

As a result of the divestments of Catella Bank's operations, the entire Banking business area has been reported as a disposal group held for sale in accordance with IFRS 5. This means that in the Consolidated Income Statement net profit (after tax) is reported on a separate line under period profit from disposal group held for sale.

INTERIM REPORT

January – September 2019

» *A Catella clearly positioned for future growth.*

CATELLA

Leading finance group in property and alternative investments

Catella was founded in 1987, has 29 offices across 15 countries and 550+ employees within three business areas:

CORPORATE FINANCE

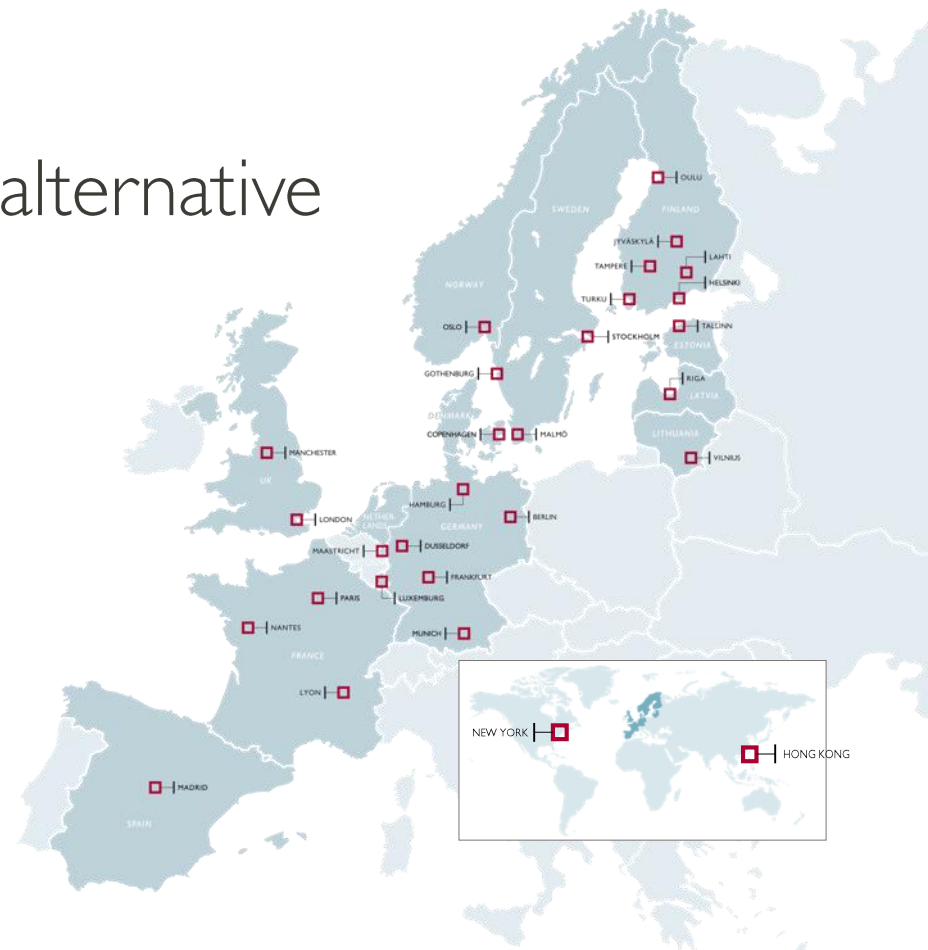
Leading European advisor within high-end real estate transaction services and real estate related corporate finance.

PROPERTY INVESTMENT MANAGEMENT

Offers institutions, companies and individuals specialized regulated fund products and regional asset management services.

EQUITY, HEDGE AND FIXED INCOME FUNDS

Leading independent fund manager in the Nordics and a global niche player in systematic macro.



Headquartered in Stockholm and listed at Stockholm Stock Exchange, Nasdaq OMX, midcap.

MARKET CAPITALISATION

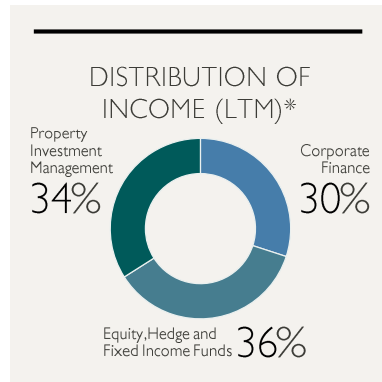
SEK 2,3 Bn

November 2019

TOTAL INCOME*

SEK 2,4 Bn

Last 12 months "LTM"



OPERATING PROFIT*

SEK 361 M

LTM

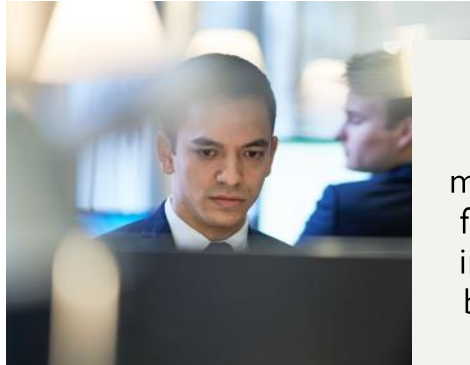
ASSETS UNDER MANAGEMENT "AUM"*

SEK 184 Bn

Q3 2019

*The Banking business area is reported as a Disposal group held for sale and is not included in the Group figures.

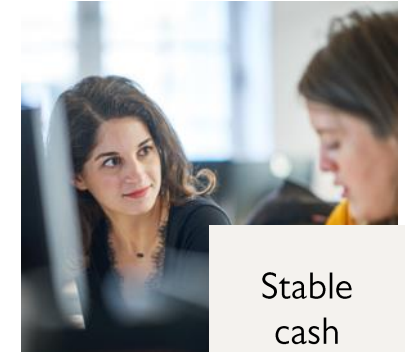
Differentiated, linked business model with a clear income base



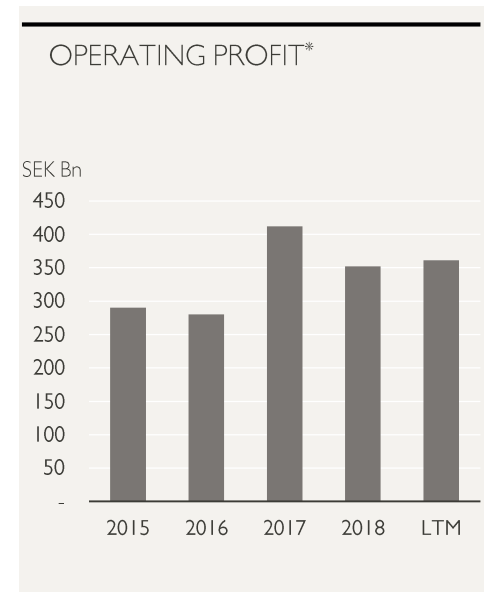
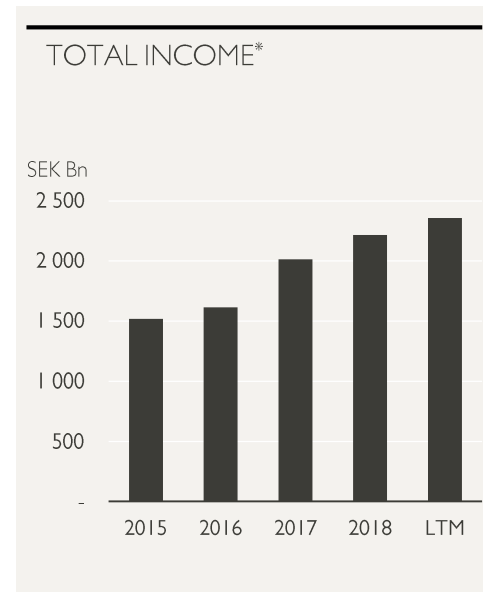
Strong growth in assets under management drives fixed earnings and increases Catella's base for potential variable earnings



Good profitability despite most of growth already recognised in the Income Statement



Stable cash position



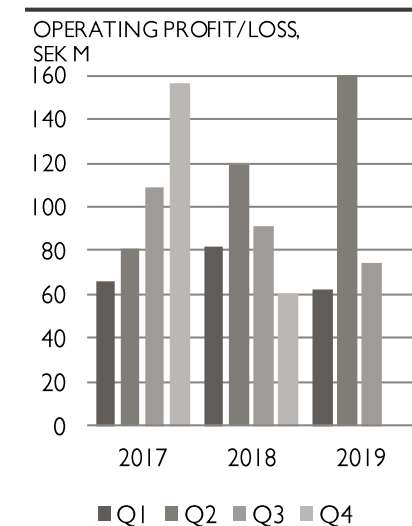
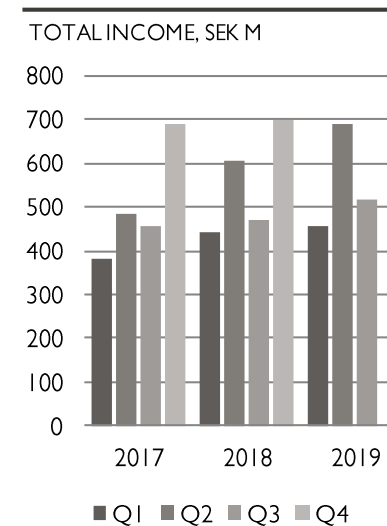
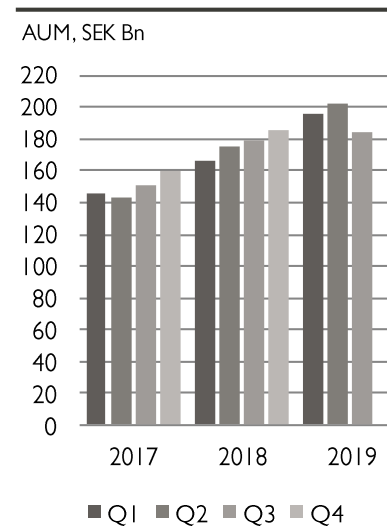
* THE BANKING BUSINESS AREA HAS BEEN REPORTED AS A DISPOSAL GROUP HELD FOR SALE AND HAS NOT BEEN INCLUDED IN GROUP FIGURES.

** THE DARKER AREAS OF THE BARS SHOW BRIDGE FINANCING OF SEK 220 M RELATING TO BANKING, WHICH WILL BE REPAID TO CATELLA'S REMAINING OPERATIONS IN 2019.

*** DECISION TO TERMINATE THE SYSTEMATIC EQUITY PRODUCT DUE TO LOW DEMAND FROM INVESTORS AND UNSATISFACTORY PROFITABILITY IMPLIED A DECREASE IN ASSETS UNDER MANAGEMENT OF SEK 18 BN DURING Q3 2019.

Sales and results of operations Group

- Catella continues to grow, total income was up by 10% year-on-year.
- The increase was mainly derived from fixed earnings due to continued growth in Property Investment Management, where assets under management grew by some SEK 34 Bn year-on-year.
- Operating profit decreased by SEK 18 M, burdened by increased personnel and rental costs from start-up operations in Property Investment Management and new product initiatives, a key part of the continued growth strategy.
- Net financial income/expense for the quarter was negatively affected by impairment losses of SEK 85 M from the loan portfolios, which had a book value of SEK 141 M at the end of the third quarter.



SEK M	3 Months		9 Months		12 Months	
	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	Rolling 12 Mth.	2018 Jan-Dec
Total income	517	472	1,659	1,518	2,357	2,216
Assignment expenses and commission	-76	-87	-289	-289	-390	-389
Operating expenses	-367	-293	-1,069	-937	-1,607	-1,474
Operating profit/loss	74	92	300	292	361	352
Profit for the period from continuing operations	-60	50	76	188	99	210
Net profit/loss for the period	-69	11	128	92	99	-28
Profit/loss attributable to the Parent Company shareholders	-83	-13	66	21	-67	-112
Operating margin, %	14	19	18	19	15	16
No. of employees, at end of period	566	497	566	497	-	552
Asset under management, SEK Bn	-	-	184.1	178.9	-	186.2
net in-(+) and outflow(-)	-22.6	4.1	-19.3	2.2	-22.0	-0.5

* Includes internal income between business areas.

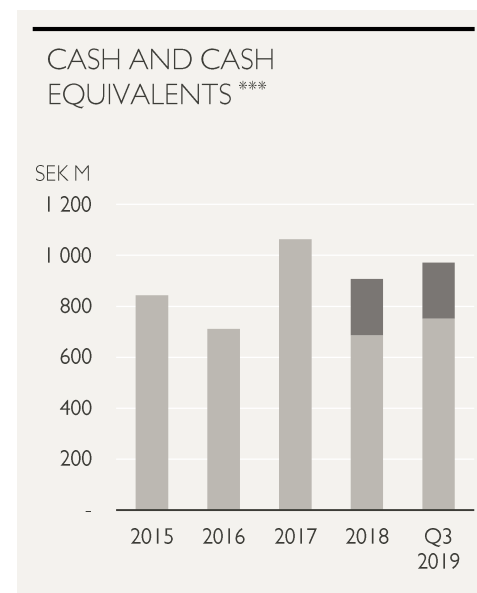
Financial position – Remaining operations

Balance sheet	SEK M
Assets	3,051
Short and long term investments	386
<i>Loan portfolio</i>	141
<i>Other investments (Securities, Co-investments)</i>	81
<i>Treasury placements (Bonds, Macro fund)</i>	101
<i>Accrued bonuses invested in own products</i>	63
Property development projects	353
Deferred tax assets *	81
Cash and cash equivalents	752
Other assets	1,479
Equity	1,188
Shareholders of the parent company	995
Minorities interest	193
Liabilities	1,863
Unsecured bond **	750
Other liabilities	1,113

* *Deferred tax assets offsettable against tax in Mutual Funds and the loan portfolios.*

** *3M stibor (no floor) + 4% margin, maturity June 2022*

*** *The darker areas of the bars show bridge financing of SEK 220 M relating to Banking, which will be repaid to Catella's remaining operations in 2019.*

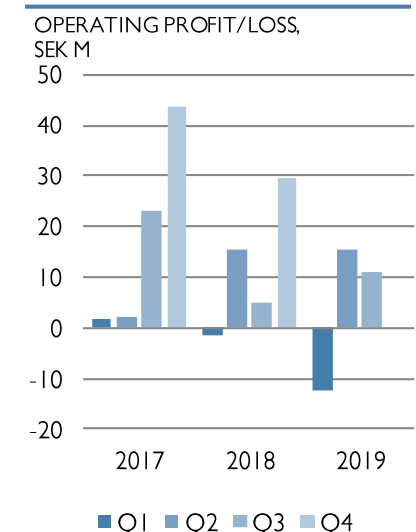
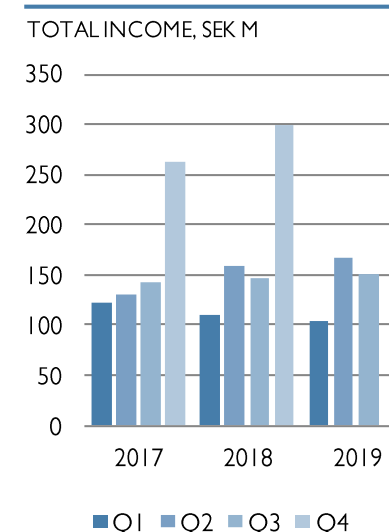
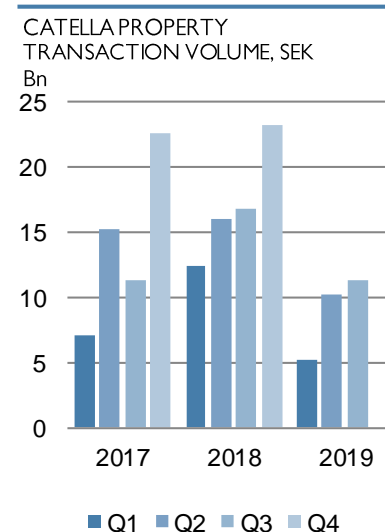




CORPORATE FINANCE

Sales and results of operations

- The transaction market for commercial properties in Europe, excluding the UK, totalled EUR 51.9 Bn (51.0) in the quarter, an increase of 2% year-on-year.
- Property transactions where Catella acted as advisor totalled SEK 15.8 Bn (16.9) in the quarter, of which:
 - France SEK 7.2 Bn (7.2)
 - Denmark SEK 5.4 Bn (4.1)
 - Sweden SEK 1.4 Bn (3.6)
 - Germany SEK 0.3 Bn (0.1)
- Total income was SEK 152 M (146) and operating profit was SEK 11 M (5) in the quarter.
- Total income adjusted for assignment costs increased by SEK 16 M, and operating profit increased by SEK 6 M year-on-year.
- The decrease in assignment costs is due to France, where joint invoicing with an external advisor, within the framework of the mandate, was down on the previous year.
- The increase in operating costs was mainly driven by increased personnel and rental costs.
- In the Nordics, Denmark provided the majority of operating profit. In continental Europe, France and Germany increased while Spain returned lower operating profit year-on-year.



SEK M	3 Months		9 Months		12 Months	
	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	Rolling 12 Mth.	2018 Jan-Dec
Nordic *	45	54	148	157	237	246
Continental Europe *	107	92	272	258	482	468
Total income	152	146	421	416	721	715
Assignment expenses and commission	-11	-22	-37	-38	-87	-88
Operating expenses	-130	-120	-370	-359	-590	-578
Operating profit/loss	11	5	14	19	44	49
Operating margin, %	7	3	3	5	6	7
No. of employees, at end of period	214	208	214	208	-	220
Property transaction volume, SEK Bn	15.8	16.9	38.1	45.3	61.4	68.6
of which Nordic	7.6	9.4	17.8	18.3	29.6	30.1
of which Continental Europe	8.2	7.4	20.2	27.0	31.7	38.5

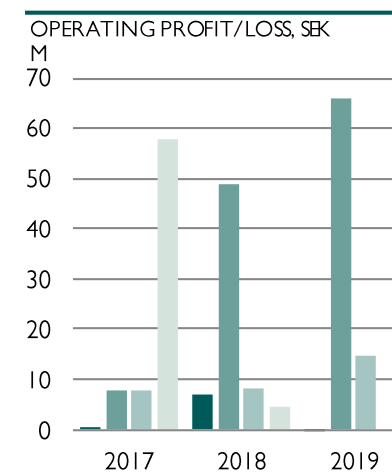
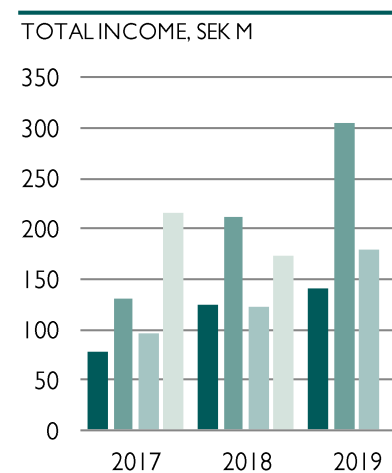
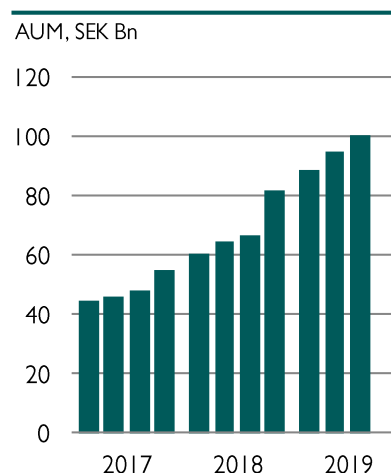
* Includes internal income between business areas.



PROPERTY INVESTMENT MANAGEMENT

Sales and result of operations

- Assets under management increased by SEK 5.4 Bn, of which net flows totalled SEK 2.3 Bn in the quarter. Assets under management in the business area increased by SEK 33.7 Bn year-on-year:
 - adjusted opening balance, for the acquired Property Asset Management operations in the UK (APAM), the increase was SEK 17.8 Bn.
- Total income was SEK 179 M (123) and income after assignment costs was SEK 146 M (97) in the quarter:
 - Property Funds' total income increased by SEK 33 M year-on-year, mainly driven by increased fixed revenue.
 - Property Asset Management's income increased year-on-year, mainly due to the UK Property Asset Management operations.
- Operating profit was SEK 15 M (8), mainly derived from Property Funds.
- Operating profit was affected by increased personnel costs relating to the aggressive initiatives carried out in the business area.
- Headcount increased by 59 new staff year-on-year, of which the UK Property Asset Management operations employed 41.



SEK M	3 Months		9 Months		12 Months	
	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	Rolling 12 Mth.	2018 Jan-Dec
Property Funds *	124	90	466	302	570	406
Property Asset Management *	65	38	192	176	276	260
Total income	179	123	625	460	799	634
Assignment expenses and commission	-33	-25	-154	-131	-166	-142
Operating expenses	-131	-89	-390	-265	-548	-423
Operating profit/loss	15	8	80	64	85	68
Operating margin, %	8	7	13	14	11	11
No. of employees, at end of period	-	-	237	178	-	220
Asset under management, SEK Bn	-	-	100.3	66.7	-	82.2
net in-(+) and outflow(-)	2.3	1.9	11.4	6.7	10.4	5.7

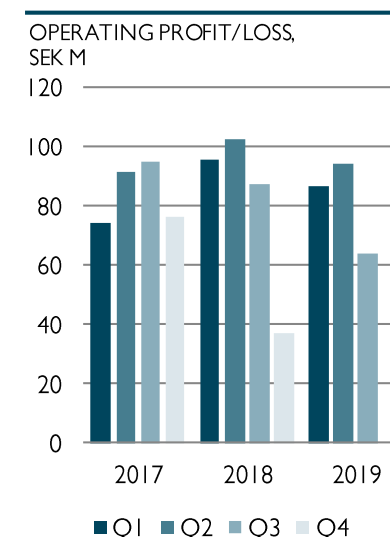
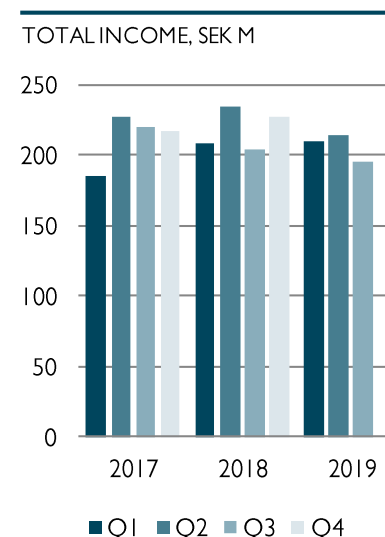
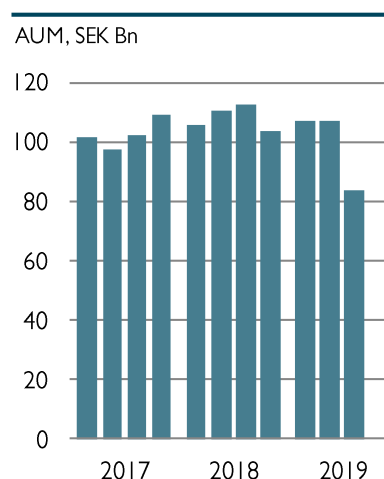
* Includes internal income between business areas.



EQUITY, HEDGE AND FIXED INCOME FUNDS

Sales and results of operations

- Business area assets under management decreased by SEK 23.5 Bn in the quarter.
 - Net flows were SEK -0.8 Bn in Mutual Funds and SEK -24.1 Bn in Systematic Funds in the quarter.
 - Of Systematic Funds' outflows, SEK 19 Bn relates to the termination of the product Systematic Equity, which generated very modest earnings.
 - Income is mainly generated by Systematic Macro, where assets under management decreased by SEK 2.9 Bn year-on-year, of which net flows were SEK -4.9 Bn in the same period.
- Total income was SEK 195 M (204) in the quarter, a decrease year-on-year driven by lower fixed earnings in Mutual Funds. The majority of income comprised fixed earnings, which were down slightly year-on-year.
- Assignment costs and commission decreased as a result of lower fixed earnings in Mutual Funds. Personnel expenses and amortization and depreciation in Systematic Funds increased year-on-year driven by an increase in headcount and the termination of systems relating to Systematic Equity.
- Operating profit was SEK 64 M (87).
- Annualised profit from fixed earnings/fixed cost in the business area was SEK 339 M at the end of the quarter, a decrease of SEK 2 M compared to the third quarter 2018.



SEK M	3 Months		9 Months		12 Months	
	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	Rolling 12 Mth.	2018 Jan-Dec
Mutual Funds *	61	68	183	247	248	311
Systematic Funds *	135	137	436	401	600	564
Total income	195	204	620	648	847	875
Assignment expenses and commission	-35	-41	-104	-121	-144	-161
Operating expenses	-96	-76	-271	-241	-421	-391
Operating profit/loss	64	87	245	286	282	323
Operating margin, %	33	43	40	44	33	37
No. of employees, at end of period	-	-	92	91	-	91
Asset under management, SEK Bn	-	-	83.8	112.3	-	103.9
net in-(+) and outflow(-)	-24.9	2.1	-30.7	-4.5	-32.4	-6.2

* Includes internal income between business areas.

PRINCIPAL INVESTMENTS

Catella's principal investments

INVESTMENTS

SEK M	30 September 2019
Property development projects	353
Loan portfolios	141
Other holdings	52
Total	546

- Principal investments totalled SEK 546 M as of 30 September 2019, an increase of SEK 125 M on the previous quarter.
- The increase was mainly due to the reclassification of the holding in property development company Kaktus I TopCo ApS from shares in an associated company to shares in a subsidiary with full consolidation of Kaktus' Income Statement and Balance Sheet.
- In addition, Catella's loan portfolios decreased as a result of impairment losses totalling SEK 85 M.

Property development projects

- Grand Central**
 Residential property development project with a total expected transaction volume, finalized project, of EUR 500 M located adjacent to the Central Station in Düsseldorf. The project consists of 1,000 apartments on a land area totalling 40,000 m². The project started in 2015 and Catella has held planning approval to construct build-ings on the land from the outset. As of October 2019, Catella has entered an agreement relating to the divestment of the project. The transaction will have a positive effect on profit after tax of some SEK 170 M in the fourth quarter 2019.
- Seestadt MG+**
 Residential property development project with a total expected transaction volume, finalized project, of EUR 700 M located adjacent to the Central Station in Mönchengladbach. The project consists of 1,500-2,000 apartments on a land area totalling 140,000 m². The project started in 2017 and Catella acquired the first land parcel in 2019. Catella is working on producing blueprints for the site and finalising an urbanisation agreement.
- Düssel-Terrassen**
 Residential property development project with a total expected transaction volume, finalized project, of EUR 250 M euro located adjacent to the Central Station in Düsseldorf. The project consists of 800 apartments on a land area totalling 75,000 m². The project started in 2018 and Catella acquired the first land parcel in 2018. Catella is working on producing blueprints for the site and an urbanisation agreement.
- Kaktus**
 Student housing development project to with a total expected transaction volume, finalized project, of EUR 130 M located in central Copenhagen. The project consists of 495 apartments on a land area totalling 25,000 m². The blueprint was approved in 2017 and planning approval obtained in 2019.

The Catella strategy



Vision

To be the preferred European partner for investors – together shaping the future in property and alternative investments.



Brand promise

Delivering beyond the expected.



Values

- Professional
- Respectful
- Entrepreneurial
- People-oriented



Strategic focus areas

- Growth
- Expand product offer
- Develop global distribution
- Performance and talent management
- One Catella



Thought leadership in alternative investments

We help our clients generate value in other ways than traditional investment alternatives.



Capitalize on market trends

Savings growth; Urbanisation and Digitization.

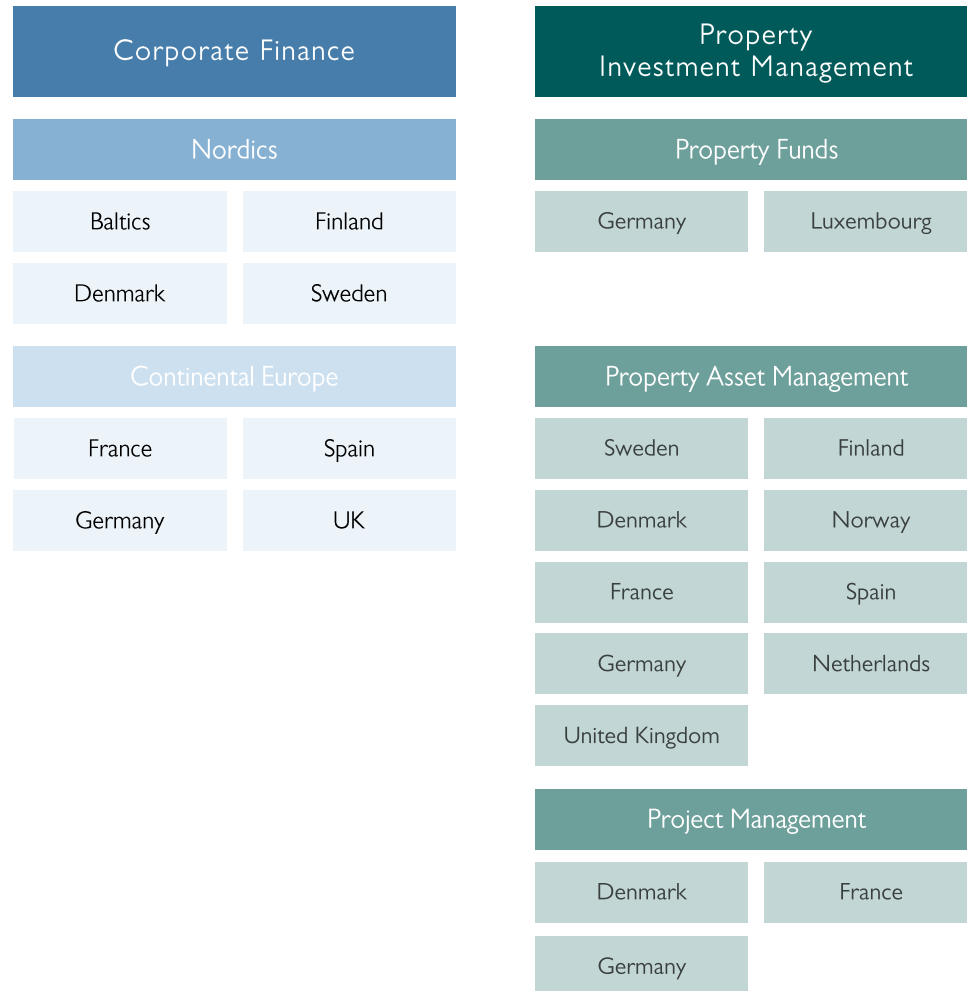


Reach

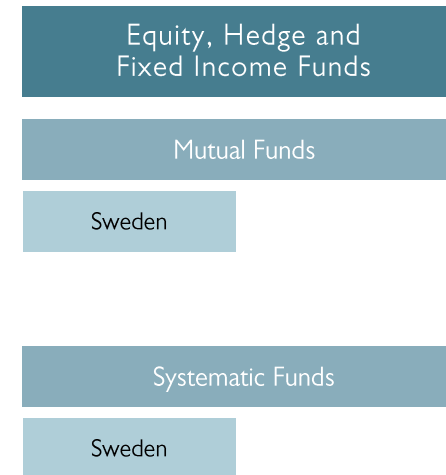
- 15 countries
- 29 cities
- 550+ employees

Business areas and Principal Investments – Pan-European reach

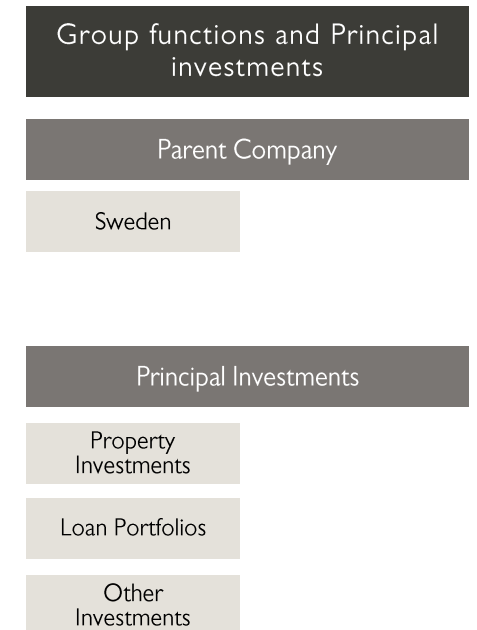
PROPERTY INVESTMENTS AND ADVISORY



FUND MANAGEMENT



OTHER



International Distribution: London, Hong Kong and New York

Financial calendar 2020

Year-end report 2019

- 21 February 2020

Catella Annual Report 2019

- 22 April 2020

Interim Report January–March 2020

- 8 May 2020

AGM 2020

- The Annual General Meeting in Catella AB (publ) will be held on 26 May 2020 in Stockholm, Sweden. Shareholders wishing to submit proposals to the Nomination Committee should do so in writing by no later than 24 February 2020.

Interim Report January–June 2020

- 21 August 2020

Interim Report January–September 2020

- 12 November 2020

Year-end Report 2020

- 25 February 2021

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