

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

CATELLA *Interim Report* JANUARY – JUNE 2020



Leading finance group in property and alternative investments

Catella was founded in 1987, has 28 offices across 14 countries and 550+ employees within three business areas:

CORPORATE FINANCE

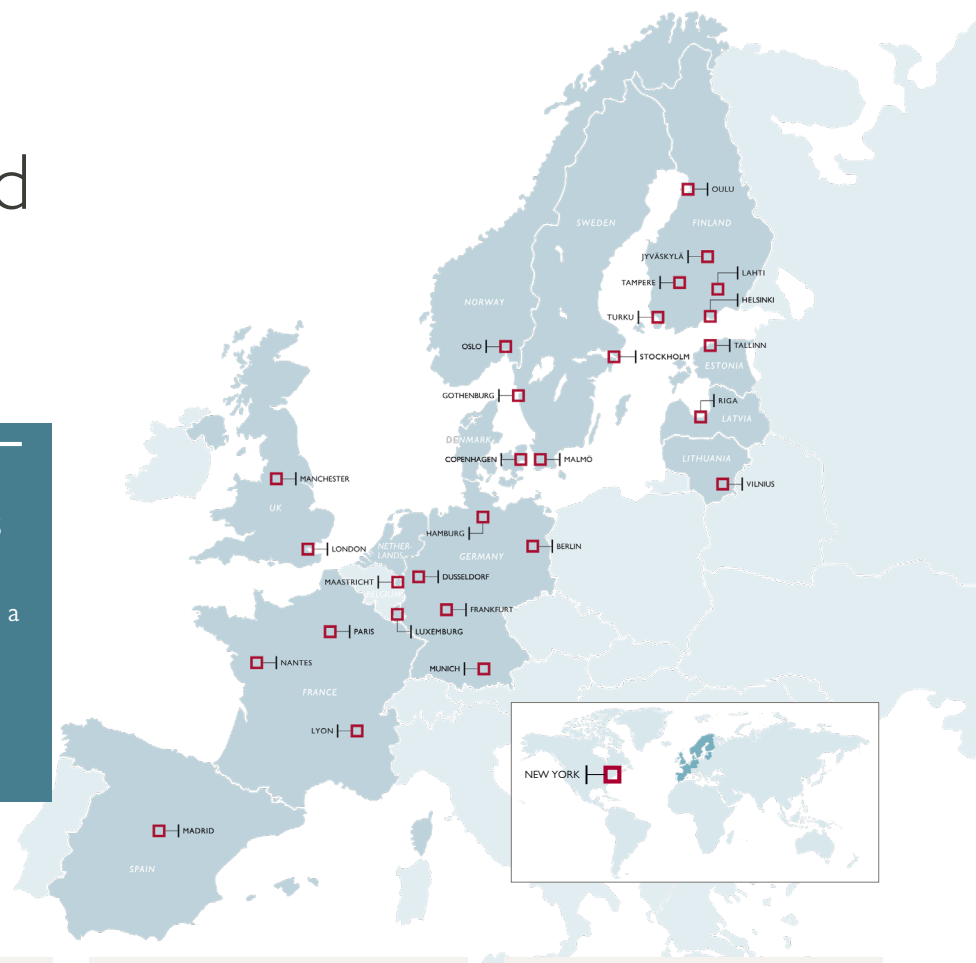
Leading European advisor within high-end real estate transaction services and real estate related corporate finance.

PROPERTY INVESTMENT MANAGEMENT

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

EQUITY, HEDGE AND FIXED INCOME FUNDS

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



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

MARKET CAPITALISATION

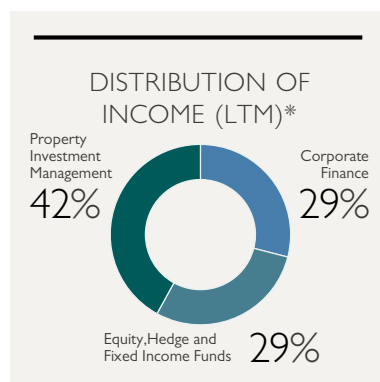
SEK 1,8 Bn

June 2020

TOTAL INCOME*

SEK 2,3 Bn

Last 12 months "LTM"



OPERATING PROFIT*

SEK 307 M

LTM

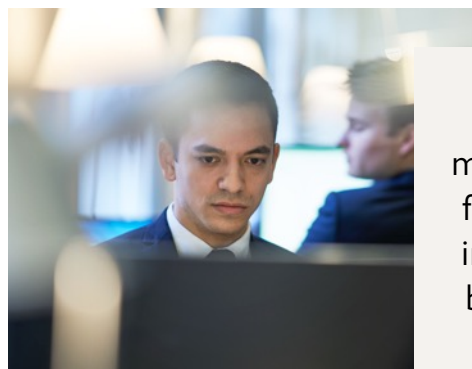
ASSETS UNDER MANAGEMENT "AUM"*

SEK 149 Bn

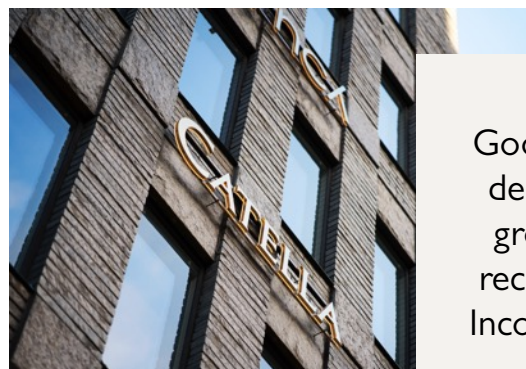
Q2 2020

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

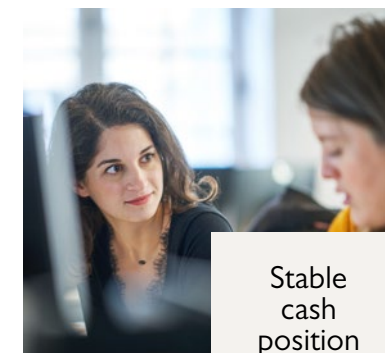
Differentiated, linked business model with a clear income base



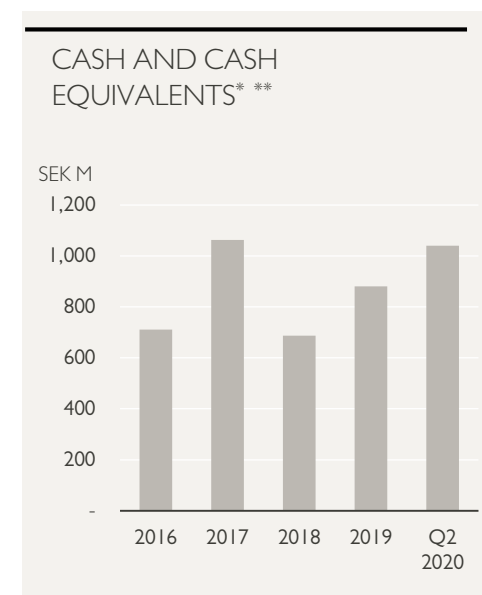
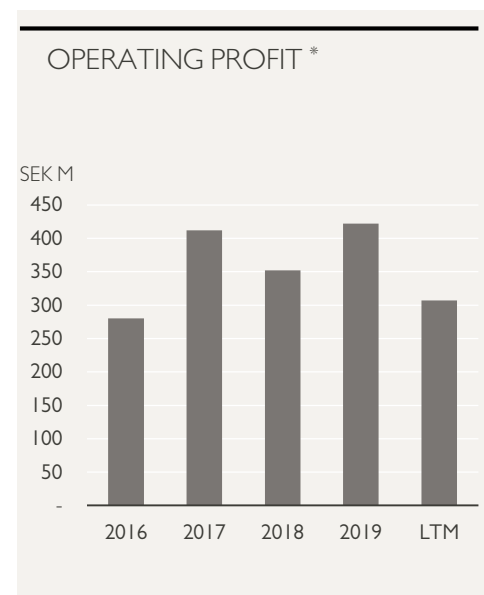
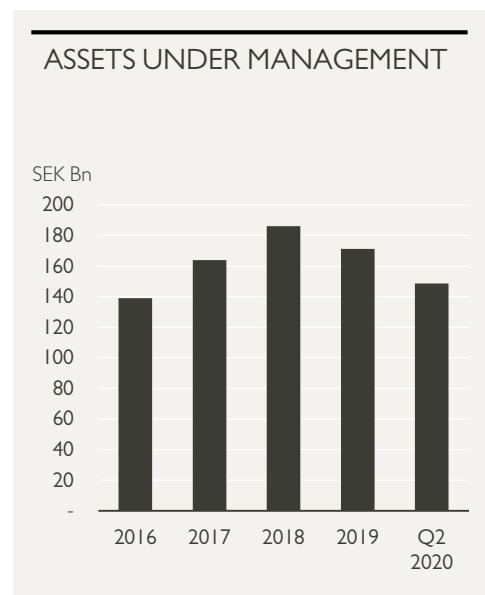
Assets under management drives fixed earnings and increases Catella's base for potential variable earnings



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



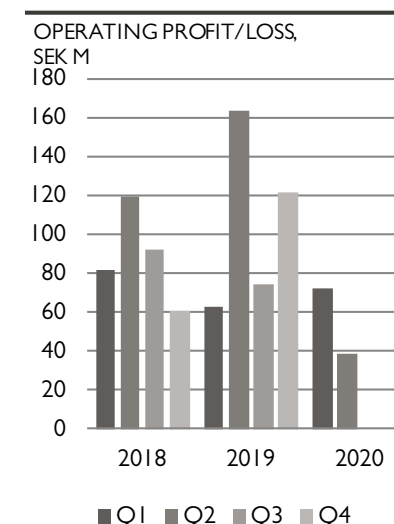
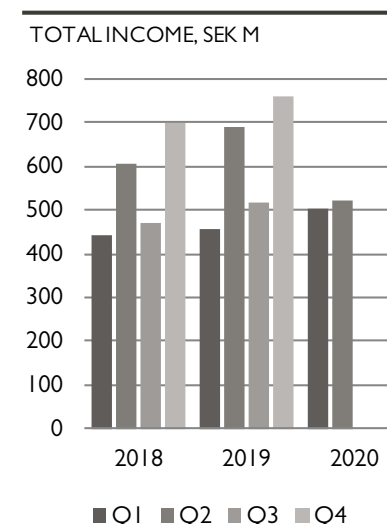
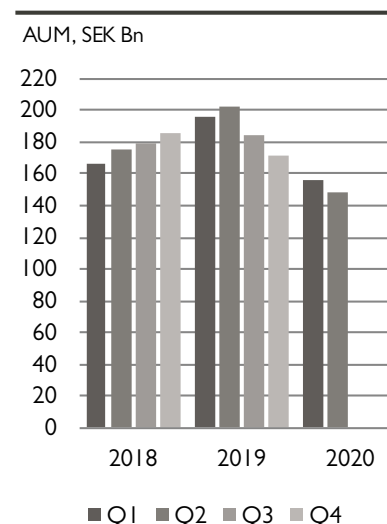
Stable cash position



* THE BANKING BUSINESS AREA HAS BEEN REPORTED AS A DISPOSAL GROUP HELD FOR SALE AND HAS NOT BEEN INCLUDED IN GROUP FIGURES
 ** THE BRIDGE FINANCING OF SEK 220 M RELATING TO BANKING IS NOT INCLUDED

Sales and results of operations Group

- Property Investment Management was not significantly affected by the pandemic during the second quarter.
- The negative trend in Equity, Hedge and Fixed Income Funds continued during the quarter and operating profit in the business area decreased by SEK 125 M compared to the second quarter of 2019.
- Profit after tax includes write-downs of Group deferred tax assets of SEK 70 M related to the divestment of Catella Fondförvaltning AB and provisions for costs totalling SEK 55 million from the winding down of Catella Bank's operations.
- In the quarter, we improved liquidity in parts of the Group through national government borrowing schemes introduced due to the pandemic in some countries.
- Catella signed an agreement in the quarter regarding the divestment of 70% of the shares in Catella Fondförvaltning AB (Mutual Funds) for a cash purchase consideration of SEK 126–154 M.
- During the spring, Catella reviewed costs at Group level. Looking ahead, we will continue to reduce costs at Group level, and the full effect of cost savings will be felt from next year onwards.
- Catella has limited Group contribution rights, which contributes to increased tax over time. We will review the tax situation, but this will take some time.



SEK M	3 Months		6 Months		12 Months	
	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	Rolling 12 Mth.	2019 Jan-Dec
Total income	523	688	1,027	1,142	2,305	2,420
Assignment expenses and commission	-100	-136	-170	-213	-329	-372
Operating expenses	-385	-388	-745	-702	-1,669	-1,626
Operating profit/loss	39	164	111	226	307	422
Profit for the period from continuing operations	-73	114	-49	136	-37	148
Net profit/loss for the period	-149	64	-139	197	-37	193
Profit/loss attributable to the Parent Company shareholders	-147	38	-147	149	-183	113
Operating margin, %	7	24	11	20	13	17
No. of employees, at end of period	578	551	578	551	-	582
Asset under management, SEK Bn	-	-	148.6	202.2	-	171.3
<i>net in-(+) and outflow(-)</i>	<i>-2.5</i>	<i>2.7</i>	<i>-15.2</i>	<i>3.3</i>	<i>-51.5</i>	<i>-33.0</i>

* Includes internal income between business areas.

Financial position – Remaining operations

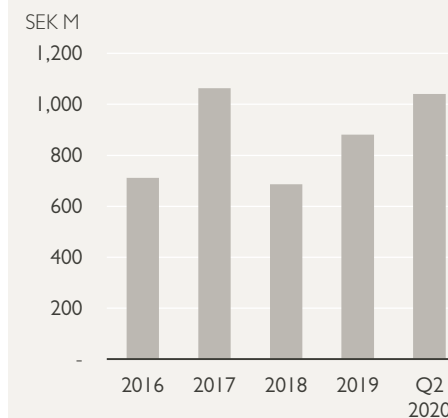
Balance sheet	SEK M
Assets	3,262
Short and long term investments	294
<i>Loan portfolio</i>	115
<i>Other investments (Securities, Co-investments)</i>	80
<i>Treasury placements (Bonds, Macro fund)</i>	47
<i>Accrued bonuses invested in own products</i>	52
Property development projects	531
Deferred tax assets *	1
Cash and cash equivalents ***	1,040
Other assets	1,396
Equity	1,154
Shareholders of the parent company	950
Minorities interest	204
Liabilities	2,108
Unsecured bond **	750
Other liabilities	1,358

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

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

*** *The bridge financing of SEK 220 M relating to Banking is not included*

CASH AND CASH EQUIVALENTS

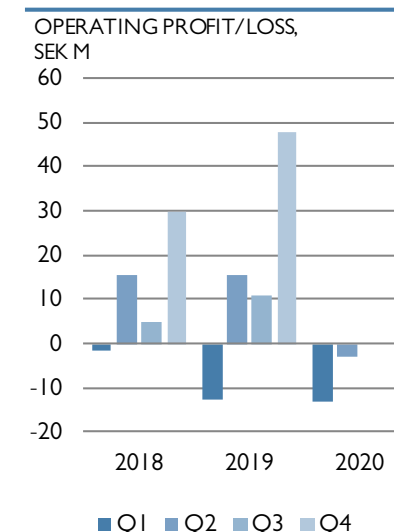
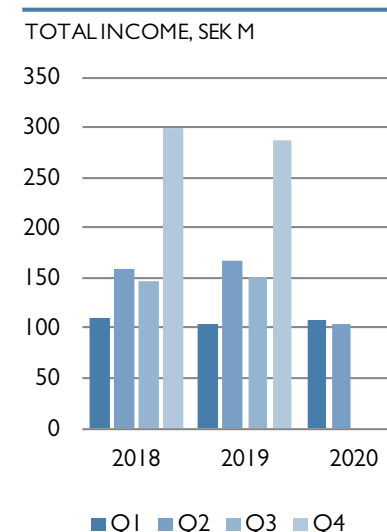
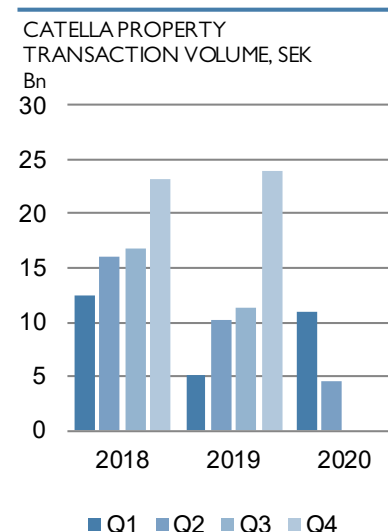




CORPORATE FINANCE

Sales and results of operations

- The total transaction market for commercial properties in Europe, excluding the UK, totalled EUR 40.6 Bn (62.0) in the quarter, which is a decrease of 35% year-on-year.
- Property transactions where Catella acted as advisor totalled SEK 5.0 Bn (15.4) in the quarter, of which:
 - France SEK 3.0 Bn (6.5)
 - Sweden SEK 2.0 Bn (6.4)
 - Germany SEK 0.1 Bn (1.1)
 - Denmark SEK 0.0 Bn (0.0)
- The Nordics recorded a weak quarter in year-on-year terms, with Sweden responsible for the majority of the reduction in income and profit
- In Continental Europe, Germany and Spain provided the majority of the decrease in income and earnings in year-on-year terms. France recorded an increase in operating profit.
- Catella's assessment is that transaction volumes will be deferred to the latter part of the second half-year, which means that fewer market transactions are expected in the third quarter 2020. This is expected to impact business area income and profit negatively year-on-year.



SEK M	3 Months		6 Months		12 Months	
	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	Rolling 12 Mth.	2019 Jan-Dec
Nordic *	28	69	81	103	203	225
Continental Europe *	77	97	131	166	447	482
Total income	105	166	214	270	653	709
Assignment expenses and commission	-11	-17	-20	-26	-49	-55
Operating expenses	-97	-134	-209	-240	-561	-592
Operating profit/loss	-3	15	-16	3	43	62
Operating margin, %	-3	9	-7	1	7	9
No. of employees, at end of period	209	216	209	216	-	214
Property transaction volume, SEK Bn	5.0	15.4	17.0	22.3	64.9	70.2
of which Nordic	1.9	7.5	9.7	10.2	26.6	27.1
of which Continental Europe	3.1	7.9	7.4	12.1	38.4	43.1

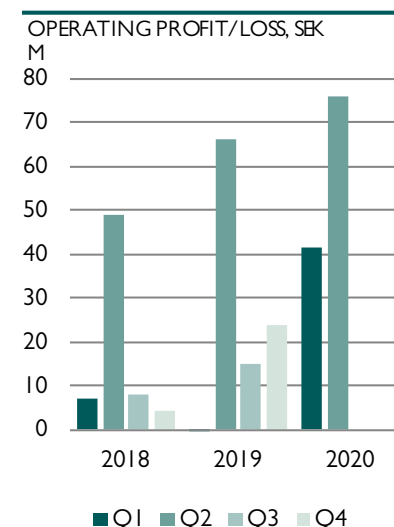
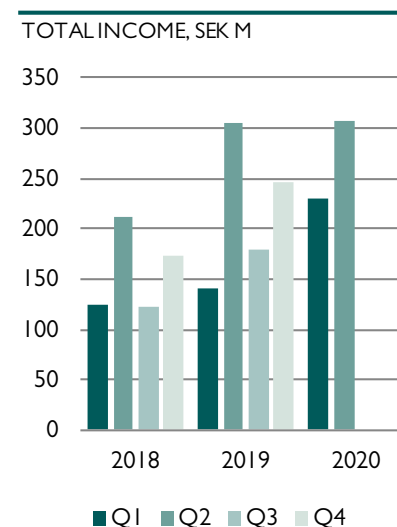
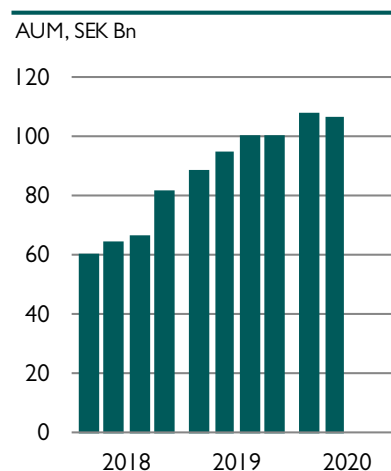
* Includes internal income between business areas.



PROPERTY INVESTMENT MANAGEMENT

Sales and result of operations

- Assets under management increased by SEK 11.6 bn compared to the corresponding period of the previous year. The decrease on the previous quarter was SEK 2.0 Bn, net flows were SEK 4.4 Bn in the quarter.
- Assets under management measured in EUR increased by some 5% in the quarter.
- Property Funds' income was in line with the corresponding period of the previous year. This year too, Catella European Residential fund exceeded the levels required to receive performance-based fees, which are shared with third parties. The lower assignment costs are partly due to Catella receiving a higher proportion of the performance-based fees compared to the previous year.
- Property Asset Management's income increased by SEK 11 M year-on-year, mainly attributable to Property Asset Management's German operations, which exited a mandate. Income growth was dampened by more limited invoicing by Project Management compared to the previous year.
- Operating costs were affected by increased personnel costs related to aggressive initiatives implemented in the business area.
- Operating profit was SEK 76 M (66), mainly driven by Property Funds.
- We do not perceive any significant impact of the pandemic on business area income and profit in the third quarter 2020 in year-on-year terms.



SEK M	3 Months		6 Months		12 Months	
	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	Rolling 12 Mth.	2019 Jan-Dec
Property Funds *	240	237	384	342	656	613
Property Asset Management *	91	80	191	127	370	306
Total income	308	305	537	446	961	871
Assignment expenses and commission	-68	-89	-103	-121	-171	-189
Operating expenses	-164	-150	-316	-259	-635	-577
Operating profit/loss	76	66	117	66	156	104
Operating margin, %	25	22	22	15	16	12
No. of employees, at end of period	-	-	256	222	-	251
Asset under management, SEK Bn	-	-	106.5	94.9	-	100.5
net in-(+) and outflow(-)	4.4	4.7	7.1	9.1	10.5	12.5

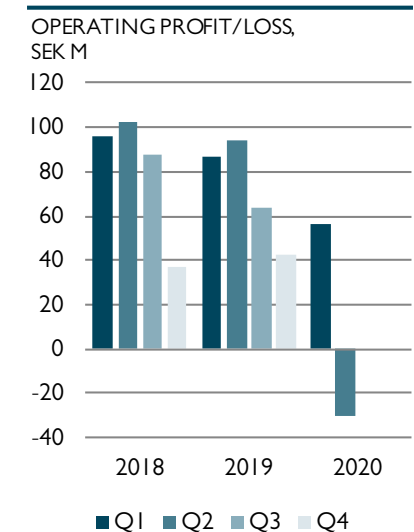
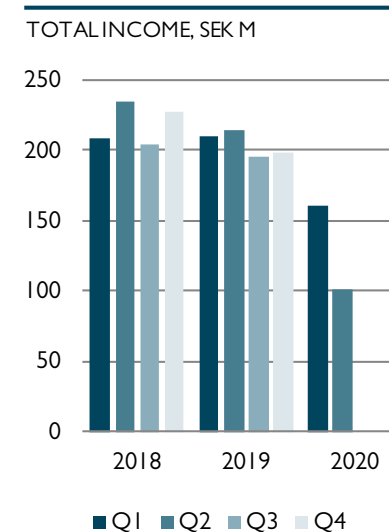
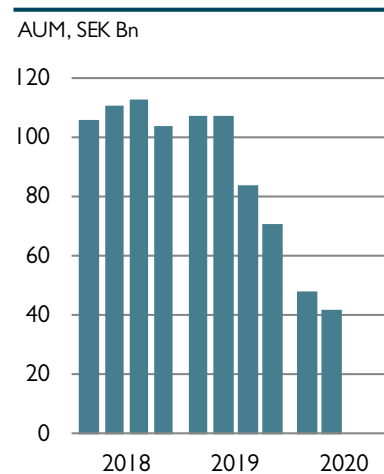
* Includes internal income between business areas.



EQUITY, HEDGE AND FIXED INCOME FUNDS

Sales and results of operations

- During the second quarter 2020, Catella entered into a strategic partnership to divest 70 percent of the shares in Catella Fondförvaltning AB (Mutual Funds).
- The business area's assets under management decreased by SEK 37.9 Bn, adjusted for the product Systematic Equity, in year-on-year terms. The decrease on the previous quarter was SEK 5.7 Bn. In the quarter, net flows were SEK -2.4 bn in Mutual Funds and SEK -4.4 bn in Systematic Funds.
- Total income decreased with SEK 114 M in year-on-year terms, driven by lower fixed income, mainly in Systematic Funds. Total income in the quarter solely comprised fixed income.
- Assignment costs and commission decreased due to lower fixed income in the business area.
- Operating costs increased year-on-year, mainly driven by increased variable personnel and consultancy costs, and costs associated with the divestment of Mutual Funds.
- Due to lower assets under management, lower revenues and earnings for the business area are assessed during the third quarter of 2020 in comparison with the corresponding period last year. The estimated decrease is mainly attributable to lower average assets under management during the third quarter.



SEK M	3 Months		6 Months		12 Months	
	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	Rolling 12 Mth.	2019 Jan-Dec
Mutual Funds *	41	64	101	123	221	243
Systematic Funds *	60	151	160	302	434	576
Total income	101	215	261	425	655	818
Assignment expenses and commission	-21	-33	-47	-69	-113	-135
Operating expenses	-110	-88	-187	-174	-409	-395
Operating profit/loss	-31	94	26	181	133	288
Operating margin, %	-30	44	10	43	20	35
No. of employees, at end of period	-	-	92	93	-	93
Asset under management, SEK Bn	-	-	42.1	107.3	-	70.8
net in-(+) and outflow(-)	-6.9	-2.0	-22.3	-5.8	-61.9	-45.5

* Includes internal income between business areas.

PRINCIPAL INVESTMENTS

Catella's principal investments

INVESTMENTS

SEK M	30 June 2020
Property development projects	513
Loan portfolios	115
Other holdings	73
Total	719

Progress in the quarter

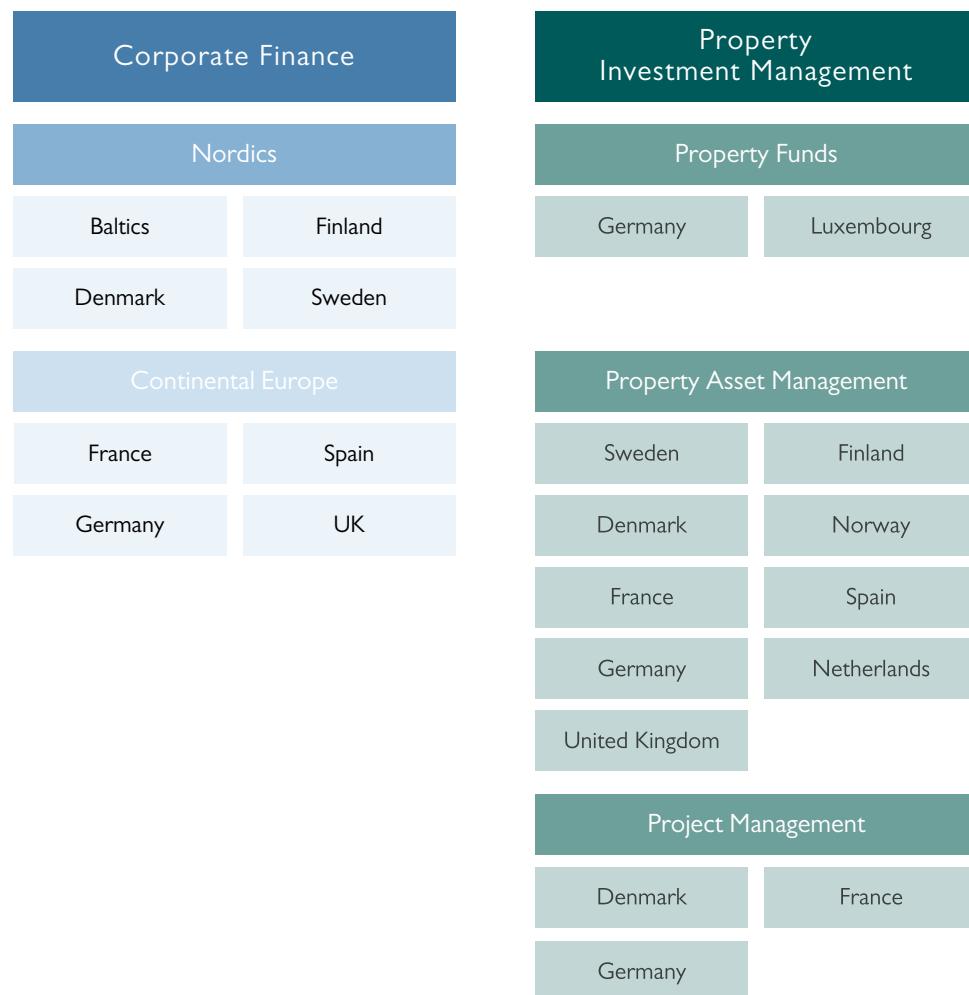
- As per 30 June 2020, the principal investments totalled SEK 719 M, an increase of SEK 18 M on the previous quarter.
- Catella made additional investments in the Kaktus property development project totalling SEK 40 M, at the same time as exchange rate fluctuations in the EUR/SEK and DKK/SEK had a SEK 41 M negative impact on Catella's principal investments. Furthermore, results from holdings in associated companies increased values by SEK 11 M and unrealised value changes on derivatives increased asset values by SEK 9 M.

Property development projects

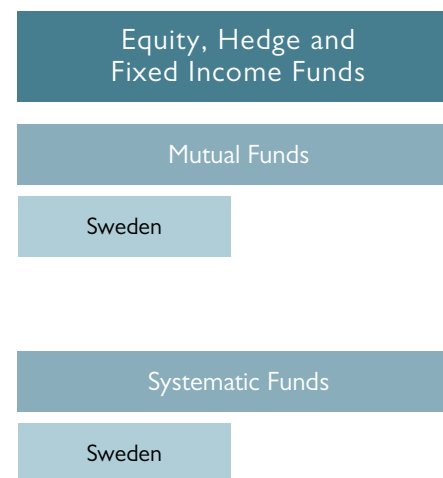
- Grand Central**
 Residential property development project totalling EUR 540 M located adjacent to the Central Station in Düsseldorf. The project consists of 1,000 apartments over a total of 40,000 m². The project started in 2015 and Catella has held planning approval to construct buildings on the land from the outset. As of October 2019, Catella has entered an agreement relating to the divestment of the project that will have a positive effect on profit after tax of some SEK 155 M in the third quarter 2020. The total effect of the transaction after tax amounts to approximately SEK 170 million, of which SEK 15 million was reported during the fourth quarter of 2019.
- Seestadt MG+**
 Residential property development project totalling EUR 750 M located adjacent to the Central Station in Mönchengladbach. The project consists of 1,500-2,000 apartments over a total of 140,000 m². The project started in 2017 and Catella acquired the first land parcel in 2019. Catella is working on producing blueprints for the site and finalising an urbanisation agreement.
- Düssel-Terrassen**
 Residential property development project totalling EUR 280 M euro located in a suburb of Düsseldorf. The project consists of 800 apartments over a total of 75,000 m². The project started in 2018 and Catella acquired the first land parcel in 2018. Catella is working on producing blueprints for the site and an urbanisation agreement.
- Kaktus**
 Student housing development project totalling EUR 150 M located in central Copenhagen. The project consists of 25,000 m² including 495 apartments. The blueprint was approved in 2017 and planning approval obtained in 2019.
- Logistics properties Norrköping**
 Catella is planning to invest just over SEK 500 M in the development of logistics properties in the municipality of Norrköping, alongside with a partner. Catella's share of the investment amounts to SEK 250 M. The transaction should be viewed against the background of Catella's intention to create mutual fund products in areas such as logistics properties. The transaction is conditional on planning permission being granted.

Business areas and Principal Investments – Pan-European reach

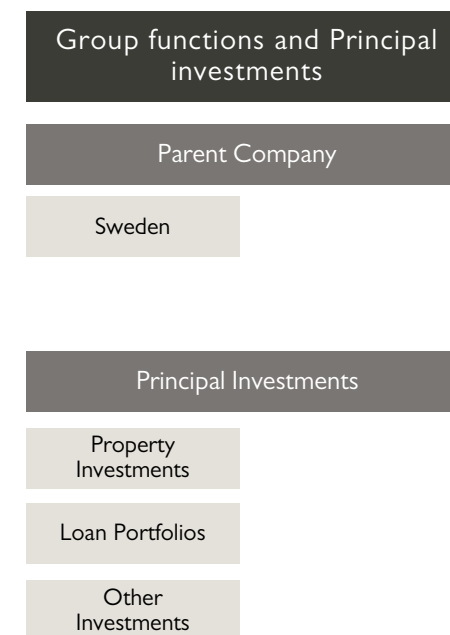
PROPERTY INVESTMENTS AND ADVISORY



FUND MANAGEMENT



OTHER



International Distribution: London and New York

Financial calendar 2020

Interim Report January–September 2020

- 12 November 2020

Year-end Report 2020

- 25 February 2021

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Cord Communications	2
6	1
Catella - Reception	HBO-Nordic
	Tingre transporter tillstånd till leveransbil Birger Jarlsgatan 6A
4	
	Denna fastighet ärvs av HUMLEGÅRDEN
	Tingre transporter tillstånd till leveransbil Birger Jarlsgatan 6A

Thank you!

