

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.



CATELLA *Interim Report* JANUARY – MARCH 2020



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

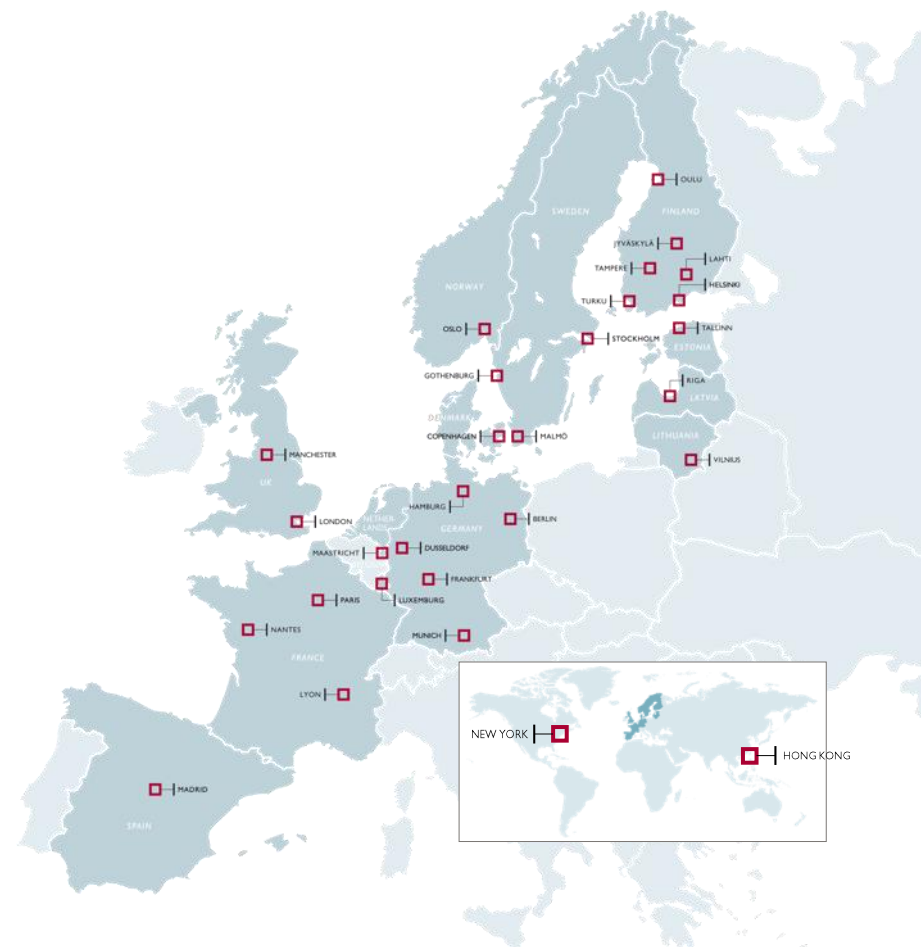
Leading European advisor within high-end real estate transaction services and real estate related corporate finance.

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.



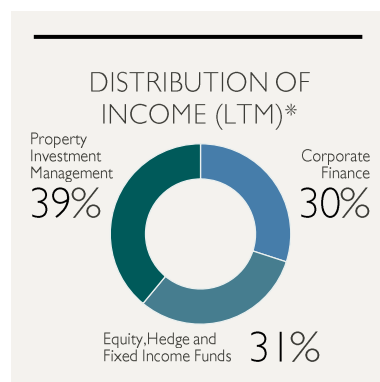
Headquartered in Stockholm and listed at Stockholm Stock Exchange, Nasdaq OMX, midcap.

MARKET CAPITALISATION

SEK 1,5 Bn
May 2020

TOTAL INCOME*

SEK 2,5 Bn
Last 12 months "LTM"



OPERATING PROFIT*

SEK 432M
LTM

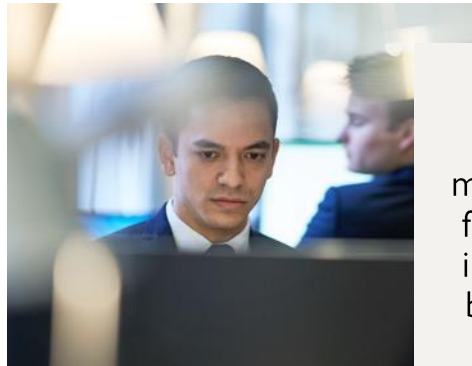
ASSETS UNDER MANAGEMENT "AUM"*

SEK 156 Bn
Q1 2020

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



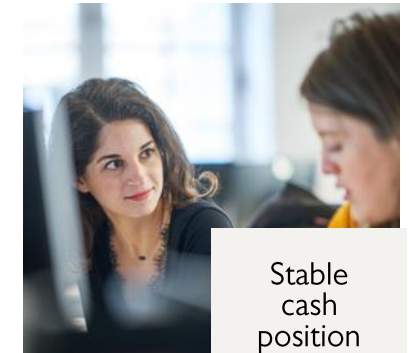
Differentiated, linked business model with a clear income base



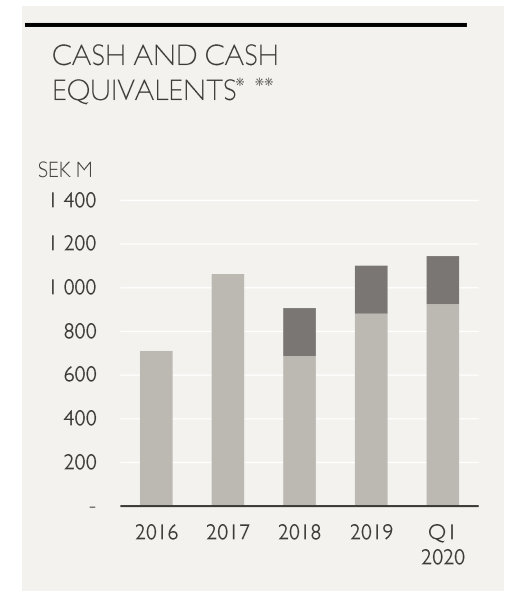
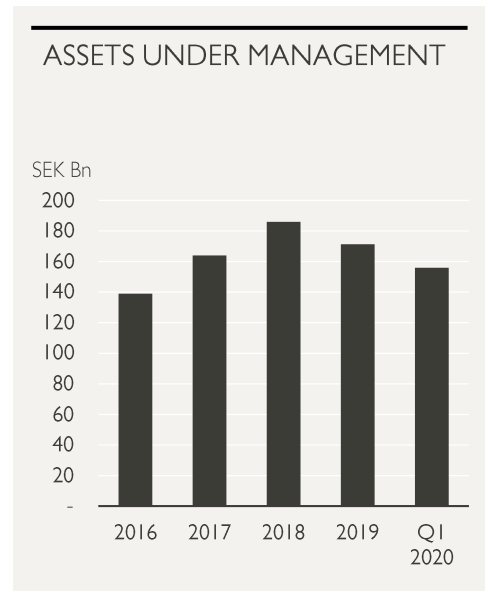
Strong growth in assets under management drives fixed earnings and increases Catella's base for potential variable earnings



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



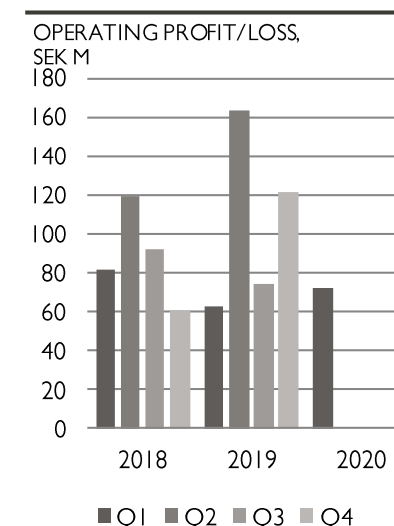
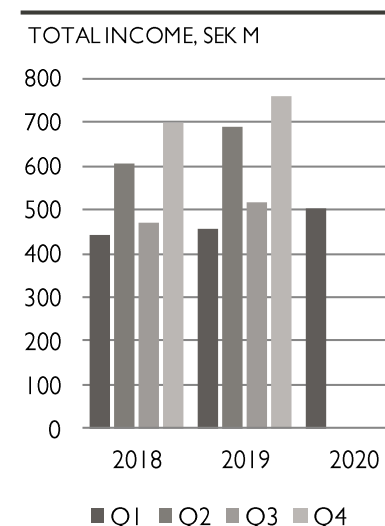
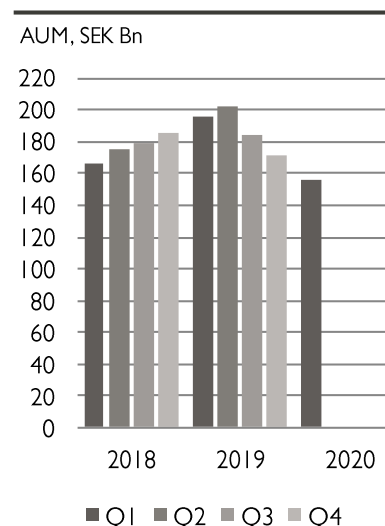
Stable cash position



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 2020.

Sales and results of operations Group

- The beginning of 2020 was characterized by the Corona pandemic, which is having a significant effect on all businesses, including Catella's. We noted particularly heavy outflows from Equity, Hedge and Fixed Income Funds towards the end of the quarter. For remaining operations, total income amounted to SEK 503 M in the first quarter of 2020, up SEK 49 M on the first quarter 2019. The increase was mainly attributable to Property Investment Management. Operating profit increased by SEK 10 M, and amounted to SEK 72 M. Total assets under management decreased by SEK 12 Bn in year-on-year terms, adjusted for the terminated product Systematic Equity, and amounted to SEK 156 Bn at the end of the period, corresponding to a decrease of SEK 15 Bn on the end of 2019. Catella's total cash and cash equivalents for remaining operations amounted to SEK 920 M at the end of the period, of which the majority in Catella's subsidiaries.
- Catella completed the migration of card customers to Advanzia Bank in the first quarter 2020, and received a payment of some SEK 134 M in additional purchase consideration. SEK 104 M of this amount was recognized as revenue in 2019. There is still some uncertainty about the final costs of winding down the Banking operations, depending on whether the company will be divested including the banking license, or whether operations will need to be terminated.



SEK M	3 Months		12 Months	
	2020 Jan-Mar	2019 Jan-Mar	Rolling 12 Mth.	2019 Jan-Dec
Total income	503	454	2,469	2,420
Assignment expenses and commission	-70	-77	-365	-372
Operating expenses	-361	-314	-1,672	-1,626
Operating profit/loss	72	62	432	422
Profit for the period from continuing operations	24	23	150	148
Net profit/loss for the period	10	133	150	193
Profit/loss attributable to the Parent Company shareholders	0	111	2	113
<i>Operating margin, %</i>	<i>14</i>	<i>14</i>	<i>17</i>	<i>17</i>
No. of employees, at end of period	592	556	-	582
Asset under management, SEK Bn	156.2	196.0	-	171.3
<i>net in-(+) and outflow(-)</i>	<i>-12.7</i>	<i>0.5</i>	<i>-46.2</i>	<i>-33.0</i>

* Includes internal income between business areas.

Financial position – Remaining operations

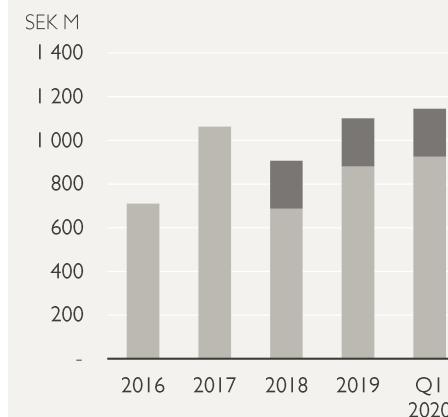
Balance sheet	SEK M
Assets	3 330
Short and long term investments	351
<i>Loan portfolio</i>	123
<i>Other investments (Securities, Co-investments)</i>	104
<i>Treasury placements (Bonds, Macro fund)</i>	67
<i>Accrued bonuses invested in own products</i>	58
Property development projects	517
Deferred tax assets *	78
Cash and cash equivalents	925
Other assets	1 459
Equity	1 318
Shareholders of the parent company	1 094
Minorities interest	225
Liabilities	2 012
Unsecured bond **	750
Other liabilities	1 262

* 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 2020.

CASH AND CASH EQUIVALENTS

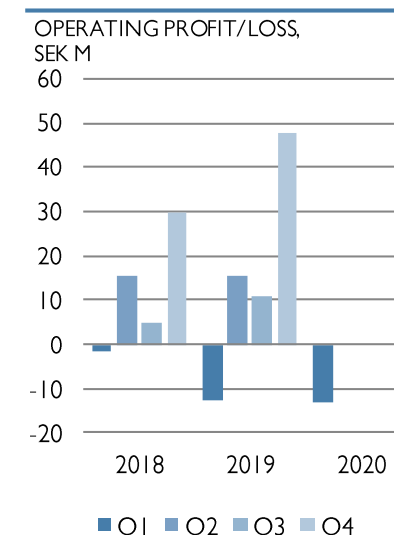
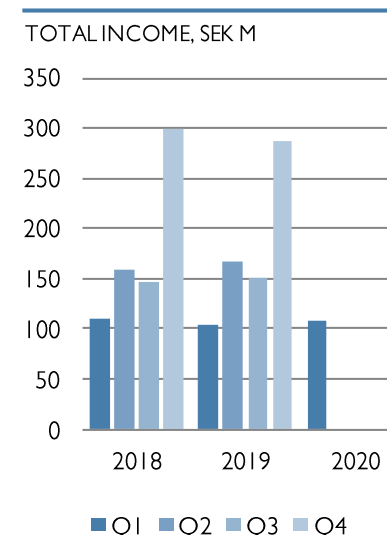
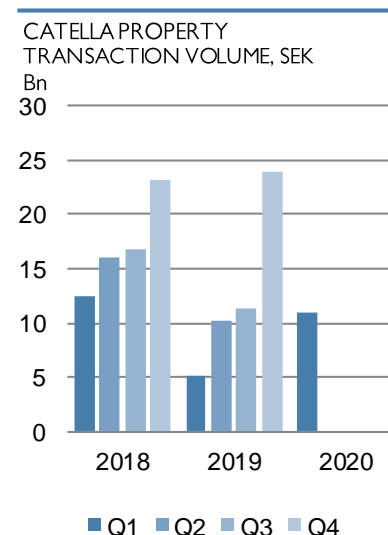




CORPORATE FINANCE

Sales and results of operations

- The total transaction market for commercial properties in Europe, excluding the UK, totalled EUR 51.8 Bn (45.2) in the quarter, which is an increase of 15% year-on-year.
- Property transactions where Catella acted as advisor totalled SEK 12.0 Bn (6.8) in the quarter, of which:
 - Sweden SEK 6.5 Bn (2.5)
 - France SEK 3.4 Bn (4.1)
 - Germany SEK 0.2 Bn (0.1)
 - Denmark SEK 0.0 Bn (0.0)
- Total income was SEK 109 M (103), and operating profit for the year was SEK -13 M (-12) in the quarter.
- Total income, adjusted for assignment costs, increased by SEK 6 M and operating profit was in-line with the corresponding period of the previous year.
- Operating expenses increased due to variable personnel expenses. The Nordics delivered a stronger quarter in year-on-year terms, where Sweden was responsible for the majority of the increase in both Income and profit. In Continental Europe, France provided a majority of the decrease in income and earnings in year-on-year terms.



SEK M	3 Months		12 Months	
	2020 Jan-Mar	2019 Jan-Mar	Rolling 12 Mth.	2019 Jan-Dec
Nordic *	53	34	244	225
Continental Europe *	54	68	468	482
Total income	109	103	714	709
Assignment expenses and commission	-9	-9	-55	-55
Operating expenses	-112	-106	-598	-592
Operating profit/loss	-13	-12	61	62
Operating margin, %	-12	-12	9	9
No. of employees, at end of period	213	219	-	214
Property transaction volume, SEK Bn	12.0	6.8	75.4	70.2
of which Nordic	7.8	2.7	32.2	27.1
of which Continental Europe	4.2	4.1	43.2	43.1

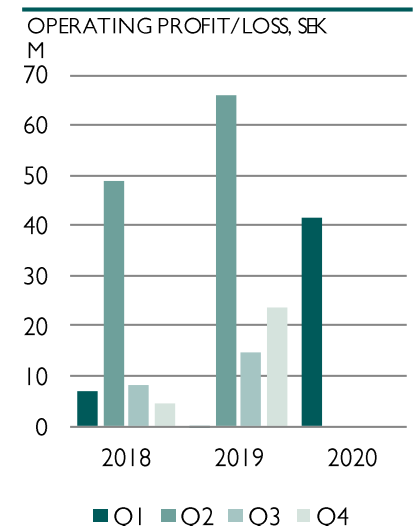
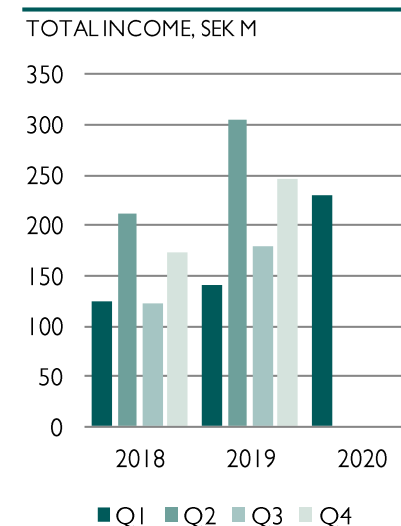
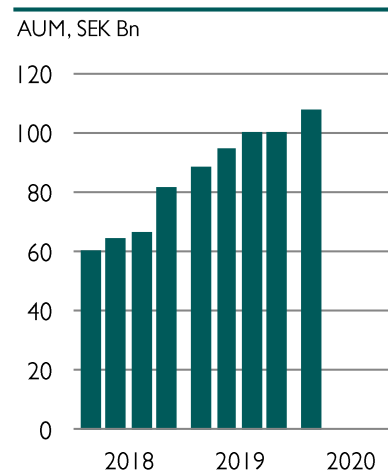
* Includes internal income between business areas.



PROPERTY INVESTMENT MANAGEMENT

Sales and result of operations

- Asset under management increased by SEK 19.5 Bn compared to the corresponding period of the previous year. The increase on the previous quarter was SEK 8.0 Bn, net flows were SEK 2.8 Bn in the quarter.
- Total income was SEK 229 M (141), and income after assignment costs amounted to SEK 194 M (109) in the quarter.
 - Property Funds' increased income by SEK 40 M year-on-year, driven mainly by increased fixed income. In the fund operations, a number of property acquisitions were completed in the quarter.
 - Property Asset Management's income increased by SEK 54 M year-on-year, mainly attributable to Property Asset Management's UK operations, which exited a mandate that generated significant variable income. In connection with the transaction, the buyer appointed Catella to continue to manage the same mandate.
- Operating costs were affected mainly by increased personnel costs related to aggressive initiatives implemented in the business area.
- Operating profit was SEK 41 M (0), mainly attributable to Property Asset Management's UK operations.
- Head count increased by 40 compared to the corresponding period in the previous year.



SEK M	3 Months		12 Months	
	2020 Jan-Mar	2019 Jan-Mar	Rolling 12 Mth.	2019 Jan-Dec
Property Funds *	145	104	653	613
Property Asset Management *	100	47	360	306
Total income	229	141	959	871
Assignment expenses and commission	-35	-32	-192	-189
Operating expenses	-153	-110	-620	-577
Operating profit/loss	41	0	146	104
Operating margin, %	18	0	15	12
No. of employees, at end of period	260	220	-	251
Asset under management, SEK Bn	108.5	89.0	-	100.5
net in-(+) and outflow(-)	2.8	4.4	10.8	12.5

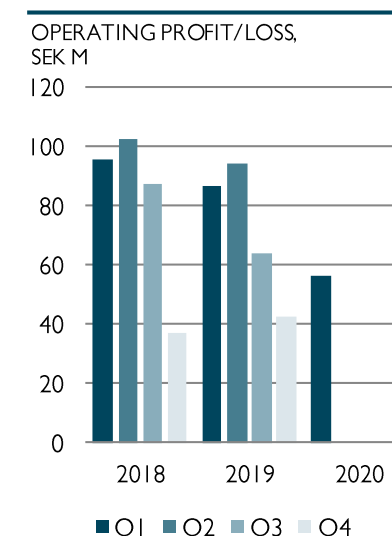
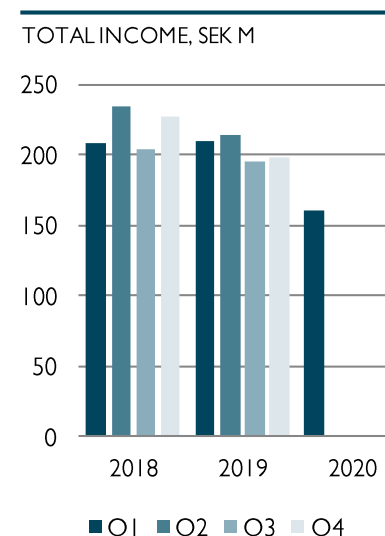
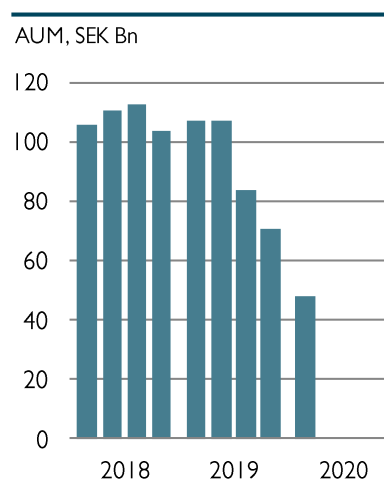
* Includes internal income between business areas.



EQUITY, HEDGE AND FIXED INCOME FUNDS

Sales and results of operations

- Total fund assets in Sweden decreased by SEK 783.9 Bn, of which new savings were SEK 87.3 Bn, totalling SEK 4,271 Bn at the end of the period. Short-term fixed-income funds attracted the largest positive inflows. Other categories saw major out-flows, where equity funds provided a majority: SEK 76.9 Bn. At the end of the quarter, Mutual Funds' share of Swedish fund volumes was 0.5% (0.7).
- The business area's assets under management decreased by SEK 31.5 Bn, adjusted for the product Systematic Equity, in year-on-year terms. The decrease on the previous quarter was SEK 23.1 Bn. In the quarter, net flows were SEK -4.3 Bn in Mutual Funds and SEK -11.1 Bn in Systematic Funds. The
- Covid-19 outbreak affects Catella negatively. Like for the market as a whole, Catella has been affected by fund withdrawals. Catella has ensured that products remain liquid and has not needed to close any funds to date.
- Total income was SEK 160 M (210) in the quarter, a decrease of SEK 49 M in year-on-year terms, driven by lower fixed income, mainly in Systematic Funds. A majority of total income comprises fixed income
- Assignment costs and commission decreased due to reduced fixed income in the business area.
- Operating costs decreased year-on-year, mainly due to lower variable personnel costs.
- Operating profit was SEK 57 M (87).
- Variable earnings which will be recognized for profit at year-end, in Systematic Funds totalled SEK 0 M at the end of the period.



SEK M

Mutual Funds *

Systematic Funds *

Total income

Assignment expenses and commission

Operating expenses

Operating profit/loss

Operating margin, %

No. of employees, at end of period

Asset under management, SEK Bn

net in-(+) and outflow(-)

	3 Months		12 Months	
	2020 Jan-Mar	2019 Jan-Mar	Rolling 12 Mth.	2019 Jan-Dec
Mutual Funds *	60	59	244	243
Systematic Funds *	100	151	525	576
Total income	160	210	769	818
Assignment expenses and commission	-26	-36	-125	-135
Operating expenses	-77	-87	-386	-395
Operating profit/loss	57	87	258	288
Operating margin, %	35	41	34	35
No. of employees, at end of period	96	96	-	93
Asset under management, SEK Bn	47.8	107.0	-	70.8
net in-(+) and outflow(-)	-15.4	-3.9	-57.1	-45.5

* Includes internal income between business areas.

PRINCIPAL INVESTMENTS

Catella's principal investments

INVESTMENTS

SEK M	31 March 2020
Property development projects	517
Loan portfolios	123
Other holdings	60
Total	701

Progress in the quarter

- Catella's principal investments are reported under the 'Other' category in the Consolidated Income Statement and Statement of Financial Position.
- As per 31 March 2020, the principal investments totalled SEK 701 M, an increase of SEK 98 M on the previous quarter. The increase is mainly attributable to additional investments in the property development project Kaktus, but also to positive translation differences.

Property development projects

- **Grand Central**
Residential property development project totalling EUR 540 M located adjacent to the Central Station in Düsseldorf. The project consists of 1,000 apartments over a total of 40,000 m². The project started in 2015 and Catella has held planning approval to construct buildings on the land from the outset. As of October 2019, Catella has entered an agreement relating to the divestment of the project that will have a positive effect on profit after tax of some SEK 155 M in the second quarter 2020.
- **Seestadt MG+**
Residential property development project totalling EUR 750 M located adjacent to the Central Station in Mönchengladbach. The project consists of 1,500-2,000 apartments over a total of 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 totalling EUR 280 M euro located in a suburb of Düsseldorf. The project consists of 800 apartments over a total of 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 totalling EUR 150 M located in central Copenhagen. The project consists of 25,000 m² including 495 apartments. 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.

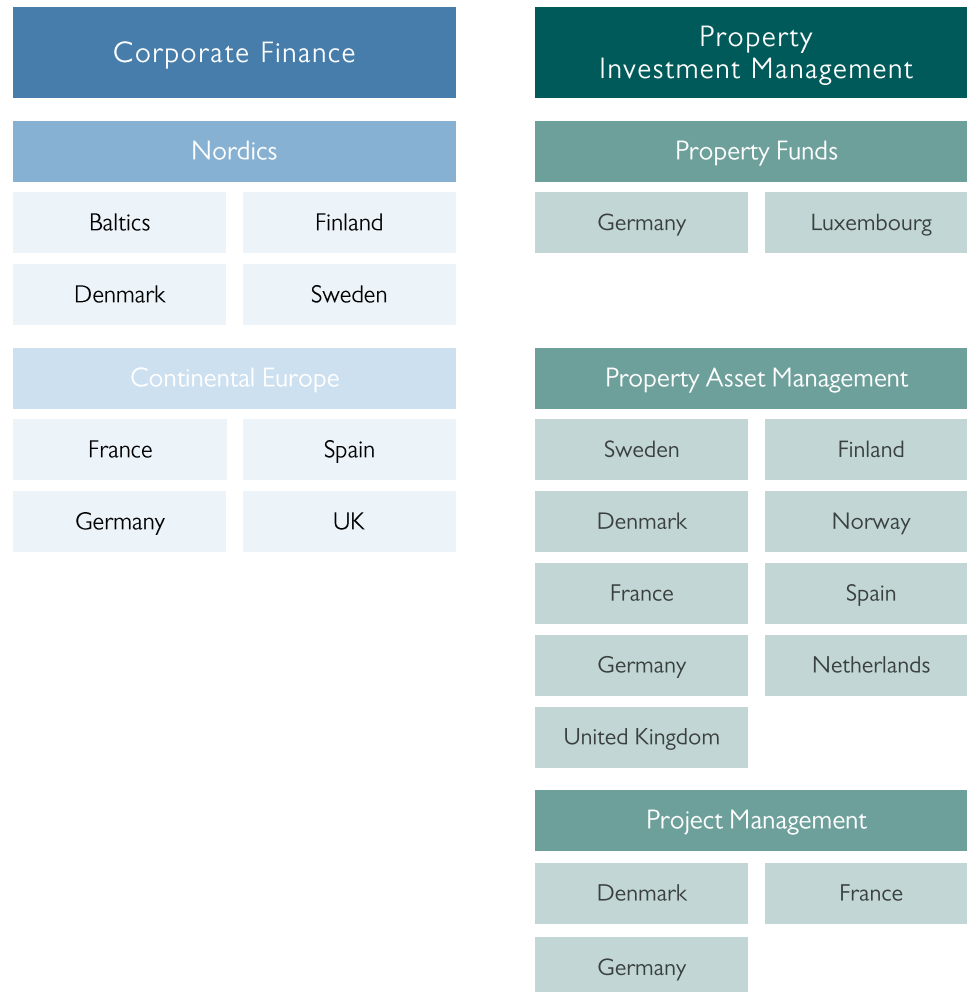


Reach

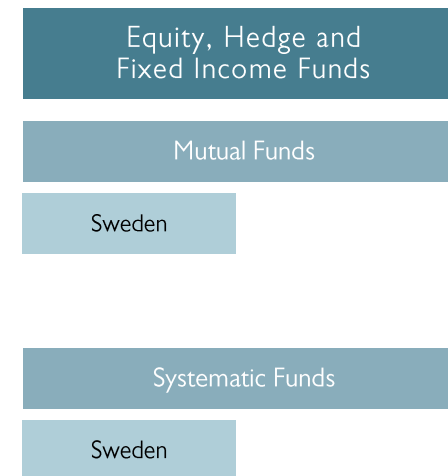
- 15 countries
- 29 cities
- 550+ employees

Business areas and Principal Investments – Pan-European reach

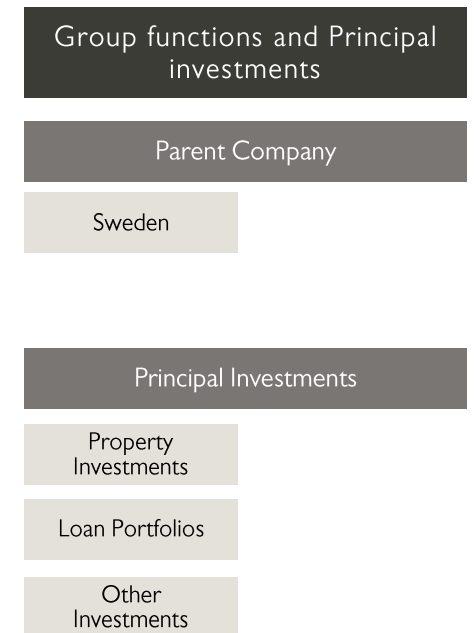
PROPERTY INVESTMENTS AND ADVISORY



FUND MANAGEMENT



OTHER



International Distribution: London, Hong Kong and New York

Financial calendar 2020

AGM 2020

- The Annual General Meeting in Catella AB (publ) will be held on 26 May 2020 in Stockholm, Sweden.

Interim Report January–June 2020

- 21 August 2020

Interim Report January–September 2020

- 12 November 2020

Year-end Report 2020

- 25 February 2021

Contact



KNUT PEDERSEN

CEO

Phone +46 8 463 33 10

knut.pedersen@catella.se



MARCUS HOLMSTRAND

CFO

Mobile +46 70 250 76 26

Phone +46 8 463 32 52

marcus.holmstrand@catella.se



NIKLAS BOMMELIN

Investor Relations

Mobile +46 76 891 12 40

Phone +46 8 463 34 26

niklas.bommelin@catella.se

