



Catella Interim Report

July – September 2022

Today's presenters



Christoffer Abramson
CEO and President



Mattias Brodin
Chief Financial Officer

The sustainable link between property and finance



Founded in 1987, over 20 offices across 13 countries and 500+ employees.

STRONG LOCAL PRESENCE

- Deep local knowledge in each market
- Local entrepreneurship and expertise
- Local offices in over 20 cities across Europe
- Cross-border capacity and knowledge sharing

PAN-EUROPEAN REACH

- Established in 13 countries
- Pan-European perspective on investments
- Integrated approach to business opportunities
- Ability to support international investors in several European countries

ACCESS TO GLOBAL CAPITAL

- Fund investors across Europe, many of which have invested in Catella funds since inception
- Listed on Nasdaq Stockholm with access to listed equity and debt



Key highlights – Q3 2022

CATELLA GROUP

- Strong balance sheet and no near-term refinancing needs providing capital for opportunistic and long-term growth investments growth
- Synergistic revenue growth from pan-European investment mandates supported by co-investments
- Increased efforts to drive efficiency through digitalization and scalable processes



Increased focus and strengthening of competence to drive digitalization and efficiency

INVESTMENT MANAGEMENT

- Continued solid AUM growth of SEK 7 bn (5% Q-o-Q)
- Agreement to sell 34 properties in Germany and the Netherlands to accelerate portfolio transition to more sustainable assets
- Successful exits from long-term asset management mandates generating profit upside
- Increased demand of asset management for value-add strategies



Agreement to divest 26 properties in Germany and 8 in the Netherlands to accelerate portfolio transition to more sustainable assets

PRINCIPAL INVESTMENTS

- Principal Investments engaged in 11 development projects
- Current market uncertainties postponing some divestments
- Well positioned to capture opportunistic investments across European markets



During September, tenants moved in to fully residential let Kaktus (DK)

CORPORATE FINANCE

- Decrease in transaction volumes due to continued bid-ask gap
- Stable pipeline of transactions but processes are moving slower
- Increased demand for valuation and debt advisory services

STENHUS

Fastigheter

Corporate Finance Sweden
M&A and Capital market
advisor to Stenhus
Fastigheter

Key financial highlights – Q3 2022

CATELLA GROUP

Total revenue

SEK **494** M (SEK 376 M)

Operating profit

SEK **62** M (SEK 46 M)

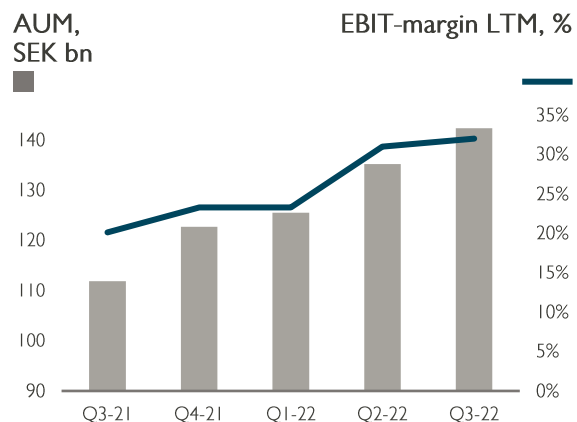
Operating profit margin

13% (12%)

Earnings per share

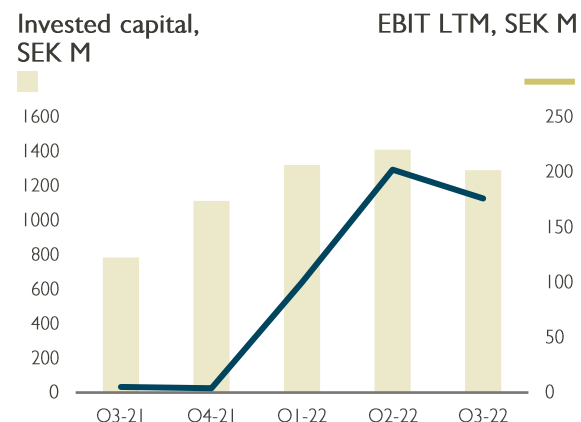
SEK **0.77** (0.39)

INVESTMENT MANAGEMENT



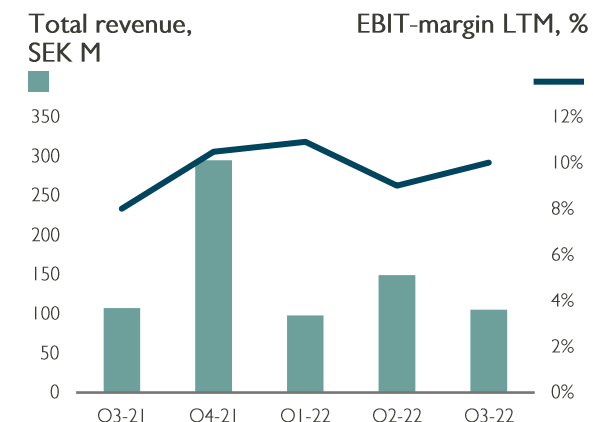
- LTM AUM growth of SEK 30 bn and SEK 7 bn in the quarter
- Operating margin of 29% (+7 p.p.) in the quarter despite lower variable fees Y-o-Y
- Two material exit fees from Denmark and Finland

PRINCIPAL INVESTMENTS



- No divestments during the quarter
- Currently 11 development projects with SEK 1.3 bn invested
- Continued strong interest but market uncertainties postponing sales
- Investments focused on creating new partnerships and revenue streams across Catella, and opportunistic and distressed investments

CORPORATE FINANCE

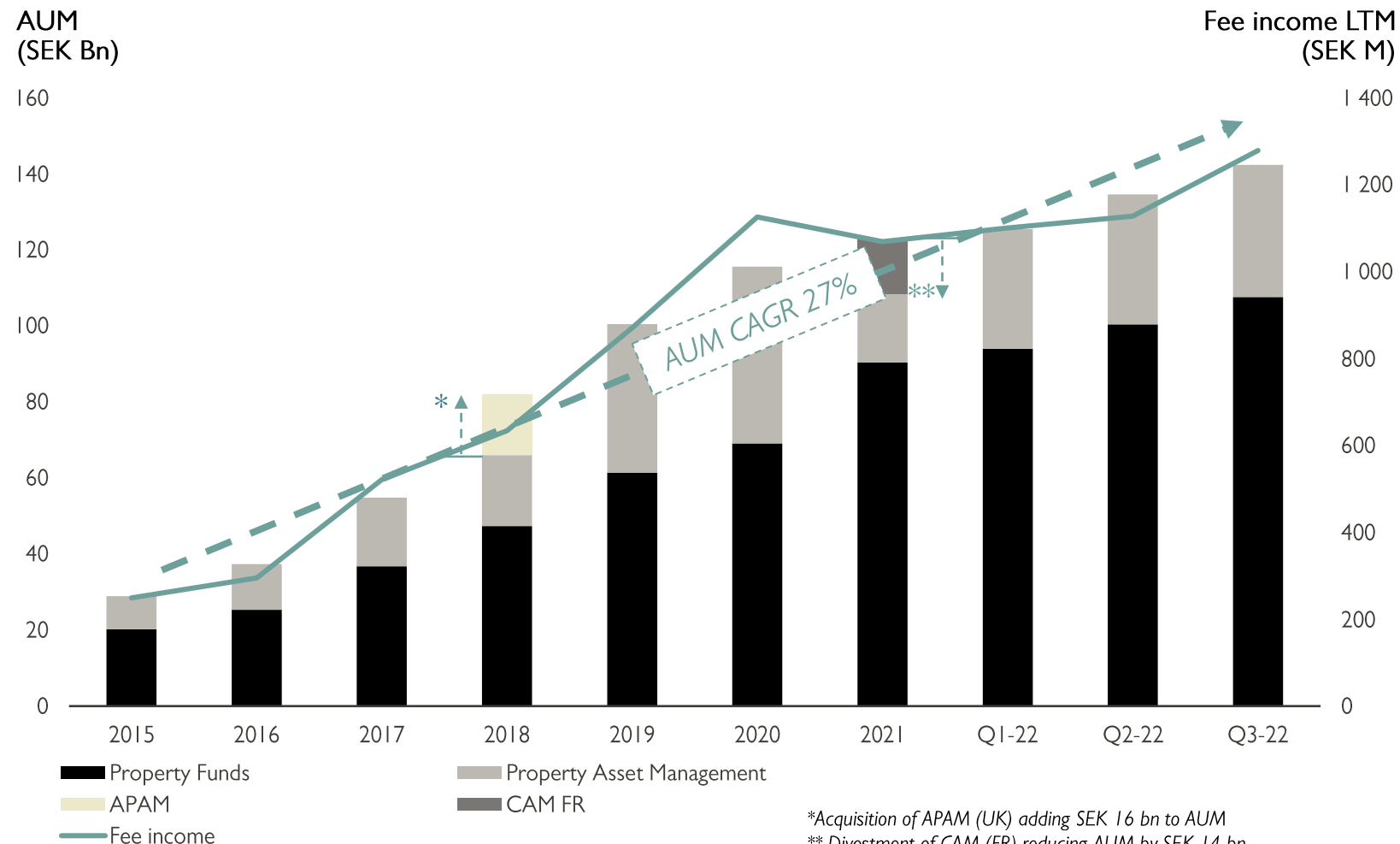


- Despite a slower transaction market, revenue on par with same period last year driven by increased valuation assignments
- Q3 EBIT improvement to SEK 6 m (-3) as an effect of discontinued loss-generating operations in Germany and Baltics



Investment Management

Strong development in real estate fund assets



FEE INCOME SPLIT

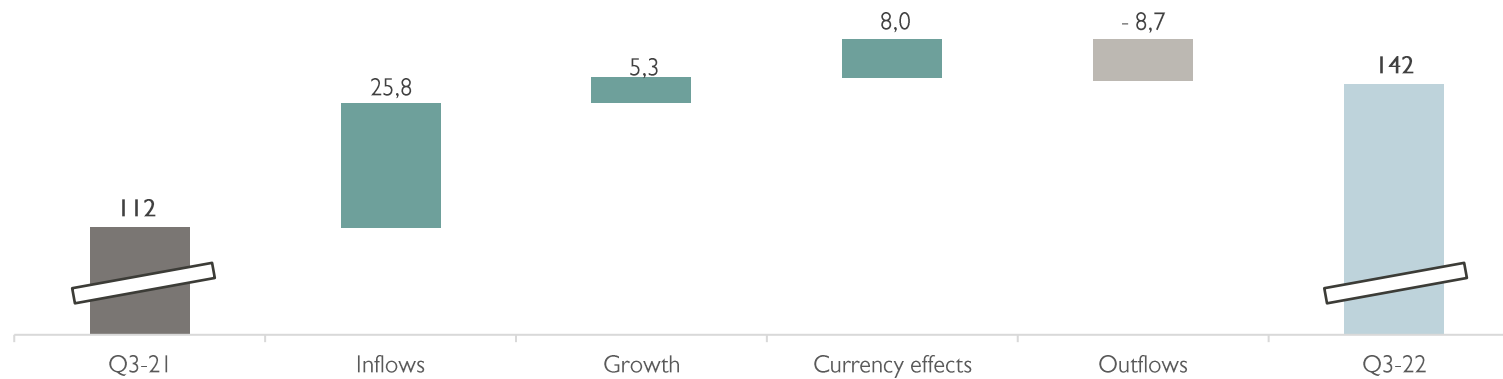
	Q3 2022	Q3 2021	Change, %
LTM fixed fees	SEK 770 M	SEK 649 M	19 %
LTM variable fees	SEK 509 M	SEK 317 M	60 %

Last twelve months

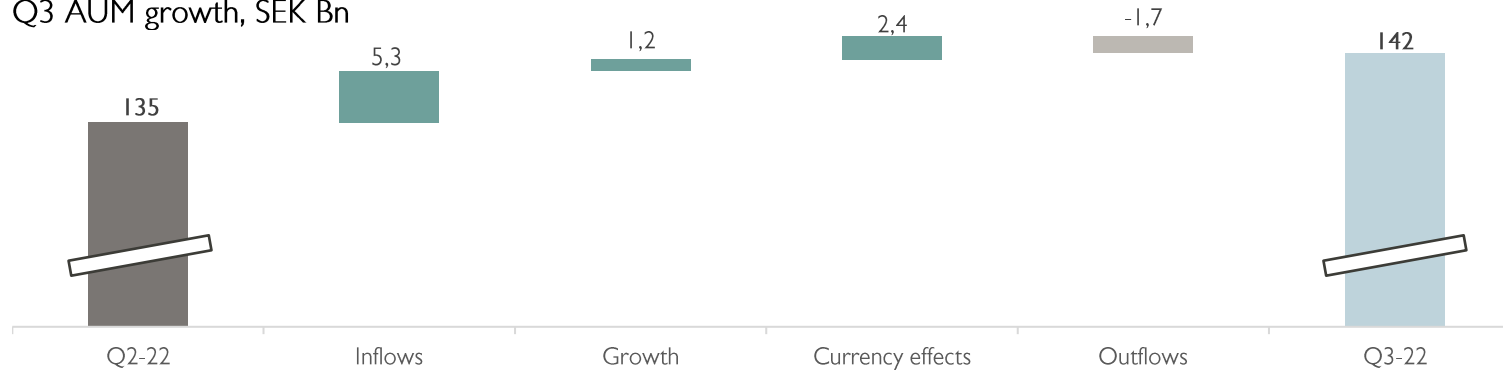
- Increase in fixed revenues SEK 121 M to SEK 770 M (increase +19 %) driven by strong growth in AUM, generating solid profitability even in a lower transaction environment
- Increase in variable revenues by SEK 192 M mainly due to CER, CWE and CDR funds' performance fees

LTM AUM growth of SEK 31 bn or 28%

LTM AUM growth, SEK Bn



Q3 AUM growth, SEK Bn



KEY AUM DRIVERS

Last twelve months

- AUM growth of SEK 30 bn mainly from :

Residential

- SEK 5 bn Catella Wohnen Europa
- SEK 3 bn Catella European Residential III
- SEK 3 bn Catella European Residential
- SEK 2.3 bn KVBW Immobilienspezialfonds

Commercial

- SEK 1.5 bn Sarasin Sustainable Properties - European Cities
- SEK 1 bn Catella Logistik Deutschland Plus
- SEK 1 bn AVW European Real Estate Fund

Mandates

- SEK 3 bn Catella APAM (UK)
- SEK 1.5 bn WPP (PL)
- SEK 1 bn Denmark

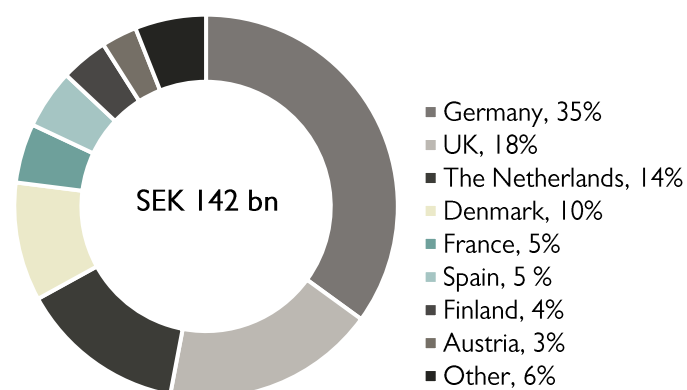
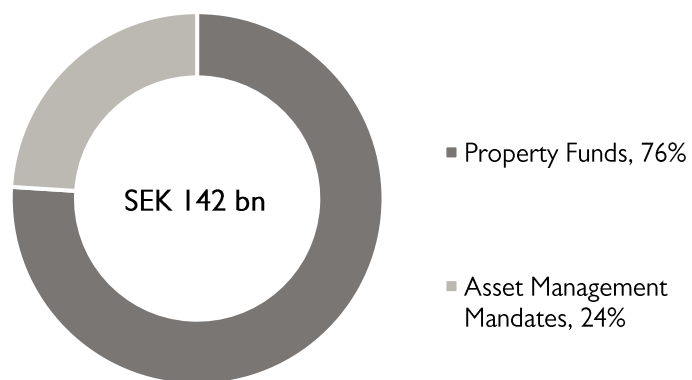
Q3-22

- AUM growth of SEK 7 bn mainly driven by:
 - Inflows of SEK 3 bn in property funds, mainly driven by Residential increase
 - SEK 1 Bn new asset management mandates in the UK and Finland
 - Positive effects from valuation and currency
- Outflows of SEK 1.7 bn related to ended low-margin mandates in Sweden and Norway and successful sales of assets in the UK

Income Statement

SEK M	Q3 2022	Q3 2021	Change, %	LTM
Property Funds*	222	202	10%	1 098
Asset Management*	123	82	50%	348
Total revenue	313	260	20%	1 329
Assignment expenses and commission	-43	-47	-9%	-149
Net Revenue	270	213	27%	1 180
Operating expenses	-180	-157	15%	-752
Operating profit	90	56	61%	428
Operating margin, %	29%	22%	+7 p.p.	32%

AUM SPLIT PER BUSINESS SEGMENT AND COUNTRIES



* Includes internal revenue. Internal revenue has been eliminated in total revenue.

KEY TAKE-AWAYS

Revenue

- Increased AUM growth in both property funds and asset management mandates driving fixed fee generation
- Fixed fee growth of 19 % LTM
- Successful development fees and exit fees in Denmark and Finland providing revenue and profit upside in Asset Management
- Operating costs development below business growth proving economies of scale and driving long-term sustainable profitability

Principal Investments

Strong returns to date and solid progress in ongoing projects



11 ongoing projects after Q3

Sweden (Infrahubs)

- Logistics, Vaggeryd
- Logistics, Jönköping

Denmark (Direct Investment)

- Residential, "Kaktus", Copenhagen

Germany (Catella Project Capital)

- Residential, "Seestadt MG+", Düsseldorf
- Residential, "Düssel-Terrassen", Düsseldorf
- Office, "Königsallee", Düsseldorf

France (Catella Logistic Europe)

- Logistics, Mer
- Logistics, Metz

Spain (Catella Logistic Europe)

- Logistics, Barcelona

United Kingdom (Catella APAM)

- Mixed use, "The Maltings", Salisbury
- Retail, Mander Centre

Invested equity, project IRR, and targets

	Current status	Long term Target
Catella invested equity (SEK Bn)	1.3	1.5
Project IRR	>50% (weighted average to date)	20%

Income statement*

SEK M	Q3 2022	Q3 2021	LTM Q3 2022	LTM Q3 2021
Total revenue	74	8	586	18
Expenses	-86	-1	-240	-14
Deducted result from non-controlling operations	-8	0	-170	0
Operating profit/loss	-20	7	176	4
Operating margin, %	Neg	81	30	23
No. of employees*	37	0	37	0

*Catella Project Management and Catella Logistics Europe became a part of Principal Investments beginning of 2022

Project overview

Investments	Country	Type	Project start	Estimated completion	Catella ownership, %	Total investment (SEK M)	Catella total investment (SEK M)
Seestadt MG+	DE	Residential	Q1 2019	2030+ (First site Q4-22)	45	704	52
Düffel-Terrassen	DE	Residential	Q4 2018	2030+	45	155	28
Königsallee 106	DE	Office	Q2 2021	2025	23	886	90
Catella Project Capital						1 745	170
Roye Logistique	FR	Logistics	Q2 2019	Completed	100	313	16
Mer Logistique	FR	Logistics	Q1 2020	Q4 2022	100	336	48
Metz-Eurolog	FR	Logistics	Q3 2020	2024	100	4	4
Barcelona Logistics	ES	Logistics	Q4 2020	2023	100	64	64
Catella Logistics Europe						717	132
Vaggeryd	SE	Logistics	Q3 2021	Completed	50	303	278
Jönköping	SE	Logistics	Q2 2022	Q2 2023	40	155	36
Other	SE	Logistics			40	87	50
Infrahubs						545	365
Kaktus	DK	Residential	Q2 2017	Q3 2022	93	1 491	423
Salisbury	UK	Mixed	Q4 2021	n/a	88	220	73
Mander Centre	UK	Retail	Q1 2021	n/a	100	98	98
Direct investments						1 809	594
Co-investments							28
Total						4 816	1 289

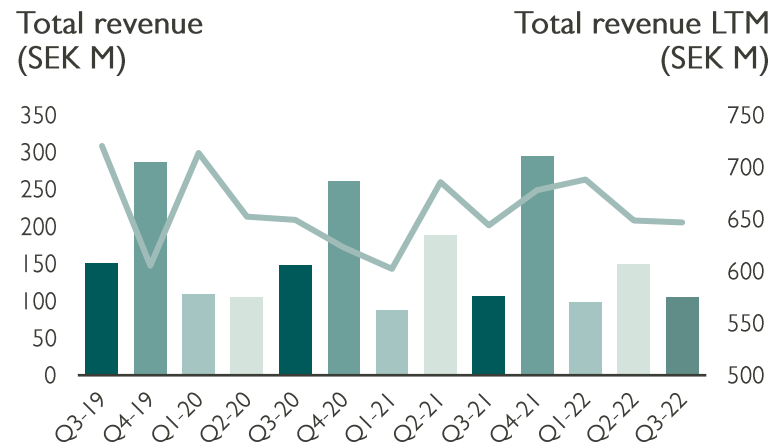
KEY TAKE-AWAYS

- 11 ongoing projects across Europe and an additional four in pre-development stage
- Kaktus (Residential, DK) nearing completion. All apartments fully let and tenants have moved in. Continued advanced discussions with tenants of commercial areas and exit process underway
- Current market uncertainties slowing down transaction market and postponing sales

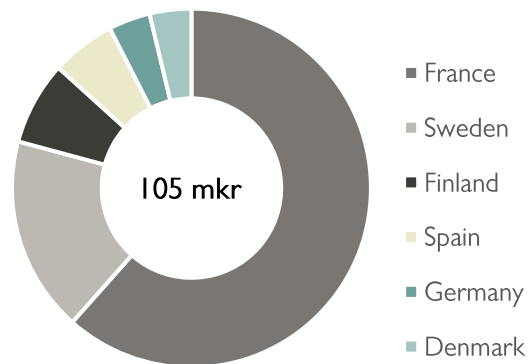


Corporate Finance

Sales and results of operations

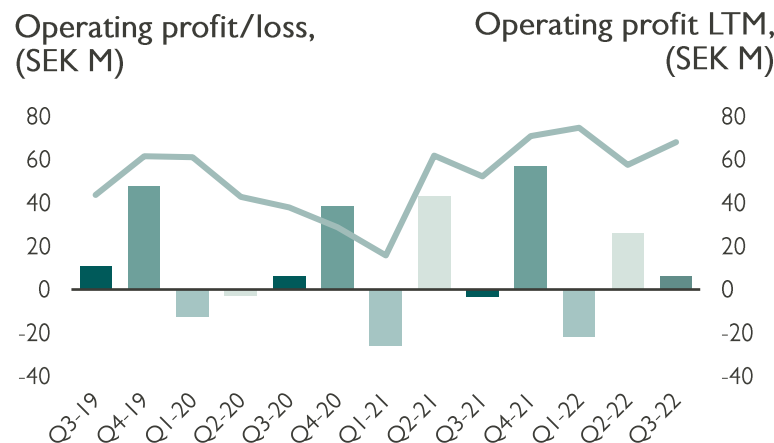


REVENUE SPLIT PER COUNTRY Q3

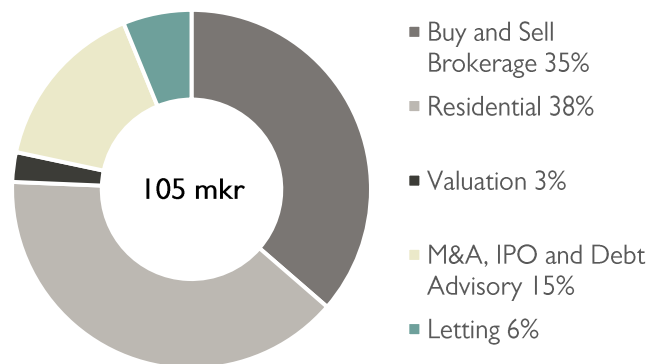


KEY TAKE-AWAYS

- Continued strong market position in current markets
- Transaction market continues to be in wait-and-see mode
- Stable pipeline of transactions in the coming quarters, but processes are moving slower
- Increased demand for valuation and complex transaction services
- EBIT improved to SEK 6 m (-3), mainly attributable to liquidation of loss-making operations earlier this year



REVENUE SPLIT PER ADVISORY SERVICES Q3





Financials

Financial summary

SEK M	Investment Management		Principal Investments		Corporate Finance		Other		Group	
	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021
Total revenue	313	297	74	8	105	107	1	1	494	376
Expenses	-222	-203	-86	-2	-99	-110	-16	-12	-423	-328
Deduction of profit attributable to non-controlling interests	-1	-1	-8	0	0	0	0	-2	-9	-2
Operating profit/loss	90	56	-20	7	6	-3	-15	-13	62	46
Financial items - net									28	1
Profit/loss before tax									90	47
Tax									-22	-12
Net profit/loss									68	35
<i>Operating margin, %</i>									13%	12%
<i>Earnings per share, SEK</i>									0.77	0.39

KEY TAKE-AWAYS

- Strong growth in fixed fees behind improved operating result and margin
- All revenues reported on a gross basis according to IFRS, operating profit is adjusted for profit attributable to non-controlling interests separately above EBIT
- Improved intercompany lending structure and currency effects behind positive financial net
- EPS almost doubled Y-o-Y

Financial and liquidity position

SEK M	Q3, 2022	Q3, 2021	Change
Total assets	5 813	4 843	20%
Equity	2 274	1 689	35%
Equity ratio	39%	35%	4 p.p
Cash and cash equivalents	1 601	1 712	-6%
Whereof:			
-Group operating units	1 010	1 264	-20%
-Holding companies	591	448	+32%

KEY TAKE-AWAYS

- Efficient balance sheet and equity ratio
- No short-term refinancing needs and strong liquidity position providing capital for opportunistic and long-term value creating investments
- Additional headroom of SEK 280 M
 - issuance of SEK 250 million under existing bond framework
 - unused credit facility of SEK 30 million

Summary and key take-aways

Summary and key take-aways



Improved result driven by fixed fee growth and discontinued loss making operations



Continued growth in Investment Management reaching SEK 142 bn in AUM, but lower expectations on inflows going forward



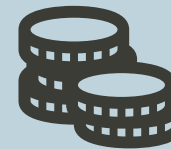
Increased focus and strengthening of competence to drive digitalization and efficiency



Continued sustainability focused product development which has been a driving force behind the growth in recent years



Market uncertainties and bid-ask gap in price expectations slowing transaction market



Well-positioned to capture long-term value creation opportunities



Thank you

catella.com

Investor Relations

Most recent equity research

Date	Institution	Recommendation	TP
2022-08-13	ABG Sundal Collier	–	–
2022-10-26	Redeye	–	SEK 64 (Base case)

Analyst coverage	Institution	Analyst
	ABG	Patrik Brattelius
	Redeye	Jesper von Koch

Selected Investor Relations events

- Q2-2022 Interim report, 2022-08-19
- Q3-2022 Interim report, 2022-10-28
- ABGSC Investor Days, 2022-12-06
- Year-end 2022 report, 2023-02-10
- AGM, 2023-05-30

For more information:

<https://www.catella.com/en/investor-relations>



Owner	Capital	Votes
Claesson & Anderzén	49,4%	48,8%
Alcur Fonder	8,3%	7,4%
M2 Asset Management AB (Rutger Arnhult)	4,5%	4,5%
Avanza Pension	2,9%	2,6%
Nordea Fonder	2,3%	2,0%
Nordnet Pension Insurance	2,0%	1,8%
Strawberry Capital AS (Petter Stordalen)	1,6%	2,0%
Swedbank Insurance	1,2%	1,1%
Thomas Andersson Borstam	1,1%	1,0%
Familjen Hedberg	1,1%	1,0%
Other	25,6%	27,6%



Head of Investor Relations and Group Communications



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