

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, Banking's net profit (after tax) is reported on a separate line under period profit from disposal group held for sale.

Q3

July – September 2019

- Total income SEK 517 M (472)
- Net sales SEK 507 M (465)
- Operating profit/loss SEK 74 M (92)
- Profit/loss before tax SEK -33 M (74), of which SEK -85 M attributable to impairment of loan portfolio
- Profit for the period from remaining operations SEK -60 M (50)
- Profit for the period from disposal group held for sale SEK -9 M (-38)
- Profit for the period SEK -69 M (11), of which SEK -83 M (-13) attributable to shareholders of the Parent Company
- Earnings per share* SEK -0.96 (-0.16)

January – September 2019

- Total income SEK 1,659 M (1,518)
- Net sales SEK 1,631 M (1,473)
- Operating profit/loss SEK 300 M (292)
- Profit/loss before tax SEK 170 M (275), of which SEK -85 M attributable to impairment of loan portfolio
- Profit for the period from remaining operations SEK 76 M (188)
- Profit for the period from disposal group held for sale SEK 52 M (-96)
- Profit for the period SEK 128 M (92), of which SEK 66 M (21) attributable to shareholders of the Parent Company
- Earnings per share* SEK 0.76 (0.26)
- Equity* SEK 1,487 M (1,578)
- Equity per share* SEK 17.23 (18.76)
- Assets under management SEK 184.1 Bn (178.9)
- Accrued, non-chargeable (not recognized for profit), variable earnings** in Systematic Funds totalled SEK 9 M at the end of the period.

ASSETS UNDER MANAGEMENT ***

SEK 184 Bn

End of period

TOTAL INCOME***

SEK 2,357 M

Last 12 months

OPERATING PROFIT/LOSS***

SEK 361 M

Last 12 months

EQUITY

SEK 1,680 M

End of period

* Attributable to shareholders of the Parent Company. Includes disposal group held for sale. ** Variable earnings calculated on Systematic Macros' performance-based management fee. In order for the performance-based management fee to be settled at year end, and recognized for profit/loss, returns must be higher than comparative indices and the most recent level settled (High watermark). Accordingly, actual settlement at year end may be higher, lower or entirely absent relative to the indicated amount. Amounts can never fall below zero. *** Remaining operations

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Invitation to presentation of the Interim Report

Catella will be presenting the Interim Report and answering questions in a teleconference today 14 November 2019 at 9 a.m. CET. The presentation will be in English and will be made by Catella's CEO and President Knut Pedersen and CFO Marcus Holmstrand. To participate in the teleconference, go to www.catella.com or call +46 (0)8 505 58 359.

”Fixed earnings continues to increase”

Catella continues to grow and total income increased by 10% in year-on-year terms. The increase was largely due to fixed earnings as a result of continued growth in Property Investment Management which increased assets under management by some SEK 34 Bn year-on-year. Operating profit/loss decreased by SEK 18 M burdened by increased personnel and rental costs in connection with the start-up of new operations in Property Investment Management and new product initiatives, which are an important part of our strategy for continued growth.

Net financial income/expense in the quarter was negatively affected by impairment losses of SEK 85 M attributable to the loan portfolios, which had a book value of SEK 141 M at the end of the third quarter.

Corporate Finance

Income after transaction expenses increased by SEK 16 M year-on-year, while operating profit/loss increased by SEK 6 M in the same period. Activity levels remained high in the business area, with the fourth quarter normally the strongest in seasonal terms.

The reorganisation in Finland, which has been underway since 2018 and included a new management team and a sharpened focus, has resulted in increased profit in the year due to an improved product mix and market position. In the Nordics and France, we have a very strong market position and are taking steps towards strengthening our position in Germany.

Property Investment Management

At the end of the quarter, assets under management totalled SEK 100 Bn, an increase of some SEK 34 Bn year-on-year. The third quarter didn't bring any major transactions from ongoing mandates. However, activity levels in the business area are high and we're executing on the basis of existing mandates and are seeing considerable interest in our new initiatives.

We're continuing to launch new funds within Property Funds, where investor interest is strong and we're seeking out new investments in the various segments. Winning Regions, which focuses on commercial properties in European growth regions was launched during the quarter. European Student Housing Fund II has secured EUR 100 M in capital commitments from investors, with the objective of investing EUR 250 M. Catella European Residential III, a residential property fund based in Luxembourg which aims to reach EUR 1.0 Bn and carries out diversified investments across Europe, had received commitments from investors totalling some EUR 100 M at the end of the third quarter.

Catella Wohnen Europa, a pan-European residential property fund, acquired its first properties in Finland in the



quarter, totalling EUR 80 M. Catella's Finnish Property Asset Management operations will serve as the local partner and manage the properties. This partnership is fully in line with our strategy of creating added value for our customers by offering products and services between and within our business areas.

In the third quarter, we established Catella Hospitality Europe, which is part of Property Asset Management. The purpose of the establishment is to capitalise on the opportunities in this fast-growing property segment where we intend to offer investors services relating to acquiring, structuring and managing customised hotel investments.

We perceive considerable potential for continued growth in the business area as a result of the continued development of niche products with investments carried out through our network of local asset managers.

Equity Hedge and Fixed Income Funds

As previously communicated, we have decided to terminate the Systematic Equity product due to low demand from investors and unsatisfactory profitability from a company perspective, which implied a decrease in assets under management of SEK 18 Bn in the quarter. Excluding Systematic Equity, assets under management decreased by SEK 5 Bn in the quarter. Systematic Macro made weak progress up until mid-August this year, followed by a pronounced recovery towards the end of the quarter and in the first part of the fourth quarter. Accrued variable earnings in Systematic Funds amounted to SEK 9 M at the end of the period.

In Mutual Funds, we've strengthened the asset management team further and are continuously working to optimise active management. In parallel with this, we're intensifying our efforts relating to new products under Catella Loan Fund, which has a clear focus on institutional customers. The fund focuses on loans to medium-sized businesses in the Nordics aiming to make acquisitions, carry out refinancing and/or make ownership changes.

Annualised profit from fixed earnings/fixed expenses 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.

Strong close to 2019

Through associated company Nordic Seeding GmbH, Catella signed an agreement with German property developer CG Gruppe AG regarding the divestment of the property development project Grand Central in Düsseldorf, Germany. The transaction will have a positive effect on profit after tax of some SEK 170 M in the fourth quarter 2019.

Overall, the quarter was characterised by high activity and several important steps were taken with clear links to Catella's strategic focus areas, with the aim of generating profitable growth.

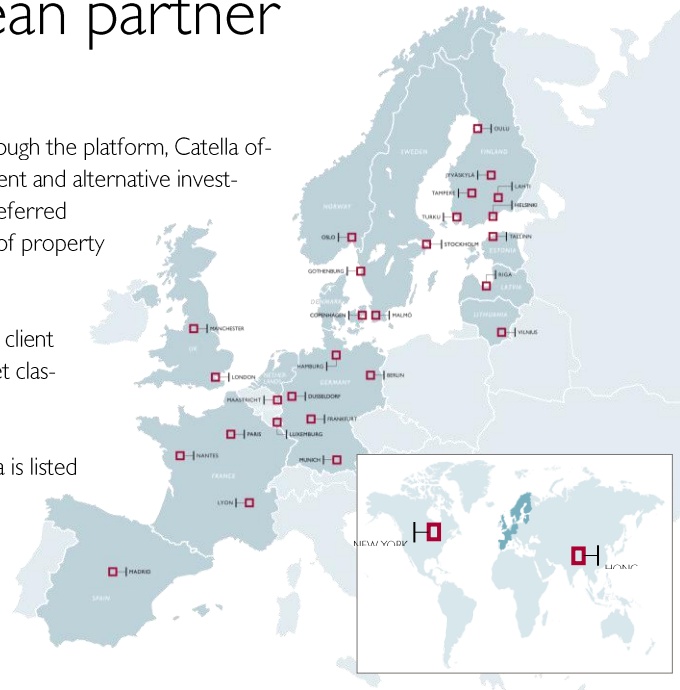
KNUT PEDERSEN
President and CEO

“The preferred European partner for investors”

Catella has built a pan-European platform with global reach. Through the platform, Catella offers local expertise and tailor-made services in property investment and alternative investments aimed at professional investors. Our vision is to be the preferred European partner for investors—together we shape the future of property investments and alternative investments.

Our geographical spread and broad offering targeted at multiple client groups reduces Catella’s exposure to individual markets and asset classes. This builds stable earnings over time.

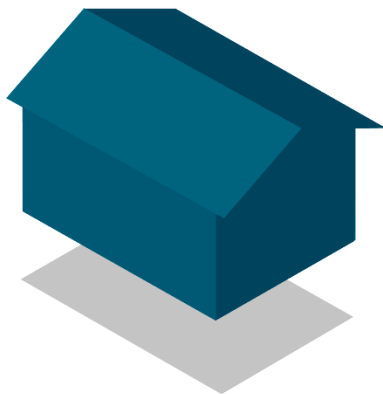
The Group manages total assets of some SEK 180 Bn and Catella is listed in the Mid Cap segment on Nasdaq Stockholm.



UNFOLDING THE CATELLA STRATEGY

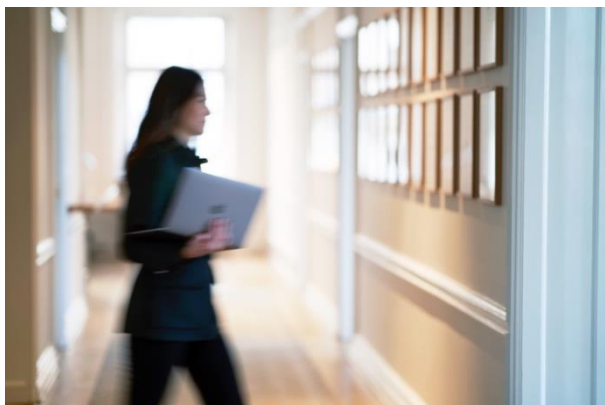
A focused Catella

Catella is the link between the property and financial markets. We create value for our stakeholders by working towards a clear vision together. The various parts of our strategy are like building blocks in a house—all the parts are important and necessary for achieving long-term success.



Our segments and business areas

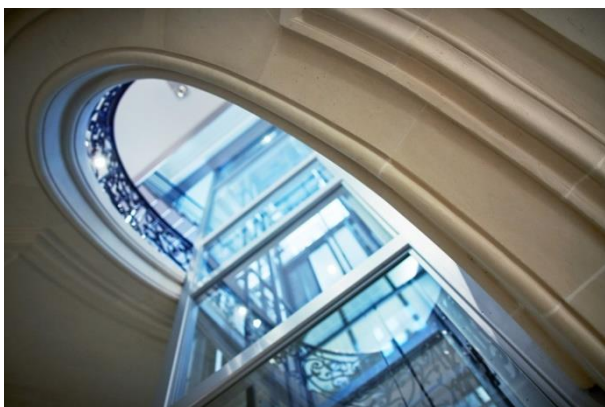
Remaining operations in Catella comprises three business areas which reports two segments: Corporate Finance and Asset Management, where the latter includes Property Investment Management and Equity, Hedge and Fixed Income Funds.*



Corporate Finance

Catella provides quality capital markets services to property owners and advisory services for all types of property-related transactions to various categories of property owners and investors. Operations are carried out on ten markets and offer local expertise about the property markets in combination with European reach.

For more information about the business area, see page 10.



Property Investment Management

Catella is a market leader in property investments with a presence on ten markets around Europe. Professional investors are offered attractive, risk-adjusted returns through regulated property funds, asset management services and project management in the early phase of property development projects.

For more information about the business area, see page 11.



Equity Hedge and Fixed Income Funds

Catella is an active and alternative asset manager. For private and institutional investors, Catella offers funds with active management and a Nordic investment focus. Catella also offer systematic management for institutional investors with a global focus.

For more information about the business area, see page 12.

*Catella has four business areas (operating segments under IFRS 8), of which Banking is reported as a disposal group held for sale (see Note 7), which are aggregated into two reportable segments that Catella terms Operating Segments. IFRS 8 permits that two or more operating segments may be aggregated to one, providing that they have similar accounting characteristics, and are also similar in terms of the character of products and services, the nature of production process, customer categories, distribution, and the extent to which operations, where applicable, are affected by various regulatory structures and risks. On this basis, Catella has defined Corporate Finance (consisting of the Corporate Finance operating segment) and Asset Management (consisting of the combined Property Investment Management, Equity, Hedge and Fixed Income Funds, and Banking operating segments), as the Group's reportable segments.

Comments on the Group's progress

Amounts are in SEK M unless otherwise indicated. Figures in tables and comments may be rounded.

Disposal group held for sale

As previously communicated, the Banking business area is being wound down and has been reported as a disposal group held for sale in accordance with IFRS 5 from 30 September 2018. This means that in the Consolidated Income Statement Banking's net profit (after tax) is reported on a separate line under profit from disposal group held for sale for the period. See Note 7 for more information on the disposal group held for sale.

Comparative figures for previous years for the Banking business area have been reported in a corresponding manner in the Consolidated Income Statement.

Net sales and results of operation

Third quarter 2019

The Group's total income for remaining operations was SEK 517 M (472) and net sales for remaining operations totalled SEK 507 M (465), of which SEK 150 M (145) related to Corporate Finance and SEK 361 M (323) to Asset Management. Fixed as well as variable earnings increased year-on-year. Comments on the progress of each business area can be found on pages 10-12.

The Group's operating profit for remaining operations was SEK 74 M (92). The lower operating profit is mainly due to increased operating costs driven by a growing organisation with higher fixed personnel costs. In addition, operating profit was charged with significantly higher costs of amortization and impairment of intangible assets of which the largest item related to impairment of development expenses for IPM Systematic Equity, a product area that is being wound down.

The Group's net financial income and expense was SEK -107 M (-17), of which the largest item relates to impairment of loan portfolios totalling SEK 85 M. Further-

more, unrealized value changes on holdings in IPM Systematic Macro and currency forwards totalled SEK -5 M and realised profit from currency forwards amounted to SEK -5 M. In addition, net financial income/expense included interest income of SEK 5 M (5) and interest expenses of SEK 11 M (10), of which SEK 8 M (7) was attributable to Catella's bond issue and SEK 1 M (0) related to interest expenses on the company's lease commitments (IFRS 16) which Catella reports from 1 January 2019.

The Group's operating profit before tax for remaining operations was SEK -33 M (74).

Profit for the period (after tax) from disposal group held for sale was SEK -9 M (-38) and related to the Banking business area. Profit included costs in relation to Catella Bank's fulfilment of the purchase agreement with Advanzia Bank. Profit for the period included SEK 46 M of the expected additional purchase consideration from Advanzia Bank net after commission costs, expenses of SEK 14 M related to cancellation of contracts with maturity beyond March 2020 and deferred tax of SEK 9 M.

Profit for the period for the Group's total operations was SEK -69 M (11), of which SEK -83 M (-13) was attributable to parent company shareholders. This corresponds to Earnings per share of SEK -0.96 (-0.16).

Nine-month period 2019

The Group's total income in the nine-month period was SEK 1,659 M (1,518), and the Group's net sales were SEK 1,631 M (1,473). Operating profit for remaining operations was SEK 300 M (292).

The Group's net financial income and expense was SEK -130 M (-17), of which interest income was SEK 16 M (12) and interest expense SEK 36 M (19). The valuation of long-term securities holdings and short-term investments at fair value resulted in a value adjustment of SEK -96 M (-10). Discontinued currency forwards,

aimed at reducing currency exposure, realised a profit of SEK -15 M (-12), which was partly offset by favourable exchange rate differences of SEK 3 M (5).

Profit (after tax) from disposal group held for sale was SEK 52 M (-96) in the nine-month period 2019. Profit includes income totalling SEK 307 M from transfers of the bank's Wealth Management operations in Luxembourg and in Sweden to VP Bank and Söderberg & Partners and from the transfer of the card issuing operations in Luxembourg to Advanzia Bank. The total income includes SEK 50 M estimated generated variable sales price from Advanzia Bank. Profit also includes deferred tax expenses of SEK 23 M.

Profit for the period for the Group's total operations was SEK 128 M (92), of which SEK 66 M (21) was attributable to parent company shareholders. This corresponds to Earnings per share of SEK 0.76 (0.26).

Significant events in the quarter

Recognised impairment losses of SEK 85 M for loan portfolio

In the third quarter of 2019, Catella recognised impairment losses for two loan portfolios, Lusitano 3 and Lusitano 5. The impairment was the result of the issuing bank exercising its time call option to repurchase the Lusitano 3 loan portfolio which has been written down by SEK 48 M. As a result, the assumptions for Lusitano 5 have changed, the probability has increased that the portfolio may be repurchased in the second quarter 2021. The potential repurchase impacts expected cash flows negatively, which resulted in the SEK 33 M impairment loss.

The background to the repurchase relates to changed conditions for the issuing bank. Earlier cash flow forecasts, which were produced by an external advisor, included the assumption that the issuing bank would not exercise its time call option for the loan portfolio.

The repurchase mechanism for Lusitano 3 and Lusitano 5 that triggered the impairment does not apply to Catella's other two loan portfolios, Pastor 2 and Pastor 4.

Impairment losses for Pastor 2 and Pastor 4 amounted to SEK 4 M.

Significant events after the end of the quarter

Catella divests development project

Through associated company Nordic Seeding GmbH, Catella AB (publ) has

signed an agreement with German property developer CG Gruppe AG regarding the divestment of the property development project Grand Central in Düsseldorf, Germany. The transaction will have a positive effect on profit after tax of some SEK 170 M in the fourth quarter 2019.

Catella AB's investment was implemented through associated companies Nordic Seeding GmbH and Grand Central Beteiligungs GmbH. The project was developed and managed by Catella's German

sister company Catella Project management GmbH.

Income statement for remaining operations by operating segment in summary

SEK M	3 Months		9 Months		12 Months	
	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	Rolling 12 Months	2018 Jan-Dec
CORPORATE FINANCE						
Total income	152	146	421	416	721	715
Operating profit/loss	11	5	14	19	44	49
Operating margin, %	7	3	3	5	6	7
ASSET MANAGEMENT						
Total income	374	328	1,245	1,109	1,646	1,510
Operating profit/loss	79	95	325	350	367	391
Operating margin, %	21	29	26	32	22	26
Equity-, Hedge and Fixed Income Funds						
Total income *	195	204	620	648	847	875
Operating profit/loss	64	87	245	286	282	323
Operating margin, %	33	43	40	44	33	37
Property Investment Management						
Total income *	179	123	625	460	799	634
Operating profit/loss	15	8	80	64	85	68
Operating margin, %	8	7	13	14	11	11
OTHER **						
Total income	-8	-2	-7	-7	-9	-9
Operating profit/loss	-16	-9	-39	-77	-50	-87
GROUP						
Total income	517	472	1,659	1,518	2,357	2,216
Operating profit/loss	74	92	300	292	361	352
Operating margin, %	14	19	18	19	15	16

* Includes internal income.
** Includes eliminations.

See Note 7 for information on the disposal group held for sale.

Selected key figures for remaining operations by operating segment

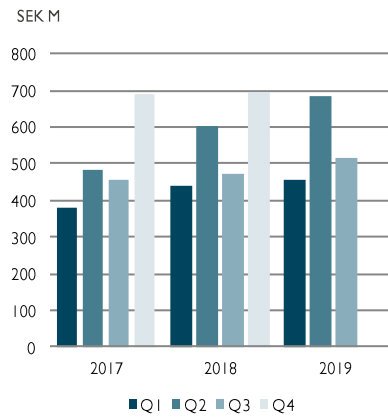
GROUP	3 Months		9 Months		12 Months	
	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	Rolling 12 Months	2018 Jan-Dec
Profit margin, %	-12	11	5	12	4	9
Return on equity, % *	-	-	2	20	-	11
Equity/Asset ratio, %	-	-	37	51	-	41
Equity, SEK M *	-	-	893	1,141	-	940
No. of employees, at end of period	-	-	566	497	-	552
Earnings per share, SEK *	-0.85	0.30	0.16	1.40	0.27	1.50
Equity per share, SEK *	-	-	10.36	13.57	-	11.17
CORPORATE FINANCE						
Profit margin, %	1	1	-1	1	1	2
Return on equity, % *	-	-	25	40	-	21
Equity/Asset ratio, %	-	-	12	18	-	15
Equity, SEK M *	-	-	29	44	-	35
No. of employees, at end of period	-	-	214	208	-	220
Property transaction volume for the period, SEK Bn	11.4	16.9	26.7	45.3	50.0	68.6
ASSET MANAGEMENT						
Profit margin, %	11	20	16	22	14	18
Return on equity, % *	-	-	20	45	-	29
Equity/Asset ratio, %	-	-	61	64	-	61
Equity, SEK M *	-	-	940	656	-	887
No. of employees, at end of period	-	-	329	269	-	311
Asset under management at end of period, SEK Bn	-	-	184.1	178.9	-	186.2
net in-(+) and outflow(-) during the period, mdkr	-22.6	4.1	-19.3	2.2	-22.0	-0.5

* Attributable to shareholders of the Parent Company.

For more information about selected Key Performance Indicators that include disposal group held for sale, see Application of key performance indicators not defined by IFRS at the end of this document.

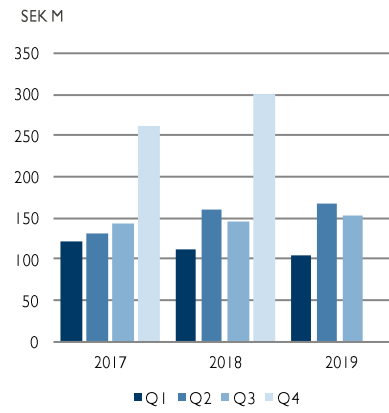
Group*

TOTAL INCOME



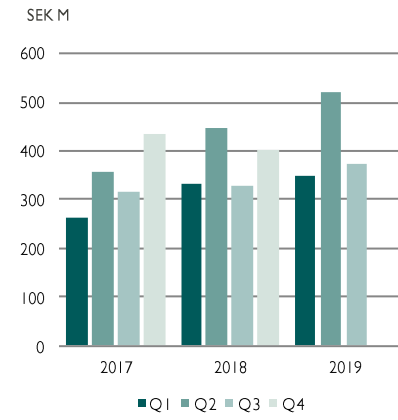
Corporate Finance

TOTAL INCOME

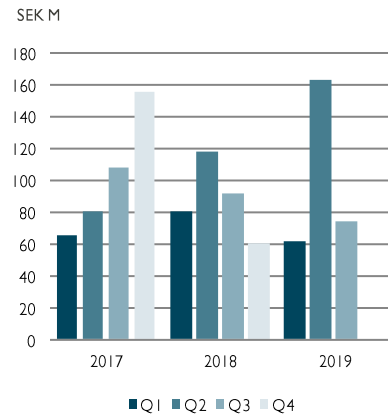


Asset Management*

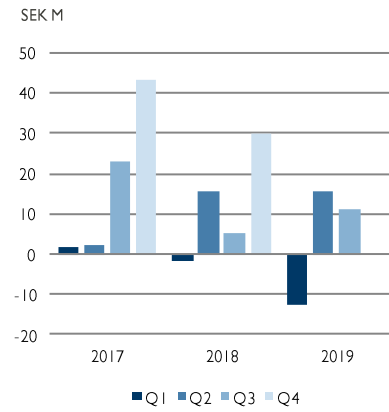
TOTAL INCOME



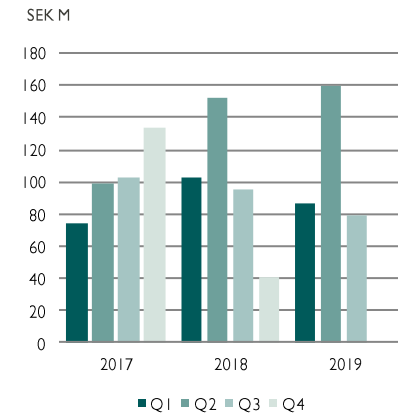
OPERATING INCOME



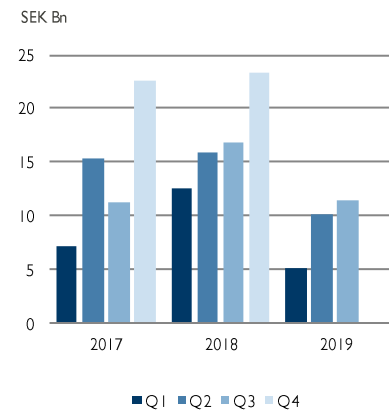
OPERATING INCOME



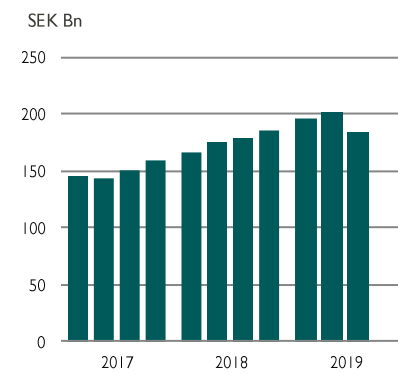
OPERATING INCOME



CATELLA'S PROPERTY TRANSACTION VOLUMES



CATELLA'S ASSETS UNDER MANAGEMENT



*Remaining operations

Corporate Finance

Third quarter 2019

The total transaction market for commercial property in Europe, excluding the UK, totalled EUR 51.9 Bn (51.0) in the quarter, which is an increase of 2% year-on-year.

Property transactions where Catella served as advisor totalled SEK 15.8 Bn (16.9). Of the total transaction volumes in the quarter, France provided SEK 7.2 Bn (7.2) Denmark SEK 5.4 Bn (4.1), Sweden SEK 1.4 Bn (3.6) and Germany SEK 0.3 Bn (0.1).

Total income was SEK 152 M (146), and operating profit for the year 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. France is the main driver of the decreased assignment costs as a result of not joint-invoicing, within the mandate, with another external advisor to the same extent as previous year. The increase in operational costs is mainly driven by higher personnel and rental costs. In the Nordics, Denmark provided the majority of operating profit. In continental Europe, France and Germany

increased operating profit while Spain decreased operating profit in year-on-year terms.

Nine-months period 2019

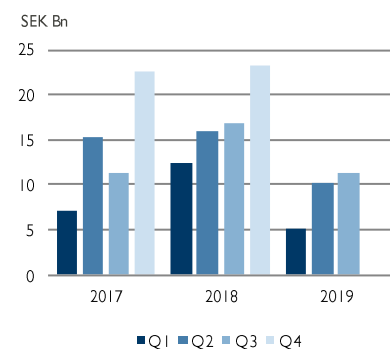
Transaction volumes in Europe, excluding the UK, totalled EUR 151.6 Bn (151.3) in the period, which is in line with the corresponding period of the previous year. Catella's transaction volume in the period was SEK 38.1 bn (45.3).

Total income was SEK 421 M (416), and operating profit for the year was SEK 14 M (19) in the period.

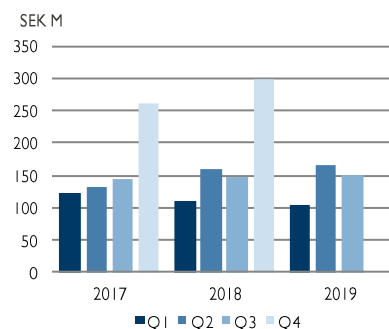
SEK M	3 Months		9 Months		12 Months	
	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	Rolling 12 Months	2018 Jan-Dec
INCOME STATEMENT—CONDENSED						
Nordic *	45	54	148	157	237	246
Continental Europe *	107	92	272	258	482	468
Total income	152	146	421	416	721	715
Assignment expenses and commission	-11	-22	-37	-38	-87	-88
Operating expenses	-130	-120	-370	-359	-590	-578
Operating profit/loss	11	5	14	19	44	49
KEY FIGURES						
Operating margin, %	7	3	3	5	6	7
Property transaction volume for the period, 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
No. of employees, at end of period	-	-	214	208	-	220

* Includes internal revenue between business areas. Internal revenue has been eliminated in the service area for the current period and for the corresponding period in 2018.

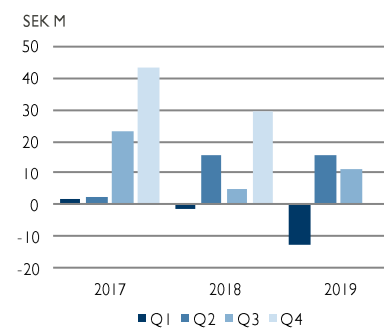
CATELLA'S PROPERTY TRANSACTION VOLUMES



TOTAL INCOME



OPERATING INCOME



Property Investment Management

Third quarter 2019

Assets under management increased by SEK 5.4 Bn, of which net flows were SEK 2.3 M in the quarter. The business area as a whole increased by SEK 33.7 Bn in year-on-year terms. With adjusted opening balance for the acquired Property Asset Management operations (APAM) in the UK, the increase was SEK 17.8 Bn.

Total income was SEK 179 M (123), and income after assignment costs amounted to SEK 146 M (97) in the quarter. Property Funds increased total income by SEK SEK M

33 M year-on-year, driven mainly by increased fixed income. Property Asset Management's income increased year-on-year, mainly attributable to Property Asset Management's UK operations.

Operating profit was SEK 15 M (8), mainly driven by Property Funds. Operating profit was affected by increased personnel costs related to aggressive initiatives implemented in the business area. Headcount increased by 59 compared to the corresponding period in the previous year. Headcount in Property Asset Management

operations in the UK amounted to 41 employees.

Nine-month period 2019

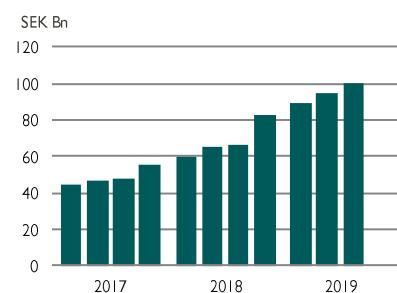
Catella's assets under management in the business area increased by SEK 18.1 Bn in the period and was SEK 100.3 Bn at the end of the period.

Total income was SEK 625 M (460), and operating profit was SEK 80 M (64).

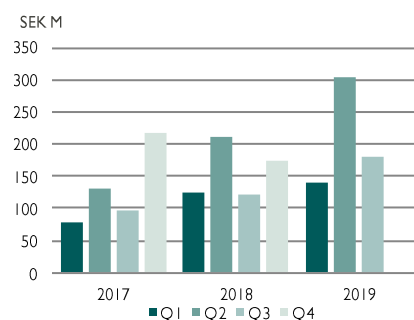
INCOME STATEMENT—CONDENSED	3 Months		9 Months		12 Months	
	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	Rolling 12 Months	2018 Jan-Dec
Property Funds *	124	90	466	302	570	406
Property Asset Management *	65	38	192	176	276	260
Total income	179	123	625	460	799	634
Assignment expenses and commission	-33	-25	-154	-131	-166	-142
Operating expenses	-131	-89	-390	-265	-548	-423
Operating profit/loss	15	8	80	64	85	68
KEY FIGURES						
Operating margin, %	8	7	13	14	11	11
Asset under management at end of period, SEK Bn	-	-	100.3	66.7	-	82.2
net in-(+) and outflow(-) during the period, mdkr	2.3	1.9	11.4	6.7	10.4	5.7
of which Property Funds	-	-	58.7	45.2	-	47.6
net in-(+) and outflow(-) during the period, mdkr	2.0	1.5	7.1	4.8	8.9	6.6
of which Property Asset Management	-	-	41.6	21.5	-	34.6
net in-(+) and outflow(-) during the period, mdkr	0.2	0.4	4.3	1.8	1.5	-0.9
No. of employees, at end of period	-	-	237	178	-	220

* Includes internal revenue between business areas. Internal revenue has been eliminated in the service area for the current period and for the corresponding period in 2018.

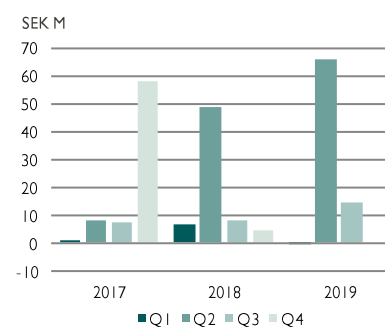
ASSETS UNDER MANAGEMENT



TOTAL INCOME



OPERATING INCOME



Equity Hedge and Fixed Income Funds

Third quarter 2019

New savings in mutual funds in Sweden totalled SEK 25.2 Bn in the quarter. The fund categories with the largest inflow were Short and Long Fixed Income Funds. Equity Funds followed by Hedge Funds had the largest outflow. At the end of the quarter, Mutual Funds' share of Swedish fund volumes was 0.6% (0.8).

The business area assets under management decreased by SEK 23.5 Bn in the quarter. In the quarter, net flows were SEK -0.8 bn in Mutual Funds and SEK -24.1 bn in Systematic Funds. SEK 19 Bn from Systematic Fund's outflow related to the termination of Systematic Equity which generated very low 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 period.

Total income was SEK 195 M (204) in the quarter, a decrease in year-on-year terms, driven by lower fixed income in Mutual Funds. A majority of income comprised fixed income, which were slightly down year-on-year.

Assignment costs and commission decreased due to reduced fixed income in Mutual Funds. Personnel costs and depreciation and amortization in Systematic Funds increased in year-on-year terms due to a higher number of employees and decommissioning of systems related to Systematic Equity.

Operating profit was SEK 64 M (87).

Nine-months period 2019

Total Assets under Management in Sweden increased by SEK 81.1 Bn, of which new savings were SEK 53.3 Bn, totalling SEK 4,789 Bn at the end of the period.

Catella's assets under management in the business area decreased by SEK 28.5 Bn in the period, totalling SEK 83.8 Bn at the end of the period.

Total income was SEK 620 M (648), and operating profit for the year was SEK 245 M (286).

Accrued, non-chargeable (not recognized for profit), variable earnings** in Systematic Funds totalled SEK 9 M at the end of the period.

SEK M

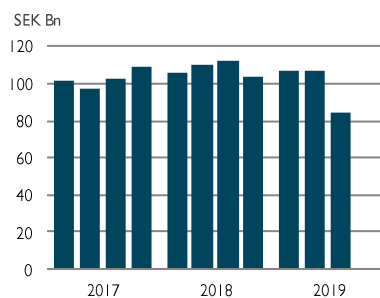
INCOME STATEMENT—CONDENSED

	3 Months		9 Months		12 Months	
	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	Rolling 12 Months	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

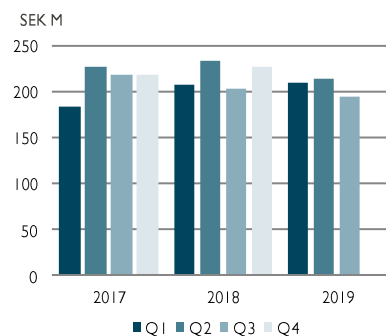
KEY FIGURES

Operating margin, %	33	43	40	44	33	37
Asset under management at end of period, SEK Bn	-	-	83.8	112.3	-	103.9
net in-(+) and outflow(-) during the period, mdkr	-24.9	2.1	-30.7	-4.5	-32.4	-6.2
of which Mutual Funds	-	-	28.3	34.1	-	29.3
net in-(+) and outflow(-) during the period, mdkr	-0.8	-0.3	-3.3	1.0	-5.3	-1.1
of which Systematic Funds	-	-	55.5	78.2	-	74.7
net in-(+) and outflow(-) during the period, mdkr	-24.1	2.5	-27.4	-5.5	-27.0	-5.1
of which Systematic Macro	-	-	45.8	48.7	-	49.8
net in-(+) and outflow(-) during the period, mdkr	-5.0	2.3	-6.0	-3.3	-4.9	-2.1
of which Systematic Equity	-	-	9.8	29.5	-	24.9
net in-(+) and outflow(-) during the period, mdkr	-19.0	0.2	-21.4	-2.3	-22.2	-3.0
No. of employees, at end of period	92	91	92	91	-	91

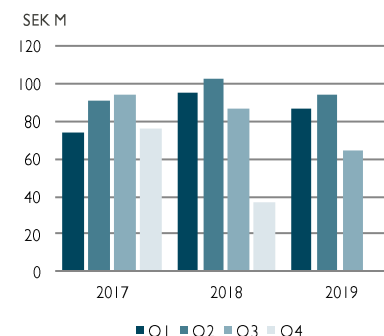
ASSETS UNDER MANAGEMENT



TOTAL INCOME



OPERATING INCOME



* Includes internal revenue between business areas. Internal revenue has been eliminated in the service area for the current period and for the corresponding period in 2018.

**From 1 January 2018, Systematic Funds has transferred to annual settlement for all products, which means that variable earnings can only be settled and recognized at year end. Variable earnings calculated on Systematic Macros' performance-based management fee. In order for the performance-based management fee to be settled at year end, and recognized for profit/loss, returns must be higher than comparative indices and the most recent level settled (High watermark). Accordingly, actual settlement at year end may be higher, lower or entirely absent relative to the indicated amount. Amounts can never fall below zero.

Other financial information

The Group's financial position

In the third quarter, the Group's total assets decreased by SEK 37 M, amounting to SEK 3,912 M as of 30 September 2019. The holding in the property development project Kaktus I TopCo ApS was reclassified in the third quarter, from a holding in associated companies to shares in subsidiaries with full consolidation of Kaktus' Income Statement and Balance Sheet. The change implied that a new Balance Sheet item, Development and project properties, totalling SEK 291 M has been included in the Group's financial position as of 30 September 2019. Kaktus project financing of SEK 218 M was reported as Borrowing from credit institutions under Non-current liabilities. Furthermore, the Balance Sheet item Financial assets valued at fair value in the Income Statement decreased by a total of SEK 82 M as a result of negative value adjustments of SEK 85 M of two loan portfolios.

According to IAS 12, "Income Taxes", deferred tax assets relating to tax loss carry-forwards are recognised to the extent it is probable that future taxable profits will be available. In accordance with this standard, Catella recognized a deferred tax asset of SEK 81 M (SEK 81 M as of 31 December 2018), of which the majority consists of tax loss carry-forwards, which is based on an assessment of the Group's future earnings. The Group had total loss carry-forwards amounting to SEK some 914 M.

Catella has issued a total of SEK 750 M in unsecured bonds which accrue variable interest of 3-month STIBOR plus 400 b.p. The loan matures in June 2022.

The Group also has an overdraft facility of SEK 30 M, of which SEK 30 M was unused as of 30 September 2019.

In the third quarter, the Group's consolidated equity decreased by SEK 91 M, amounting to SEK 1,680 M as of 30 September 2019. Consolidated equity was also driven by profit in the period of SEK - 69 Bn, by positive exchange rate differences of SEK 26 M, and by positive fair value changes in financial assets, recorded

in 'Other' total profit of SEK 3 M. In addition, Equity in the third quarter was affected by transactions with holding of non-controlling interests of SEK -51 M, of which SEK -65 M related to dividend. As of 30 September 2019, the Group's equity/assets ratio was 43% (24% as of 31 December 2018). The increased equity/assets ratio is mainly due to the significant reduction in total Assets due to divestment of the Banking business area.

Consolidated cash flow

The comments below relate to total Group operations, remaining operations and disposal group held for sale, unless otherwise indicated.

Third quarter 2019

Consolidated cash flow from operating activities before changes in working capital amounted to SEK 38 M (24), of which SEK 70 M was attributable to remaining operations and SEK -32 M to the Banking operations. Tax paid totalled SEK 46 M (34) in the period.

Consolidated cash flow from operating activities was SEK 50 M (255), of which changes in working capital comprised SEK 11 M (231) in the period. Of the changes in working capital, SEK -77 M was attributable to banking operations and SEK 88 M to other operations.

Cash flow from investing activities was SEK -16 M (92), Investments in support systems amounted to SEK 5 M, minor investments were made in property development project and other financial assets in the period. Cash flow from loan portfolios totalled SEK 3 M and terminated currency forward contracts generated liquidity outflows of SEK 6 M in the period.

Cash flow from financing activities amounted to SEK -79 M (-65), of which dividends to Parent Company shareholders and dividends to non-controlling interest holdings were SEK 65 M. Amortisation of the Group's lease liability totalled SEK 12 M.

Cash flow for the period amounted to SEK -45 M (282), of which cash flow from remaining operations was SEK 66 M (153)

and cash flow from disposal group held for sale was SEK -111 M (129).

Cash and cash equivalents at the end of the period were SEK 1,352 M (3,641), of which cash and cash equivalents relating to remaining operations were SEK 752 M (958) and cash and cash equivalents reported under Assets in disposal group held for sale were SEK 600 M (2,682).

Nine-month period 2019

Consolidated cash flow from operating activities before changes in working capital amounted to SEK 24 M (116), of which SEK 192 M was attributable to remaining operations and SEK -168 M to the Banking operations. Tax paid amounted to SEK 221 M (126) in the period, of which SEK 41 M related to Catella Bank's tax payments for the tax year 2014-2017.

Consolidated cash flow from operating activities was SEK -1,922 M (545), of which changes in working capital comprised SEK -1,946 M (429) in the period. Of the changes in working capital, SEK -2,120 M was attributable to banking operations and SEK 174 M to other operations. The bank's negative change in working capital was mainly due to the transfer of the Wealth Management operations in Luxembourg and Sweden.

Cash flow from investing activities was SEK 177 M (-280), of which SEK 244 M related to sales proceeds from the bank's transfers of operations net of advisory costs. In addition, the bank received a payment of SEK 16 M from Visa Inc in relation to the acquisition of Visa Europe in 2016. Furthermore, additional investments in associated companies amounted to SEK 29 M. Cash flow from loan portfolios totalled SEK 9 M, and terminated currency forwards generated cash outflow of SEK 41 M.

Cash flow from financing activities amounted to SEK -234 M (90), of which SEK 104 M related to dividends to Parent Company shareholders and SEK 94 M dividends to non-controlling interest holdings. In addition, amortisation of the Group's lease liability amounted to SEK 43 M. Cash flow from investing activities also included

payment received of SEK 18 M from warrant holders for the subscription of new Class B shares in Catella AB, and a payment made of SEK 4 M relating to the repurchase of warrants.

Cash flow for the period amounted to SEK -1,979 M (354), of which cash flow from remaining operations was SEK 43 M (-121) and cash flow from disposal group held for sale was SEK -2,022 M (475).

Parent Company

Third quarter 2019

Catella AB (publ) is the Parent Company of the Group. Group Management and other central Group functions are gathered into the Parent Company.

The Parent Company recognised income of SEK 7.8 M (5.6) and operating profit/loss for the year of SEK -9.6 M (-15.9). The improved operating profit/loss was due to decreased variable personnel costs and external contractor costs and re-invoicing of costs related to the divestment of Catella Bank.

The Parent Company also reported financial items totalling SEK -10.4 M (0.3), of which interest and costs for arranging bond loans were SEK 8.6 M and realized profit on derivatives totalled SEK -1.5 M.

In May 2018, Catella started currency hedging using derivatives. The purpose of the hedging of EUR 60 M was to reduce the exchange rate risk in Catella's net exposure in EUR.

Profit/loss before tax and profit/loss for the period was SEK -20.0 M (-15.6).

Cash and cash equivalents in Catella's transaction account in the Group's cash pool with a Swedish credit institute are reported as Current receivables with Group companies. On the reporting date, this item totalled SEK 129.6 M.

At the end of the period, there were 13 (13) employees in the Parent Company, expressed as full-time equivalents.

Nine-month period 2019

Total income was SEK 16.9 M (14.8), and operating profit for the year was SEK -34.5 M (-43.5) in the period. Financial items totalled SEK -50.8 M (-9.5), of which interest and costs for arranging bond loans were SEK 24.5 M (17.1) and profit on derivatives totalled SEK -25.6 M (7.4). Profit before tax was SEK -85.3 M (-53.0) and

profit for the period was SEK -85.3 M (-37.8).

Employees

The number of employees in remaining operations, expressed as full-time equivalents, was 566 (497), of which 214 (208) were employed in the Corporate Finance operating segment, 330 (269) in the Asset Management operating segment and 22 (20) in other functions.

The number of employees in the divestment group held for sale (Banking) was 80 (170) at period end.

At the end of the period, there were 645 (666) employees, expressed as full-time equivalents.

Share capital

As of 30 September 2019, Catella's registered share capital was SEK 173 M (168), divided between 86,281,905 shares (84 115 238). The quotient value per share is 2. Share capital is divided between two share classes with different voting rights. 2,530,555 Class A shares with 5 votes per share, and 83 751 350 Class B shares with 1 vote per share.

In March 2019, warrant holders exercised 2,166,667 warrants to subscribe for an equal number of new shares at a price of SEK 8.40 per share. The new Class B shares were issued on 8 April 2019 by registration with the Swedish Companies Registration Office and inclusion in Euroclear's share register.

As of 30 September 2019, the parent company had a total of 2,333,334 warrants outstanding, of which 166,667 in treasury. Upon full utilisation of the 2,333,334 warrants, dilution of the capital and votes in the company would be 2.6% and 2.4% respectively.

Shares

Catella is listed on Mid Cap on Nasdaq Stockholm, trading under the ticker symbols CAT A and CAT B. The price of Catella's Class B share was SEK 26.50 (22.25) as of 30 September 2019. Total market capitalization at the end of the period was SEK 2,289 M (1,877).

Shareholders

Catella had 7,238 (7,353) shareholders registered at the end of the period. The principal shareholder on 30 September

2019 was the Claesson & Anderzén Group with 48.3% (48.9) of the capital and 47.8% (48.3) of the votes, followed by Swedbank Robur with 5.8% (6.0) of the capital and 5.9% (6.2) of the votes.

Dividend

Catella's target is to transfer the Group's profit after tax to shareholders to the extent it is not considered necessary for developing the Group's operating activities and considering the company's strategy and financial position. Adjusted for profit-related unrealized value increases, at least 50% of the Group's profit after tax will be transferred to shareholders over time.

Given the growth potential of existing and new operations that is expected to generate long-term shareholder value, Catella paid a dividend of SEK 1.20 per class A and B share to shareholders for the financial year 2018. For the financial year 2017, Catella paid a dividend of SEK 1.00 per Class A and B share to shareholders.

Risks and uncertainties

Catella is affected by progress on the financial markets. The Corporate Finance operation is affected by the market's willingness to execute transactions, which in turn, is determined by the macroeconomic environment and the availability of debt finance.

Asset Management is affected by market progress on Nordic stock exchanges and progress on the property market. There are especially significant operating risks in the banking operations, where there are significant volumes/transactions using real-time systems that require 24-hour availability. At a pace with the wind down of the banking operations in 2019, the operational risk is expected to decrease.

A number of companies in the Catella Group conduct operations that are under the supervision of regulatory financial authorities in their respective domestic markets. Existing regulatory frameworks and rapid regulatory changes are complex in general, and specifically with regard to Catella's banking operations. These regulatory framework place stringent, and in future even more stringent, demands on the routines and procedures, and liquidity and capital reserves, of the operations under

supervision. Compliance with these regulatory frameworks is a pre-condition for conducting operations subject to supervision. Catella continuously seeks to ensure compliance with existing regulatory frameworks and to prepare for future compliance with coming regulatory changes. At a pace with the wind down of the banking operations in 2019, the regulatory risk is expected to decrease.

The preparation of financial statements requires the Board of Directors and Group management to make estimates and judgements of the value of loan portfolios, goodwill, trademarks and brands, as well as assumptions concerning revenue recognition. Estimates and judgements affect the Group's Income Statement and financial position, as well as disclosures regarding contingent liabilities, for example. See Note 4 in the Annual Report 2018 for significant estimates and judgements. Actual outcomes may differ from these estimates and judgements, due to other circumstances or conditions.

Catella has investments in property development projects in Germany through associated companies Nordic Seeding GmbH and Grand Central Beteiligungs GmbH. The projects are operated by Catella's German subsidiary Catella Project Management GmbH. Through Nordic Seeding GmbH, Catella intends to invest in the early phases of projects where the concept and framework is determined subsequently divesting projects and realizing capital gains before construction begins and projects are completed. The investments include the risk that Nordic Seeding GmbH is forced to choose between continuing to invest in late stages of projects, run the projects to completion or leaving the project and losing the invested capital. The aforementioned risks apply to all property development projects that Catella invests in (see Note 3).

Seasonal variations

Within the Corporate Finance operating segment, seasonal variations are significant. This means that sales and results of operations vary during the year. In Corporate Finance, transaction volumes are usually highest in the fourth quarter, followed by the second quarter, the third quarter and finally the first quarter.

Accounting principles

This Interim Report has been prepared in compliance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

The Consolidated Financial Statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as endorsed by the EU, the Annual Accounts Act and RFR 1 Complementary Accounting Rules for Groups issued by RFR, the Swedish Financial Reporting Board.

The Parent Company's financial statements were prepared in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 Accounting for legal entities, issued by RFR, the Swedish Financial Reporting Board.

In October - December 2018, Catella Bank signed agreements regarding the sale of all its operations through the transfer of assets and liabilities to three different market operators. From 30 September 2018, the Banking business area has been reported in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. This means that in the Consolidated Income Statement the bank's net profit (after tax) is reported on a separate line under Profit from disposal group held for sale for the period. The comparative figures in the Income Statement for the current and previous year have been adjusted as if the banking operations had never formed part of the Group's operations. In the Consolidated Statement of Financial Position, the bank's assets and liabilities are reported separately from other assets and liabilities on separate lines under Assets in divestment group held for sale and Liabilities in divestment group held for sale respectively. However, comparative figures from earlier years relating to the bank's assets and liabilities have not been reclassified in this way.

The information provided in Note 10 regarding the consolidated financial situation, relating to parts of Catella's operations, has been prepared in accordance with the Group's accounting policies and the Annual Accounts for Credit Institutions and Securities Companies Act.

IFRS 16 "Leases" was published in January 2016 and applies from 1 January 2019. The implementation of the standard im-

plies that virtually all lease contracts are reported in the Balance Sheet. The standard does not distinguish between operating and financial lease contracts. An asset (the right to use a leased asset) and a financial liability corresponding to the company's commitment to pay lease charges must be reported for virtually all lease commitments. One exception exists for short contracts and contracts of minor value. Catella mainly has leasing contracts for office premises and cars. Catella applies the simplified standard and does not restate comparative figures. Accordingly, Catella reported two new items in the Consolidated Statement of Financial Position: Contractual Assets and Contractual Liabilities, which totalled SEK 194 M and SEK 195 M respectively as of 30 September 2019. The Consolidated Income Statement for the nine-month period 2019 includes amortisation and depreciation of Contractual assets of SEK 43 M and Contractual liabilities of SEK 11 M. Rental costs are no longer included in the Consolidated Income Statement. The new accounting standard also affects Group KPIs. The equity/asset ratio for remaining operations had decreased by some 2% as of 30 September 2019. Operating margin and profit margin for remaining operations were only marginally impacted in the nine-month period.

The Group's and Parent Company's key accounting principles are presented in Catella's Annual Report for 2018. Figures in tables and comments may be rounded.

Related party transactions

Catella holds shares in associated companies Nordic Seeding GmbH and Grand Central Beteiligungs GmbH, whose other owners are the Claesson & Anderzén group and the management of Catella Project Management GmbH. Catella's total net investment in both companies amounted to SEK 85 M as of 30 September 2019. The remaining investment commitment in Nordic Seeding GmbH and Grand Central Beteiligungs GmbH amount to SEK 5 M. For more information, see Note 3 of this report and Notes 20 and 39 in the Annual Report 2018.

Catella's German subsidiary Catella Project Management GmbH (CPM) operated the property development projects within associated Nordic Seeding GmbH and Grand Central Beteiligungs GmbH. In the third quarter 2019, CPM invoiced Nordic Seeding GmbH and Grand Central Beteiligungs GmbH SEK 2 m for services provided and a performance-based fee of SEK 3 M related to the sale of the Living Lyon project, in accordance with the purchase agreement. No part of this income was eliminated in Catella's Consolidated Income Statement as the associated companies fall outside Catella's associated enterprises.

Forecast

Catella does not publish forecasts.

Financial calendar

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

For further information, contact

Knut Pedersen, CEO and President Tel. +46 (0)8 463 33 10

More information on Catella and all financial reports are available at catella.com.

The information in this Report is mandatory for Catella AB to publish in accordance with the EU's Market Abuse Regulation and the Swedish Securities Markets Act. This information was submitted to the market, through the agency of the below contact, for publication on 14 November 2019 at 07:00 a.m. CET.

The undersigned certify that this Interim report gives a true and fair view of the Parent Company's and the Group's operations, financial position and results of operations, and describes the material risks and uncertainties facing the Parent Company and companies included in the Group.

Stockholm, Sweden, 14 November
2019
Catella AB (publ)

Johan Claesson Chairman of the Board

Johan Damne, Board member

Joachim Gahm Board member

Anna Ramel, Board member

Jan Roxendal, Board member

Knut Pedersen, President and CEO

Report of review of interim financial information

Auditor's review report for interim financial information in summary (Interim Report) prepared in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act.

Introduction

We have reviewed the condensed interim financial information (Interim Report) of Catella AB (corporate ID no. 556079-1419) as of 30 September 2019 and the nine-month period then ended. The Board of Directors and CEO are responsible for the preparation and presentation of this Interim Report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on the Interim Report based on our review.

Scope of review

We have conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review has a different focus and is significantly limited in scope compared to the focus and scope of an audit conducted in accordance with the International Standards on Auditing and generally accepted auditing standards generally. The procedures performed in a review do not allow us to obtain a level of assurance that would make us aware of all significant matters that might have been identified in an audit. Therefore, the conclusion expressed based on a review does not provide the same level of assurance as a conclusion expressed on the basis of an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Report has not been prepared, in all material respects, for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the parent company in accordance with the Annual Accounts Act.

Stockholm, Sweden, 14 November 2019

PricewaterhouseCoopers AB

Daniel Algotsson
Authorized Public Accountant

Consolidated Income Statement

SEK M	Note	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	2018 Jan-Dec
Net sales		507	465	1,631	1,473	2,159
Other operating income		10	7	28	45	57
Total income		517	472	1,659	1,518	2,216
Assignment expenses and commission		-76	-87	-289	-289	-389
Other external expenses		-110	-101	-319	-319	-471
Personnel costs		-224	-189	-664	-573	-960
Depreciation		-37	-6	-93	-17	-26
Other operating expenses		3	3	7	-29	-18
Operating profit/loss		74	92	300	292	352
Interest income		5	5	16	12	18
Interest expenses		-11	-10	-36	-19	-27
Other financial items		-101	-12	-111	-10	-6
Financial items—net		-107	-17	-130	-17	-15
Profit/loss before tax		-33	74	170	275	337
Tax		-27	-25	-94	-88	-127
Profit for the period from continuing operations		-60	50	76	188	210
Operations held for sale:						
Profit for the period from divestment group held for sale	7	-9	-38	52	-96	-238
Net profit/loss for the period		-69	11	128	92	-28
Profit/loss attributable to:						
Shareholders of the Parent Company		-83	-13	66	21	-112
Non-controlling interests		14	25	62	70	84
		-69	11	128	92	-28
Earnings per share attributable to shareholders of the Parent Company, SEK						
Continuing operations						
- before dilution		-0.85	0.30	0.16	1.40	1.50
- after dilution		-0.83	0.28	0.16	1.32	1.43
Divestment groups held for sale						
- before dilution		-0.11	-0.45	0.60	-1.14	-2.83
- after dilution		-0.10	-0.43	0.59	-1.08	-2.69
Total operations						
- before dilution		-0.96	-0.16	0.76	0.26	-1.33
- after dilution		-0.94	-0.15	0.75	0.24	-1.26
No. of shares at end of the period		86,281,905	84,115,238	86,281,905	84,115,238	84,115,238
Average weighted number of shares after dilution		88,448,572	88,648,572	88,450,522	88,766,728	88,663,683

Consolidated Statement of Comprehensive Income

SEK M	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	2018 Jan-Dec
Net profit/loss for the period	-69	11	128	92	-28
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Value change in defined benefit pension plans	0	-0	0	-1	-0
Items that will be reclassified subsequently to profit or loss:					
Fair value changes in financial assets through other comprehensive income	3	8	22	16	9
Hedging of net investment	-8	8	-22	7	12
Translation differences	33	-12	74	51	49
Other comprehensive income for the period, net after tax	29	3	74	74	70
Total comprehensive income/loss for the period	-40	15	202	166	42
Profit/loss attributable to:					
Shareholders of the Parent Company	-57	-9	136	94	-43
Non-controlling interests	17	24	66	72	86
	-40	15	202	166	42

Information on Income Statement by operating segment is in Note 1.

Consolidated Statement of Financial Position - condensed

SEK M	Note	2019 30 Sep	2018 30 Sep	2018 31 Dec
ASSETS				
Non-current assets				
Intangible assets		639	392	646
Contract assets		194	0	0
Property, plant and equipment		27	28	29
Holdings in associated companies	3	73	104	116
Other non-current securities	3, 4, 5	258	342	337
Deferred tax receivables		81	85	81
Other non-current receivables		6	6	6
		1,277	957	1,215
Current assets				
Development and project properties		291	0	0
Accounts receivable and other receivables		603	562	737
Current investments	3, 4, 5	128	113	123
Cash and cash equivalents *		752	958	687
		1,774	1,633	1,547
Assets in divestment groups held for sale	7	861	4,423	4,247
		2,636	6,056	5,794
Total assets		3,912	7,013	7,009
EQUITY AND LIABILITIES				
Equity				
Share capital		173	168	168
Other contributed capital		280	270	270
Reserves		74	8	4
Profit brought forward including net profit for the period		961	1,133	1,000
Equity attributable to shareholders of the Parent Company		1,487	1,579	1,442
Non-controlling interests		193	169	205
Total equity		1,680	1,748	1,647
Liabilities				
Non-current liabilities				
Borrowings from credit institutions		219	0	0
Bond issue		746	748	748
Contract liabilities		195	0	0
Other non-current liabilities		2	0	0
Deferred tax liabilities		28	16	29
Other provisions		53	2	53
		1,242	766	831
Current liabilities				
Accounts payable and other liabilities		567	506	714
Tax liabilities		53	67	77
		621	573	790
Liabilities in disposal groups held for sale	7	369	3,926	3,741
		990	4,499	4,531
Total liabilities		2,232	5,265	5,362
Total equity and liabilities		3,912	7,013	7,009
* Of which pledged and blocked liquid funds		99	215	205

Information regarding financial position by operating segment is in Note 2.

Consolidated Statement of Cash Flows

SEK M	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	2018 Jan-Dec
Cash flow from operating activities					
Profit/loss before tax	-50	37	247	175	44
Adjustments for non-cash items:					
Wind down expenses	14	0	57	0	155
Other financial items	68	12	-166	12	5
Depreciation	37	7	95	22	32
Impairment / reversal of impairment of current receivables	5	0	15	-3	3
Change in provisions	1	-0	-1	-1	-2
Reported interest income from loan portfolios	-4	-4	-12	-12	-16
Acquisition expenses	0	0	0	0	5
Profit/loss from participations in associated companies	3	-2	-4	30	18
Personnel costs not affecting cash flow	11	8	15	16	49
Other non-cash items	0	0	0	1	1
Paid income tax	-46	-34	-221	-126	-154
Cash flow from operating activities before changes in working capital	38	24	24	116	140
Cash flow from changes in working capital					
Increase (-)/decrease (+) of operating receivables	117	193	1,659	20	-66
Increase (+) / decrease (-) in operating liabilities	-105	38	-3,605	409	271
Cash flow from operating activities	50	255	-1,922	545	344
Cash flow from investing activities					
Purchase of property, plant and equipment	-1	-2	-4	-13	-16
Purchase of intangible assets	-5	-1	-11	-10	-19
Purchase of subsidiaries, after deductions for acquired cash and cash equivalents	0	-9	0	-208	-428
Sale of subsidiaries, net of cash disposed	0	-1	-0	-1	-1
Business transfers net of advisory costs	-3	0	244	-	-
Purchase of and additional investments in associated companies	-0	-1	-29	-246	-246
Dividend and other disbursements from associated companies	0	103	0	157	157
Purchase of financial assets	-14	-6	-59	-92	-85
Sale of financial assets	4	5	24	40	62
Cash flow from loan portfolios	3	3	9	93	97
Cash flow from investing activities	-16	92	177	-280	-479
Cash flow from financing activities					
Re-purchase of share warrants	0	0	-4	-	-
New share issue	0	0	18	21	21
Borrowings	-1	-0	-5	252	252
Amortisation of leasing debt	-12	0	-43	-	-
Dividend	0	0	-104	-84	-84
Transactions with, and payments to, non-controlling interests	-65	-65	-97	-100	-100
Cash flow from financing activities	-79	-65	-234	90	89
Cash flow for the period	-45	282	-1,979	354	-45
Cash and cash equivalents at beginning of period	1,372	3,392	3,234	3,177	3,177
Exchange rate differences in cash and cash equivalents	25	-34	97	109	102
Cash and cash equivalents at end of the period *	1,352	3,641	1,352	3,641	3,234
Of which cash flow from divestment groups held for sale:					
Cash flow from operating activities	-112	129	-2,292	475	174
Cash flow from investing activities	1	0	270	0	0
Cash flow from financing activities	0	0	0	0	170
Cash flow for the period from divestment groups held for sale	-111	129	-2,022	475	344
* Of which cash and cash equivalents recognised in Assets in disposal groups held for sale	600	2,682	600	2,682	2,547

SEK 600 M (2,052) of the Group's cash and cash equivalents is related to Catella Bank, and pursuant to the regulations and rules Catella Bank is regulated by, the rest of Catella Group does not have access to Catella Bank's liquidity.

Consolidated Statement of Changes in Equity

SEK M	Equity attributable to shareholders of the Parent Company							Total equity
	Share capital	Other contributed capital *	Fair value reserve	Translation reserve	Profit brought forward incl. net profit/loss for the period	Total	Non-controlling interests **	
Opening balance at 1 January 2019	168	270	22	-19	1,000	1,442	205	1,647
Comprehensive income for January - September 2019:								
Net profit/loss for the period					66	66	62	128
Other comprehensive income, net of tax			22	48		70	4	74
Comprehensive income/loss for the period			22	48	66	136	66	202
Transactions with shareholders:								
Transactions with non-controlling interests					-2	-2	-78	-80
Re-purchase of warrants issued		-4				-4		-4
New share issue	4	14				18		18
Dividend					-104	-104		-104
Closing balance at 30 September 2019	173	280	44	29	961	1,487	193	1,680

* Other capital contributed pertains to reserve funds in the Parent Company.

** Holdings in non-controlling interests are attributable to minority holdings in subsidiaries in Systematic Funds and Property Funds, and several subsidiaries in Property Asset Management and Corporate Finance.

No warrant transactions took place in the third quarter 2019. In March 2019, warrant holders exercised 2,166,667 warrants to subscribe for an equal number of new shares at a price of SEK 8.40 per share. The new Class B shares were issued on 8 April 2019 by registration with the Swedish Companies Registration Office. In the first quarter, 200,000 warrants were repurchased due to Group Management changes in Catella AB. In the Consolidated Accounts, the repurchase of share warrants is reported under other contributed capital to the extent it consists of non-restricted equity, and the remainder against retained earnings. As of 30 September 2019, the parent company had a total of 2,333,334 warrants outstanding, of which 166,667 in treasury.

SEK M	Equity attributable to shareholders of the Parent Company							Total equity
	Share capital	Other contributed capital *	Fair value reserve	Translation reserve	Profit brought forward incl. net profit/loss for the period	Total	Non-controlling interests **	
Opening balance at 1 January 2018	164	253	12	-77	1,377	1,729	214	1,943
Adjustment for retroactive application of IFRS 9					-2	-2		-2
Adjusted opening balance at 1 January 2018	164	253	12	-77	1,375	1,727	214	1,941
Comprehensive income for January - September 2018:								
Net profit/loss for the period					22	22	70	92
Other comprehensive income, net of tax			16	56	-1	72	2	74
Comprehensive income/loss for the period			16	56	21	94	72	166
Transactions with shareholders:								
Transactions with non-controlling interests					-179	-179	-118	-296
New share issue	5	17				21		21
Dividend					-84	-84		-84
Closing balance at 30 September 2018	168	270	29	-21	1,133	1,579	169	1,748

* Other capital contributed pertains to reserve funds in the Parent Company.

** Holdings in non-controlling interests are attributable to minority holdings in subsidiaries in Systematic Funds and Property Funds, and several subsidiaries in Property Asset Management and Corporate Finance.

No warrant transactions took place in the third quarter 2018. 2,266,666 warrants were utilised to subscribe for an equal number of shares at a price of SEK 9.40 per share, and 66,667 warrants held in treasury expired without being utilised in the first half-year 2018. As of 30 September 2018, the parent company had a total of 4,666,667 warrants outstanding, of which 133,333 in treasury.

Note I Income Statement by operating segment

SEK M	Note	Corporate Finance		Asset Management		Other		Group	
		2019 Jul-Sep	2018 Jul-Sep	2019 Jul-Sep	2018 Jul-Sep	2019 Jul-Sep	2018 Jul-Sep	2019 Jul-Sep	2018 Jul-Sep
Net sales		150	145	361	323	-5	-3	507	465
Other operating income		1	1	12	5	-3	0	10	7
Total income		152	146	374	328	-8	-2	517	472
Assignment expenses and commission		-11	-22	-68	-66	3	0	-76	-87
Other external expenses		-32	-38	-78	-61	0	-2	-110	-101
Personnel costs		-88	-82	-129	-100	-7	-7	-224	-189
Depreciation		-10	-1	-22	-4	-4	-0	-37	-6
Other operating expenses		1	2	2	-2	1	3	3	3
Operating profit/loss		11	5	79	95	-16	-9	74	92
Interest income		1	1	0	0	4	3	5	5
Interest expenses		-4	-1	1	-1	-7	-8	-11	-10
Other financial items		0	-0	-17	-8	-85	-4	-101	-12
Financial items—net		-3	0	-16	-8	-88	-9	-107	-17
Profit/loss before tax		8	5	63	87	-104	-18	-33	74
Tax		-6	-4	-23	-22	2	1	-27	-25
Profit for the period from continuing operations		2	1	40	65	-102	-17	-60	50
Operations held for sale:									
Profit for the period from divestment group held for sale	7	0	0	-10	-34	0	-4	-9	-38
Net profit/loss for the period		2	1	30	31	-101	-21	-69	11
Profit/loss attributable to shareholders of the Parent Company		2	1	17	6	-101	-21	-83	-13

SEK M	Note	Corporate Finance			Asset Management			Other			Group		
		2019 Jan-Sep	2018 Jan-Sep	2018 Jan-Dec	2019 Jan-Sep	2018 Jan-Sep	2018 Jan-Dec	2019 Jan-Sep	2018 Jan-Sep	2018 Jan-Dec	2019 Jan-Sep	2018 Jan-Sep	2018 Jan-Dec
Net sales		418	412	710	1,222	1,067	1,457	-9	-7	-9	1,631	1,473	2,159
Other operating income		3	4	5	22	41	53	3	-1	-0	28	45	57
Total income		421	416	715	1,245	1,109	1,510	-7	-7	-9	1,659	1,518	2,216
Assignment expenses and commission		-37	-38	-88	-258	-251	-301	6	0	0	-289	-289	-389
Other external expenses		-109	-117	-175	-208	-180	-268	-1	-22	-27	-319	-319	-471
Personnel costs		-244	-242	-405	-393	-312	-521	-28	-18	-33	-664	-573	-960
Depreciation		-20	-4	-5	-62	-12	-20	-12	-1	-1	-93	-17	-26
Other operating expenses		3	4	7	2	-4	-8	2	-29	-16	7	-29	-18
Operating profit/loss		14	19	49	325	350	391	-39	-77	-87	300	292	352
Interest income		2	1	2	1	0	1	14	11	15	16	12	18
Interest expenses		-8	-2	-3	-7	-3	-3	-21	-14	-20	-36	-19	-27
Other financial items		-0	1	1	-30	-17	-13	-81	5	6	-111	-10	-6
Financial items—net		-7	-0	-0	-36	-19	-16	-87	3	1	-130	-17	-15
Profit/loss before tax		7	19	48	289	331	375	-127	-74	-86	170	275	337
Tax		-11	-15	-33	-87	-86	-104	5	13	11	-94	-88	-127
Profit for the period from continuing operations		-4	4	15	202	245	271	-122	-61	-76	76	188	210
Operations held for sale:													
Profit for the period from divestment group held for sale	7	0	0	0	51	-92	-242	1	-4	4	52	-96	-238
Net profit/loss for the period		-4	4	15	253	153	29	-121	-65	-72	128	92	-28
Profit/loss attributable to shareholders of the Parent Company		-4	4	15	191	83	-55	-121	-65	-72	66	21	-112

The operating segments reported above, Corporate Finance and Asset Management and Banking, are consistent with internal reporting submitted to management and the Board of Directors and thus represent the Group's operating segments in accordance with IFRS 8, Operating Segments. The Parent Company, other holding companies and the Group's investment management are recognised in the "Other" category. Acquisition and financing costs and Catella's trademark are also recognised in this category. "Other" also includes the elimination of intra-group transactions between the various operating segments. Transactions between the operating segments are limited and relate mainly to financial transactions and certain re-invoicing of expenses. Any transactions are conducted on an arm's length basis.

Historical earnings trend by quarter and operating segment

SEK M	Corporate Finance							
	2019 Jul-Sep	2019 Apr-Jun	2019 Jan-Mar	2018 Oct-Dec	2018 Jul-Sep	2018 Apr-Jun	2018 Jan-Mar	2017 Oct-Dec
Net sales	150	165	102	299	145	157	110	262
Other operating income	1	1	1	1	1	2	1	0
Total income	152	166	103	299	146	159	111	262
Assignment expenses and commission	-11	-17	-9	-50	-22	-10	-6	-29
Other external expenses	-32	-40	-37	-58	-38	-44	-36	-33
Personnel costs	-88	-90	-66	-163	-82	-90	-70	-155
Depreciation	-10	-5	-5	-1	-1	-1	-1	-1
Other operating expenses	1	1	1	3	2	2	1	-1
Operating profit/loss	11	15	-12	30	5	16	-2	43
Interest income	1	1	0	0	1	0	0	0
Interest expenses	-4	-2	-2	-1	-1	-1	-1	-1
Other financial items	0	0	-0	0	-0	-1	2	1
Financial items—net	-3	-1	-2	-0	0	-1	1	0
Profit/loss before tax	8	14	-14	29	5	14	-0	44
Tax	-6	-3	-2	-18	-4	-7	-5	-15
Periodens resultat	2	11	-16	11	1	7	-5	29
Profit/loss attributable to shareholders of the Parent Company	2	11	-16	12	1	7	-5	29

SEK M	Asset Management							
	2019 Jul-Sep	2019 Apr-Jun	2019 Jan-Mar	2018 Oct-Dec	2018 Jul-Sep	2018 Apr-Jun	2018 Jan-Mar	2017 Oct-Dec
Net sales	361	514	347	390	323	441	304	424
Other operating income	12	6	4	12	5	6	30	10
Total income	374	520	351	401	328	447	334	435
Assignment expenses and commission	-68	-122	-68	-51	-66	-109	-76	-74
Other external expenses	-78	-68	-63	-89	-61	-61	-57	-73
Personnel costs	-129	-148	-116	-209	-100	-121	-91	-149
Depreciation	-22	-22	-18	-8	-4	-4	-4	-4
Other operating expenses	2	-0	0	-4	-2	1	-3	-1
Operating profit/loss	79	160	86	41	95	152	103	134
Interest income	0	0	-0	0	0	0	0	0
Interest expenses	1	-4	-4	-1	-1	-0	-1	-0
Other financial items	-17	-3	-11	4	-8	-8	-1	-1
Financial items—net	-16	-6	-14	3	-8	-8	-2	-1
Profit/loss before tax	63	154	72	44	87	144	100	133
Tax	-23	-42	-22	-18	-22	-39	-26	-34
Profit for the period from continuing operations	40	112	50	26	65	105	75	99
Operations held for sale:								
Profit for the period from divestment group held for sale	-10	-49	110	-150	-34	-36	-21	-49
Net profit/loss for the period	30	63	160	-123	31	69	53	50
Profit/loss attributable to shareholders of the Parent Company	17	36	138	-137	6	43	33	30

Note 2 Financial position by operating segment - condensed

SEK M	Corporate Finance			Asset Management			Other			Group		
	2019 30 Sep	2018 30 Sep	2018 31 Dec	2019 30 Sep	2018 30 Sep	2018 31 Dec	2019 30 Sep	2018 30 Sep	2018 31 Dec	2019 30 Sep	2018 30 Sep	2018 31 Dec
ASSETS												
Non-current assets												
Intangible assets	67	65	65	513	270	525	59	56	56	639	392	646
Contract assets	85	0	0	93	0	0	17	0	0	194	0	0
Property, plant and equipment	9	11	11	17	16	18	0	0	1	27	28	29
Holdings in associated companies	0	0	0	11	16	16	61	88	100	73	104	116
Other non-current securities	0	0	0	141	151	142	116	191	194	258	342	337
Deferred tax receivables	0	0	0	11	15	11	70	70	70	81	85	81
Other non-current receivables	18	17	17	2	2	2	-14	-13	-13	6	6	6
	180	94	94	788	470	714	309	393	408	1,277	957	1,215
Current assets												
Development and project properties	0	0	0	0	0	0	291	0	0	291	0	0
Accounts receivable and other receivables	147	131	186	413	409	482	43	21	69	603	562	737
Current investments	0	0	0	50	49	52	78	64	71	128	113	123
Cash and cash equivalents	118	128	185	546	336	486	87	495	17	752	958	687
	265	259	371	1,009	794	1,020	500	580	156	1,774	1,633	1,547
Assets in divestment groups held for sale	0	0	0	940	4,425	4,249	-78	-3	-2	861	4,423	4,247
	265	259	371	1,949	5,220	5,269	421	577	155	2,636	6,056	5,794
Total assets	445	353	465	2,737	5,690	5,982	730	970	562	3,912	7,013	7,009
EQUITY AND LIABILITIES												
Equity												
Equity attributable to shareholders of the Parent Company	29	44	35	1,533	1,093	1,389	-75	442	18	1,487	1,578	1,442
Non-controlling interests	24	18	34	164	151	171	6	-0	-0	193	169	205
Total equity	53	62	69	1,697	1,244	1,560	-70	442	17	1,680	1,747	1,647
Liabilities												
Non-current liabilities												
Borrowings from credit institutions	0	0	0	0	0	0	218	0	0	219	0	0
Bond issue	0	0	0	0	0	0	746	748	748	746	748	748
Contract liabilities	87	0	0	94	0	0	14	0	0	195	0	0
Other non-current liabilities	107	0	101	13	12	12	-118	-13	-114	2	0	0
Deferred tax liabilities	0	0	0	17	5	18	11	11	11	28	16	29
Other provisions	0	2	0	53	0	53	0	0	0	53	2	53
	195	3	102	177	18	84	870	746	646	1,242	766	831
Current liabilities												
Accounts payable and other liabilities	191	271	261	471	390	548	-94	-156	-95	567	506	714
Tax liabilities	6	17	33	48	50	44	-0	0	0	53	67	77
	197	289	293	518	441	591	-94	-156	-94	621	573	790
Liabilities in disposal groups held for sale	0	0	0	345	3,988	3,747	24	-62	-6	369	3,926	3,741
	197	289	293	863	4,429	4,338	-70	-219	-101	990	4,499	4,531
Total liabilities	392	291	395	1,040	4,446	4,422	800	528	545	2,232	5,265	5,362
Total equity and liabilities	445	353	465	2,737	5,690	5,982	730	970	562	3,912	7,013	7,009

Note 3 Catella's principal investments

From an international perspective, it is important that, in specific circumstances, Catella is able to carry out investments alongside its customers in order to attract capital for the projects and products Catella is working on. Over the coming years, Catella intends to set aside capital for these investments, which are primarily in the property sphere.

Catella perceives significant potential in various projects and dedicated property products where Catella's active participation will contribute to growth and credibility in addition to generating positive

returns. The goal is for investments to generate minimum returns (IRR) of 20% over time.

Catella has investments in property development projects in Germany and Denmark (for description of the projects, see below). The investments are made through subsidiaries and associated companies. The projects are run by Catella's German and Danish subsidiaries. Catella intends to invest in the early phases of projects where the concept and framework is determined with the aim to subsequently divest projects and realizing capital gains

before construction begins and projects are completed.

In order to structure its principal investments and support new property products, Catella has established an investment committee whose task is to evaluate the respective investments or divestments of assets.

Catella's principal investments are reported under the 'Other' category below, classified in the same way as the in Group's financial position: Holdings in associated companies, Other non-current securities, Properties held for development and project properties and Current investments.

OTHER, SEK M	Holdings in associated companies	Other non-current securities	Development and project properties	Current investments	Total
Property Development Projects *	62	-	291	-	353
Loan portfolios	-	74	-	67	141
Other holdings	-1	42	-	11	52
Total	61	116	291	78	546

Investment commitments

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* The investments include the risk that Nordic Seeding GmbH is forced to choose between continuing to invest in late stages of projects, run the projects to completion or leaving the project and losing the invested capital.

Comments on Catella's principal investments in the third quarter 2019

Catella's principal investments are reported under the 'Other' category in the Consolidated Income Statement and Statement of Financial Position, see Notes 1 and 2. As of 30 September 2019, the principal investments totalled SEK 546 M, an increase of SEK 125 M on the previous quarter. The increase is mainly attributable to the re-classification of the holding in the property development project Kaktus I TopCo ApS, from a holding in an associated company to shares in a subsidiary with full consolidation of Kaktus' Income Statement and Balance Sheet. In addition, the loan portfolio 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 buildings 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.

For the Kaktus project, Catella has decided to initiate the construction phase and complete the project in order to realize the maximum potential for Catella's shareholders. However, Catella's ambition is still to divest the project as soon as this is commercially advantageous. The decision implies an increased investment commitment from Catella and has implied the re-classification of the holding in the property development company Kaktus I TopCo ApS from a holding in an associated company to shares in a subsidiary with full consolidation of Kaktus' Income Statement and Balance Sheet. The change means that a new

Balance Sheet item, Properties held for development and project properties, has been included in the Group's financial position from 30 September 2019 onwards.

Loan portfolios

The loan portfolios comprise securitised European loans with primary exposure in housing. The performance of the loan

portfolios is closely monitored, and revaluations are made on a continuous basis. Forecasts are conducted by the French investment advisor Cartesia S.A.S. The book value in Catella's Consolidated Accounts is determined based on the projected discounted cash flows mainly comprising interest payments but also amortisation.

A summary of Catella's loan portfolio as well as actual and forecast cash flows are presented in the relevant Note below.

Other holdings

Other holdings mainly consist of listed and unlisted shares in Swedish limited companies.

Summary of Catella's loan portfolios

SEK M		Forecast undiscouted cash flow *	Share of undiscouted cash flow	Forecast discounted cash flow	Share of discounted cash flow	Discount rate	Duration, years
Loan portfolio	Country						
Pastor 2	Spain	53.7	22.5%	50.7	36.6%	5.8%	1.0
Pastor 3 **	Spain	-	-	-	-	-	-
Pastor 4	Spain	36.0	15.1%	15.1	10.9%	10.8%	8.5
Pastor 5 **	Spain	-	-	-	-	-	-
Lusitano 3	Portugal	16.1	6.8%	15.9	11.4%	5.8%	0.3
Lusitano 4 **	Portugal	-	-	-	-	-	-
Lusitano 5	Portugal	132.4	55.6%	57.1	41.1%	25.0%	4.1
Sestante 2 **	Italy	-	-	-	-	-	-
Sestante 3 **	Italy	-	-	-	-	-	-
Sestante 4 **	Italy	-	-	-	-	-	-
Total cash flow ***		238.1	100.0%	138.7	100%	1.4%	3.8
Accrued interest				2.0			
Carrying amount in consolidated balance sheet				140.7			

* The forecast was produced by investment advisor Cartesia S.A.S.

** These investments were assigned a value of SEK 0.

*** The discount rate recognised in the line "Total cash flow" is the weighted average interest of the total discounted cash flow.

Method and assumptions for cash flow projections and discount rates

The cash flow for each loan portfolio is presented in the table on the next page and the discount rates by portfolio are stated above. More information about the loan portfolio can be found on the following page and in Catella's Annual Report 2018.

Cash flow projections

The portfolio is measured according to the fair-value method, according to the definition in IFRS. In the absence of a functioning and sufficiently liquid market for essentially all investments, as well as for comparable subordinated investments, the measurement is performed by using the 'mark-to-model' approach. This approach is based on forecasting cash flow until maturity for each investment on the basis of market-based credit assumptions. Projected cash flows have been produced by external investment advisor Cartesia. The credit assumptions produced by Cartesia are based on historical performance of the individual investments and a broad selection of comparable transactions. In the projected cash flows, an assumption is made of the potential weakening of the credit variables. These do not include the full effect of a scenario, with low probability and high potential negative impact, such as the dissolution of the Eurozone, where one of the

countries in which EETI has its underlying investments, leaves the European monetary union or similar scenarios. Adjustments of cash flows impact the value and are presented in a sensitivity analysis on Catella's website.

Discount rates

The discount rates applied are set internally and are based on a rolling 24-month index of non-investment grade European corporate bonds as underlying assets (iTraxx). The discount rates per portfolio were also determined relative to other assets in the absence of market prices for the assets held by EETI. Each quarter, the Board of EETI evaluates forecast cash flows and assumptions in combination with market pricing of other assets, in order to make potential adjustments to discount rates in addition to index variations. Adjustments to discount rates affect this value and are stated in a sensitivity analysis on Catella's website.

Risks and uncertainties relating to loan portfolios

Most of the investments consist of holdings in and/or financial exposure to securities that are subordinate in terms of payment and are ranked lower than securities that are secured or represent ownership of the same asset class. Some investments also include structural features by which more

highly ranked securities that are secured or represented by ownership of the same asset class are prioritized in instances of default or if the loss exceeds predetermined levels. This could lead to interruptions in Catella's expected revenue flow from its investment portfolio. For more information, see Note 23 in the Annual Report for 2018.

Clean-up call

The clean-up call affects all sub-portfolios and constitutes an option held by the issuer that enables the repurchase of the sub-portfolio when the outstanding loans have been amortized and fall below 10% of the issued amount. The administration of the portfolio is frequently unprofitable when it falls below 10% of the issued amount, and this structure allows the issuer to avoid these additional costs. The structure also ensures that investors are not stuck with small and protracted cash flows in the period until the portfolio has been repaid.

Time call

The time call affects the sub-portfolios Lusitano 3 and 5 and constitutes an option held by the issuer that enables the repurchase of the sub-portfolio at a specific point in time and from time to time subsequently.

Actual and forecast cash flows from the loan portfolio*

SEK M		Spain				Portugal		Italy	Netherlands		Germany		France	UK	Outcome	Forecast	Diff
Loan portfolio		Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Sestante 4	Memphis **	Shield **	Gems **	Semper **	Minotaure **	Ludgate **			
Outcome																	
Full year	2009	4.6	-	-	-	0.4	0.8	-	0.9	1.7	0.2	1.6	2.2	0.0	12.4	7.7	4.7
Full year	2010	7.8	-	-	-	2.7	0.0	-	3.3	6.1	0.7	5.8	8.8	0.5	35.6	35.7	-0.1
Full year	2011	9.8	-	-	-	11.1	0.0	0.6	3.3	4.4	0.9	5.7	6.9	0.4	43.1	28.4	14.7
Full year	2012	4.5	-	-	-	10.2	0.0	0.5	0.8	-	0.7	5.2	3.7	0.1	25.8	30.1	-4.3
Full year	2013	0.2	-	-	-	2.7	0.0	0.4	-	-	0.4	1.2	-	0.2	5.0	7.5	-2.5
Full year	2014	0.3	-	-	-	6.7	0.0	0.4	-	-	0.4	-	-	13.1	20.9	12.8	8.1
Full year	2015	0.1	-	-	-	3.7	0.0	0.5	-	-	0.3	-	-	16.9	21.5	23.2	-1.6
Q1	2016	-	-	-	-	1.7	-	0.1	-	-	46.7	-	-	3.9	52.4	51.3	1.1
Q2	2016	0.1	-	-	-	2.0	-	0.1	-	-	-	-	-	4.0	6.2	5.4	0.9
Q3	2016	-	-	-	-	0.9	-	0.1	-	-	-	-	-	3.4	4.5	5.0	-0.5
Q4	2016	-	-	-	-	3.7	-	0.1	-	-	-	-	-	3.4	7.2	5.2	2.1
Q1	2017	-	-	-	-	1.5	-	-	-	-	-	-	-	2.6	4.1	5.0	-0.9
Q2	2017	-	-	-	-	1.9	-	-	-	-	-	-	-	3.5	5.5	5.6	-0.1
Q3	2017	-	-	-	-	1.8	-	-	-	-	-	-	-	4.6	6.4	5.0	1.4
Q4	2017	0.0	-	-	-	3.8	-	-	-	-	-	-	-	2.7	6.5	4.8	1.7
Q1	2018	0.0	-	-	-	3.1	-	-	-	-	-	-	-	-	3.1	2.6	0.5
Q2	2018	0.0	-	-	-	2.4	-	-	-	-	-	-	-	-	2.4	2.7	-0.3
Q3	2018	0.0	-	-	-	2.1	-	-	-	-	-	-	-	-	2.2	2.2	-0.1
Q4	2018	-	-	-	-	3.6	-	-	-	-	-	-	-	-	3.6	2.3	1.3
Q1	2019	0.0	-	-	-	1.9	-	-	-	-	-	-	-	-	1.9	2.2	-0.3
Q2	2019	0.0	-	-	-	4.3	-	-	-	-	-	-	-	-	4.3	2.3	2.0
Q3	2019	0.0	-	-	-	3.2	-	-	-	-	-	-	-	-	3.2	2.4	0.9
Total		27.2	0.0	0.0	0.0	75.5	0.8	2.9	8.4	12.2	50.4	19.4	21.7	59.3	277.8	249.2	28.5

Forecast														Forecast		
Quarter/	Year													Quarter/	Year	Acc.
Q4	2019	-	-	-	-	16.1	-							16.1	16.1	
Full year	2020	53.7	-	-	-	-	-							53.7	69.8	
Full year	2021	-	-	-	-	28.4	-							28.4	98.2	
Full year	2022	-	-	-	-	25.6	-							25.6	123.8	
Full year	2023	-	-	-	-	27.4	-							27.4	151.2	
Full year	2024	-	-	-	-	28.7	-							28.7	179.9	
Full year	2025	-	-	-	-	2.1	-							2.1	182.0	
Full year	2026	-	-	-	-	1.7	-							1.7	183.7	
Full year	2027	-	-	-	-	18.4	-							18.4	202.1	
Full year	2028	-	-	-	-	36.0	-							36.0	238.1	
Total		53.7	0.0	36.0	0.0	16.1	132.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	238.1	

* The forecast was produced by investment advisor Cartesia S.A.S.

** Shield was divested in Q4 2011, Memphis in Q2 2012 and Semper in Q2 2013. Gems was re-purchased in Q1 2016 by the issuer. Ludgate and Minotaure were divested Q1 2018.

Pastor 2

According to the earlier forecast, the issuer would exercise its clean-up call in the third quarter 2019, which has not occurred. As of the third quarter 2019, the value of the underlying loans falls below 10%, implying that Catella judges that a repurchase will take place no later than the third quarter 2020.

Lusitano 3

In the third quarter 2019, the issuer exercised its time call option to repurchase Lusitano 3, implying impairment losses of some SEK 51 M. Catella will be repaid the nominal value in the fourth quarter 2019, meaning that the previously forecast future cash flows will not materialise.

Lusitano 5

The forecast cash flows for the sub-portfolio Lusitano 5 assume that the issuer will

not utilise its time call. However, the discount rate has been increased to reflect the probability that the issuer will exercise its option to repurchase Lusitano 5 at the nominal value of some EUR 3.3 M in the second quarter 2021.

Catella continuously monitors the issuing bank in order to evaluate the probability of the option being exercised.

Note 4 Short and long-term investments

SEK M	30 September 2019
Loan portfolios	141
Operation-related investments	195
Other securities	50
Total *	386

* of which short-term investments SEK 128 M and long-term investments SEK 258 M.

Note 5 The Group's assets and liabilities measured at fair value

In accordance with IFRS 7, financial instruments are recognized on the basis of fair value hierarchically with three different levels. Classification is based on the input data used for measuring instruments. Quoted prices on an active market on the reporting date are applied for level 1. Ob-

servable market data for the asset or liability other than quoted prices are used in level 2. Fair value is determined with the aid of valuation techniques. For level 3, fair value is determined on the basis of valuation techniques based on non-observable market data. Specific valuation techniques used for level 3 are the measurement of

discounted cash flows to determine the fair value of financial instruments. For more information, see Note 3 in the Annual Report 2018.

The Group's assets and liabilities measured at fair value as of 30 September 2019 are stated in the following table.

SEK M	Tier 1	Tier 2	Tier 3	Total
ASSETS				
Derivative instruments		4		4
Financial assets measured at fair value through profit or loss	58	115	209	382
Total assets	58	119	209	386
LIABILITIES				
Derivative instruments		2		2
Total liabilities	0	2	0	2

No changes between levels occurred the previous year.

CHANGE ANALYSIS, FINANCIAL ASSETS, LEVEL 3 IN THE NINE-MONTH PERIOD 2019

	2019
as of 1 January	275
Purchases	4
Disposals	0
Amortisation	-7
Gains and losses recognised through profit or loss	-73
Exchange rate differences	10
At 30 September	209

Note 6 Pledged assets and contingent liabilities

Pledged assets

SEK M	2019 30 Sep	2018 30 Sep	2018 31 Dec
Cash and cash equivalents	99	215	205
Other pledged assets	20	52	49
	119	267	255
Of which pledged assets related to divestment groups held for sale:			
Cash and cash equivalents	54	177	167
Other pledged assets	20	49	49
	74	226	217

Cash and cash equivalents include pledged cash funds. These funds are used as collateral in the Asset Management operating segment for ongoing transactions. Cash and cash equivalents also include cash

funds in accordance with minimum retention requirements of Catella Bank's card operations, funds that are to be made available at all times for regulatory reasons as well as frozen funds for other purposes.

Contingent liabilities

SEK M	2,019 30 Sep	2,018 30 Sep	2018 31 Dec
Client funds managed on behalf of clients	2	74	91
Other contingent liabilities	6	15	6
	9	89	97
Of which contingent liabilities related to divestment groups held for sale:			
Client funds managed on behalf of clients	2	74	91
Other contingent liabilities	5	14	5
	8	88	96

Client funds relate to assets belonging to customers and that are managed by Catella Bank branch office. These assets are deposited in separate bank accounts by the branch office under a third-party name.

Other contingent liabilities mainly relate to guarantees which were primarily provided for rental contracts with landlords.

Commitments

SEK M	2,019 30 Sep	2,018 30 Sep	2018 31 Dec
Unutilised credit facilities, granted by Catella Bank	3	2,764	2,760
Investment commitments	27	65	113
Other commitments	0	3	3
	30	2,831	2,876
Of which commitments related to divestment groups held for sale:			
Unutilised credit facilities, granted by Catella Bank	3	2,764	2,760
Investment commitments	0	0	0
Other commitments	0	3	3
	3	2,767	2,763

Unutilised credit facilities mainly relate to the credit commitments issued by Catella Bank to credit card clients. A majority of

these commitments were transferred to Advanzia Bank as of 1 April 2019. Investment commitments mainly relate to the unlisted holding in Pamica 2 AB and to

a lesser extent the associated companies Nordic Seeding GmbH and Grand Central Beteiligungs GmbH.

Note 7 Disposal group held for sale

The Banking business area is reported as a disposal group held for sale in the Consolidated Income Statement. Comparative figures from previous years have been reported in a corresponding manner. The condensed Income Statement and Statement of Financial Position for the Banking business area presented below excludes eliminations between Banking and the business area Corporate Finance and Asset Management.

In the first quarter 2019, Catella Bank divested its Wealth Management operations in Sweden and Luxemburg and its card issuing operations. The migration of card customers to Advanzia Bank continues and is expected to be completed in the beginning of 2020.

Third quarter 2019

Total income was SEK 15 M (75), and profit/loss for the period was SEK -10 M (-34).

Profit/loss for the period included costs of SEK 14 M related to cancellation of contracts with maturity dates beyond March 2020.

Other costs are expected to decrease over the coming quarters and include functions required for the banking operations and fulfilling Catella's commitments under the agreement with Advanzia Bank.

Net financial income and expense included SEK 46 M of the anticipated additional purchase consideration from Advanzia Bank net of commission costs.

As of 30 September, Catella valued the additional purchase consideration from Advanzia at SEK 50 M in accordance with IFRS. The migration of card customers was initiated in September and is expected to be completed in early 2020. At a pace with the migration, Catella will continuously review its assessment of the probable outcome for the additional purchase consideration. An updated valuation of the additional purchase consideration will be completed in the fourth quarter 2019. Catella's overall assessment is still that the equity of Catella Bank as of 30 September 2018 of SEK 437 M will be protected as a result of the winding down of operations.

SEK M	3 Months		9 Months		12 Months	
	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	Rolling 12 Months	2018 Jan-Dec
INCOME STATEMENT—CONDENSED						
Total income	15	75	64	262	142	340
Other expenses	-67	-108	-265	-356	-553	-643
Financial items—net	33	0	278	-3	287	6
Profit/loss before tax	-19	-34	76	-96	-124	-297
Tax	9	-1	-25	4	26	55
Net profit/loss for the period	-10	-34	51	-92	-99	-242
FINANCIAL POSITION - CONDENSED						
Assets			2019 30 Sep	2018 30 Sep		2018 31 Dec
Loan receivables	-	-	1	1,152	-	1,036
Cash and cash equivalents	-	-	600	2,682	-	2,547
Other assets	-	-	338	591	-	666
Assets in divestment groups held for sale	-	-	939	4,425	-	4,249
Equity						
Equity attributable to shareholders of the Parent Company	-	-	595	437	-	502
Non-controlling interests	-	-	0	0	-	0
Total equity	-	-	595	437	-	502
Liabilities						
Borrowings and loan liabilities	-	-	106	3,730	-	3,397
Other liabilities	-	-	239	258	-	349
Liabilities in disposal groups held for sale	-	-	344	3,988	-	3,747
Total equity and liabilities	-	-	939	4,426	-	4,249

Note 8 Capital adequacy—consolidated financial situation

Catella AB and the subsidiaries that conduct operations regulated by Swedish or foreign financial supervisory authorities comprise a financial corporate Group, known as a consolidated financial situation. The consolidated financial situation is under the supervision of the Luxembourg supervisory authority, CSSF. Catella Bank S.A is the reporting entity and responsible institute. Group companies currently included in / excluded from the consolidated financial situation are shown in Note 20 of Catella's Annual Report 2018.

Discussions are underway with CSSF regarding the divestment of the bank's operations, reporting and other matters that apply to the consolidated financial situation.

The consolidated financial situation is obliged to adhere to the European Parliament's regulation (EU) 575/32013 (CRR).

The Annual Accounts for Credit Institutions and Investment Firms Act (1995:1559), ÅRKL, stipulates that consolidated accounts shall be prepared for a consolidated financial situation. Catella complies

with this requirement by supplying the information contained in this Note on the consolidated financial situation's accounts in accordance with ÅRKL. The accounting principles indicated in Other financial information have been applied when preparing these financial statements and are consistent with ÅRKL. Otherwise, please refer to Catella AB's consolidated accounts.

The following tables present extracts from the accounts of the consolidated financial situation.

Income Statement—condensed, consolidated financial situation

SEK M	2019 Jan-Sep	2018 Jan-Sep	2018 Jan-Dec
Net sales	1,063	941	1,271
Other operating income	15	23	25
Total income	1,078	965	1,296
Assignment expenses & commission	-389	-295	-386
Income excl. direct assignment costs and commission	689	669	910
Operating expenses	-439	-406	-629
Operating profit/loss	249	264	281
Financial items—net	-98	-13	-49
Profit/loss before tax	151	251	232
Tax	-59	-57	-73
Profit for the period from continuing operations	92	194	159
Operations held for sale:			
Profit for the period from divestment group held for sale	52	-96	-238
Net profit/loss for the period	144	98	-79
Profit/loss attributable to:			
Shareholders of the Parent Company	82	28	-163
Non-controlling interests	62	70	84
	144	98	-79
Employees at end of period	261	356	339

Financial position—condensed, consolidated financial situation

SEK M	2019 30 Sep	2018 30 Sep	2018 31 Dec
Non-current assets	1,222	1,011	1,245
Current assets	1,170	1,433	1,145
Assets in divestment groups held for sale	861	4,423	4,247
Total assets	3,254	6,867	6,637
Equity	1,679	1,840	1,661
Liabilities	1,205	1,101	1,235
Liabilities in disposal groups held for sale	369	3,926	3,741
Total equity and liabilities	3,254	6,867	6,637

Capital adequacy—consolidated financial situation

The company Catella AB is a parent financial holding company in the Catella Group and accordingly publishes disclosures on capital adequacy for the consolidated financial situation.

SEK M	2019 30 Sep	2018 30 Sep	2018 31 Dec
Common Equity Tier 1 capital	976	1,251	896
Additional Tier 1 capital	0	0	0
Tier 2 capital	0	0	0
Own funds	976	1,251	896
Total risk exposure amount	3,948	5,027	4,920
OWN FUNDS AND BUFFERS			
Own funds requirements Pillar 1	316	402	394
<i>of which own funds requirements for credit risk</i>	130	231	216
<i>of which own funds requirements for market risk</i>	14	15	21
<i>of which own funds requirements for operational risk</i>	171	156	156
<i>of which own funds requirements for credit valuation adjustment risk</i>	0	0	0
Own funds requirements Pillar 2	118	151	148
Institution-specific buffer requirements	152	179	175
Internal buffer	39	50	49
Total own funds and buffer requirements	625	783	766
Capital surplus after own funds and buffer requirements	351	468	130
Capital surplus after regulatory required own funds and buffer requirements	390	518	180
CAPITAL RATIOS, % OF TOTAL RISK EXPOSURE AMOUNT			
Common Equity Tier 1 capital ratio	24.7	24.9	18.2
Tier 1 capital ratio	24.7	24.9	18.2
Total capital ratio	24.7	24.9	18.2
OWB FUNDS AND BUFFERS, % OF TOTAL RISK EXPOSURE AMOUNT			
Own funds requirements Pillar 1	8.0	8.0	8.0
Own funds requirements Pillar 2	3.0	3.0	3.0
Institution-specific buffer requirements	3.8	3.6	3.6
<i>of which requirement for capital conservation buffer</i>	2.5	2.5	2.5
<i>of which requirement for countercyclical capital buffer</i>	1.3	1.1	1.1
Internal buffer	1.0	1.0	1.0
Total own funds and buffer requirements	15.8	15.6	15.6
Capital surplus after own funds and buffer requirements	8.9	9.3	2.6
Capital surplus after regulatory required own funds and buffer requirements	9.9	10.3	3.6

Catella AB's consolidated financial situation is in compliance with minimum capital base requirements. The capital base includes reviewed profit/loss for the nine-month period 2019.

	2019 30 Sep	2018 30 Sep	2018 31 Dec
Own funds, SEK M			
<i>Common Equity Tier 1 capital</i>			
Share capital and share premium reserve	440	404	404
Retained earnings and other reserves	1,239	1,437	1,258
<i>Less:</i>			
Intangible assets	-277	-298	-285
Price adjustments	-17	-24	-24
Deferred tax receivables	-102	-70	-121
Qualifying holdings outside the financial sector Positive results attributable to shareholders of the Parent Company and which are not yet verified by the Annual General Meeting	-167	-33	-185
Other deductions	-139	-67	-150
Total Common Equity Tier 1 capital	976	1,251	896
Additional Tier 1 capital	-	-	-
Tier 2 capital	-	-	-
Own funds	976	1,251	896

Specification of risk-weighted exposure amounts and own funds requirements Pillar 1, SEK M	2019 30 Sep		2018 30 Sep		2018 31 Dec	
	Risk-weighted exp.amount	Own funds requirements Pillar 1	Risk-weighted exp.amount	Own funds requirements Pillar 1	Risk-weighted exp.amount	Own funds requirements Pillar 1
<i>Credit risk according to Standardised Approach</i>						
Exposures to institutions	206	16	647	52	446	36
Exposures to corporates	23	2	649	52	630	50
Exposures to retail	0	0	52	4	13	1
Exposures secured by mortgages on immovable property	0	0	180	14	125	10
Exposures in default	127	10	200	16	191	15
Items associated with particular high risk	172	14	178	14	180	14
Exposures in the form of covered bonds	2	0	3	0	4	0
Exposures to collective investment undertakings (funds)	2	0	1	0	1	0
Equity exposures	543	43	384	31	483	39
Other items	549	44	597	48	628	50
	1,624	130	2,891	231	2,701	216
<i>Market risk</i>						
Interest risk	0	0	0	0	0	0
Foreign exchange risk	181	14	187	15	268	21
	181	14	187	15	268	21
<i>Operational risk according to the Basic Indicator Approach</i>						
Credit valuation adjustment risk	2,143	171	1,948	156	1,948	156
	0	0	2	0	4	0
Total	3,948	316	5,027	402	4,920	394

Parent Company Income Statement

SEK M	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	2018 Jan-Dec
Net sales	7.7	4.6	16.9	13.8	31.2
Other operating income	0.0	1.0	0.1	1.0	1.2
Total income	7.8	5.6	16.9	14.8	32.5
Other external expenses	-8.0	-12.9	-29.1	-35.0	-49.4
Personnel costs *	-6.7	-8.6	-19.7	-23.2	-38.4
Depreciation	-0.2	-0.0	-0.3	-0.0	-0.1
Other operating expenses	-2.5	0.0	-2.4	-0.0	-0.0
Operating profit/loss	-9.6	-15.9	-34.5	-43.5	-55.5
Profit/loss from participations in group companies	0.0	0.0	0.0	0.0	0.0
Interest income and similar profit/loss items	0.0	8.4	0.0	8.9	7.5
Interest expenses and similar profit/loss items	-10.4	-8.1	-50.8	-18.4	-25.1
Financial items	-10.4	0.3	-50.8	-9.5	-17.6
Profit/loss before tax	-20.0	-15.6	-85.3	-53.0	-73.1
Appropriations	0.0	0.0	0.0	0.0	236.2
Tax on net profit for the year	0.0	0.0	0.0	15.2	-19.8
Net profit/loss for the period	-20.0	-15.6	-85.3	-37.8	143.4

* Personnel costs include directors' fees

Parent Company Statement of Comprehensive Income

SEK M	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	2018 Jan-Dec
Net profit/loss for the period	-20.0	-15.6	-85.3	-37.8	143.4
Other comprehensive income					
Other comprehensive income for the period, net after tax	0.0	0.0	0.0	0.0	0.0
Total comprehensive income/loss for the period	-20.0	-15.6	-85.3	-37.8	143.4

Parent Company Balance Sheet—condensed

SEK M	2019 30 Sep	2018 30 Sep	2018 31 Dec
Intangible assets	3.0	0.0	0.0
Property, plant and equipment	0.1	0.1	0.2
Participations in Group companies	1,052.6	852.6	1,052.6
Deferred tax receivables	0.0	35.0	0.0
Current receivables from Group companies	189.1	319.4	350.4
Other current receivables	6.6	11.0	5.6
Cash and cash equivalents	0.0	17.1	17.8
Total assets	1,251.4	1,235.1	1,426.5
Equity	483.9	473.4	654.6
Bond issue	745.6	747.8	748.4
Current liabilities to Group companies	2.5	0.5	1.5
Other current liabilities	19.4	13.5	22.2
Total equity and liabilities	1,251.4	1,235.1	1,426.5

As of 30 September 2019, there were no pledged assets or contingent liabilities.

Application of key performance indicators not defined by IFRS

The Consolidated Accounts of Catella are prepared in accordance with IFRS. See above for more information regarding accounting principles. IFRS defines only a limited number of performance measures. From the second quarter 2016, Catella applies the European Securities and Markets Authority's (ESMA) new guidelines for alternative performance measures. In summary, an alternative performance measure is a financial measure of historical or future

profit progress, financial position or cash flow not defined by or specified in IFRS. In order to assist corporate management and other stakeholders in their analysis of Group progress, Catella presents certain performance measures not defined under IFRS. Corporate management considers that this information facilitates the analysis of the Group's performance. This additional information is complementary to the information provided by IFRS and does

not replace performance measures defined in IFRS. Catella's definitions of measures not defined under IFRS may differ from other companies' definitions. All of Catella's definitions are presented below. The calculation of all performance measures corresponds to items in the Income Statement and Balance Sheet.

Definitions

Non-IFRS performance measure	Description	Reason for using the measure
Equity per share attributable to parent company shareholders*	Equity attributable to parent company shareholders divided by the number of shares at the end of the period.	Provides investors with a view of equity as represented by a single share.
Return on equity*	Total profit in the period attributable to parent company shareholders for the most recent four quarters divided by average equity attributable to parent company shareholders in the most recent five quarters.	The company considers that the performance measure provides investors with a better understanding of return on equity.
Adjusted return on equity*	Total profit in the period attributable to the parent company share adjusted for items affecting comparability for the most recent four quarters divided by average equity attributable to parent company shareholders in the most recent five quarters.	The company considers that the performance measure provides investors with a better understanding of return on equity when making comparisons with earlier periods.
Equity/asset ratio*	Equity divided by total assets.	Catella considers the measure to be relevant to investors and other stakeholders wishing to assess Catella's financial stability and long-term viability.
Dividend per share	Dividend divided by the number of shares.	Provides investors with a view of the company's dividend over time.
Profit margin*	Profit for the period divided by total income for the period.	The measure illustrates profitability regardless of the rate of corporation tax.
Adjusted profit margin*	Profit for the period adjusted for items affecting comparability divided by total income for the period.	The measure illustrates profitability regardless of the rate of corporation tax when making comparisons with earlier periods.
Property transaction volumes in the period	Property transaction volumes in the period constitutes the value of underlying properties at the transaction dates.	An element of Catella's income in Corporate Finance is agreed with customers on the basis of the underlying property value of the relevant assignments. Provides investors with a view of what drives an element of Catella's income.
Assets under management at year end	Assets under management constitutes the value of Catella's customers' deposited/invested capital.	An element of Catella's income in Asset Management and Banking is agreed with customers on the basis of the value of the underlying invested capital. Provides investors with a view of what drives an element of Catella's income.
Card and payment volumes	Card and payment volumes are the value of the underlying card transactions processed by Catella.	Card and payment volumes are value drivers for Catella's income in Card & Payment Solutions. Provides investors with a view of what drives an element of Catella's income.
Earnings per share	Profit for the period attributable to parent company shareholders divided by the number of shares.	Provides investors with a view of the company's Earnings per share when making comparisons with earlier periods.

* See next page for basis of calculation

KPI, all operations (excl. Banking business area)

Calculation of performance measures for the Group

GROUP	3 Months		9 Months		12 Months	
	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	Rolling 12 Months	2018 Jan-Dec
Net profit/loss for the period, SEK M	-60	50	76	188	99	210
Total income, SEK M	517	472	1,659	1,518	2,357	2,216
Profit margin, %	-12	11	5	12	4	9
Equity, SEK M	-	-	1,087	1,310	-	1,145
Total assets, SEK M	-	-	2,972	2,587	-	2,760
Equity/Asset ratio, %	-	-	37	51	-	41
Net profit/loss for the period, SEK M *	-73	25	14	117	23	127
No. of shares at end of the period	86,281,905	84,115,238	86,281,905	84,115,238	86,281,905	84,115,238
Earnings per share, SEK *	-0.85	0.30	0.16	1.40	0.27	1.50
Equity, SEK M *	-	-	893	1,141	-	940
No. of shares at end of the period	86,281,905	84,115,238	86,281,905	84,115,238	86,281,905	84,115,238
Equity per share, SEK *	-	-	10.36	13.57	-	11.17

GROUP	2019	2019	2019	2018	2018	2018	2018	2017	2017	2017	2017	2016	2016	2016	2016
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net profit/loss for the period, SEK M *	-73	87	1	9	25	50	43	114	60	37	34	32	33	44	32
Equity, SEK M *	893	948	973	940	1,141	1,118	1,133	1,236	1,105	1,050	1,092	1,063	1,029	1,038	1,048
Return on equity, %	2	12	8	11	20	24	23	22	15	13	14				

Calculation of performance measures for the Corporate Finance operating segment

CORPORATE FINANCE	3 Months		9 Months		12 Months	
	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	Rolling 12 Months	2018 Jan-Dec
Net profit/loss for the period, SEK M	2	1	-4	4	7	15
Total income, SEK M	152	146	421	416	721	715
Profit margin, %	1	1	-1	1	1	2
Equity, SEK M	-	-	53	62	-	69
Total assets, SEK M	-	-	445	353	-	464
Equity/Asset ratio, %	-	-	12	18	-	15

CORPORATE FINANCE	2019	2019	2019	2018	2018	2018	2018	2017	2017	2017	2017	2016	2016	2016	2016
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net profit/loss for the period, SEK M *	2	11	-16	12	1	7	-5	29	15	0	-1	11	11	36	-8
Equity, SEK M *	29	27	17	35	44	42	115	120	90	78	177	254	237	222	206
Return on equity, %	25	21	8	21	40	52	34	30	15	11	26				

* Attributable to shareholders of the Parent Company.

Calculation of performance measures for the Asset Management operating segment

ASSET MANAGEMENT	3 Months		9 Months		12 Months	
	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	Rolling 12 Months	2018 Jan-Dec
Net profit/loss for the period, SEK M	40	65	202	245	229	271
Total income, SEK M	374	328	1,245	1,109	1,646	1,510
Profit margin, %	11	20	16	22	14	18
Equity, SEK M	-	-	1,103	807	-	1,058
Total assets, SEK M	-	-	1,797	1,264	-	1,733
Equity/Asset ratio, %	-	-	61	64	-	61

* Attributable to shareholders of the Parent Company.

** Return on equity, %: Sum of profit after tax for the four most recent quarters divided by average equity for the five most recent quarters.

ASSET MANAGEMENT	2019	2019	2019	2018	2018	2018	2018	2017	2017	2017	2017	2016	2016	2016	2016
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net profit/loss for the period, SEK M *	26	85	28	12	41	79	55	79	52	49	37	37	15	14	40
Equity, SEK M *	940	983	937	887	656	626	575	485	504	368	347	359	349	344	364
Return on equity, %	17	20	22	29	45	52	52	53	45	39	29				

* Attributable to shareholders of the Parent Company.

KPI, all operations (incl. Banking business area)

Selected KPIs per operating segment

	3 Months		9 Months		12 Months	
	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	Rolling 12 Months	2018 Jan-Dec
GROUP						
Profit margin, %	-13	2	7	5	0	-1
Return on equity, %*	-	-	-4	5	-	-7
Equity/Asset ratio, %	-	-	43	25	-	24
Equity, SEK M*	-	-	1,487	1,578	-	1,442
No. of employees, at end of period	-	-	645	666	-	706
Earnings per share, SEK *	-0.96	-0.16	0.76	0.26	-0.78	-1.33
Equity per share, SEK *	-	-	17.23	18.76	-	17.14
CORPORATE FINANCE						
Profit margin, %	1	1	-1	1	1	2
Return on equity, %*	-	-	25	40	-	21
Equity/Asset ratio, %	-	-	12	18	-	15
Equity, SEK M*	-	-	29	44	-	35
No. of employees, at end of period	-	-	214	208	-	220
Property transaction volume for the period, SEK Bn	11.4	16.9	26.7	45.3	50.0	68.6
ASSET MANAGEMENT AND BANKING						
Profit margin, %	8	8	19	11	8	2
Return on equity, %*	-	-	3	11	-	-5
Equity/Asset ratio, %	-	-	62	22	-	26
Equity, SEK M*	-	-	1,533	1,093	-	1,389
No. of employees, at end of period	-	-	410	439	-	466
Asset under management at end of period, SEK Bn	-	-	185.4	196.9	-	203.7
net in-(+) and outflow(-) during the period, mdkr	-21.6	3.5	-35.6	2.9	-38.6	-0.1
Card and payment volumes, SEK Bn	0.0	3.6	0.0	11.7	4.5	16.2

* Attributable to shareholders of the Parent Company.

Calculation of performance measures for the Group

	3 Months		9 Months		12 Months	
	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	Rolling 12 Months	2018 Jan-Dec
GROUP						
Net profit/loss for the period, SEK M	-69	11	128	92	9	-28
Total income, SEK M	530	546	1,717	1,778	2,492	2,553
Profit margin, %	-13	2	7	5	0	-1
Equity, SEK M	-	-	1,680	1,747	-	1,647
Total assets, SEK M	-	-	3,912	7,013	-	7,009
Equity/Asset ratio, %	-	-	43	25	-	24
Net profit/loss for the period, SEK M*	-83	-13	66	21	-67	-112
No. of shares at end of the period	86,281,905	84,115,238	86,281,905	84,115,238	86,281,905	84,115,238
Earnings per share, SEK *	-0.96	-0.16	0.76	0.26	-0.78	-1.33
Equity, SEK M*	-	-	1,487	1,578	-	1,442
No. of shares at end of the period	86,281,905	84,115,238	86,281,905	84,115,238	86,281,905	84,115,238
Equity per share, SEK *	-	-	17.23	18.76	-	17.14

GROUP	2019	2019	2019	2018	2018	2018	2018	2017	2017	2017	2017	2016	2016	2016	2016
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net profit/loss for the period, SEK M*	-83	38	111	-133	-13	13	22	67	59	33	33	37	35	182	17
Equity, SEK M*	1,487	1,543	1,603	1,442	1,578	1,587	1,625	1,729	1,628	1,577	1,597	1,563	1,534	1,484	1,333
Return on equity, %	-4	0	-1	-7	5	10	11	12	10	9	19				

Calculation of performance measures for the Corporate Finance operating segment

CORPORATE FINANCE	3 Months		9 Months		12 Months	
	2019	2018	2019	2018	Rolling	2018
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	12 Months	Jan-Dec
Net profit/loss for the period, SEK M	2	1	-4	4	7	15
Total income, SEK M	152	146	421	416	721	715
Profit margin, %	1	1	-1	1	1	2
Equity, SEK M	-	-	53	62	-	69
Total assets, SEK M	-	-	445	353	-	464
Equity/Asset ratio, %	-	-	12	18	-	15

CORPORATE FINANCE	2019	2019	2019	2018	2018	2018	2018	2017	2017	2017	2017	2016	2016	2016	2016
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net profit/loss for the period, SEK M *	2	11	-16	12	1	7	-5	29	15	0	-1	11	11	36	-8
Equity, SEK M *	29	27	17	35	44	42	115	120	90	78	177	254	237	222	206
Return on equity, %	25	21	8	21	40	52	34	30	15	11	26				

* Attributable to shareholders of the Parent Company.

Calculation of performance measures for the Asset Management and Banking operating segment

ASSET MANAGEMENT AND BANKING	3 Months		9 Months		12 Months	
	2019	2018	2019	2018	Rolling	2018
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	12 Months	Jan-Dec
Net profit/loss for the period, SEK M	30	31	253	153	130	29
Total income, SEK M	389	401	1,308	1,369	1,786	1,847
Profit margin, %	8	8	19	11	8	2
Equity, SEK M	-	-	1,697	1,244	-	1,560
Total assets, SEK M	-	-	2,737	5,690	-	5,982
Equity/Asset ratio, %	-	-	62	22	-	26

ASSET MANAGEMENT	2019	2019	2019	2018	2018	2018	2018	2017	2017	2017	2017	2016	2016	2016	2016
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net profit/loss for the period, SEK M *	17	36	138	-137	6	43	33	30	51	49	39	43	27	158	24
Equity, SEK M *	1,533	1,578	1,568	1,389	1,093	1,095	1,067	978	1,027	896	852	859	855	790	649
Return on equity, %	4	3	4	-5	11	16	17	18	20	19	33				

* Attributable to shareholders of the Parent Company.



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