

Year-end report, January–December 2016

- Rental income rose by 70 percent to SEK 786.6 million (464.2).
- The operating surplus increased by 65 percent to SEK 578.1 million (351.3).
- Profit from property management rose by 22 percent to SEK 316.0 million (259.3).
- Profit for the year amounted to SEK 338.4 million (571.5), corresponding to earnings per share of SEK 10.20 (22.11), including changes in the value of derivatives by a negative SEK 38.6 million (positive 30.5) and changes in the value of properties by SEK 148.1 million (300.5). The change in goodwill also negatively affected profit by SEK 38.9 million (0).
- Net asset value per share, EPRA NAV, rose to SEK 135.8 (115.0).
- The Board of Directors proposes a dividend of SEK 3.50 per share (3.00).

Significant events in the fourth quarter

- Catena has acquired twelve properties with a property value of SEK 611 million.
- The sale of eight properties is completed at a property value of SEK 390 million.
- Catena has completed a private placement of 2.5 million shares for SEK 330 million before transaction costs.
- An agreement was signed to acquire the Vångagärdet 20 property in Helsingborg at a property value of SEK 102 million.

Significant events after the end of the year

- Catena has entered into a loan agreement via SFF (Swedish Property Financing AB) totalling SEK 234 million.



Versatile facility for faster, better and smarter logistics

At Mölnlycke, in Härryda municipality and next to the E6 motorway connecting Route 40 and Gothenburg's Landvetter International Airport, Catena began development of the property Solsten 1:102.

The country's leading pharmaceutical wholesaler Oriola, formerly Kronans Droghandel, rents 23,000 square metres of logistics space on this property, and it is here that the 25-metre-high warehouse will be expanded by 1,350 square metres. The warehouse will also be outfitted with modern installations for security, ventilation and electricity supply. It will also be equipped with a fully-automated pallet handling system.

On the same land, Catena is also building a new terminal in which Bring will house four of its Gothenburg units by the end of 2017. Here, all in one location, Bring will be able to administer operations as well as offer all of the necessary logistics to efficiently handle cargo and goods. Bring will be able to handle same-day turnaround of incoming and outgoing cargo. Pallets and parcels must be handled and stored efficiently. From here, cargo, goods and parcels will be distributed to wholesalers, stores or directly to consumers. With this uniquely comprehensive facility, Bring will be able to assemble four units within one building and attain a coordinated rational logistics solution with a major focus on the environment and sustainability.

The unique logistics facility will be a total of about 15,000 square metres, and construction will begin in the spring of 2017. The existing office of approximately 3,500 square metres on the property will be modernised and streamlined. The facility's remaining space will be utilised as a terminal building with a large number of loading bays to allow for simultaneous loading and unloading of multiple cargo carriers. The terminal will be equipped with cold rooms for the safe handling of temperature-controlled food. The facility will also be equipped to handle pallets and parcels, allowing for frequent distribution of goods and commodities, especially foodstuffs, as well as parcels to local and regional wholesalers and dealers through city logistics. This enables both cost-effective and environmentally-friendly distribution of parcels in the last stage towards the final destination, which is increasingly important as urbanisation increases.

By as early as 2050, it is estimated that 70 percent of the world's population will live in urban areas. The facility will be sized to allow for direct delivery to the consumer. The latter, with its clear connection to modern food distribution, is also an increasingly important task as e-commerce becomes increasingly important.

Catena is investing a total of approximately SEK 200 million in Mölnlycke to create a facility for faster, better and smarter logistics. This has made it possible for Catena to sign new long-term leases with an existing customer, the leading pharmaceutical wholesaler Oriola, and with a new customer, Bring – a major and important partner in e-commerce logistics, food distribution and city logistics. It also broadens Catena's customer base. Rental income for the long-term contracts amounts to over SEK 16 million per year.



Härryda Solsten 1:102, Mölnlycke

The Group in figures

	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Rental income, SEK m	199.7	119.1	786.6	464.2
Net operating surplus, SEK m	148.2	88.4	578.1	351.3
Surplus ratio, %	74.2	74.2	73.5	75.7
Profit from property management, SEK m	81.3	67.2	316.0	259.3
Profit for the period/year, SEK m	165.8	145.3	338.4	571.5
Earnings per share, SEK	4.7	5.7	10.2	22.3
Equity ratio, %	31.6	35.7	31.6	35.7
Economic letting ratio, %	93.0	95.5	93.0	95.5

Growth, consolidation and investment for the future

During this year, Catena has doubled its property portfolio and established itself as Scandinavia's leading logistics property company.

At the end of 2013, in conjunction with the acquisition of Brinova's logistics properties, we began to build our business with the aim of becoming the leading Scandinavian property company in logistics. The property value of the logistics portfolio amounted then to nearly SEK 4 billion. In 2014 and 2015 we developed our portfolio through new construction and partly through acquisitions. Through successful management, in 2015, we filled our vacant premises and reached an exceptional letting ratio of 97 percent.

Through the acquisition of Tribona, which was completed in early 2016, our property value increased by about SEK 5 billion, thereby doubling to just over SEK 10 billion, even though the letting ratio decreased slightly. Most of all, we received many interesting new customers in the food sector, whose specific needs require a knowledgeable, proactive and service-oriented property owner such as Catena.

Rising net increase in new tenancies

Thanks to the rapid integration of Tribona and division of operations into five regions, from three previously, we registered a net increase in new tenancies of 35,000 square metres in the last quarter of the year. The vacancy rate of more than 220,000 square metres at the end of the first quarter was reduced to 155,000 square metres. Some of the year's major lettings have taken place at Tågarp 16:17 in Arlöv, at the northern entrance to Malmö. When the new tenants are in place at the beginning of 2017, Tågarp 16:17, with its 53,000 square metres, will become the centre for a cluster of companies in food distribution.

A profit that lays the foundation for the future

The economic effect of the Tribona acquisition is evident. Our rental income increased by 70 percent and amounted to SEK 787 million compared with SEK 464 million the previous year. We have improved the operating surplus from SEK 351 million to SEK 578 million. Perhaps our most important performance measure, profit from property management, which generates cash flow, increased by 22 percent from SEK 259 million to SEK 316 million. The year was characterised by major efforts to increase the standards in our properties, the cost of which have been charged against earnings. This has contributed to an improvement of seven percent in the letting ratio, from 86 percent at the end of the first quarter to 93 percent at year end, which looks promising for 2017.

Acquisition and new construction develop property portfolio

In 2016, Catena continued to divest older logistics properties. We have thus freed up resources to purchase significant volumes of developable land for logistics in Malmö and Örebro. In December, we also acquired six strategically located logistics terminals from DHL, including the large and recently remodelled unit in Västberga, Stockholm. The acquisition was made

possible by the new share emission of approximately SEK 330 million before transaction costs that was implemented in the latter part of the year.

New construction has been extensive in 2016. In the beginning of the year, construction began on the first phase of 14,500 square metres in Catena's e-commerce cluster in Ängelholm. A new lease with e-commerce company Boozt made it possible to launch the second phase of another 43,500 square metres. Both units will be completed in early 2017. We have also completed two volume terminals for transshipment and temporary storage of containers and trailers adjacent to intermodal terminals – one in Katrineholm and one in Nässjö.

Over the years we have managed to establish Catena as Sweden's leading and largest logistics property company with an extensive portfolio of strategically located terminals, warehouses and distribution buildings. We have grown both through strategic acquisitions and through new construction, and we currently have 1.5 million square metres of premises space. Several acquisitions were made in order to further reach new customer groups, rather than based on interest in specific properties.

As a result of urbanisation and increasing consumption, particularly through the impact of e-commerce on consumer trade, we are seeing clear signs that city logistics, referring specifically to the positioning of warehouse and distribution facilities directly adjacent to our metropolitan regions, will become an increasingly important part of the future of logistics. Good market conditions, a continued focus on the climate-friendly and sustainable logistics solutions of the future, combined with the impact of 2016's initiatives and investments, mean that we are looking forward to sustained positive development. I expect an improved letting ratio, opportunities for new construction projects and thereby positive profit development from property management in 2017.

Helsingborg, February 2017

Gustaf Hermelin



Year-end report, January–December 2016

Income and profit

Rental income

Rental income rose by 70 percent to SEK 786.6 million (464.2), mainly from the acquisition of Tribona and completed projects.

Income from contracts with terms of more than three years accounted for approximately 69 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 amounts to just under 5 years.

Duration of leases

Duration	Number contracts	Contracted annual rent, SEK m	Contracted annual rent, %
2017	124	78.8	9
2018	59	62.5	7
2019	52	131.4	15
2020	59	141.0	16
2021	12	115.5	14
2022	13	64.6	8
2023+	49	266.9	31
Total	368	860.7	100

Property expenses

Property expenses rose by 85 percent to SEK 208.5 million (112.9), which was mainly based on the property portfolio being considerably larger and a higher level of vacancies, resulting in a greater proportion of media costs burdening the property owner.

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

Financial expenses

Financial expenses amounted to SEK 244.3 million (94.3), 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.

Profit

Despite being burdened by substantial non-recurring amounts, profit from property management rose by 22 percent to SEK 316.0 million (259.3). 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.

Net profit for the year was SEK 338.4 million, which is SEK 233.1 million lower than last year, mainly as a result of lower gains from property sales and unrealised changes in value of investment properties. The positive change in the value of investment properties during the year was partially offset by a change in goodwill from the acquisition of Tribona.

Change in value of derivatives is negative as a result of long-term market interest rates decreasing.

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

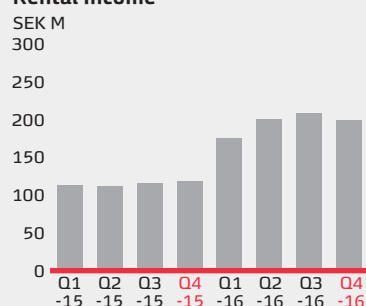
Regions

SEK m	2016	2015	2016	2015
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Rental income				
Gothenburg	32.1	26.5	126.3	108.9
Helsingborg	29.6	21.6	115.5	73.4
Jönköping	22.6	16.3	86.5	52.9
Malmö	27.2	5.5	117.5	22.3
Stockholm	88.2	49.2	340.8	194.9
Solna Project	-	-	-	11.8
Total	199.7	119.1	786.6	464.2
Operating surplus				
Gothenburg	27.0	17.7	103.6	79.9
Helsingborg	21.8	14.9	85.7	50.7
Jönköping	14.3	12.9	59.1	41.4
Malmö	13.3	4.2	64.9	16.5
Stockholm	71.8	38.7	264.8	153.2
Solna Project	-	-	-	9.6
Total	148.2	88.4	578.1	351.3

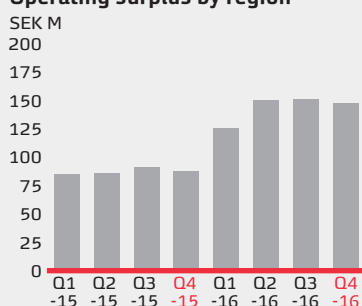
Related parties

Profit for the period includes minor related-party transactions with Hansan AB and AB Elmsätters in Enhörna for consulting services, as well as interest expenses to Backahill AB.

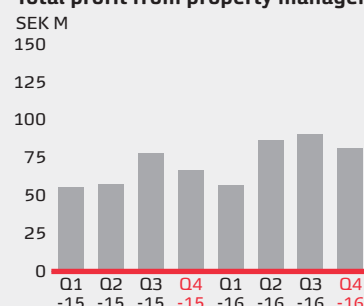
Rental income



Operating surplus by region



Total profit from property management



Statement of comprehensive income

SEK m	2016	2015	2016	2015
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Rental income	199.7	119.1	786.6	464.2
Property expenses	-51.5	-30.7	-208.5	-112.9
Net operating surplus	148.2	88.4	578.1	351.3
Central administration	-6.9	-12.1	-33.0	-26.7
Other operating income	4.2	0.1	10.3	23.1
Other operating expenses	-6.3	-	-6.7	-13.7
Interest in profits from associated companies	1.9	12.2	-6.0	12.4
Financial income	1.3	3.0	17.6	7.2
Financial expenses	-61.1	-24.4	-244.3	-94.3
Profit from property management	81.3	67.2	316.0	259.3
Realised changes in value of investment properties	4.7	0.9	9.8	102.2
Unrealised changes in value of investment properties	9.9	68.5	138.3	198.3
Change in value of goodwill	-	-	-38.9	-
Changes in values of derivatives	104.5	28.1	-38.6	30.5
Profit before tax	200.4	164.7	386.6	590.3
Current tax	-5.5	-3.9	-5.5	-3.9
Deferred tax	-29.1	-15.5	-42.7	-14.9
Profit for the period/year	165.8	145.3	338.4	571.5
Other comprehensive income				
Translation difference	-0.8	-	7.3	-
Comprehensive income for the period/year	165.0	145.3	345.7	571.5
Comprehensive income for the period/year distributed among the Parent Company's shareholders	165.0	145.2	345.7	571.5
Comprehensive income for the period/year distributed among non-controlling interests	-	0.1	-	-
Key share data				
Shareholders' equity, SEK per share	109.1	96.5	109.1	96.5
Net asset value per share, EPRA NAV, SEK	135.8	115.0	135.8	115.0
Profit for the period/year, SEK per share	4.7	5.7	10.2	22.3
Number of shares outstanding, millions	35.7	25.6	35.7	25.6

Quarterly overview

	2016	2016	2016	2016	2015	2015	2015	2015
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Rental income, SEK m	199.7	208.9	201.2	176.8	119.1	117.5	113.0	114.6
Net operating surplus, SEK m	148.2	152.0	151.3	126.6	88.4	91.9	87.2	85.8
Surplus ratio, %	74.2	72.8	73.5	71.6	74.2	78.2	77.2	74.9
Letting ratio, %	93.0	92.0	91.7	85.6	95.5	96.8	96.0	95.8
Profit from property management, SEK m	81.3	91.0	86.8	56.9	67.2	78.5	57.7	55.9
Profit for the period, SEK m	165.8	69.3	63.4	39.9	145.3	52.3	305.5	68.4
Return on equity, %	4.5	2.1	1.9	1.4	6.0	2.3	14.1	3.4
Equity ratio, %	31.6	28.2	28.0	28.4	35.7	38.0	37.8	32.6
Share price at end of the period, SEK	128.50	142.00	123.00	125.00	115.75	120.00	133.50	131.25
Cash flow before change in working capital per share, SEK	2.22	2.65	1.81	2.15	1.99	2.95	2.24	2.16
Earnings per share, SEK	4.7	2.1	1.9	1.3	5.6	2.0	11.8	2.6
Net asset value per share, EPRA NAV, SEK	135.8	132.8	130.1	128.8	115.0	108.6	103.1	101.3

Financial position

Cash flow

SEK m	2016	2015
	Jan-Dec	Jan-Dec
Profit before tax	386.6	590.3
Adjustments for non-cash items	-90.7	-348.8
Tax paid	-1.6	-
Cash flow before changes in working capital	294.3	241.5
Change in operating receivables	-99.0	8.2
Change in operating liabilities	94.2	29.5
Cash flow from operating activities	289.5	279.2
Acquisition of assets via subsidiaries	-827.8	-467.0
Divestment of operations	462.2	771.9
Investments in investment properties	-574.7	-142.6
Divestment of investment properties	140.0	1.4
Acquisitions of property, plant and equipment	-0.4	-0.3
Disposals of non-current assets	-	-
Change in financial assets	226.6	-597.8
Cash flow from investing activities	-578.1	-434.4
New share issue	323.0	-
Change in loans	9.2	234.2
Dividend paid	-99.7	-76.9
Cash flow from financing activities	232.5	157.3
Cash flow for the year	-56.1	2.1
Opening cash and cash equivalents	201.5	199.4
Exchange rate difference in cash and cash equivalents	0.1	-
Closing cash and cash equivalents	145.5	201.5

Cash flow for the period before changes in working capital improved by SEK 52.8 million to SEK 294.3 (241.5). Cash flow was affected by both significant acquisitions and disposals.

The cash outflow from 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 completed divestments of the Högsbo 21:2 property in Gothenburg, Partille 11:24 and eight properties in Malmö boosted cash flow by SEK 602.2 million.

At the end of the year, cash and cash equivalents amounted to SEK 145.5 million (201.5).

Statement of financial position

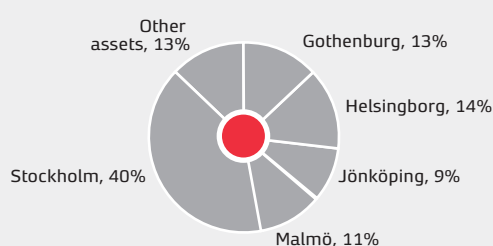
SEK m	2016	2015
	31 Dec	31 Dec
Assets		
Non-current assets		
Goodwill	613.5	-
Investment properties	10,786.4	4,781.5
Property, plant and equipment	2.3	1.6
Financial fixed assets	88.2	1,282.7
Deferred tax asset	135.6	57.8
Current assets		
Assets available for sale	-	559.2
Current receivables	573.4	63.6
Cash and cash equivalents	145.5	201.5
Total assets	12,344.9	6,947.9
Equity and liabilities		
Equity attributable to Parent Company shareholders		
Equity attributable to non-controlling interests	4.4	4.4
Non-current liabilities		
Liabilities to credit institutions	2,788.0	2,409.4
Deferred tax liability	1,125.7	395.7
Other non-current liabilities	517.5	125.9
Current liabilities		
Liabilities available for sale	-	386.3
Liabilities to credit institutions	3,669.2	997.5
Other current liabilities	340.2	155.3
Total shareholders' equity and liabilities	12,344.9	6,947.9

The change in the financial position is characterised 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. Therefore, in addition to all of the assets and liabilities of the acquired Tribona being 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 decreased by SEK 38.9 million beyond that realised from divestments. The effects of a business combination entail an increase in the balance sheet, thereby affecting the related key figures.

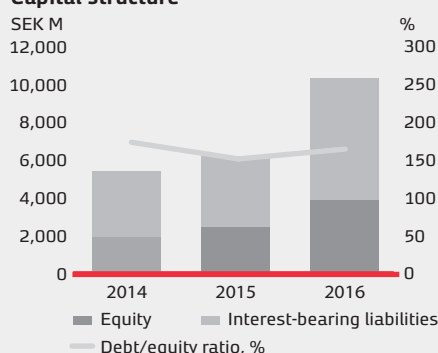
During the fourth quarter, Catena strengthened liquidity by obtaining SEK 315 million of the displaced purchase consideration regarding the 2015 sale of the project Haga Norra in Solna. The net of the transaction has affected the realised change in value by negative SEK 7 million.

Asset distribution



Total assets: SEK 12,344.9 million

Capital structure



Change in Equity

SEK m	2016	2015
	31 Dec	31 Dec
Opening balance	2,477.8	1,984.8
Dividend paid to shareholders	-99.7	-76.9
New share issue	1,180.5	-
Translation difference	7.3	-
Change in minority interest	-	-1.6
Comprehensive income for the year attributable to non-controlling interests	-	-
Comprehensive income for the year attributable to Parent Company shareholders	338.4	571.5
Closing balance	3,904.3	2,477.8
Attributable to:		
Parent Company's shareholders	3,899.9	2,473.4
Non-controlling interests	4.4	4.4

Liabilities to credit institutions

Liabilities to credit institutions amounted to SEK 6,457.2 million (3,754.1) and the loan framework amounted to SEK 6,906.3 million on 31 December 2016.

Fixed interest, year	SEK m	Interest rate, % ¹⁾	Participation, %
2017	1,618.3	2.4	25.1
2018	764.0	3.4	11.8
2019	300.0	4.8	4.6
2020	562.0	4.1	8.7
2021	751.7	4.4	11.6
2022	883.9	4.4	13.7
2023	1,070.0	3.8	16.6
>2024	507.3	3.0	7.9
Total	6,457.2	3.6	100.0

¹⁾ Refers to the current average interest rate as per 31 December 2016. Interest rates are adjusted 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
2017	4,084.3	3,635.2	449.1
2018	381.3	381.3	-
2019	1,378.9	1,378.9	-
2020	983.6	983.6	-
>2024	78.2	78.2	-
Total	6,906.3	6,457.2	449.1

After the end of the year, Catena renegotiated financing agreements with total facilities of approximately SEK 3.2 billion, of which SEK 234 million related to bond financing secured by properties via SFF (Swedish Property Financing AB).

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 464.5 million (115.7). 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 73 percent of consolidated liabilities to credit institutions.

Reduction in the rate of interest 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

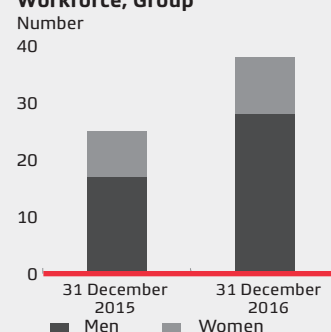
Reduction in the rate of interest through interest-rate caps

Start year	End year	Interest-rate cap, %	SEK m
2013	2018	2.0	262.0
Total			262.0



Köpingegården 1, Helsingborg

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, %	Contractual annual rent, SEK m	Surplus ratio, %
Gothenburg	11	201.6	1,642.8	132.8	97	128.5	82
Helsingborg	20	258.8	1,713.4	127.1	92	116.5	74
Jönköping	13	230.3	1,120.0	120.0	90	108.1	68
Malmö	14	173.5	1,351.0	121.4	92	111.9	55
Stockholm	36	626.7	4,959.2	424.4	93	395.7	78
Total	94	1,490.9	10,786.4	925.7	93	860.7	74

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.

Current investments in existing properties totalled SEK 529.0 million (131.6), of which a large part relates to the investment in our e-commerce cluster E-City Engelholm, where stage 1 of 14,500 square metres has been completed and Phase 2 of

43,500 square metres of premises occupied by Boozt will be up and running in the spring of 2017.

The second largest investment is the new 9,700 square metre terminal complex in Nässjö, that has recently been occupied by a tenant and is now up and running.

Furthermore, even larger improvements for tenants continued during the year on the properties Dikartorp 3:12, Stockholm and Tågarp 16:17, Burlöv.

Sales and acquisitions of companies and properties over the year are listed in the table below.

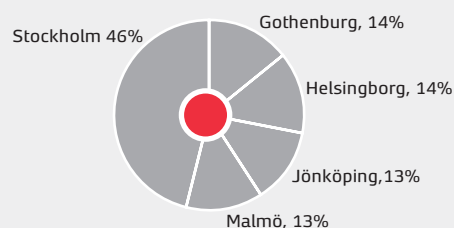
Property acquisition

Property designation	Transfer date	Region	Municipality	Space, sq. m.	Property value, SEK m	Annual rental income, SEK m
Acquisition of Tribona	16-01-26	All		708,997	5,264.6	398.9
Part of Gamllarp 4:1	16-10-01	Jönköping	Nässjö	Land	3.7	0.0
Tågarp 16:22	16-11-01	Malmö	Burlöv	9,500	46.1	5.5
Skogskojan 1	16-11-07	Stockholm	Östersund	3,466	56.5	3.8
Sockret 1	16-11-16	Malmö	Malmö	Land	7.2	0.1
Sockret 2	16-11-16	Malmö	Malmö	Land	8.8	0.1
Sockret 6	16-11-16	Malmö	Malmö	10,178	26.0	3.2
Drivremmen 1	16-12-20	Stockholm	Stockholm	33,123	338.1	22.0
Ekeby 2: 2	16-12-20	Stockholm	Eskilstuna	7,976	39.9	3.4
Batteriet 7 & 8	16-12-20	Stockholm	Umeå	4,376	23.7	1.3
Mållås 4:4	16-12-20	Stockholm	Sundsvall	8,120	43.3	1.8
Däcket 1	16-12-20	Jönköping	Oskarshamn	2,908	12.7	3.6
Boländerna 22: 9	16-12-20	Stockholm	Uppsala	3,546	4.9	1.7
Total				792,190	5,875.5	445.4

Property sales

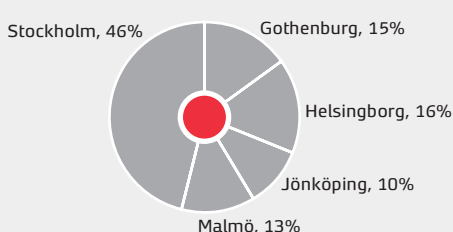
Property designation	Vacated	Region	Municipality	Space, sq. m.	Property value, SEK m	Earnings, SEK m
Högsbo 21:2	16-01-15	Gothenburg	Gothenburg	66,180	580.0	0.0
Partille 11:24	16-04-15	Gothenburg	Partille	19,600	186.0	5.1
Terminalen 3	16-11-16	Malmö	Malmö	33,300	120.0	3.8
Terminalen 4	16-11-16	Malmö	Malmö	1,290	20.0	7.6
Bronsödden 9	16-12-19	Malmö	Malmö	2,566	26.6	0.0
Stenåldern 6	16-12-19	Malmö	Malmö	4,536	61.4	0.0
Flygbasen 1	16-12-19	Malmö	Malmö	2,756	25.4	0.0
Stiglädret 7	16-12-19	Malmö	Malmö	1,042	8.1	0.0
Slätthög 5	16-12-19	Malmö	Malmö	4,364	73.5	0.0
Fornlämningen 2	16-12-19	Malmö	Malmö	3,717	55.0	0.0
Total				139,351	1,156.0	16.5

Rental value by region



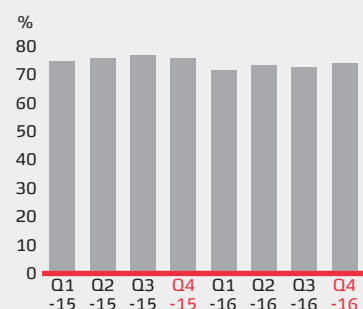
Rental value: SEK 925.7 million

Property stock by region



Real value: SEK 10,786.4 million

Surplus ratio



Property portfolio

SEK m	Fair value	Number of properties
Property portfolio at beginning of year	5,340.3	55
Acquisitions	5,875.5	49
Investments in existing properties	529.0	
Sales	-1,105.6	-10
Translation differences, etc.	8.9	
Unrealised changes in value	138.3	
Total investment properties	10,786.4	94

Property valuation

The unrealised changes in the value of Catena's properties during the period amounted to SEK 138.3 million (198.3), as a result of factors such as 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. During the third quarter, the majority of the stock of two valuation companies was externally valued. In connection with the turn of the year, SEK 3.1 billion of the real estate portfolio was valued externally.

All of the Group's investment properties are assessed as being at level 3 in the valuation hierarchy. A detailed description of the valuation principles is available 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 has been driven by an increase in the flow of goods and a growing retail trade, particularly e-commerce. Demand for Catena's logistics spaces, which are well-situated and well-suited for their purposes and which are environmentally efficient, is expected to remain good in 2017.

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 to move forward with new construction at our existing development sites.

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

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.

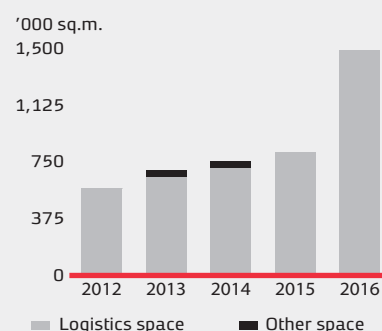
Catena's sustainability activities

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



Sothonan 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 31 December 2016 was SEK 128.50, against the opening price of SEK 115.00 on 4 January 2016, representing an increase of 11.7 percent over the period. During the period, the highest price noted for the Catena share was SEK 145.00 and the lowest was SEK 109.25.

Following the balance sheet date, the Company has implemented a private placement for cash of 2,500,000 shares.

As of 31 December, Catena had 14,691 shareholders and the number of shares amounted to 35,735,506.

For this report, the new share issue has involved the recalculation of profit and cash flow key figures with respect to the bonus issue element of the share 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 January 2017	Number of shares, thousands		Votes, %
Backahill	11,221		31.4
Endicott Sweden AB (CLS Holding plc)	3,971		11.1
Länsförsäkringar fondförvaltning AB	3,539		9.9
SFU Sverige AB	1,847		5.2
Nordea Investment Funds	1,331		3.7
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
Skagen Vekst Verdipapirfond	827		2.3
Danske Capital Sverige AB	806		2.3
CRHE Invest AB	770		2.2
Verdipapirfond Odin Ejendom	455		1.3
Skagen M2 Verdipapirfond	396		1.1
Other shareholders	7,649		21.3
Total:	35,736		100.0

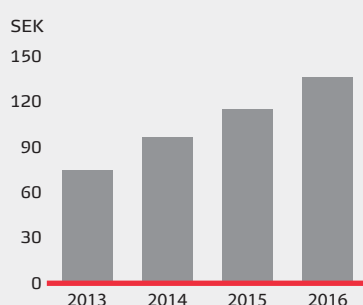
Key figures ¹⁾

For definitions of key figures, see page 14.	2016	2015
	Jan-Dec	Jan-Dec
Property-related		
Rental income, SEK m	786.6	464.2
Net operating surplus, SEK m	578.1	351.3
Surplus ratio, %	73.5	75.7
Rental value, SEK m	925.7	511.5
Economic letting ratio, %	93.0	95.5
Loan-to-value ratio, %	59.9	70.3
Lettable area, thousand sq. m.	1,490.9	816.8
Financial		
Profit from property management, SEK m	316.0	259.3
Pre-tax profit, SEK m	386.6	590.3
Profit for the year, SEK m	338.4	571.5
Total assets, SEK m	12,344.9	6,947.9
Return on equity, %	10.6	25.6
Return on equity, %	6.9	10.5
Interest-coverage ratio, multiple	2.3	4.8
Average interest rate, %	3.6	2.6
Fixed interest, years	3.5	3.1
Capital tied-up, years	1.5	2.5
Equity ratio, %	31.6	35.7
Equity ratio, excluding goodwill, %	33.3	35.7
Share-related		
Share price at year end, SEK	128.50	115.75
Cash flow before change in working capital per share, SEK ²⁾	8.87	9.34
Equity per share, SEK	109.13	96.46
Profit from property management per share, SEK ²⁾	9.53	10.03
Earnings per share, SEK ²⁾	10.20	22.11
Net asset value per share, EPRA NAV (including goodwill), SEK	149.80	115.00
Net asset value per share, EPRA NAV, SEK	135.80	115.00
Number of shares outstanding, millions	35.7	25.6
P/E ratio	13	5

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

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

Net worth per share, EPRA NAV



Share-price trend, 1 January 2015 to 31 December 2016



Parent Company's financial statements

Income Statement SEK m	2016 Jan-Dec	2015 Jan-Dec
Net turnover	47.6	30.2
Cost of services performed	-70.0	-55.1
Operating profit/loss	-22.4	-24.9
Financial income and expenses		
Other interest income and similar income	101.0	42.7
Profit from participations in Group companies	226.6	133.2
Interest expense and similar expenses	-321.8	-99.4
Profit before appropriations and taxes	-16.6	51.6
Appropriations	-0.1	-
Tax on profit for the year	-14.3	-17.7
Comprehensive income for the year	-31.0	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.

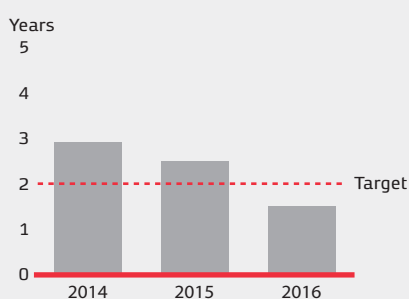
Balance sheet SEK m	2016 31 Dec	2015 31 Dec
Assets		
Non-current assets		
Property, plant and equipment	2.3	1.6
Financial fixed assets	3,252.6	1,856.4
Deferred tax asset	39.4	29.4
Long-term receivables	4.1	-
Current assets		
Receivables from Group companies	3,983.1	1,210.3
Receivables from associated companies	92.7	33.3
Current receivables	6.6	5.8
Cash and cash equivalents	113.7	201.2
Total assets	7,494.5	3,338.0
Equity, provisions and liabilities		
Equity		
Equity	2,168.9	1,119.1
Untaxed reserves	0.1	-
Non-current liabilities		
Liabilities to credit institutions	-	316.8
Other long-term liabilities and provisions	177.9	116.2
Current liabilities		
Liabilities to credit institutions	316.8	67.2
Liabilities to Group companies	4,740.3	1,667.5
Liabilities to associated companies	46.4	14.9
Other current liabilities	44.1	36.3
Total shareholders' equity and liabilities	7,494.5	3,338.0



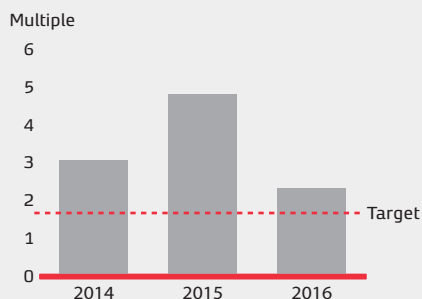
Part of Gamlarp 4:1, Nässjö

Financial targets

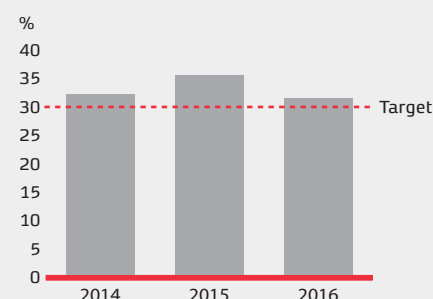
Average fixed loan term



Interest coverage ratio



Equity ratio



Other significant events during the year



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

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 of Tribona 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 out of three stages at the more than 58,000 square metre e-commerce cluster E-CITY Engelholm. 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, with construction beginning in the spring of 2016, and Catena has signed a lease for approximately 6,700 square metres of this space with Höglunds Logistik AB in Nässjö. The lease took effect on 1 October 2016 and will be valid for ten years.



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

In May, SFF issued covered bonds for SEK 652 million. Catena is participating with the logistics property Nattskiftet 11 in Stockholm in 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 is divesting the Terminalen 3 and 4 properties, which comprise more than 34,000 square metres, in Malmö at a property value of SEK 140 million. At the same time, Catena has acquired three properties, Sockret 1, 2 and 6, and the land at Sockret 4, which is currently on leasehold, from the City of Malmö for a property value of SEK 50 million. The properties were transferred to Catena's control in November 2016.

A shareholders' agreement has been signed with the Municipality of Örebro's wholly owned companies, Örebroporten Förvaltning AB and Lokarhusman 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 approximately SEK 2 billion.



In the third quarter, Catena signed an agreement to acquire the Burlöv Tågarp 16:22 property on 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 metres, has an annual rental income of about SEK 5 million, and was transferred to Catena's control on 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 that have been adapted for both letter and parcel handling. The transfer date was 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 adviser for Catena.



Skogskojan 1, Östersund



In the fourth quarter, Catena 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.

An agreement was signed to acquire the Vångagärdet 20 property in Helsingborg at a property value of SEK 102 million. The move-in date for the property was 1 February 2017. Vångagärdet 20 covers approximately 26,000 square metres of lettable space with an annual rental income of just over SEK 8 million.

A decision has been made to invest SEK 200 million in the Mölnlycke Härryda Solsten 1:102 property. Read more on page 2 of this year-end report.

On 14 December, Catena also signed an acquisition agreement and assumed ownership of six logistics properties with a property value of SEK 474 million. The properties have a lettable area of about 49,000 square metres and are strategically located next to the major cities and along the country's main roads. The rental value is approximately SEK 34 million with an average lease term of approximately 13 years. DHL is the seller and will remain as a tenant in the properties.

In addition, Catena sold and vacated, on 19 December, six smaller properties in Malmö that Catena henceforth deemed unsuitable for logistics purposes. Lettable area amounted to 19,000 square metres and the properties had a rental value of approximately SEK 20 million. The property transaction value was SEK 250 million, which was in line with the book value.

Before the turn of the year, minor changes were made by Catena management as newly appointed Executive Vice President Benny Thøgersen joined, and Michael Halling and Lena Haraldsson left management. The management team now consists of the President, Vice President, CFO, HR and four regional managers.



Nattskiftet 11, Stockholm

Significant events after the end of the year

On 18 January 2017, Catena participated in a bond issue via the SFF (Swedish Property Financing AB) totalling SEK 234 million for the terminal Stockholm Drivremmen 1 acquired in December 2016. SEK 170 million matures on 20 April 2020 with a fixed annual nominal rate of 1.42 percent and SEK 64 million with a term to maturity until 9 March 2020 with a floating interest rate of 3 months STIBOR plus 1 percent but an effective margin of 1.1 percent.



Backa 23:5, Hisings Backa

Accounting and valuation principles

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

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

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

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, 16 February 2017
Catena AB (publ)
Board of Directors

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

Definitions

Return on equity

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

Return on equity

Profit before tax, with reversal of financial expenses and change in the 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.

Net 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 rents under leases valid at the end of the period/year end 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

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.

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.

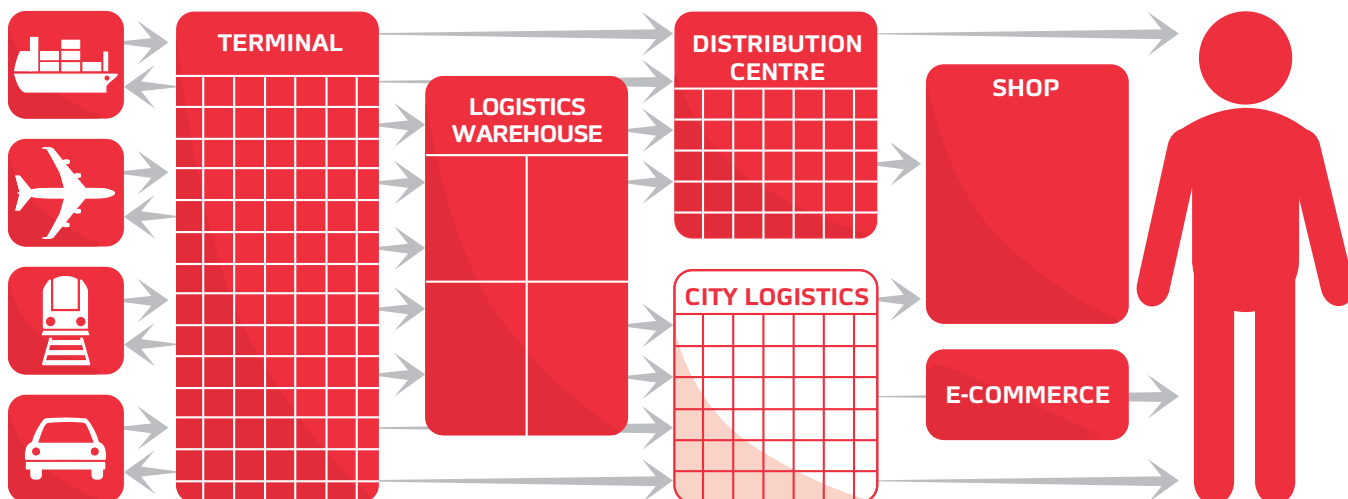
Business concept

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.



Norra Varalöv 31:11, Ängelholm



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

Annual General Meeting 2017, in Stockholm, 4.00 p.m. CET 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