plant is certified in accordance with Miljöbyggnad Silver and a photo-

voltaic cell facility will be installed on the roof. Construction will commence in the summer of 2020 and Seafrigo plans to move in during the summer of 2021.

On 3 September 2020, Jonas Arvidsson will take over as Catena's new Regional Manager, responsible for the Gothenburg and Jönköping regions. Jonas joins Catena from DHL Nordic where he was regional manager for logistics properties and responsible for analysis and development of existing properties, as well as for projects and new production. Prior to that, Jonas has held leading positions in which he has headed major logistics projects within DHL Supply Chain.

**Significant events after the period**

No significant events after the end of the period.



# Key financial figures for the Group

Key figures <sup>1,2)</sup>					Definitions
	2020 Jan-Jun	2019 Jan-Jun	Rolling 12-month	2019 Jan-Dec	
<b>Property-related</b>					
Rental income, SEK M	622.3	585.0	1,220.2	1,182.9	Rental income according to Statement of comprehensive income
Net operating surplus, SEK M	500.3	455.1	948.0	902.8	Rental income less operating and maintenance expenses, property tax and property administration (including ground rent deductions in 2018).
Surplus ratio, %	80.4	77.8	77.7	76.3	Net operating surplus as a percentage of income from property.
Rental value, SEK M	1,324.2	1,257.2	1,324.2	1,264.8	Contractual rents on an annual basis plus a supplement for assessed market rents for vacant space.
Economic letting ratio, %	95.9	95.5	95.9	95.0	Contractual annual rents under leases valid at the end of the period/year as a percentage of rental value.
Loan-to-value ratio, %	55.7	56.0	55.7	54.0	Interest-bearing liabilities attributable to the properties as a percentage of the carrying amounts of the properties at the end of the period/year.
Lettable area, thousand sq. m.	1,876.5	1,816.2	1,876.5	1,842.7	Total area available for letting.
<b>Financial</b>					
Profit from property management, SEK M	358.5	317.9	667.4	626.8	Pre-tax profit with reversal of changes in value.
Pre-tax profit, SEK M	411.3	642.5	1,291.3	1,522.5	Profit before tax in accordance with Statement of comprehensive income.
Profit for the period/year, SEK M	323.5	507.5	1,039.8	1,223.8	Profit for the period/year in accordance with Statement of comprehensive income
Total assets, SEK M	18,797.7	16 989.1	18,797.7	17,770.1	
Return on equity, %	5.1	9.3	17.3	21.1	Profit for the period/year as a percentage of average equity.
Return on assets, %	3.0	5.0	8.1	10.2	Pre-tax profit plus financial expenses as a percentage of average total assets.
Interest-coverage ratio, multiple	4.1	3.9	4.2	4.1	Pre-tax profit before reversal of financial expenses and unrealised changes in value in relation to financial expenses.
Average interest rate, %	2.4	2.5	2.4	2.6	Average interest on the loan portfolio with derivatives being taken into account as per the balance sheet date.
Interest maturity, years	3.4	2.7	3.4	2.3	Average weighted interest maturity on the loan portfolio including the effect of derivatives
Debt maturity, years	2.4	1.4	2.4	1.3	Weighted average debt maturity on the loan portfolio
Equity ratio, %	34.0	33.0	34.0	35.6	Equity including non-controlling interests as a percentage of total assets.
Equity/assets ratio, excluding goodwill and lease assets, %	35.6	34.8	35.6	37.3	Equity including non-controlling interests as a percentage of total assets less goodwill and lease assets.
<b>Share-related</b>					
Share price at end of period, SEK	367.00	292.00	367.00	413.50	
Cash flow before change in working capital per share, SEK	9.51	8.21	17.54	16.25	
Equity per share, SEK	169.66	148.71	169.66	167.59	Equity attributable to Parent Company shareholders in relation to the number of shares outstanding at the end of the period/year.
Profit from property management per share, SEK	9.51	8.43	17.70	16.63	Profit from property management in relation to the number of shares outstanding at the end of the period/year.
Earning per share, SEK	8.58	13.46	27.58	32.46	Profit for the period/year attributable to the Parent Company's shareholders in relation to the average number of shares outstanding.
Net asset value per share, EPRA NAV, SEK	207.79	182.01	207.79	202.87	Shareholders' equity with reversal of the fair value of interest rate derivatives and deferred taxes in the balance sheet less goodwill associated with the deferred tax, calculated per share.
Number of shares outstanding, millions	37.7	37.7	37.7	37.7	Number of shares on the balance sheet date
P/E ratio	13	11	13	13	Share price at the end of the period/year in relation to earnings per share for the period/year.

<sup>1)</sup> For division into IFRS categories, alternative and other key figures, please refer to Catena's Annual Report for 2019, pages 136–137.

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

### Accounting and valuation principles

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

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

This interim report was drawn up in accordance with IAS 34, Interim Financial Reporting, for the Group and according to the Swedish Annual Accounts Act for the Parent Company. The accounting principles are unchanged compared with the annual accounts for the preceding year.

### Risks and uncertainty factors

In order to draw up the accounts according to generally accepted accounting principles, the company management must make assessments and assumptions that affect the asset and liability items and the income and expense items disclosed in the annual accounts, and also other information provided. Actual outcomes may diverge from these assessments. Catena's financial risks are described in Note 19 on pages 97–99 of the 2019 Annual Report and in the Corporate Governance Report on pages 129–133. In addition to the ongoing Coronavirus pandemic, which has been addressed in this quarterly report, no other significant changes have occurred.

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

Helsingborg, 6 July 2020  
Catena AB

Board of Directors

### Auditor's review report regarding the summary interim financial information (interim report) prepared in accordance with IAS 34 and Chapter 9 of the Annual Accounts Act

#### Introduction

*We have performed a limited review of the interim financial information (interim report) of Catena AB as per 30 June 2020 and the six-month period ended on that date. The Board and the CEO are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.*

#### Focus and scope of the review

*We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the company's Elected Auditor. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical review and undertaking other review procedures. A review 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 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.*

#### Conclusion

*Based on our review, nothing has come to our attention that causes us to believe that the interim report has not, in all material respects, been prepared for the Group in accordance with IAS 34 and the Annual Accounts Act and for the Parent Company in accordance with the Annual Accounts Act.*

Malmö, 6 July 2020  
PricewaterhouseCoopers AB  
Mats Åkerlund, Authorised Public Accountant

# 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.

## Head office

### Catena AB (publ)

Box 5003  
SE-250 05 Helsingborg, Sweden  
Switchboard:  
+46 (0)42 449 22 00

## Visiting address:

Landskronavägen 23  
SE-252 32 Helsingborg, Sweden

## Regional office

### Stockholm

Gasverksvägen 1  
SE-611 35 Nyköping, Sweden  
Switchboard:  
+46 (0)42 449 22 00

### Gothenburg/Jönköping

Fibervägen 2  
SE-435 33 Mölnlycke, Sweden  
Switchboard:  
+46 (0)42 449 22 00

### Helsingborg

Landskronavägen 23  
SE-252 32 Helsingborg, Sweden  
Switchboard:  
+46 (0)42 449 22 00

### Malmö

Lagervägen 4  
SE-232 37 Arlöv, Sweden  
Switchboard:  
+46 (0)42 449 22 00

[catenafastigheter.se](http://catenafastigheter.se)

