

CATENA Q3



Interim report January-September 2016

- Rental income rose by 70 percent to SEK 586.9 million (345.1).
- The operating surplus rose by 62 percent to SEK 429.9 million (264.9).
- Profit from property management rose by 22 percent to SEK 234.7 million (192.1).
- Net profit for the period decreased to SEK 172.6 million (426.2), corresponding to earnings per share of SEK 5.29 (16.49), of which changes in the value of derivatives is included by a negative SEK 143.1 million (2.4) and changes in the value of properties by SEK 133.5 million (231.1). The change in goodwill also affected profit negatively by SEK 38.9 million (0).
- Net asset value per share, EPRA NAV rose to SEK 132.8 (108.6).

Significant events in the third quarter

- Catena has recruited Benny Thøgersen as its new Deputy CEO.
- An agreement was signed to acquire two properties for a value of slightly more than SEK 100 million.

Significant events after the end of the period

- Catena has implemented a private placement of 2.5 million shares, generating proceeds of SEK 330 million for the company.

Build-out of Logistikposition Nässjö

During the quarter, the walls were raised for Catena's new volume terminal, with nearly 10,000 square meters of capacity on the Gamlarp 4:1 property in Nässjö, and a new Catena profiled building in red, white and silver can now be discerned.

This is a favourably located logistics facility near Jönköping Airport, directly adjacent to Highway 40, the main rail line through southern Sweden and the container terminal already in place in Nässjö. Although the container terminal in Jönköping is also within reach. A location that is growing all the more strategic as long-distance transports of goods and commodities increasingly transfer from road to rail. A trend driven both by aspects of cost and environmental factors.

A volume terminal is a hybrid, combining what we call a terminal and a logistics warehouse. It has the large number of doors characteristic of a terminal, as well as the space necessary for receiving and shipping incoming goods on the same day. Our volume terminal also has the height characteristic of a logistics warehouse, which are needed to cost-efficiently store goods also for extended periods. Gamlarp 4:1 is, moreover, Catena's second volume terminal following the one we recently constructed in Katrineholm and that is now in operation.

Among others, the volume terminal concept suits Höglands Logistik AB, which, on 1 October, moved into the new strategically located logistics facility in Nässjö. From there, the company can offer customised third party logistics services to a number of businesses in the region, all of whom have different needs. Naturally, these include distribution. From Nässjö, Höglands Logistik covers all of Sweden, Scandinavia, Northern Europe and the Baltic States.

Höglands Logistik leases about 6,700 square meters, representing about 70 percent of the lettable area of the new volume terminal. Given the interest that has been shown, we expect the remaining space to soon be leased. On the 63,000 square-metre site, which, incidentally, neighbours another of Catena's properties: Lagret 1, we have the possibility of constructing a further 25,000 square metres of attractive logistics premises. There are already plans to construct another volume terminal on the property. In connection with the current construction work, we have prepared for this with groundwork in the form of roads, connections, security installations and other infrastructure.



Sketch of the volume terminal in Nässjö under construction.

The Group in figures

	2016 Jul-Sep	2015 Jul-Sep	2016 Jan-Sep	2015 Jan-Sep	2015 Jan-Dec
Rental income, SEK m	208.9	117.5	586.9	345.1	464.2
Net operating surplus, SEK m	152.0	91.9	429.9	264.9	351.3
Surplus ratio, %	72.8	78.2	73.2	76.8	75.7
Profit from property management, SEK m	91.0	78.5	234.7	192.1	259.3
Profit for the period, SEK M	69.3	52.3	172.6	426.2	571.5
Earnings per share, SEK	2.1	2.0	5.3	16.5	22.1
Equity ratio, %	28.2	38.0	28.2	38.0	35.7
Letting ratio, %	92.0	96.8	92.0	96.8	95.5

Increased income and strong balance sheet

Over the past three years, we have managed to establish Catena as the leading property company in logistics with a broad portfolio of strategically located terminals, logistics warehouses and distribution buildings. We have grown through both strategic acquisitions and new construction and currently have 1.5 million square meters of floor space.

Several acquisitions were made to get closer to new customer groups rather than on the basis of interest in specific properties. We see clear signs that city logistics, that is, warehouse positions and distribution facilities directly adjacent to our metropolitan regions, will become an increasingly important part of the logistics of the future. The situation is particularly interesting regarding food distribution, since complexity is increasing with high general requirements for the handling of food and, in addition, the need for up to four different climate zones. Currently, approximately one third of our clients are food and produce companies.

The effect of the Tribona acquisition in early 2016 can be discerned most clearly in the 70-percent increase in rental income, which for the first nine months amounted to SEK 587 million, compared with SEK 345 million for the same period last year. The increase in operating surplus amounts to 62 percent and in profit from property management to 22 percent. Despite this, we have a lot of work left to do to bring operating and financial expenses down to our former and more normal surplus ratio level. Renegotiation of the loan portfolio takes time and occurs gradually as our loans mature. Since 72 percent of our borrowing is hedged with interest rate derivatives, which had a negative change in value as a result of low market rates, profit for the period is burdened in the negative amount of SEK 143 million, although this item does not affect cash flow.

Following the close of the period, we have implemented a private placement for cash, which brought the company SEK 330 million and strengthened both liquidity and solvency, and of course, increased the number of shareholders. More shareholders means increased liquidity in Catena's shares, generating value for our shareholders.

The market outlook and demand remain favourable in the wake of increasing freight flows and our letting ratio improved slightly over the quarter, amounting to more than 92 percent.

A lot of work remains before we have brought the entire property portfolio back up to the operating margin of around 76 percent that we had prior to our major acquisition of Tribona. With continued good footwork on energy enhancements and operational improvements, I am confident we will exceed today's 72 percent and return to the previous level.

Helsingborg, November 2016

Gustaf Hermelin



Interim report January-September 2016

Income and profit

Rental income

Rental income rose by 70 percent to SEK 586.9 million (345.1), mainly due to the acquisition of Tribona and completed projects.

Income from contracts with terms of more than three years accounted for approximately 62 percent of Catena's contracted annual rent, which entails stable income with no appreciable variation between periods, except in connection with acquisitions and sales. The average remaining lease period is slightly more than four years.

Duration of leases

Duration	Number of contracts	Contracted annual rent, SEK m	Contracted annual rent, %
2016	23	0.8	0
2017	140	121.8	15
2018	47	61.4	7
2019	55	135.1	16
2020	42	94.9	12
2021	11	112.6	14
2022+	58	302.5	36
Total	376	829.1	100

Property expenses

Property expenses rose by 96 percent to SEK 157.0 million (80.2), mainly due to the property portfolio being considerably larger and a higher level of vacancies, resulting in a greater proportion of media costs burdening the landlord.

There are seasonal variations in the operation and maintenance of properties. Winters with much cold and snow entail higher costs for heating and snow removal. A hot summer can mean increased costs for cooling. These variations, that have the greatest impact during the winter and summer months, are, to some extent, offset by a change in expenses billed to tenants.

Financial expenses

Financial expenses amounted to SEK 183.2 million (69.9) and the increase is an effect of the acquisition of Tribona. As a consequence of the acquisition, average interest on borrowings, which have now increased overall, rose by approximately 1 percentage point, resulting in higher interest expenses. Financial expenses also include non-recurring items of approximately SEK 2 million, incurred as a consequence of the acquisition.

Earnings

Despite being burdened by substantial non-recurring amounts, profit from property management rose by 22 percent to SEK 234.7 million (192.1). The expenses of approximately SEK 20 million comprise a large number of individual items associated with the acquisition of Tribona, the largest of which is the reassessment of the year's opening holding in Tribona, which, in connection with the preparation of the acquisition analysis for the now wholly owned holding, resulted in an expense of SEK 12 million being recognised under Participations in profit of associated companies.

Profit for the period was SEK 172.6 million, which is SEK 253.6 million lower than in the year-earlier period, primarily due to negative changes in the value of derivatives due to long-term market rates having fallen, but also lower realised changes in value.

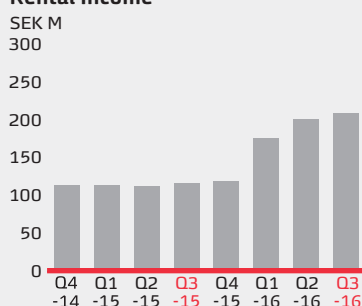
A positive change in the value of investment properties was reported for the period, which was partially offset by a change in goodwill from the acquisition of Tribona. The unrealised changes in value are of an accounting nature and do not affect cash flow.

Regions	2016	2015	2016	2015	2015
SEK m	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Rental income					
Gothenburg	32.6	28.3	94.2	82.4	108.9
Helsingborg	28.8	20.4	85.9	51.8	73.4
Jönköping	21.8	14.8	63.9	36.6	52.9
Malmö	34.2	5.6	90.3	16.8	22.3
Stockholm	91.5	48.4	252.6	145.7	194.9
Solna project	-	-	-	11.8	11.8
Total	208.9	117.5	586.9	345.1	464.2
Operating surplus					
Gothenburg	27.3	22.5	76.6	62.7	79.9
Helsingborg	21.9	14.1	63.9	36.3	50.7
Jönköping	15.8	11.9	44.8	28.5	41.4
Malmö	20.5	4.1	51.6	12.3	16.5
Stockholm	66.5	39.3	193.0	115.5	153.2
Solna project	-	-	-	9.6	9.6
Total	152.0	91.9	429.9	264.9	351.3

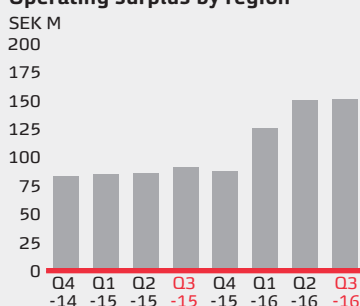
Related parties

Profit for the period includes minor transactions with related party Hansan AB and AB Elmsätters i Enhörna for consulting services and interest expenses to Backahill AB.

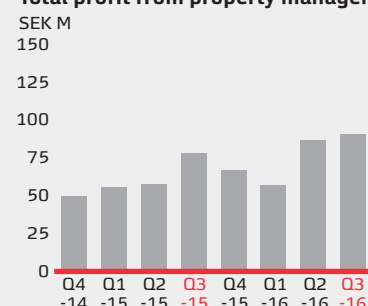
Rental income



Operating surplus by region



Total profit from property management



Statement of comprehensive income

SEK m	2016 Jul-Sep	2015 Jul-Sep	2016 Jan-Sep	2015 Jan-Sep	2015 Jan-Dec	Rolling 12-month
Rental income	208.9	117.5	586.9	345.1	464.2	706.0
Property expenses	-56.9	-25.6	-157.0	-80.2	-112.9	-187.7
Operating surplus	152.0	91.9	429.9	264.9	351.3	518.3
Central administration	-11.1	-4.1	-26.1	-16.6	-26.7	-38.2
Other operating income	1.1	21.8	6.1	23.0	23.1	6.2
Other operating expenses	-0.3	-13.7	-0.4	-13.7	-13.7	-0.4
Interest in profits from associated companies	1.6	0.2	-7.9	0.2	12.4	4.3
Financial income	9.2	2.8	16.3	4.2	7.2	19.3
Financial expenses	-61.5	-20.4	-183.2	-69.9	-94.3	-207.6
Profit from property management	91.0	78.5	234.7	192.1	259.3	301.9
Realised changes in value of investment properties	-	-	5.1	101.3	102.2	6.0
Unrealised changes in value of investment properties	-	23.7	128.4	129.8	198.3	196.9
Change in value goodwill	-	-	-38.9	-	-	-38.9
Changes in values of derivatives	-2.6	-35.1	-143.1	2.4	30.5	-115.0
Pre-tax profit	88.4	67.1	186.2	425.6	590.3	350.9
Current tax	-	-	-	-	-3.9	-3.9
Deferred tax	-19.1	-14.8	-13.6	0.6	-14.9	-29.1
Net profit for the period/year	69.3	52.3	172.6	426.2	571.5	317.9
Other comprehensive income						
Translation difference	7.1	-	8.1	-	-	8.1
Comprehensive income for the period/year	76.4	52.3	180.7	426.2	571.5	326.0
Comprehensive income for the period/year distributed among the Parent Company's shareholders	76.4	52.4	180.7	426.3	571.5	325.9
Comprehensive income for the period/year distributed among non-controlling interests	-	-0.1	-	-0.1	-	0.1
Key figures before and after dilution						
Shareholders' equity, SEK per share	102.6	90.8	102.6	90.8	96.5	102.6
Net asset value per share, EPRA NAV, SEK	132.8	108.6	132.8	108.6	115.0	132.8
Profit for the period/year, SEK per share	2.1	2.0	5.3	16.5	22.1	9.8
Number of shares outstanding, millions	33.2	25.6	33.2	25.6	25.6	33.2

Quarterly overview

SEK m	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4
Rental income, SEK m	208.9	201.2	176.8	119.1	117.5	113.0	114.6	114.3
Net operating surplus, SEK m	152.0	151.3	126.6	88.4	91.9	87.2	85.8	83.8
Surplus ratio, %	72.8	73.5	71.6	74.2	78.2	77.2	74.9	73.3
Letting ratio, %	92.0	91.7	85.6	95.5	96.8	96.0	95.8	95.8
Profit from property management, SEK m	91.0	86.8	56.9	67.2	78.5	57.7	55.9	49.9
Profit for the period, SEK M	69.3	63.4	39.9	145.3	52.3	305.5	68.4	34.1
Return on equity, %	2.1	1.9	1.4	6.0	2.3	14.1	3.4	1.7
Equity ratio, %	28.2	28.0	28.4	35.7	38.0	37.8	32.6	32.4
Share price at end of the period, SEK	142.00	123.00	125.00	115.75	120.00	133.50	131.25	105.75
Cash flow per share from operating activities, SEK	3.8	1.5	13.9	2.6	6.0	-0.8	3.2	5.1
Earnings per share, SEK	2.1	1.9	1.3	5.6	2.0	11.8	2.6	1.3
Net asset value per share, EPRA NAV, SEK	132.8	130.1	128.8	115.0	108.6	103.1	101.3	96.6

Financial position

Cash flow

SEK m	2016 Jan-Sep	2015 Jan-Sep	2015 Jan-Dec
Pre-tax profit	186.2	425.6	590.3
Adjustments for non-cash items	31.1	-235.5	-348.8
Tax paid	-1.6	-	-
Cash flow before changes in working capital	215.7	190.1	241.5
Change in operating receivables	-61.1	7.7	8.2
Change in operating liabilities	450.6	18.3	29.5
Cash flow from operating activities	605.2	216.1	279.2
Acquisition of assets via subsidiaries	-559.9	-360.6	-467.0
Divestment of operations	437.2	771.9	771.9
Investments in investment properties	-362.7	-75.1	-142.6
Divestment of investment properties	-	-	1.4
Acquisitions of property, plant and equipment	-0.3	-0.3	-0.3
Disposals of non-current assets	-	-	-
Change in financial assets	-50.7	-133.5	-597.8
Cash flow from investment operations	-536.4	202.4	-434.4
Change in loans	-104.3	-435.1	234.2
Dividend paid	-99.7	-76.9	-76.9
Cash flow from financing activities	-204.0	-512.0	157.3
Cash flow for the period	-135.2	-93.5	2.1
Opening cash and cash equivalents	201.5	199.4	199.4
Exchange rate difference in cash and cash equivalents	0.2	-	-
Closing cash and cash equivalents	66.5	105.9	201.5

Cash flow for the period before changes in working capital improved by SEK 25.6 million to SEK 215.7 million (190.1). Cash flow was affected by both significant acquisitions and disposals.

The cash outflow for the acquisition of Tribona amounts to SEK 559.9 million for the period. Part of the acquisition was financed through new share issues for a total SEK 855.9 million, which did not affect cash flow.

The divestments that were implemented of the Högsbo 21:2 and Partille 11:24 properties in Gothenburg affected cash flow positively by SEK 437.2 million.

At the end of the period, cash and cash equivalents amounted to SEK 66.5 million (105.9).

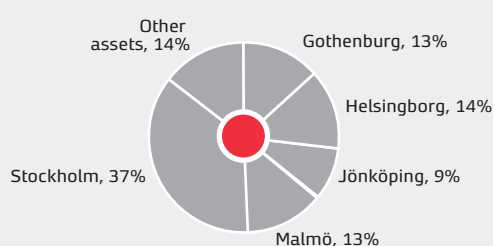
Statement of financial position

SEK m	2016 30 Sep	2015 30 Sep	2015 31 Dec
Assets			
Non-current assets			
Goodwill	627.1	-	-
Investment properties	10,377.5	5,102.0	4,781.5
Property, plant and equipment	2.5	1.6	1.6
Financial fixed assets	705.5	658.0	1,282.7
Deferred tax asset	167.0	63.2	57.8
Current assets			
Assets available for sale	-	-	559.2
Current receivables	158.2	214.0	63.6
Cash and cash equivalents	66.5	105.9	201.5
Total assets	12,104.3	6,144.7	6,947.9
Equity and liabilities			
Equity attributable to Parent Company shareholders	3,410.3	2,328.1	2,473.4
Equity attributable to non-controlling interests	4.4	4.4	4.4
Non-current liabilities			
Liabilities to credit institutions	2,860.4	2,151.8	2,409.4
Deferred tax liabilities	1,112.3	376.6	395.7
Other non-current liabilities	598.3	154.0	125.9
Current liabilities			
Liabilities available for sale	-	-	386.3
Liabilities to credit institutions	3,682.6	932.9	997.5
Other current liabilities	436.0	196.9	155.3
Total shareholders' equity and liabilities	12,104.3	6,144.7	6,947.9

The change in the financial position is pervaded by the gradual acquisition of Tribona. At the start of the year, the holding was recognised according to the equity method, which meant that Catena's share of Tribona's combined assets were recognised on a single line in the balance sheet.

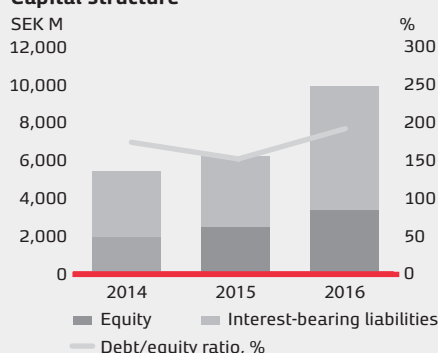
The acquisition of Tribona constitutes a business combination and is recognised in accordance with IFRS 3 Business Combinations. This means, in addition to all of the assets and liabilities of the acquired Tribona being recognised distributed across all of the balance sheet items, the deferred tax should be taken into account on all temporary differences. This increase in deferred tax liabilities results in goodwill of SEK 696.6 million, which were reduced by SEK 38.9 million in the second quarter beyond what has been realised through the sale of Partille 11:24. The effects of a business combination entail an increase in the balance sheet, thereby affecting the related key figures.

Asset distribution



Total assets: SEK 12,104.3 million

Capital structure



Change in Equity

SEK m	2016 30 Sep	2015 30 Sep	2015 31 Dec
Opening balance	2,477.8	1,984.8	1,984.8
Dividend paid to shareholders	-99.7	-76.9	-76.9
New share issue	855.9	-	-
Translation difference	8.1	-	-
Change in minority interest	-	-1.6	-1.6
Comprehensive income for the period attributable to non-controlling interests	-	-0.1	-
Comprehensive income for the period attributable to Parent Company shareholders	172.6	426.3	571.5
Closing balance	3,414.7	2,332.5	2,477.8
Attributable to:			
Parent Company's shareholders	3,410.3	2,328.1	2,473.4
Non-controlling interests	4.4	4.4	4.4

Liabilities to credit institutions

Liabilities to credit institutions amounted to SEK 6,543.0 million (3,084.7) and the loan framework amounted to SEK 7,033.0 million on 30 September 2016.

Fixed interest, year	SEK m	Interest rate, % ¹⁾	Participation, %
2016	1,668.2	2.3	25.5
2017	29.4	1.7	0.5
2018	770.5	3.4	11.8
2019	300.0	4.8	4.6
2020	562.0	4.1	8.6
2021	751.7	4.4	11.5
2022	883.9	4.4	13.5
>2023	1,577.3	3.8	24.0
Total	6,543.0	3.5	100.0

1) Refers to the current average interest rate as per 30 September 2016. Interest rates change in line with the changes in the general interest rate but are limited by interest-rate caps.

Capital-interest, year	Contract volume, SEK m	Utilised, SEK m	Unutilised, SEK m
2016	130.0	18.4	111.6
2017	4,007.6	3,629.2	378.4
2018	382.7	382.7	-
2019	1,382.0	1,382.0	-
2020	987.4	987.4	-
>2024	143.3	143.3	-
Total	7,033.0	6,543.0	490.0

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 568.9 million (143.8). The change in the 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 72 percent of consolidated liabilities to credit institutions.

Interest rate hedges through interest-rate swaps

Start year	End year	Interest rate, %	SEK m
2011	2018	2.8	502.0
2011	2021	2.9	500.0
2012	2019	3.3	300.0
2012	2020	3.2	450.0
2012	2021	2.7	60.0
2012	2021	2.7	191.7
2012	2022	2.3	500.0
2012	2023	2.7	570.0
2013	2022	3.6	320.0
2013	2022	3.6	63.9
2014	2023	1.7	500.0
2014	2024	1.4	500.0
Total			4,457.6

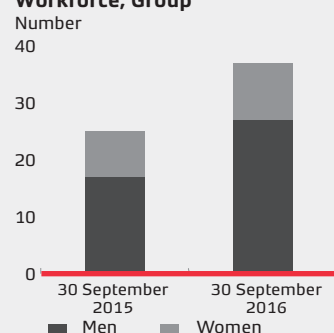
Reduction in the rate of interest through interest-rate caps

Start year	End year	Interest-rate cap, %	SEK m
2013	2018	2.0	268.5
Total			268.5



Sunnanå 12:50, Burlöv

Workforce, Group



The property portfolio

Property portfolio by region

Regions	Number of properties	Lettable area, thousand sq. m.	Fair value, SEK M	Rental value, SEK M	Economic letting ratio, %	Contracted annual rent, SEK M	Surplus ratio, %
Gothenburg	11	201.6	1,626.0	132.8	97	128.5	81
Helsingborg	20	258.8	1,645.3	127.2	92	116.5	74
Jönköping	11	218.2	1,081.8	113.6	83	94.3	69
Malmö	18	207.0	1,604.9	143.0	94	134.1	57
Stockholm	30	566.1	4,419.5	384.2	93	355.7	76
Total	90	1,451.7	10,377.5	900.8	92	829.1	73

Changes in property portfolio

The acquisition of Tribona was effectuated through a public takeover bid offer that was completed on 5 February. Tribona was consolidated on 26 January (the acquisition date). Compulsory redemption of the remaining approximately 5.5 percent of the shares outstanding has been required.

During the period, ongoing investments in existing properties amounted to SEK 362.7 million (75.1), of which part pertains to investments in the Sothönan 3 property in Katrineholm, where a new terminal is now complete for industrial volume freight.

The largest investment currently in progress, is our e-commerce cluster E-City Engelholm. Construction of stages one and two are in full swing, together comprising 58,000 square metres of logistics warehouses and office space for various e-commerce companies. The second-largest investment is the new volume terminal in Nässjö that we present on page 2.

Sales and acquisitions of companies and properties over the period, until the closing date, are listed in the table below.

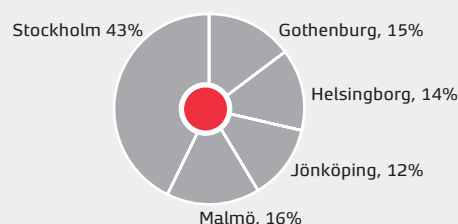
Property acquisition

Property designation	Transfer date	Region	Municipality	Space, sq. m.	Property value, SEK m	Rental income per year, SEK million
Acquisition of Tribona	26 January 2016	All		708,997	5,264.6	398.9
Total				708,997	5,264.6	398.9

Property sales

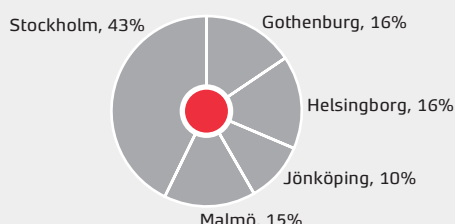
Property designation	Vacated	Region	Municipality	Space, sq. m.	Property value, SEK m	Earnings, SEK m
Högsbo 21:2	15 January 2016	Gothenburg	Gothenburg	66,180	580.0	0.0
Partille 11:24	15 April 2016	Gothenburg	Partille	19,600	186.0	5.1
Total				85,780	766.0	5.1

Rental value by region



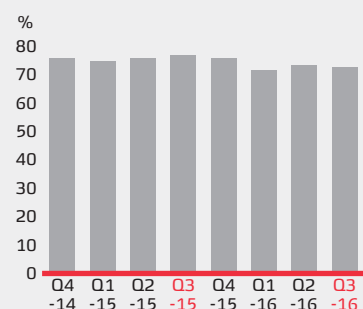
Rental value: SEK 900.8 million

Property stock by region



Real value: SEK 10,377.5 million

Surplus ratio



Property portfolio

SEK m	Fair value	Number of properties
Property portfolio at beginning of year	5,340.3	55
Acquisitions	5,264.6	37
Investments in existing properties	362.7	
Sales	-729.6	-2
Translation differences, etc.	11.1	
Unrealised changes in value	128.4	
Total investment properties	10,377.5	90

Property valuation

The unrealised changes in the value of Catena's properties during the period amounted to SEK 128.4 million (129.8), as an effect, among other things, of well-implemented projects, economies of scale and good property management.

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. In the third quarter, most of the portfolio was assessed externally by two valuation companies. 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 in Catena's annual report for 2015.

A certain discrepancy is permitted between the internal valuation and the fair value before the fair value is adjusted. The deviation must lie within a range governed by the permitted deviation, $\pm 0.25\%$, from the set yield requirement. Only when the deviation exceeds or falls short of this range is the real value adjusted. This deviation is accepted since there is always some uncertainty in estimated figures.

Other

Market outlook

Over time, the market for logistics properties is driven by increased goods flows and growing retail trade, particularly e-commerce. Consequently, demand for Catena's well-situated and, for their purpose well-suited and environmentally efficient, logistics spaces is expected to remain good in 2016.

The availability of modern, strategically located logistics premises, preferably adjacent to container terminals, is limited. This means that we expect a substantial increase in the letting ratio of our properties. The availability of developable land with suitable planning permission is also limited within certain geographical areas, providing opportunities for increased rent levels. Accordingly, this provides good opportunities for realising new production at our existing development sites.

Concluded agreement negotiations also indicate stable rent levels in our existing portfolio. In addition, as a result of increased space efficiency, we expect increased rental income per square metre for our newer holdings of larger buildings and newly developed properties.

Combined with favourable access to capital at low interest rates, this means that the transaction market for efficient, energy-smart and suitably located logistics properties remains good. Through acquisitions and property development, we perceive good opportunities to expand our operations over the coming years.

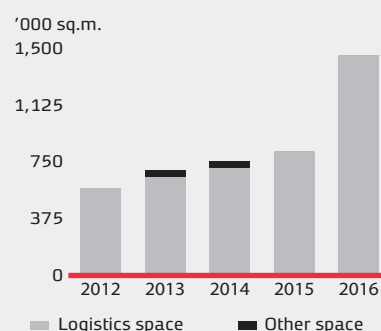
Catena's sustainability activities

Sustainability is one of Catena's four prioritised strategic areas. Our work focuses on participating in social progress by establishing the conditions for more sustainable logistics, reducing environmental impact and being an attractive employer. Catena has daily contacts with numerous stakeholders and contact fora include Catena's annual Logistics Trends conference. Read more about Catena's sustainability work on pages 27-37 of the 2015 Annual Report.



Sothönan 3, Katrineholm

Logistics space



The Catena share

On the balance sheet date, the Catena share was registered on the Nasdaq Stockholm – Nordic Mid Cap list. The closing price on 30 September 2016 was SEK 142.00, against the opening price of SEK 115.00 on 4 January 2016, representing an increase of 23.5 percent over the period. During the period, the highest price noted for the Catena share was SEK 142.25 and the lowest was SEK 109.25.

As per 30 September 2016, Catena had 14,586 shareholders and the number of shares in Catena amounted to 33,235,506.

Following the balance sheet date, the Company has implemented a private placement for cash of 2,500,000 shares. Following the private placement, Catena has 14,681 shareholders and the number of shares in Catena amounted to 35,735,506. Read more on page 13.

For this report, the issue has entailed the recalculation of profit and cash flow key figures with respect to the bonus element of the rights issue.

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.

Ownership structure, 31 October 2016

	No. of shares, 000s	Votes, %
Backahill	11,221	31.4
Endicott Sweden AB (CLS Holding plc)	3,971	11.1
Länsförsäkringar fondförvaltning AB	3,519	9.8
SFU Sverige AB	1,847	5.2
Nordea Investment Funds	1,474	4.1
CGML PB Client Acct-Sweden Treaty (Carve Capital)	1,127	3.2
Swedbank Robur fonder	949	2.6
JP Morgan Bank Luxembourg SA	848	2.4
Skagens Vekst Verdipapirfond	830	2.3
Danske Capital Sverige AB	806	2.3
CRHE Invest AB	770	2.2
Verdipapirfond Odin Ejendom	514	1.4
Banque Carnegie Luxembourg SA	483	1.4
Malmer, Staffan	435	1.2
Other shareholders	6,942	19.4
Total:	35,736	100.0

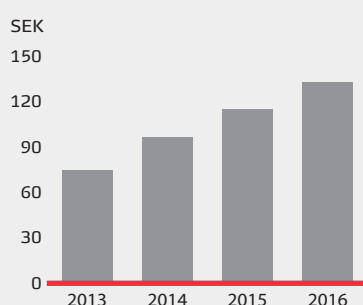
Key figures ¹⁾

For definitions of key figures, see page 14.	2016 Jan-Sep	2015 Jan-Sep	2015 Jan-Dec	Rolling 12-month
Property-related				
Rental income, SEK m	586.9	345.1	464.2	706.0
Net operating surplus, SEK m	429.9	264.9	351.3	518.3
Surplus ratio, %	73.2	76.8	75.7	73.4
Rental value, SEK m	900.8	503.4	511.5	900.8
Economic letting ratio, %	92.0	96.8	95.5	92.0
Loan-to-value ratio, %	63.0	60.5	70.3	63.0
Lettable area, thousand sq.m.	1,451.7	800.3	816.8	1,451.7
Financial				
Profit from property management, SEK m	234.7	192.1	259.3	301.9
Pre-tax profit, SEK m	186.2	425.6	590.3	350.9
Profit for the period, SEK M	172.6	426.2	571.5	317.9
Total assets, SEK m	12,104.3	6,144.7	6,947.9	12,104.3
Return on equity, %	5.9	19.7	25.6	11.0
Return on equity, %	5.4	8.1	10.5	7.4
Interest-coverage ratio, multiple	2.3	5.2	4.8	2.5
Average interest rate, %	3.5	2.7	2.6	3.5
Fixed interest, years	3.5	3.6	3.1	3.5
Capital tied-up, years	2.1	2.9	2.5	2.1
Equity ratio, %	28.2	38.0	35.7	28.2
Equity ratio, excluding goodwill, %	29.8	38.0	35.7	29.8
Share-related				
Prior to and after dilution				
Share price at end of the period, SEK	142.00	120.00	115.75	142.00
Cash flow per share from operating activities, SEK ²⁾	18.55	8.36	10.90	20.70
Equity per share, SEK	102.61	90.80	96.46	102.61
Profit from property management per share, SEK ²⁾	7.19	7.43	10.03	9.31
Earnings per share, SEK ²⁾	5.29	16.49	22.11	9.80
Net asset value per share, EPRA NAV (including goodwill), SEK	148.20	108.60	115.00	148.20
Net asset value per share, EPRA NAV, SEK	132.80	108.60	115.00	132.80
Number of shares outstanding, millions	33.2	25.6	25.6	33.2
P/E ratio	15	7	5	14

1) On remaining properties at the end of the period.

2) Key figures have been recalculated taking into account the bonus element of the new share issue on 11 October 2016.

Net worth per share, EPRA NAV



Share-price trend, 1 October 2014 to 30 September 2016

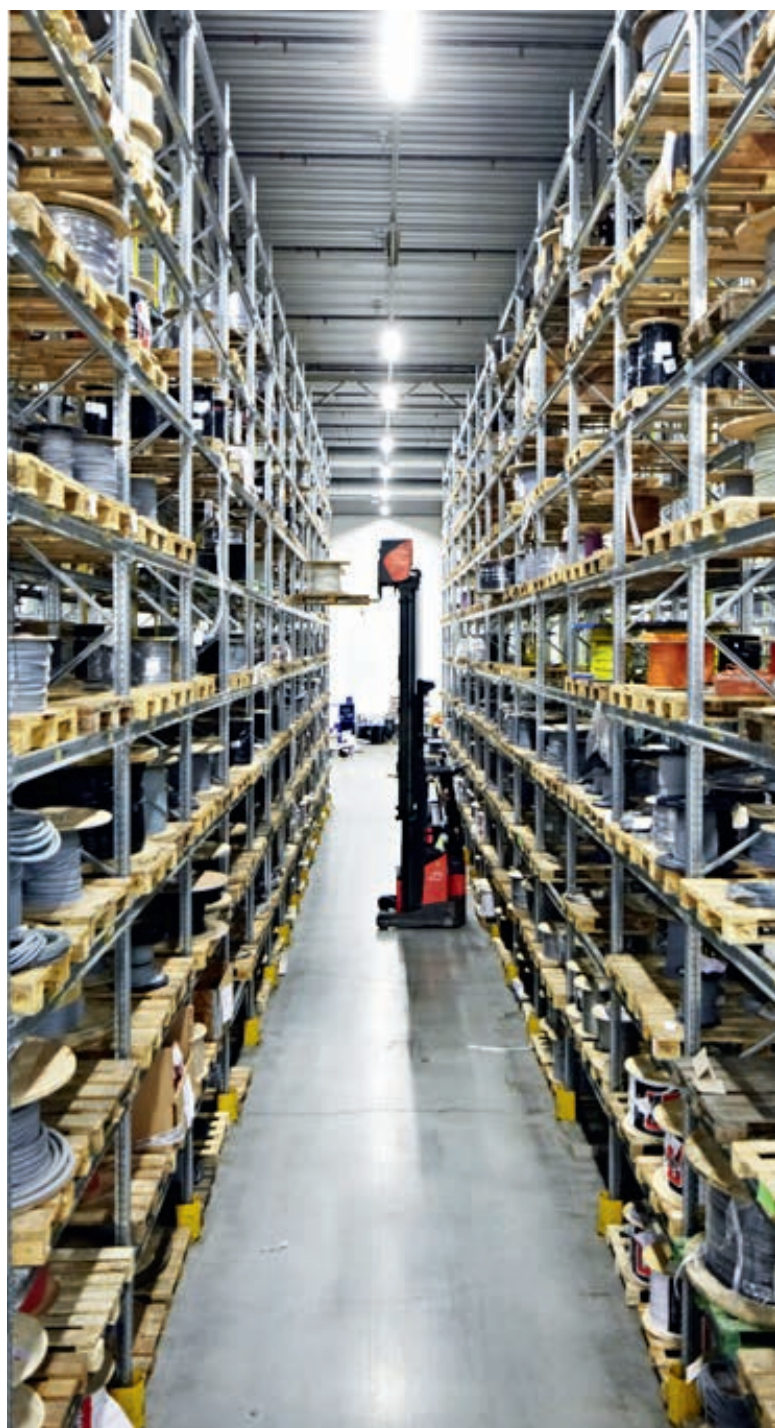


Parent Company's financial statements

Income Statement	2016	2015	2015
SEK m	Jan-Sep	Jan-Sep	Jan-Dec
Net turnover	32.2	22.0	30.2
Cost of services performed	-50.3	-35.1	-55.1
Operating profit/loss	-18.1	-13.1	-24.9
Financial income and expenses			
Other interest income and similar income	75.1	32.1	42.7
Profit from participations in affiliated companies	-	-	133.2
Interest expense and similar expenses	-245.9	-69.2	-99.4
Pre-tax profit	-188.9	-50.2	51.6
Tax on profit for the period	41.5	11.6	-17.7
Comprehensive income for the period	-147.4	-38.6	33.9

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

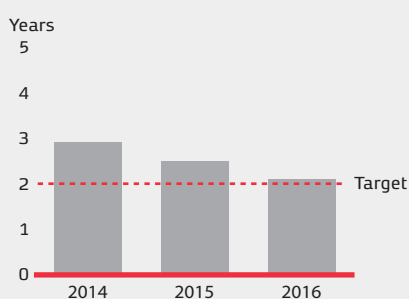
Balance sheet	2016	2015	2015
SEK m	30 Sep	30 Sep	31 Dec
Assets			
Non-current assets			
Property, plant and equipment	2.5	1.6	1.6
Financial fixed assets	3,252.6	1,245.8	1,856.4
Deferred tax asset	54.6	38.4	29.4
Long-term receivables	4.4	-	-
Current assets			
Receivables from Group companies	3,571.4	1,340.9	1,210.3
Receivables from associated companies	50.5	175.5	33.3
Current receivables	4.2	17.9	5.8
Cash and cash equivalents	20.8	102.6	201.2
Total assets	6,961.0	2,922.7	3,338.0
Equity and liabilities			
Equity	1,727.9	1,046.6	1,119.1
Non-current liabilities			
Liabilities to credit institutions	-	-	316.8
Other non-current liabilities	232.2	144.3	116.2
Current liabilities			
Liabilities to credit institutions	352.0	-	67.2
Liabilities to Group companies	4,512.3	1,683.0	1,667.5
Liabilities to associated companies	8.4	15.5	14.9
Other current liabilities	128.2	33.3	36.3
Total shareholders' equity and liabilities	6,961.0	2,922.7	3,338.0



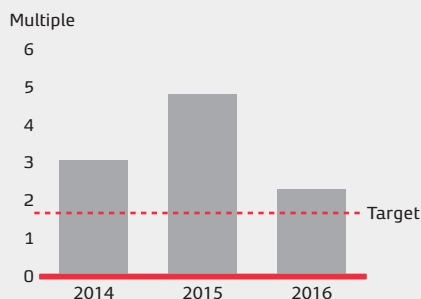
Terminalen 1, Hallsberg

Financial targets

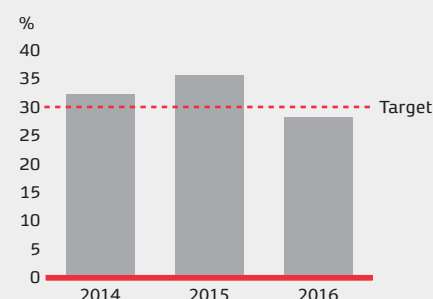
Average fixed loan term



Interest coverage ratio



Equity ratio



Other significant events during the period



In connection with the public takeover bid for Tribona's shares, Catena's Annual General Meeting decided to issue new shares and on 29 January 2016, 7,246,971 shares and votes were registered.

Following the extended acceptance period, Catena has acquired an additional 2.9 percent of the shares and a further 346,614 shares have been issued. Compulsory redemption of the remaining shares in Tribona is in progress and an arbitration board has been formed. The Board of Tribona decided to delist Tribona's shares from the Nasdaq Stockholm exchange. The final day for trading in Tribona's shares was 22 February 2016.

In connection with the new regional division following the acquisition of Tribona, Catena has expanded its company management to include Christian Berglund as regional manager for Malmö and Jönköping.

Catena is building two stages out of three at the e-commerce cluster E-CITY Engelholm of more than 57,000 square metres. Among other developments, it has, through its subsidiary Queenswall AB, signed a 15-year lease on 43,500 square metres with Boozt Fashion AB, which is due to move in during the first quarter of 2017.

In Nässjö, an approximately 9,200 square-metre logistics warehouse is to be constructed, starting in the spring of 2016 and Catena has signed a lease for approximately 6,700 square metres of this space with Högländs Logistik AB in Nässjö. The lease will come into effect on 1 October 2016 and will be valid for ten years.



Catena has signed agreements for the sale of the Partille 11:24 property in Gothenburg for a property value of SEK 186 million. The buyer gained access to the property on 15 April.

In May, Nya SFF issued covered bonds for SEK 652 million. Catena is participating with the logistics property Nattskiftet 11 in Stockholm and is borrowing an amount of SEK 211 million through a two-year bond with a floating rate of 3 months Stibor plus 0.95 percent.

Catena has decided to invest approximately SEK 50 million in the Tågarp 16:17 property outside Malmö. The investment will permit a new ten-year lease with Espresso House and a new three-year lease with MatHem. The total annual rent will amount to approximately SEK 12 million and the remodelling will be completed in early 2017.

Together with the City of Malmö, Catena has signed a contract for an exchange of properties. Catena divests the Terminalen 3 and 4 properties in Malmö, of more than 34,000 square meters, for a property value of SEK 140 million. At the same time, Catena acquires three properties, Sockret 1, 2 and 6, from the City of Malmö and the land at Sockret 4, which is currently on leasehold, for a property value of SEK 50 million. Catena is expected to gain access in November 2016.

A shareholders' agreement has been signed with the Municipality of Örebro's wholly owned companies, Örebroporten AB and Lokalusman i Örebro 2 AB, regarding a joint venture company named Torsjö Logistik AB. The Company will own approximately 720,000 square metres of first-class logistics land and the parties will join efforts to work for a new development plan for the area. The land is located near the properties already owned by Catena in Örebro. When the area is fully developed, the investment in Torsjö Logistik AB will amount to about SEK 2 billion.



In the third quarter, Catena signed an agreement to acquire the Burlöv Tågarp 16:22 property in the outskirts of Malmö. The transaction is being conducted as a corporate acquisition at an underlying property value of SEK 46 million. The property, which covers approximately 4,000 square meters, has an annual rental income of about SEK 5 million, and was transferred to Catena's control as per 1 November 2016.

An agreement has also been signed for the acquisition of the Östersund Skogskojan 1 property. This transaction is also a corporate acquisition and the underlying property value is SEK 56 million. The property has annual rental income of around SEK 4 million and covers approximately 3,500 square metres, which have been adapted for both letter and parcel handling. The transfer date is 7 November 2016.

Catena has recruited Benny Thøgersen as its new Deputy CEO. Thøgersen joins the company from Knapp AB and will assume his post on 1 December 2016. Mikael Halling, who has held the post of Deputy CEO of Catena since 2013, has chosen to step down but will continue as a business developer and senior advisor for Catena.



Mosås 4:66, Örebro

Significant events after the end of the period

Following the end of the period, Catena has conducted a private placement for cash of 2.5 million shares at an issue price of SEK 132 per share. The issue has entailed proceeds of approximately SEK 330 million for the company before deduction of transaction costs and resulted in existing shareholders having their shareholdings diluted by about 7 percent. The Offer deviated from the preferential rights of existing shareholders with the purpose of broadening the institutional shareholder base and facilitating growth through investment in value-generating projects and acquisitions of strategically located and sustainable logistics properties.

Catena has appointed a new Nomination Committee for the 2017 Annual General Meeting, consisting of representatives of the four largest shareholders: Henry Klotz for Endicott Sweden AB, Anders Nelson for Backahill Kil AB, Eva Gottfridsdotter-Nilsson for Länsförsäkringar Fondförvaltning AB and Klas Andersson for SFU Sverige AB.



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 principles as the Group, but taking into consideration the recommendations from the Swedish Financial Reporting Board in 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 report for the preceding year. None of the other IFRS or IFRIC interpretations that apply effective from 1 January 2016 are deemed to have any significant impact on the Group.

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 87-88 of the 2015 Annual Report. No essential changes have occurred since its publication.

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

Solna, 9 November 2016
Catena AB (publ)
Board of Directors



Jordbromalm 4:41, Haninge

Definitions

Return on equity

Net profit for the period/year as a percentage of average equity.

Return on equity

Profit before tax, with reversal of financial expenses and the change in value of derivatives, as a percentage of average total assets.

Loan-to-value ratio

Liabilities to credit institutions in relation to the property's carrying amount at the end of the period/year.

Operating surplus

Rental income minus operating and maintenance costs, ground rent and property taxes.

Equity per share

Equity attributable to Parent Company shareholders in relation to the number of shares at the end of the period/year.

Economic letting ratio

Contractual annual rent under valid leases at the end of the period/year as a percentage of rental value.

Profit from property management

Pre-tax profit with reversal of changes in value.

Profit from property management per share

Profit from property management in relation to the average number of shares outstanding.

Average interest rate

Average interest on the loan portfolio with derivatives being taken into account.

Rental value

Contractual rents on an annual basis plus a supplement for assessed market rents for vacant space.

Capital tied-up

The average remaining period for which capital is tied up in the loan portfolio.

Long-term net asset value per share, EPRA NAV

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.

Long-term net asset value including goodwill per share, EPRA NAV, SEK

Equity with reversal of the fair value of interest rate derivatives and deferred taxes in the balance sheet, calculated per share.

P/E ratio

Share price divided by rolling earnings per share.

Earnings per share

Profit for the period/year attributable to the Parent Company's shareholders in relation to the average number of shares outstanding.

Fixed interest

Average remaining period of fixed interest on the loan portfolio with derivatives being taken into account.

Interest-coverage ratio

Pre-tax profit before reversal of financial expenses and unrealised changes in value in relation to financial expenses.

Debt/equity ratio

Interest-bearing liabilities divided by equity

Equity ratio

Equity including non-controlling interests as a percentage of total assets.

Equity ratio, excluding goodwill

Shareholders' equity including minority interests as a percentage of total assets less goodwill.

Surplus ratio

Operating surplus as a percentage of rental income.



Förmannen 4, Ängelholm

Catena in brief

Catena is a leading property company in logistics, offering companies and third party operators customised, cost-effective and sustainable logistics facilities in strategic locations adjacent to the country's cargo flows. In this way, the company generates strong cash flow, enabling stable development of operations and dividends for shareholders.

Vision

Catena links Scandinavia's cargo flows

Cargo flows to and from Scandinavia currently utilise maritime, air, rail and road transport, separately or combined, to collect and store cargo at selected logistics hubs. At these locations, which have been carefully defined by Catena and from which the metropolitan regions of Scandinavia can also easily be reached, we are continuing to develop modern and well-suited logistics facilities.

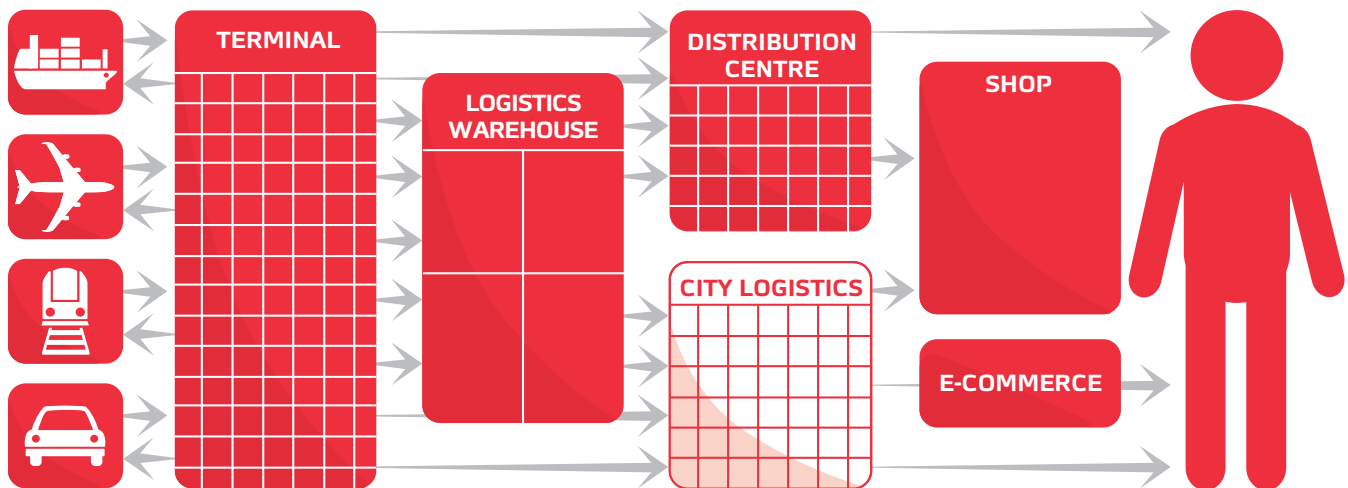
Business concept

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

In Sweden, with its substantial distances and considerable dependency on exports, transport efficiency constitutes an important factor in companies' profitability. At the same time, the challenges faced in terms of climate change impose stricter new demands on reducing environmental impact. Catena offers premises solutions that provide benefits in terms of both costs and the environment, along superior green corridors.

Customer offering

Logistics solutions is a collective term for buildings whose purpose is the collection, storage and distribution of goods. The goods, volumes, timing and, above all, the task impose different requirements on logistics premises. Consequently, Catena provides different types of premises solutions.



Törsjö 2:49, Örebro



Contact

Gustaf Hermelin, Chief Executive Officer
gustaf.hermelin@catenafastigheter.se
telephone +46 (0)70-560 00 00

Peter Andersson, Chief Financial Officer
peter.andersson@catenafastigheter.se
telephone +46 (0)42-449 22 44

Financial reporting

Year-end report 2016

17 February 2017

Annual General Meeting 2017, in Stockholm, 4.00 pm

27 April 2017

CATENA

Catena AB (publ), Box 5003, SE-250 05 Helsingborg, Sweden
Telephone +46 (0)42-449 22 00, fax +46 (0)42-449 22 99. www.catenafastigheter.se
Corp. Reg. No. 556294-1715, Registered office: Solna