



CATELLA

JANUARY  
– SEPTEMBER  
2016

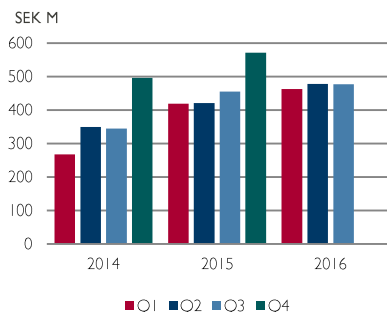
”

Catella's total income increased by 5% in the quarter, mainly attributable to the Banking business area. Income was up despite lower performance-based earnings, amounting to SEK 477 M (455). Our fixed earnings were up as a result of increased assets under management, improving earnings stability and generating potential for increased performance-based earnings looking ahead.

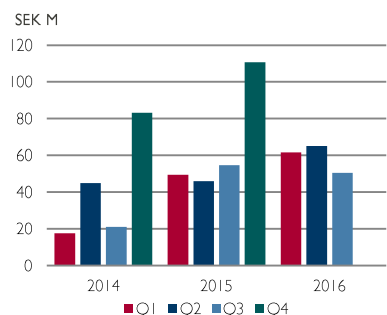
4 November 2016  
KNUT PEDERSEN  
Vd och koncernchef

# The period in brief

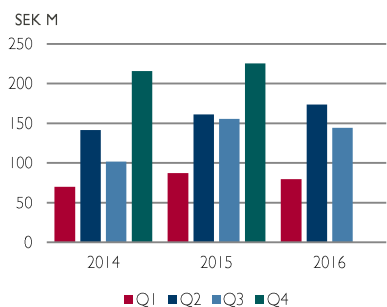
## CONSOLIDATED TOTAL INCOME



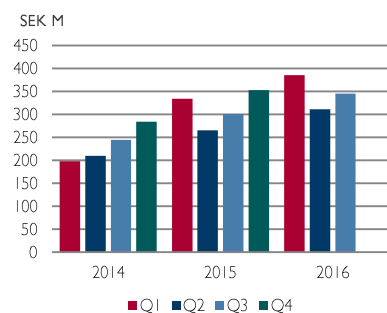
## CONSOLIDATED OPERATING PROFIT/LOSS\*



## CORPORATE FINANCE TOTAL INCOME



## ASSET MANAGEMENT AND BANKING TOTAL INCOME



\* Before acquisition-related items.  
\*\* Attributable to parent company shareholders.

## The Group

### THIRD QUARTER

- Total income SEK 477 M (455)
- Net sales SEK 475 M (455)
- Operating profit/loss\* SEK 51 M (55)
- Operating profit/loss SEK 50 M (53)
- Profit/loss before tax SEK 56 M (70)
- Profit for the period was SEK 45 M (51), of which attributable to parent company owners SEK 35 M (37)
- Earnings per share\*\* SEK 0.43 (0.45)

### NINE-MONTH PERIOD

- Total income SEK 1,417 M (1,294)
- Net sales SEK 1,401 M (1,287)
- Operating profit/loss\* SEK 177 M (150)
- Operating profit/loss SEK 174 M (144)
- Profit/loss before tax SEK 417 M (178)
- Profit for the period was SEK 299 M (144), of which attributable to parent company owners SEK 235 M (120)
- Earnings per share\*\* SEK 2.87 (1.47)
- Equity\*\* SEK 1,534 M (1,232)
- Equity per share\*\* SEK 18.75 (15.07)

## Corporate Finance

### THIRD QUARTER

- Total income SEK 144 M (156)
- Net sales SEK 142 M (155)
- Operating profit/loss\* SEK 14 M (24)
- Property transaction volumes SEK 7.7 Bn (10.3):
  - Sweden SEK 3.4 Bn (2.9)
  - France SEK 3.2 Bn (4.3)
  - Germany SEK 0.2 Bn (0.5)

### NINE-MONTH PERIOD

- Total income SEK 397 M (404)
- Net sales SEK 388 M (402)
- Operating profit/loss\* SEK 39 M (35)
- Property transaction volumes SEK 33.8 Bn (32.9):
  - Sweden SEK 12.2 Bn (14.6)
  - France SEK 10.5 Bn (10.8)
  - Germany SEK 2.0 Bn (1.9)

## Asset Management and Banking

### THIRD QUARTER

- Total income SEK 345 M (301)
- Net sales SEK 345 M (300)
- Operating profit/loss\* SEK 50 M (38)
- Assets under management SEK 148.3 Bn (137.9):
  - increase SEK 10.3 Bn (-1.0)
  - of which net inflows SEK 4.1 Bn (1.7)

### NINE-MONTH PERIOD

- Total income SEK 1,042 M (900)
- Net sales SEK 1,033 M (894)
- Operating profit/loss\* SEK 174 M (139)
- Assets under management SEK 148.3 Bn (137.9):
  - increase SEK 10.0 Bn (8.4)
  - of which net inflows SEK 2.1 Bn (9.3)

### ADDITIONAL INFORMATION

#### Equity, Hedge and Fixed Income Funds

- Total income SEK 162 M (168)
- Operating profit/loss\* SEK 45 M (46)

#### Banking

- Total income SEK 117 M (83)
- Operating profit/loss\* SEK 11 M (-9)

#### Property Investment Management

- Total income SEK 66 M (50)
- Operating profit/loss\* SEK -6 M (1)

- Total income SEK 569 M (491)
- Operating profit/loss\* SEK 198 M (153)

- Total income SEK 303 M (249)
- Operating profit/loss\* SEK -7 M (-29)

- Total income SEK 172 M (162)
- Operating profit/loss\* SEK -17 M (14)

# Higher fixed earnings and profit for the bank

Catella's total income increased by 5% in the quarter, mainly attributable to the Banking business area. Income was up despite lower performance-based earnings, amounting to SEK 477 M (455). Our fixed earnings were up as a result of increased assets under management, improving earnings stability and generating potential for increased performance-based earnings looking ahead.

The Group's operating profit was in line with the previous year, at SEK 51 M (55). The fact that profit didn't shadow income is mainly due to increased assignment expenses and expenses associated with funds focusing on residential properties in Germany.

Assets under management were SEK 148.3 Bn at the end of the quarter, up 7% or SEK 10.3 Bn on the preceding quarter. Transaction volumes in Corporate Finance were SEK 7.7 Bn, SEK 2.7 Bn down year on year.

## Equity, Hedge and Fixed Income Funds

Assets under management were SEK 97.8 Bn at the end of the quarter, an increase of SEK 5.3 Bn on the previous quarter. Net inflows in the quarter were SEK 2.4 Bn, of which Mutual Funds generated net outflows of SEK 3.8 Bn, while Systematic Funds returned net inflows of SEK 6.1 Bn.

Income totalled SEK 162 M (168) in the quarter, and operating profit was SEK 45 M (46). Fixed earnings increased year on year, while variable earnings were down on the corresponding period in the previous year. In the third quarter, including only fixed earnings, annualized profit after fixed costs amounted to some SEK 220 M, around SEK 100 M up on last quarter. The profit growth is due to a sharp increase in assets under management in Systematic Funds.

The new fund managers recruited to the Mutual Funds team are now in place. Given the experience and expertise of the current team, we have what it takes to ensure optimal management of our funds. We now also have a fund management

team with experience of working closely with customers, which is critical to our focus on institutional investors and existing client relationships.

In order for Mutual Funds to remain attractive to our customers looking ahead, we need to allocate more resources to product development, while our strengthened fund management team enables us to step up the pace further. Catella seeks to broaden its product offering, including a high degree of innovation. New and existing staff in fund management and sales are playing a key role in these efforts.

The strong inflows into Systematic Funds are the result of multiple factors, including an increased focus on distribution to new geographical markets, positive performance and growing investor interest in this type of product. Operations are scalable, an important factor that means that increased assets under management don't generate increased costs or affect our management model.

We're continuing to allocate resources to increase sales in the business area, and are expanding the sales organization with a focus on new and existing customer groups. The establishment of a London presence, with the aim of attracting international capital, is a key element of these initiatives.

## Banking

Income increased by SEK 34 M to SEK 117 M (83) in the quarter. Operating profit was also up sharply, reaching SEK 11 M (-9). The profit improvement is mainly due to positive progress in Wealth Management. Assets under management in Wealth Management totalled SEK 15.6 Bn at the end of the quarter, up SEK 1.4 Bn, of which net inflows amounted to SEK 0.7 Bn.

In the quarter, Catella completed capital raisings in connection with three property transactions in partnership with our Corporate Finance operating segment. We differ from our competitors in this respect, as we have a unique position



in terms of pinpointing relevant opportunities as well as the expertise needed to develop customized and high-quality products. Demand is substantial, and our ambition is to continue to offer our Wealth Management customers attractive investment opportunities, mainly in property-related areas. We've recruited additional competencies in order to improve progress and broaden distribution.

In the second quarter, Catella received extraordinary income of SEK 219 M resulting from Catella Bank's sales of shares in Visa Europe in connection with Visa Inc.'s acquisition of Visa Europe. The non-recurring income strengthens our capital base and creates the right conditions for selective but accelerating expansion of our loan portfolio towards property lending in the Nordics. Catella

will capitalize on its network and property expertise for this initiative. At the same time, our business relating to consumer deposits will also create additional scope for lending. We've already developed a complete digital platform for this.

Income in Cards and Payment Solutions increased by just over 20% year on year. Profit also increased in the service area, although to a lesser extent. As previously communicated, we've invested resources in product development and strengthening distribution. We're gradually seeing the results of this, and expect the initiative to continue to pay off as we move forward.

### Property Investment Management

Assets under management were SEK 34.9 Bn at the end of the quarter, an increase of SEK 3.6 Bn on the previous quarter. Net inflows, which totalled SEK 1.1 Bn, were mainly attributable to our Asset Management operations in France.

Total income was SEK 66 M (51) in the quarter. Operating profit was SEK -6 (1) M. Profit was charged with expenses associated with funds focusing on residential properties in Germany, and initiatives in Norway and Spain.

The new residential property funds began investing in properties in the quarter, and assets under management totalled SEK 0.8 Bn at the end of the period. These funds have very successfully raised additional capital, which will be invested on an ongoing basis. Staff costs and the capital raisings were charged to profit, while income is arising at a pace with the funds' investments.

The previously communicated establishments in Norway and Luxembourg, which manage total assets of SEK 1.3 Bn, were completed through acquisitions in the quarter. In Norway, we'll be focusing on property investments and asset management on assignment from Norwegian and international investors. The Luxembourg operations manage mezzanine funds focusing on properties.

The business area has a diverse product portfolio and geographical scope, which has made Catella significantly more attractive to international investors in a short period of time. We're now increasingly coordinating distribution ourselves,

and will be focusing on ensuring that our new initiatives continue to make positive progress over the coming quarters.

### Corporate Finance

The market for commercial properties in Europe, excluding the UK, contracted by 33% year on year. Catella's property transaction volumes totalled SEK 7.7 Bn, down SEK 2.7 Bn year on year. Income was SEK 144 M (156) and operating profit totalled SEK 14 M (24) in the quarter. The profit decrease was mainly due to Continental Europe, resulting from lower transaction volumes. The Nordics made a positive contribution to profit, and Sweden in particular enjoyed a strong quarter with an increased share of value adding and capital markets-related services. Although we've pursued a deliberate and successful strategy to approach this segment more aggressively, it's critical that Catella also defends its position in traditional transaction advice. This provides us with presence and credibility, and creates the right conditions for our positioning in capital markets-related services.

Continental Europe experienced a slightly weaker quarter compared to the third quarter 2015, in line with market progress. We've made changes and have cut back part of our organisation in Germany. We also need to strengthen operations in specific cities. In France and Spain, volumes were down year on year, although our continued strong market position is reassuring. Transaction volumes on these markets are increasingly driven by international capital. We now have a well-functioning structure for reaching international investors, given our presence in London and increased collaboration between our local offices.

Our London-based operations focusing on international capital raisings are currently in talks with international investors looking to invest in properties in Europe, and in Catella's fund products.

Catella's ambition to change its listing to Nasdaq Stockholm Main Market is proceeding according to plan, and listing is expected to take place in the fourth quarter 2016.

Over the last three years, Catella has returned stable growth and profit performance in line with the Group's strategy.

Our improved profit and stronger Balance Sheet mean that we're well positioned to continue our expansion.

### KNUT PEDERSEN

*CEO and President*



# Comments on the groups progress

Catella is a leading specialist in property investments, mutual funds and banking, with operations in twelve countries in Europe. The Group has a well-diversified customer base that includes private and commercial customers and more than 500 employees. Catella is listed on First North Premier on Nasdaq Stockholm.

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

## Net sales and results of operations

### Third quarter 2016

The Group's total income was SEK 477 M (455) and net sales were SEK 475 M (455), of which SEK 142 M (155) is from Corporate Finance and SEK 345 M (300) from Asset Management and Banking. Comments on the progress of each operating segment are on pages 8-11.

The Group's net financial income and expense was SEK 6 M (17). Net financial income/expense also includes interest income of SEK 6 M (6), which mainly relate to loan portfolios, and interest expenses of SEK 3 M (3) relating to Catella's bond issue. Fair value measurement of non-current securities and current investments resulted in a value adjustment of SEK -7 M (2), which mainly relate to reversals of earlier write-ups of divested shares in Nordic Light Fund. Fair value of the loan portfolio and derivatives holdings increased by SEK 2 M in the period, while holdings in proprietary managed funds made negative progress, eliciting a value adjustment of SEK -3 M.

Sales of shares in Nordic Light Fund realized profit of SEK 6 M (11) in the third quarter 2016.

The Group's profit before tax was SEK 56 M (70). Profit after tax for the period was SEK 45 M (51), of which SEK 35 M (37) was attributable to parent company shareholders. This corresponds to Earnings per Share of SEK 0.43 (0.45).

### Nine-month period 2016

The Group's total income was SEK 1,417 M (1,294) and net sales were SEK 1,401 M (1,287).

The Group's net financial income and expense was SEK 243 M (34), of which SEK 221 M relates to profit from the Visa transaction. Net financial income/expense also includes interest income of SEK 18 M (19) and interest expense of SEK 8 M (-9). Fair value measurement of non-current securities and current investments resulted in a value adjustment of SEK -5 M (14). Catella's sales of shares in Nordic Light Fund and IPM Systematic Macro Fund generated a positive contribution of SEK 14 M (10) and SEK 1 M (0) respectively.

The Group's profit before tax was SEK 417 M (178) and profit after tax was SEK

299 M (144), of which SEK 235 M (120) was attributable to parent company shareholders, corresponding to Earnings per Share of SEK 2.87 (1.47).

The Group's profit before tax and profit after tax, excluding the Visa transaction, was SEK 196 M (178) and SEK 150 M (144) respectively, off which SEK 86 M (120) was attributable to parent company shareholders, corresponding to Earnings per Share of SEK 1.05 (1.47).

### Planned listing on Nasdaq Stockholm Main Market

As previously announced, Catella's ambition is to change listing to Nasdaq Stockholm Main Market. The work associated with the change of listing is proceeding as planned, and listing is expected to take place in the fourth quarter 2016.

### Significant events in the quarter ]

There were no significant events during the quarter.

### Significant events after the end of the quarter

There were no significant events after the end of the quarter.

INCOME STATEMENT BY OPERATING SEGMENT IN SUMMARY

|   | 3 Months        |                 | 9 Months        |                 | 12 Months            |                 |
|---|-----------------|-----------------|-----------------|-----------------|----------------------|-----------------|
|   | 2016<br>Jul-Sep | 2015<br>Jul-Sep | 2016<br>Jan-Sep | 2015<br>Jan-Sep | Rolling<br>12 Months | 2015<br>Jan-Dec |
| SEK M   |                 |                 |                 |                 |                      |                 |
| <b>CORPORATE FINANCE</b>                                      |                 |                 |                 |                 |                      |                 |
| Total income  | 144             | 156             | 397             | 404             | 623                  | 630             |
| <b>Operating profit/loss before acquisition-related items</b> | <b>14</b>       | <b>24</b>       | <b>39</b>       | <b>35</b>       | <b>70</b>            | <b>66</b>       |
| Operating margin, % **  | 10              | 16              | 10              | 9               | 11                   | 11              |
| <b>ASSET MANAGEMENT AND BANKING</b>                           |                 |                 |                 |                 |                      |                 |
| Total income  | 345             | 301             | 1,042           | 900             | 1,395                | 1,253           |
| <b>Operating profit/loss before acquisition-related items</b> | <b>50</b>       | <b>38</b>       | <b>174</b>      | <b>139</b>      | <b>263</b>           | <b>228</b>      |
| Operating margin, % **  | 14              | 13              | 17              | 15              | 19                   | 18              |
| <b>Equity-, Hedge and Fixed Income Funds</b>                  |                 |                 |                 |                 |                      |                 |
| Total income *  | 162             | 168             | 569             | 491             | 730                  | 651             |
| <b>Operating profit/loss before acquisition-related items</b> | <b>45</b>       | <b>46</b>       | <b>198</b>      | <b>153</b>      | <b>273</b>           | <b>228</b>      |
| Operating margin, % **  | 28              | 27              | 35              | 31              | 37                   | 35              |
| <b>Banking</b>  |                 |                 |                 |                 |                      |                 |
| Total income *  | 117             | 83              | 303             | 249             | 408                  | 354             |
| <b>Operating profit/loss before acquisition-related items</b> | <b>11</b>       | <b>-9</b>       | <b>-7</b>       | <b>-29</b>      | <b>-6</b>            | <b>-28</b>      |
| Operating margin, % **  | 9               | -10             | -2              | -11             | -2                   | -8              |
| <b>Property Investment Management</b>                         |                 |                 |                 |                 |                      |                 |
| Total income *  | 66              | 50              | 172             | 162             | 260                  | 249             |
| <b>Operating profit/loss before acquisition-related items</b> | <b>-6</b>       | <b>1</b>        | <b>-17</b>      | <b>14</b>       | <b>-4</b>            | <b>28</b>       |
| Operating margin, % **  | -9              | 2               | -10             | 9               | -1                   | 11              |
| <b>OTHER ***</b>  |                 |                 |                 |                 |                      |                 |
| Total income  | -12             | -2              | -22             | -9              | -29                  | -17             |
| <b>Operating profit/loss before acquisition-related items</b> | <b>-14</b>      | <b>-8</b>       | <b>-35</b>      | <b>-24</b>      | <b>-45</b>           | <b>-33</b>      |
| <b>GROUP</b>  |                 |                 |                 |                 |                      |                 |
| Total income  | 477             | 455             | 1,417           | 1,294           | 1,989                | 1,866           |
| <b>Operating profit/loss before acquisition-related items</b> | <b>51</b>       | <b>55</b>       | <b>177</b>      | <b>150</b>      | <b>288</b>           | <b>261</b>      |
| Operating margin, % *   | 11              | 12              | 13              | 12              | 14                   | 14              |

\* Includes internal income.

\*\* Before acquisition-related items.

\*\*\* Includes eliminations.

KEY FIGURES BY OPERATING SEGMENT\*\*\*

|  | 3 Months        |                 | 9 Months        |                 | 12 Months            |                 |
|--|-----------------|-----------------|-----------------|-----------------|----------------------|-----------------|
|  | 2016<br>Jul-Sep | 2015<br>Jul-Sep | 2016<br>Jan-Sep | 2015<br>Jan-Sep | Rolling<br>12 Months | 2015<br>Jan-Dec |
| <b>GROUP</b>                                       |                 |                 |                 |                 |                      |                 |
| Profit margin, %                                   | 10              | 11              | 21              | 11              | 21                   | 15              |
| Return on equity, % **                             | -               | -               | 26              | 19              | -                    | 20              |
| Equity/Asset ratio, %                              | -               | -               | 32              | 34              | -                    | 29              |
| Equity, SEK M *                                    | -               | -               | 1,534           | 1,232           | -                    | 1,319           |
| No. of employees, at end of period                 | -               | -               | 576             | 527             | -                    | 539             |
| Earnings per share, SEK *                          | 0.43            | 0.45            | 2.87            | 1.47            | 4.36                 | 2.97            |
| Equity per share, SEK *                            | -               | -               | 18.75           | 15.07           | -                    | 16.14           |
| <b>CORPORATE FINANCE</b>                           |                 |                 |                 |                 |                      |                 |
| Profit margin, %                                   | 8               | 9               | 10              | 3               | 11                   | 7               |
| Return on equity, % **                             | -               | -               | 33              | 32              | -                    | 24              |
| Equity/Asset ratio, %                              | -               | -               | 62              | 58              | -                    | 53              |
| Equity, SEK M *                                    | -               | -               | 237             | 184             | -                    | 213             |
| No. of employees, at end of period                 | -               | -               | 206             | 220             | -                    | 211             |
| Property transaction volume for the period, SEK Bn | 7.7             | 10.3            | 33.8            | 32.9            | 59.2                 | 58.3            |
| <b>ASSET MANAGEMENT AND BANKING</b>                |                 |                 |                 |                 |                      |                 |
| Profit margin, %                                   | 11              | 9               | 26              | 11              | 25                   | 14              |
| Return on equity, % **                             | -               | -               | 39              | 15              | -                    | 22              |
| Equity/Asset ratio, %                              | -               | -               | 22              | 25              | -                    | 17              |
| Equity, SEK M *                                    | -               | -               | 855             | 685             | -                    | 620             |
| No. of employees, at end of period                 | -               | -               | 353             | 294             | -                    | 314             |
| Asset under management at end of period, SEK Bn    | -               | -               | 148.3           | 130.8           | -                    | 138.3           |
| net in-(+) and outflow(-) during the period, mlkr  | 4.1             | 1.7             | 2.1             | 9.3             | 7.2                  | 14.4            |
| Card and payment volumes, SEK Bn                   | 1.8             | 1.8             | 5.4             | 5.3             | 7.2                  | 7.1             |

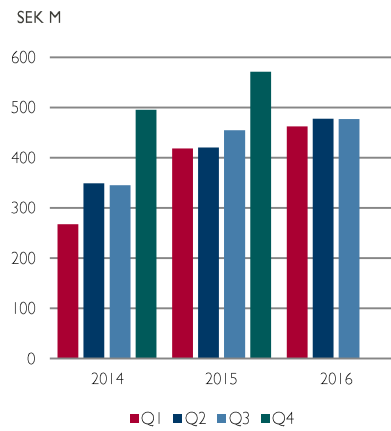
\* Attributable to shareholders of the Parent Company.

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

\*\*\* Definitions for the selected key figures are at the end of this document.

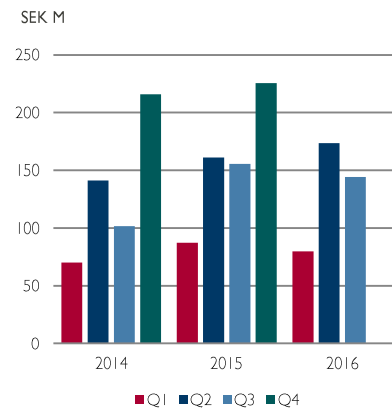
### Group

TOTAL INCOME



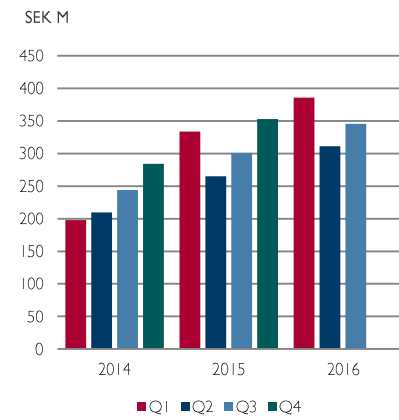
### Corporate Finance

TOTAL INCOME

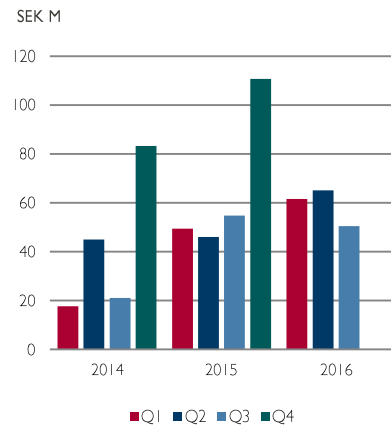


### Asset Management and Banking

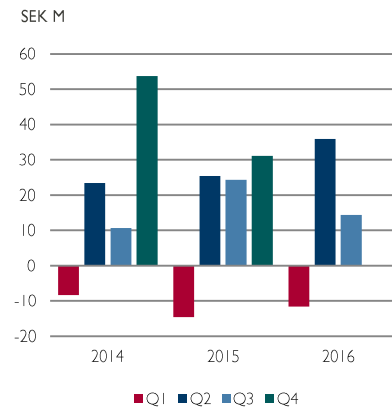
TOTAL INCOME



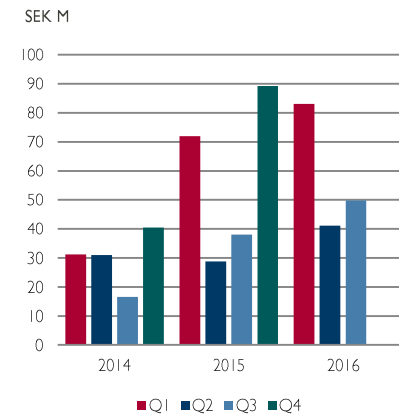
OPERATING PROFIT/LOSS\*



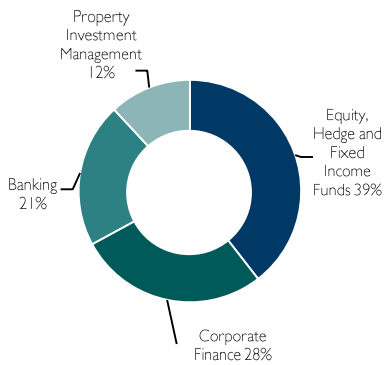
OPERATING PROFIT/LOSS\*



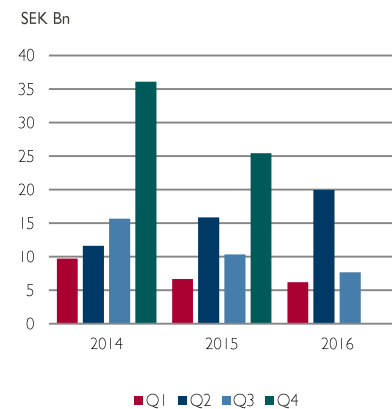
OPERATING PROFIT/LOSS\*



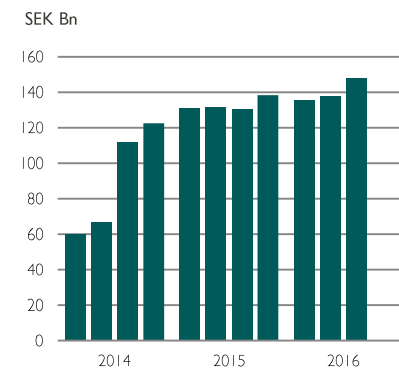
TOTAL INCOME BY BUSINESS AREA



CATELLA'S PROPERTY TRANSACTION VOLUMES



CATELLA'S ASSETS UNDER MANAGEMENT



\* Before acquisition-related items.

# Corporate Finance

Catella provides transaction advisory services and capital markets-related services in the property and consumer sector. Catella provides advisory services to property companies, financial institutions, pension fund managers, property funds and other property owners. Operations are carried out in the Baltics, Denmark, Finland, France, Spain, Sweden and Germany.

## Progress in the third quarter

The total property transaction market in Europe, excluding the UK, totalled EUR 36.0 Bn (54.0) in the quarter.

Property transactions where Catella served as an advisor totalled SEK 7.7 Bn (10.3) in the quarter. Of total transaction volumes in the quarter, Sweden provided SEK 3.4 Bn (2.9), France SEK 3.2 Bn (4.3) and Germany SEK 0.2 Bn (0.5).

Total income was SEK 144 M (156) and operating profit was SEK 14 M (24) in the quarter.

The profit reduction was mainly due to continental Europe, driven by lower transaction volumes. The Nordics made a positive profit contribution, and Sweden in particular had a strong quarter with an increased share of value adding and capital markets-related services.

Catella's strategy is to grow in capital markets-related services, while consolidating its position in traditional transaction advice.

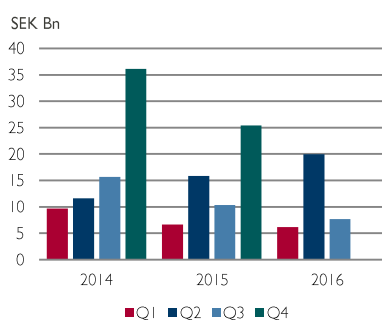
## Nine-month period

Transaction volumes in Europe, excluding the UK, decreased by 21% in the nine-month period, from EUR 154.8 to EUR 122.9 Bn. Catella's transaction volumes were SEK 33.8 Bn (32.9) in the period.

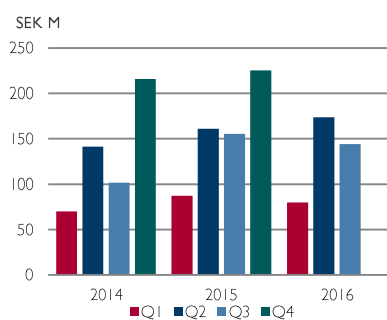
Total income was SEK 397 M (404) and operating profit was SEK 39 M (35).

| SEK M   | 3 Months        |                 | 9 Months        |                 | 12 Months            |                 |
|---|-----------------|-----------------|-----------------|-----------------|----------------------|-----------------|
|   | 2016<br>Jul-Sep | 2015<br>Jul-Sep | 2016<br>Jan-Sep | 2015<br>Jan-Sep | Rolling<br>12 Months | 2015<br>Jan-Dec |
| Nordic *  | 80              | 65              | 217             | 204             | 317                  | 305             |
| Continental Europe *  | 64              | 91              | 180             | 199             | 306                  | 325             |
| <b>Total income</b>   | <b>144</b>      | <b>156</b>      | <b>397</b>      | <b>404</b>      | <b>623</b>           | <b>630</b>      |
| Assignment expenses and commission                            | -26             | -9              | -45             | -27             | -55                  | -37             |
| Operating expenses  | -104            | -123            | -314            | -342            | -498                 | -527            |
| <b>Operating profit/loss before acquisition-related items</b> | <b>14</b>       | <b>24</b>       | <b>39</b>       | <b>35</b>       | <b>70</b>            | <b>66</b>       |
| <b>Key Figures</b>  |                 |                 |                 |                 |                      |                 |
| Operating margin, % **  | 10              | 16              | 10              | 9               | 11                   | 11              |
| Property transaction volume for the period, SEK Bn            | 7.7             | 10.3            | 33.8            | 32.9            | 59.2                 | 58.3            |
| of which Nordic   | 4.0             | 5.0             | 20.6            | 19.5            | 35.0                 | 33.9            |
| of which Continental Europe                                   | 3.6             | 5.3             | 13.2            | 13.4            | 24.3                 | 24.4            |
| No. of employees, at end of period                            | -               | -               | 206             | 220             | -                    | 211             |

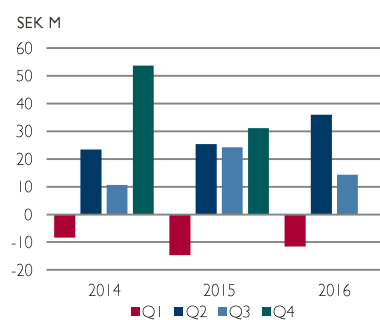
CATELLA'S PROPERTY TRANSACTION VOLUMES



TOTAL INCOME



OPERATING PROFIT\*\*



\* Includes internal income.

\*\* Before acquisition-related items.



# Equity, Hedge and Fixed Income Funds

Catella offers a large number of funds with varying focus and management methods. Operations are carried out in two service areas: Mutual Funds, which offers private and institutional investors equity, hedge and fixed income funds with a Nordic focus, and Systematic Funds, which manages systematic macro and equity strategies on behalf of institutional investors.

## Progress in the third quarter

New savings in mutual funds in Sweden was SEK 9.5 Bn in the quarter. Money market and hedge funds experienced outflows, while other fund categories saw inflows. Net inflows were posted for all months in the quarter. At the end of the quarter, Catella's share of Swedish fund volumes was 1.0% (1.4).

Catella's assets under management increased by SEK 5.3 Bn (-2.0) in the quarter, of which net outflows were SEK 3.8 Bn (-0.5) in Mutual Funds and net inflows of SEK 6.1 Bn (1.4) in Systematic Funds. At the end of the quarter, assets

under management totalled SEK 97.8 Bn (90.3).

Total income was SEK 162 M (168) in the quarter, corresponding to a decrease of 4%. Operating profit was SEK 45 M (46).

In Mutual Funds, total income increased by 11% compared to the previous year, mainly because of higher performance-based earnings.

In Systematic Funds, total income decreased by 15% due to lower performance-based earnings. The reduction was dampened by significantly higher fixed income year-on-year.

The negative correlation for performance-based earnings between Systematic Funds and Mutual Funds was repeated in the quarter,

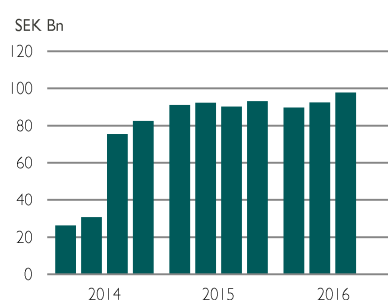
## Nine-month period

In the period total assets under management in Sweden increased by just over SEK 166 Bn, of which net deposits were SEK 10.6 Bn, reaching SEK 3,412 Bn at the end of the period. Catella's volumes under management increased by SEK 4.7 Bn (7.8) in the period.

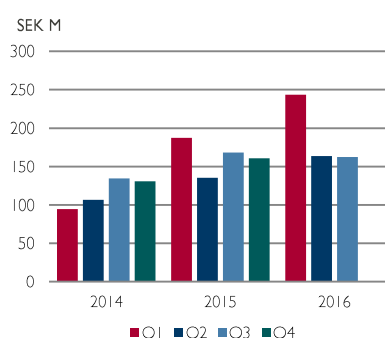
Total income was SEK 569 M (491) and operating profit was SEK 198 M (153).

| SEK M   | 3 Months        |                 | 9 Months        |                 | 12 Months            |                 |
|---|-----------------|-----------------|-----------------|-----------------|----------------------|-----------------|
|   | 2016<br>Jul-Sep | 2015<br>Jul-Sep | 2016<br>Jan-Sep | 2015<br>Jan-Sep | Rolling<br>12 Months | 2015<br>Jan-Dec |
| Mutual Funds *  | 84              | 76              | 243             | 313             | 364                  | 433             |
| Systematic Funds *  | 78              | 92              | 326             | 178             | 366                  | 218             |
| <b>Total income</b>   | <b>162</b>      | <b>168</b>      | <b>569</b>      | <b>491</b>      | <b>730</b>           | <b>651</b>      |
| Assignment expenses and commission                            | -46             | -44             | -144            | -124            | -179                 | -158            |
| Operating expenses  | -72             | -78             | -228            | -214            | -278                 | -265            |
| <b>Operating profit/loss before acquisition-related items</b> | <b>45</b>       | <b>46</b>       | <b>198</b>      | <b>153</b>      | <b>273</b>           | <b>228</b>      |
| <b>Key Figures</b>  |                 |                 |                 |                 |                      |                 |
| Operating margin, % **  | 28              | 27              | 35              | 31              | 37                   | 35              |
| Asset under management at end of period, SEK Bn               | -               | -               | 97.8            | 90.3            | -                    | 93.1            |
| net in-(+) and outflow(-) during the period, mdkr             | 2.4             | 1.0             | 1.2             | 8.3             | 1.1                  | 8.2             |
| of which Mutual Funds   | -               | -               | 34.7            | 44.3            | -                    | 44.6            |
| net in-(+) and outflow(-) during the period, mdkr             | -3.8            | -0.5            | -10.0           | 6.7             | -11.4                | 5.3             |
| of which Systematic Funds                                     | -               | -               | 63.0            | 46.0            | -                    | 48.5            |
| net in-(+) and outflow(-) during the period, mdkr             | 6.1             | 1.4             | 11.3            | 1.7             | 12.5                 | 2.9             |
| No. of employees, at end of period                            | -               | -               | 82              | 73              | -                    | 73              |

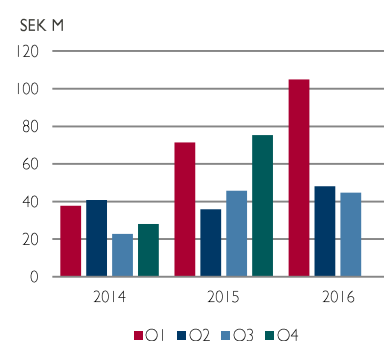
## ASSETS UNDER MANAGEMENT



## TOTAL INCOME



## OPERATING PROFIT/LOSS\*



\* Includes internal income.

\*\* Before acquisition-related items.

# Banking

Catella Bank is a niche bank with its registered office in Luxemburg. Operations are carried out in two service areas: Wealth Management, which offers a broad range of financial services and customized solutions to wealthy clients in Europe, and Card and Payment Solutions, which offers card and payment services to international banks, e-commerce businesses and fintech companies with a requirement for specialised solutions.

## Progress in the third quarter

Volumes in the Cards and Payment Solutions operations were SEK 1.8 Bn (1.8) in the quarter.

Assets under management in Wealth Management increased by SEK 1.4 Bn (-0.6) and net inflows were SEK 0.7 Bn (-0.2) in the quarter. At the end of the quarter, assets under management were SEK 15.6 Bn (10.8), corresponding to a year-on-year increase of SEK 4.8 Bn.

Total income was SEK 117 M (83) in the quarter. The increase is mainly attributable to Wealth Management which raised capital in connection with the incorporation of two property companies and listing of a property fund, carried out in collaboration with Corporate Finance.

Operating profit/loss was SEK 11 M (-9) in the quarter. The improvement is mainly due to positive progress in Wealth Management in the quarter.

## Nine-month period

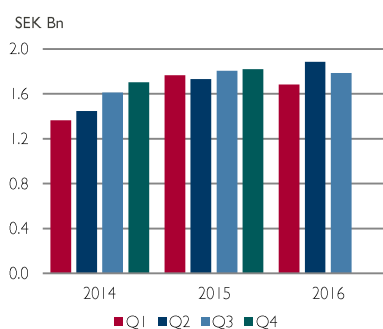
Volumes in Cards and Payment Solutions were SEK 5.4 Bn (5.3) in the period.

Assets under management in Wealth Management increased by SEK 2.0 Bn (0.1), and net inflows totalled SEK 1.3 Bn (0.4) in the period.

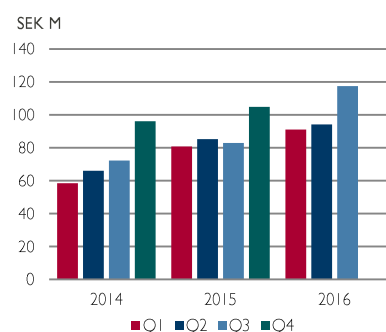
Total income was SEK 303 M (249) and operating profit/loss was SEK -7 M (-29).

| SEK M   | 3 Months        |                 | 9 Months        |                 | 12 Months            |                 |
|---|-----------------|-----------------|-----------------|-----------------|----------------------|-----------------|
|   | 2016<br>Jul-Sep | 2015<br>Jul-Sep | 2016<br>Jan-Sep | 2015<br>Jan-Sep | Rolling<br>12 Months | 2015<br>Jan-Dec |
| Cards and Payment Solutions *                                 | 75              | 61              | 203             | 181             | 276                  | 254             |
| Wealth Management *   | 43              | 22              | 101             | 68              | 133                  | 100             |
| <b>Total income</b>   | <b>117</b>      | <b>83</b>       | <b>303</b>      | <b>249</b>      | <b>408</b>           | <b>354</b>      |
| Assignment expenses and commission                            | -29             | -23             | -76             | -65             | -99                  | -89             |
| Operating expenses  | -77             | -69             | -234            | -212            | -315                 | -293            |
| <b>Operating profit/loss before acquisition-related items</b> | <b>11</b>       | <b>-9</b>       | <b>-7</b>       | <b>-29</b>      | <b>-6</b>            | <b>-28</b>      |
| <b>Key Figures</b>  |                 |                 |                 |                 |                      |                 |
| Operating margin, % **  | 9               | -10             | -2              | -11             | -2                   | -8              |
| Card and payment volumes, SEK Bn                              | 1.8             | 1.8             | 5.4             | 5.3             | 7.2                  | 7.1             |
| Asset under management at end of period, SEK Bn               | -               | -               | 15.6            | 10.8            | -                    | 13.6            |
| net in-(+) and outflow(-) during the period, mdkr             | 0.7             | -0.2            | 1.3             | 0.4             | 4.0                  | 3.1             |
| No. of employees, at end of period                            | -               | -               | 171             | 154             | -                    | 163             |

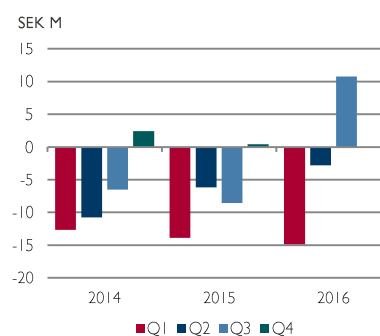
CARD AND PAYMENT VOLUMES



TOTAL INCOME



OPERATING PROFIT/LOSS \*\*



\* Includes internal income.

\*\* Before acquisition-related items.

# Property Investment Management

Catella handles all the phases of value creation in properties. Investments are made on assignment by financial institutions, pension fund managers, property funds and other property owners. Catella also creates value in its own property funds on assignment by institutional owners and in property-related development projects. Operations are carried out in a number of European national markets.

## Progress in the third quarter

Assets under management increased by SEK 3.6 Bn (1.6) on the previous quarter. Net inflows of SEK 1.1 Bn (1.0) were mainly attributable to Asset Management operations in France. Assets under management were SEK 34.9 Bn (29.7) at the end of the quarter.

Total income was SEK 66 M (50) in the quarter.

Operating profit/loss was SEK -6 M (1). Profit was charged with costs associated with funds focusing on residential

properties in Germany, and initiatives in Norway and Spain.

The new residential property funds began to invest in properties in the quarter, and assets under management totalled SEK 0.8 Bn at the end of the third quarter. The funds have successfully raised further capital that will be invested continuously. Staff costs and costs associated with the capital raising were charged to profit, while income shadows investments made by the funds.

The previously communicated establishment of operations in Norway and Luxemburg was completed through acquisitions in the quarter.

## Nine-month period

Assets under management increased by SEK 3.3 Bn (0.5) and net outflows were SEK 0.4 Bn (0.5) in the period.

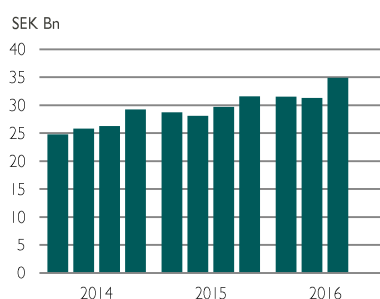
Total income was SEK 172 M (162) and operating profit/loss was SEK -17 M (14).

| SEK M   | 3 Months        |                 | 9 Months        |                 | 12 Months            |                 |
|---|-----------------|-----------------|-----------------|-----------------|----------------------|-----------------|
|   | 2016<br>Jul-Sep | 2015<br>Jul-Sep | 2016<br>Jan-Sep | 2015<br>Jan-Sep | Rolling<br>12 Months | 2015<br>Jan-Dec |
| Property Funds *  | 49              | 38              | 130             | 117             | 178                  | 166             |
| Property Asset Management *                                   | 20              | 12              | 47              | 46              | 86                   | 85              |
| <b>Total income</b>   | <b>66</b>       | <b>50</b>       | <b>172</b>      | <b>162</b>      | <b>260</b>           | <b>249</b>      |
| Assignment expenses and commission                            | -23             | -18             | -56             | -51             | -77                  | -71             |
| Operating expenses  | -49             | -32             | -132            | -97             | -186                 | -150            |
| <b>Operating profit/loss before acquisition-related items</b> | <b>-6</b>       | <b>1</b>        | <b>-17</b>      | <b>14</b>       | <b>-4</b>            | <b>28</b>       |

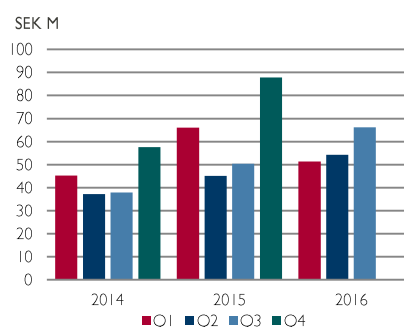
  

| Key Figures                                       |     |     |      |      |     |      |
|---|-----|-----|------|------|-----|------|
| Operating margin, % **                            | -9  | 2   | -10  | 9    | -1  | 11   |
| Asset under management at end of period, SEK Bn   | -   | -   | 34.9 | 29.7 | -   | 31.6 |
| net in-(+) and outflow(-) during the period, mdkr | 1.1 | 1.0 | -0.4 | 0.5  | 2.1 | 3.0  |
| of which Property Funds                           | -   | -   | 22.9 | 19.9 | -   | 20.2 |
| net in-(+) and outflow(-) during the period, mdkr | 0.3 | 0.4 | 0.6  | 0.3  | 1.3 | 1.0  |
| of which Property Asset Management                | -   | -   | 12.0 | 9.8  | -   | 11.3 |
| net in-(+) and outflow(-) during the period, mdkr | 0.9 | 0.6 | -1.0 | 0.2  | 0.8 | 2.1  |
| No. of employees, at end of period                | -   | -   | 100  | 67   | -   | 78   |

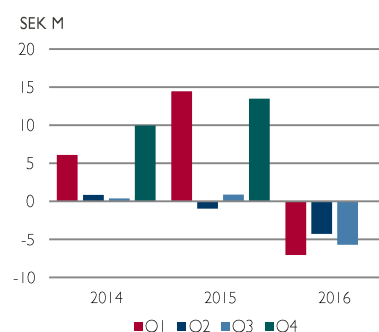
## ASSETS UNDER MANAGEMENT



## TOTAL INCOME



## OPERATING PROFIT/LOSS\*\*



\* Includes internal income

\*\* Before acquisition-related items.

## OTHER FINANCIAL INFORMATION

**The Group's financial position**

In the third quarter, the Group's total assets increased by SEK 139 M, totalling SEK 5,298 M as of 30 September 2016.

In accordance with IAS 12 Income Tax, a deferred tax asset attributable to loss carry-forwards is recognised to the extent that it is probable that future taxable profit will be available. In accordance with this standard, Catella is recognising a deferred tax asset of SEK 89 M (SEK 108 M as of 31 December 2015) of which the majority consists of tax loss carry-forwards, which is based on an assessment of the Group's future earnings. Reported deferred tax receivables as of 30 September 2016 decreased on year end as a result of Catella Bank's utilisation of loss carry-forwards resulting from the Visa transaction. The Group's total loss carry-forwards amount to some SEK 660 M. Essentially, the loss carry-forwards relate to operations in Sweden and have indefinite useful lives.

In September 2012, Catella AB (publ) issued a five-year unsecured bond of SEK 200 M. In the Consolidated Statement of Financial Position, this item was reclassified from non-current loan liabilities to current loan liabilities in the third quarter 2016. The bond has a nominal amount of SEK 300 M and accrues variable interest at three-month Stibor plus 500 basis points. The Group also has granted overdraft facilities totalling SEK 30 M, of which the un-utilised portion was SEK 30 M as of 30 September 2016.

The Group's equity increased by SEK 72 M in the third quarter, and was SEK 1,675 M as of 30 September 2016. Apart from profit for the period of SEK 45 M and positive translation differences of SEK 19 M, equity was affected by positive fair value changes in the holding of preference shares in Visa Inc. totalling SEK 3 M net of deferred tax. Equity was also affected by sales of warrants held in treasury totalling SEK 3 M, and transactions relating to holdings in non-controlling interests of SEK 2 M. The Group's equity/assets ratio as of 30 September 2016 was 32% (29% as of 31 December 2015).

**Consolidated cash flow****Third quarter 2016**

Consolidated cash flow from operating activities before changes in working capital amounted to SEK 38 M (53).

Consolidated cash flow from operating activities was SEK 148 M (-318), of which tax payments were SEK 20 M (13). The change in working capital for the period was SEK 110 M (-370), mainly attributable to the Swedish branch of the banking operations which increased deposits by reassigning client funds to bank deposits and lending.

Cash flow from investing activities was SEK -6 M (-22), including the acquisition of subsidiary Catella Asset Management AS for SEK 13 M less acquired cash and cash equivalents. Cash flow from loan portfolios totalled SEK 5 M and sales of shares in Nordic Light Fund generated deposits of SEK 8 M in the quarter.

The financing operations did not generate any cash flows in the quarter (SEK -1 M in the previous year).

Cash flow for the period was SEK 141 M (-341), of which cash flow from the banking operations was SEK 105 M (-404), and cash flow from other activities SEK 36 M (63).

Cash and cash equivalents at the end of the period were SEK 2,711 M (1,957), of which cash and cash equivalents relating to the banking operations were SEK 2,068 M (1,254), and cash and cash equivalents relating to other activities were SEK 643 M (703).

**Nine-month period 2016**

Consolidated cash flow from operating activities before changes in working capital amounted to SEK 122 M (131).

Consolidated cash flow from operating activities was SEK -234 M (-443).

Cash flow from investing activities was SEK 99 M (-20), with the largest transactions comprising cash purchase considerations of SEK 167 M for the shares in Visa Europe and cash flow from loan portfolios totalling SEK 63 M, of which SEK 46 M related to the Gems clean-up call. Major payments consisted of IPM's net investments of SEK 68 M in proprie-

tary managed funds, and SEK 18 M in additional investments in associated company CA Seeding GmbH which carries out property development projects in Germany. Catella also paid an additional purchase consideration of SEK 25 M for shares in IPM, and SEK 14 M was paid in connection with acquisitions from holders of non-controlling influence in Catella Nordic Fixed Income and SEK 13 M was paid net of acquired cash and cash equivalents associated with the acquisition of new asset management operations in Norway.

Cash flow from financing activities was SEK -121 M (-87), and mainly relates to dividends to shareholders of SEK 100 M and repurchasing of outstanding warrants totalling SEK 22 M.

Cash flow for the nine-month period was SEK -257 M (-550), of which cash flow from the banking operations was SEK -55 M (-640), and cash flow from other activities was SEK -202 M (90).

**Parent company****Third quarter 2016**

Catella AB (publ) is the Parent Company of the Group. Group management and other central Group functions are integrated in the Parent Company.

The Parent Company reported income of SEK 2.1 M (1.3) and operating profit was SEK -12.6 M (-6.8). The profit decrease on the previous year is mainly due to increased costs of SEK 3.8 M arising from the company's change of listing in 2016 and increased personnel costs. Profit/loss before tax was SEK -13.3 M (-7.2)

The Parent Company reported total loss carry-forwards of SEK 118.3 M. Catella's Balance Sheet includes a deferred tax asset of SEK 18.9 M (SEK 18.9 M as of 31 December 2015) mainly relating to these loss carry-forwards. The amount is based on an estimate of the company's future utilization of loss carry-forwards.

Cash and cash equivalents on the reporting date were SEK 31.2 M, compared to SEK 31.3 M as of 31 December 2015.

The number of employees of the Parent Company expressed as full-time equivalents was 9 (8).

**Nine-month period 2016**

The Parent Company reported income of SEK 6.4 M (3.9). Operating profit/loss was SEK -32.2 M (-21.2) and profit/loss before tax was SEK -34.3 M (-22.6). Profit was charged with costs for the planned changed of listing totalling SEK 4.5 M.

**Employees**

The number of employees expressed as full-time equivalents was 576 (527) at the end of the period, of which 206 (220) in the Corporate Finance operating segment, 353 (294) in the Asset Management and Banking operating segment and 17 (13) in other functions.

**Share capital**

As of 30 September 2016, share capital amounted to SEK 164 M (163) divided between 81,848,572 shares (81,728,572). 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 79,318,017 class B shares with 1 vote per share.

In the third quarter of 2016, Catella sold 300,000 warrants held in treasury to a key executive for a purchase price of SEK 3 M. Earlier in 2016, Catella repurchased 1,440,000 outstanding warrants from key persons at a total purchase price of SEK 11.9 M. Repurchases of warrants are reported as equity, for more information see Consolidated Statement of Changes in Equity.

Furthermore, 120,000 warrants were utilised in 2016 to subscribe for an equivalent amount of newly issued shares at a price of SEK 11 per share, and 7,920,000 warrants expired without being utilized, of which all were held in treasury.

As of 30 September 2016, Catella had a total of 9,034,000 outstanding warrants, of which 2,234,000 were held in treasury.

On full utilisation of the 9,034,000 warrants, dilution of Catella's capital and votes would be 9.9% and 8.9% respectively.

**Shares**

Catella is listed on First North Premier on Nasdaq Stockholm, trading under the ticker symbols CAT A and CAT B. The company's certified advisor is Remium

Nordic AB. The price of Catella's Class B share was SEK 22.00 (12.25) as of 30 September 2016. Total market capitalisation at the end of the period was SEK 1,800 M (1,002).

**Shareholders**

Catella had 6,286 (6,327) shareholders registered at the end of the period. As of 30 September 2016, the single largest shareholders were the Claesson & Anderzén group, with a holding of 49.8% (49.9) of the capital and 49.1% (49.1) of the votes, followed by Bure Equity AB (publ) with a holding of 10.7% (10.8) of the capital and 11.1% (11.1) of the votes.

**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. The banking operations are exposed to particularly significant operating risks. The bank's real time system contains substantial volumes/transactions that require 24-hour availability.

Several companies in the Catella Group conduct licensable operations, regulated by the financial supervisory authorities of the relevant countries of fiscal domicile. Existing regulatory structures and the rapid evolution of these structures are generally complex, and particularly for Catella's banking operations. These regulations set stringent, and in the future, still more stringent standards on licensable operations, as well as on liquidity and capital reserves. Compliance with these regulatory structures is a pre-requisite for licensable operations. Catella works continuously to ensure compliance with current regulatory structures, and prepares for compliance with forthcoming regulatory changes.

The preparation of financial statements requires the Board of Directors and Group management to make estimates and judgments of the value of loan portfolios, goodwill, trademarks and brands,

as well as assumptions concerning revenue recognition. The estimates and judgments affect the Consolidated Income Statement and financial position, and disclosures on contingent liabilities, for example. See Note 4 in the Annual Report 2015 for significant estimates and judgments. Actual outcomes may differ from these estimates and judgments due to other circumstances or other conditions.

**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 are prepared in compliance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities issued by RFR. The information provided in Note 8 regarding the consolidated 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.

The accounting policies that are most critical to the Group and Parent Company are stated in Catella's Annual Report for 2015. Figures in tables and comments may be rounded.

**Related party transactions**

300,000 warrants with a total value of SEK 3 M were sold to a key executive in the quarter. The acquisition was financed

with a loan from Group company Catella Holding AB on market terms.

In the second quarter, Catella made additional investments of SEK 18 M in associated company CA Seeding GmbH, whose other shareholders consist of the Claesson & Anderzén Group and the management of Catella Project Management GmbH. For more information, see Note 39 of the Annual Report 2015.

In the first quarter, Johan Nordenfalk, COO, used 120,000 warrants to subscribe for an equal number of newly issued shares at a price of SEK 11 per share.

#### Forecast

Catella does not publish forecasts.

#### Financial calendar

*Year-end Report 2016*

21 February 2017

*Annual Report 2016*

28 April 2017

*Interim Report January – March 2017*

12 May 2017

*Annual General Meeting 2017*

The Annual General Meeting in Catella AB (publ) will be held on 29 May 2017,

Stockholm, Sweden. Shareholders wishing to make nominations to the Nomination Committee must do so in writing before 24 February 2017.

*Interim Report January – June 2017*

25 August 2017

*Interim Report January – September 2017*

14 November 2017

*Year-end Report 2017*

23 February 2018

#### For further information

Knut Pedersen, CEO and President

Tel. + 46 (0)8 463 33 10

More information on Catella and all financial reports are available at [www.catella.com/koncern](http://www.catella.com/koncern).

The information in this Report is mandatory for Catella AB (publ) 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 above contact,

for publication on 4 November 2016 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, 4 November 2016**

**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, CEO and President



## 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 (company ID-number 556079-1419) as of 30 September 2016 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report 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 is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm November 4, 2016

PricewaterhouseCoopers AB

*Patrik Adolfson*

Authorized Public Accountant

## Consolidated Income Statement

| SEK M   | 2016<br>Jul-Sep | 2015<br>Jul-Sep | 2016<br>Jan-Sep | 2015<br>Jan-Sep | 2015<br>Jan-Dec |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net sales   | 475             | 455             | 1,401           | 1,287           | 1,853           |
| Other operating income  | 2               | 0               | 17              | 8               | 13              |
| <b>Total income</b>   | <b>477</b>      | <b>455</b>      | <b>1,417</b>    | <b>1,294</b>    | <b>1,866</b>    |
| Assignment expenses and commission  | -114            | -93             | -304            | -261            | -347            |
| Other external expenses   | -100            | -88             | -311            | -285            | -392            |
| Personnel costs   | -204            | -214            | -602            | -583            | -846            |
| Depreciation  | -4              | -3              | -10             | -10             | -13             |
| Other operating expenses  | -5              | -2              | -13             | -6              | -8              |
| <b>Operating profit/loss before acquisition-related items</b>                     | <b>51</b>       | <b>55</b>       | <b>177</b>      | <b>150</b>      | <b>261</b>      |
| Amortisation of acquisition-related intangible assets                             | -1              | -2              | -3              | -6              | -7              |
| <b>Operating profit/loss</b>  | <b>50</b>       | <b>53</b>       | <b>174</b>      | <b>144</b>      | <b>254</b>      |
| Interest income   | 6               | 6               | 18              | 19              | 26              |
| Interest expenses   | -3              | -3              | -8              | -9              | -12             |
| Other financial items   | 3               | 13              | 233             | 25              | 38              |
| Financial items—net   | 6               | 17              | 243             | 34              | 53              |
| <b>Profit/loss before tax</b>   | <b>56</b>       | <b>70</b>       | <b>417</b>      | <b>178</b>      | <b>306</b>      |
| Tax   | -11             | -18             | -119            | -34             | -34             |
| <b>Net profit/loss for the period</b>   | <b>45</b>       | <b>51</b>       | <b>299</b>      | <b>144</b>      | <b>272</b>      |
| <b>Profit/loss attributable to:</b>   |                 |                 |                 |                 |                 |
| Shareholders of the Parent Company  | 35              | 37              | 235             | 120             | 243             |
| Non-controlling interests   | 10              | 14              | 64              | 24              | 29              |
|   | <b>45</b>       | <b>51</b>       | <b>299</b>      | <b>144</b>      | <b>272</b>      |
| <b>Earnings per share attributable to shareholders of the Parent Company, SEK</b> |                 |                 |                 |                 |                 |
| - before dilution   | 0.43            | 0.45            | 2.87            | 1.47            | 2.97            |
| - after dilution  | 0.40            | 0.41            | 2.64            | 1.29            | 2.63            |
| No. of shares at end of the period  | 81,848,572      | 81,728,572      | 81,848,572      | 81,728,572      | 81,728,572      |
| Average weighted number of shares after dilution                                  | 88,353,117      | 89,001,403      | 88,821,397      | 92,843,551      | 92,171,461      |

## Consolidated Statement of Comprehensive Income

| SEK M   | 2016<br>Jul-Sep | 2015<br>Jul-Sep | 2016<br>Jan-Sep | 2015<br>Jan-Sep | 2015<br>Jan-Dec |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net profit/loss for the period                                      | 45              | 51              | 299             | 144             | 272             |
| <b>Other comprehensive income</b>                                   |                 |                 |                 |                 |                 |
| Items that will not be reclassified subsequently to profit or loss: |                 |                 |                 |                 |                 |
| Value change in defined benefit pension plans                       | 0               | -0              | 0               | -0              | 0               |
| Items that will be reclassified subsequently to profit or loss:     |                 |                 |                 |                 |                 |
| Fair value changes in financial assets available for sale           | 3               | 0               | 3               |                 | 0               |
| Translation differences   | 18              | 15              | 45              | -8              | -33             |
| Other comprehensive income for the period, net after tax            | 21              | 15              | 47              | -9              | -33             |
| <b>Total comprehensive income/loss for the period</b>               | <b>66</b>       | <b>67</b>       | <b>346</b>      | <b>136</b>      | <b>239</b>      |
| <b>Profit/loss attributable to:</b>                                 |                 |                 |                 |                 |                 |
| Shareholders of the Parent Company                                  | 56              | 52              | 281             | 111             | 210             |
| Non-controlling interests   | 11              | 15              | 65              | 24              | 29              |
|   | <b>66</b>       | <b>67</b>       | <b>346</b>      | <b>136</b>      | <b>239</b>      |

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

# Consolidated Statement of Financial Position—condensed

| SEK M  | Note       | 2016<br>30 Sep | 2015<br>30 Sep | 2015<br>31 Dec |
|--|------------|----------------|----------------|----------------|
| <b>ASSETS</b>  |            |                |                |                |
| <b>Non-current assets</b>                                  |            |                |                |                |
| Intangible assets  |            | 384            | 364            | 363            |
| Property, plant and equipment                              |            | 24             | 22             | 24             |
| Holdings in associated companies                           |            | 45             | 23             | 27             |
| Other non-current securities                               | 3, 4, 5, 6 | 390            | 313            | 274            |
| Deferred tax receivables                                   |            | 89             | 78             | 108            |
| Other non-current receivables                              |            | 624            | 174            | 253            |
|  |            | <b>1,556</b>   | <b>975</b>     | <b>1,048</b>   |
| <b>Current assets</b>                                      |            |                |                |                |
| Current loan receivables                                   |            | 508            | 514            | 542            |
| Accounts receivable and other receivables                  |            | 440            | 433            | 449            |
| Current investments  | 3, 4, 5, 6 | 84             | 49             | 118            |
| Cash and cash equivalents *                                |            | 2,711          | 1,957          | 2,854          |
|  |            | <b>3,742</b>   | <b>2,953</b>   | <b>3,963</b>   |
| <b>Total assets</b>  |            | <b>5,298</b>   | <b>3,927</b>   | <b>5,011</b>   |
| <b>EQUITY AND LIABILITIES</b>                              |            |                |                |                |
| <b>Equity</b>  |            |                |                |                |
| Share capital  |            | 164            | 163            | 163            |
| Other contributed capital                                  |            | 253            | 253            | 250            |
| Reserves   |            | -98            | -118           | -142           |
| Profit brought forward including net profit for the period |            | 1,216          | 934            | 1,048          |
| Equity attributable to shareholders of the Parent Company  |            | 1,534          | 1,232          | 1,319          |
| Non-controlling interests                                  |            | 141            | 94             | 117            |
| <b>Total equity</b>  |            | <b>1,675</b>   | <b>1,326</b>   | <b>1,436</b>   |
| <b>Liabilities</b>   |            |                |                |                |
| <b>Non-current liabilities</b>                             |            |                |                |                |
| Borrowings   |            | 0              | 0              | 0              |
| Long-term loan liabilities                                 |            | 0              | 199            | 200            |
| Deferred tax liabilities                                   |            | 35             | 26             | 21             |
| Other provisions   |            | 3              | 28             | 28             |
|  |            | <b>38</b>      | <b>253</b>     | <b>248</b>     |
| <b>Current liabilities</b>                                 |            |                |                |                |
| Borrowings   |            | 84             | 64             | 50             |
| Current loan liabilities                                   |            | 2,802          | 1,662          | 2,577          |
| Accounts payable and other liabilities                     |            | 627            | 582            | 634            |
| Tax liabilities  |            | 73             | 40             | 65             |
|  |            | <b>3,585</b>   | <b>2,348</b>   | <b>3,326</b>   |
| <b>Total liabilities</b>                                   |            | <b>3,623</b>   | <b>2,601</b>   | <b>3,575</b>   |
| <b>Total equity and liabilities</b>                        |            | <b>5,298</b>   | <b>3,927</b>   | <b>5,011</b>   |
| * Of which, cash and cash equivalents in frozen accounts.  |            | 183            | 143            | 166 **         |

\*\* Adjusted for the funds deposited with the central bank in Luxembourg, which are not classified as restricted cash, compared to previously reported amounts.

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

# Consolidated Statement of Cash Flows

| SEK M   | 2016<br>Jul-Sep | 2015<br>Jul-Sep | 2016<br>Jan-Sep | 2015<br>Jan-Sep | 2015<br>Jan-Dec |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Cash flow from operating activities</b>  |                 |                 |                 |                 |                 |
| Profit/loss before tax  | 56              | 70              | 417             | 178             | 306             |
| Adjustments for non-cash items:   |                 |                 |                 |                 |                 |
| Other financial items   | -3              | -13             | -233            | -25             | -38             |
| Depreciation  | 5               | 5               | 13              | 16              | 20              |
| Impairment current receivables  | 3               | 2               | 7               | 3               | 5               |
| Change in provisions  | 0               | 0               | 0               | 0               | 0               |
| Reported interest income from loan portfolios                                     | -6              | -6              | -17             | -18             | -25             |
| Acquisition expenses  | 0               | 0               | 0               | 0               | 0               |
| Profit/loss from participations in associated companies                           | 0               | 0               | 0               | -5              | -5              |
| Capital gain/loss, property, plant and equipment                                  | 0               | 0               | 0               | 0               | 0               |
| Capital gain/loss, financial assets   | -0              | 0               | -6              | 0               | -4              |
| Personnel costs not affecting cash flow   | 3               | 9               | 17              | 27              | 46              |
| Paid income tax   | -20             | -13             | -77             | -46             | -58             |
| <b>Cash flow from operating activities before changes in working capital</b>      | <b>38</b>       | <b>53</b>       | <b>122</b>      | <b>131</b>      | <b>247</b>      |
| <b>Cash flow from changes in working capital</b>                                  |                 |                 |                 |                 |                 |
| Increase (-)/decrease (+) of operating receivables                                | 75              | -37             | -265            | -102            | -272            |
| Increase (+) / decrease (-) in operating liabilities                              | 34              | -333            | -91             | -472            | 574             |
| <b>Cash flow from operating activities</b>  | <b>148</b>      | <b>-318</b>     | <b>-234</b>     | <b>-443</b>     | <b>549</b>      |
| <b>Cash flow from investing activities</b>  |                 |                 |                 |                 |                 |
| Purchase of property, plant and equipment   | -2              | -3              | -7              | -5              | -9              |
| Purchase of intangible assets   | -3              | -9              | -11             | -12             | -15             |
| Purchase of subsidiaries, after deductions for acquired cash and cash equivalents | -13             | 0               | -52             | 0               | -1              |
| Sale of subsidiaries, net of cash disposed  | 0               | 0               | 0               |                 |                 |
| Purchase of associated companies  | 0               | -19             | -18             | -22             | -25             |
| Purchase of financial assets  | -10             | -2              | -96             | -27             | -76             |
| Sale of financial assets  | 17              | 5               | 218             | 22              | 36              |
| Cash flow from loan portfolios  | 5               | 6               | 63              | 17              | 22              |
| Dividends from investments  | 0               | 0               | 0               | 5               | 5               |
| <b>Cash flow from investing activities</b>  | <b>-6</b>       | <b>-22</b>      | <b>99</b>       | <b>-20</b>      | <b>-50</b>      |
| <b>Cash flow from financing activities</b>  |                 |                 |                 |                 |                 |
| Re-purchase of share warrants   | 0               | 0               | -22             | -30             | -31             |
| Proceeds from share warrants issued   | 0               | 0               | 0               | 0               | 0               |
| New share issue   | 0               | 0               | 1               | 0               | 0               |
| Dividend  | 0               | 0               | -49             | -16             | -16             |
| Transactions with, and payments to, non-controlling interests                     | 0               | -1              | -51             | -41             | -41             |
| <b>Cash flow from financing activities</b>  | <b>-0</b>       | <b>-1</b>       | <b>-121</b>     | <b>-87</b>      | <b>-88</b>      |
| <b>Cash flow for the period</b>   | <b>141</b>      | <b>-341</b>     | <b>-257</b>     | <b>-550</b>     | <b>411</b>      |
| Cash and cash equivalents at beginning of period                                  | 2,522           | 2,261           | 2,854           | 2,532           | 2,532           |
| Exchange rate differences in cash and cash equivalents                            | 47              | 36              | 114             | -25             | -89             |
| <b>Cash and cash equivalents at end of the period</b>                             | <b>2,711</b>    | <b>1,957</b>    | <b>2,711</b>    | <b>1,957</b>    | <b>2,854</b>    |

SEK 2,068 M of the Group's cash and cash equivalents relate to Catella Bank, and in compliance with the instructions and regulations that Catella Bank is subject to, the rest of the 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 |                             |                     |   |              |                           |              |
|---|---|-----------------------------|---------------------|---|--------------|---------------------------|--------------|
|   | Share capital   | Other contributed capital * | Translation reserve | Profit brought forward incl. net profit/loss for the period | Total        | Non-controlling interests | Total equity |
| Opening balance as of 1 January 2016                      | 163   | 250                         | -142                | 1,048   | 1,319        | 117                       | 1,436        |
| <b>Comprehensive income for January - September 2016:</b> |   |                             |                     |   |              |                           |              |
| Net profit/loss for the period                            |   |                             |                     | 235   | 235          | 64                        | 299          |
| Other comprehensive income, net of tax                    |   |                             | 44                  | 3   | 46           | 1                         | 47           |
| <b>Comprehensive income/loss for the period</b>           |   |                             | <b>44</b>           | <b>237</b>  | <b>281</b>   | <b>65</b>                 | <b>346</b>   |
| <b>Transactions with shareholders:</b>                    |   |                             |                     |   |              |                           |              |
| Transactions with non-controlling interests               |   |                             |                     | -9  | -9           | -42                       | -51          |
| Warrants issued   |   | 3                           |                     |   | 3            |                           | 3            |
| Re-purchase of warrants issued                            |   |                             |                     | -12   | -12          |                           | -12          |
| New share issue   | 0   |                             |                     | 1   | 1            |                           | 1            |
| Dividend  |   |                             |                     | -49   | -49          |                           | -49          |
| <b>Closing balance at 30 September 2016</b>               | <b>164</b>  | <b>253</b>                  | <b>-98</b>          | <b>1,216</b>  | <b>1,534</b> | <b>141</b>                | <b>1,675</b> |

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

As of 30 September 2016, the Parent Company has a total of 9,034,000 warrants outstanding, of which 2,234,000 held in treasury. In the third quarter of 2016, Catella sold 300,000 warrants held in treasury to a key executive for a purchase price of SEK 3 M. Earlier in 2016, Catella repurchased 1,440,000 warrants at market value from employees, at a total purchase consideration of SEK 11.9 M. Repurchases of warrants are reported in the consolidated accounts as Other additional capital where classified as non-restricted equity, and as Retained earnings where classified as residual amounts. Furthermore, in 2016 Catella utilised 120,000 warrants to subscribe for an equal number of newly issued shares at a price of SEK 11 per share, and 7,920,000 warrants expired without being utilized, of which all were held in treasury.

| SEK M   | Equity attributable to shareholders of the Parent Company |                             |                     |   |              |                           |              |
|---|---|-----------------------------|---------------------|---|--------------|---------------------------|--------------|
|   | Share capital   | Other contributed capital * | Translation reserve | Profit brought forward incl. net profit/loss for the period | Total        | Non-controlling interests | Total equity |
| Opening balance as of 1 January 2015                      | 163   | 273                         | -110                | 837   | 1,164        | 88                        | 1,252        |
| <b>Comprehensive income for January - September 2015:</b> |   |                             |                     |   |              |                           |              |
| Net profit/loss for the period                            |   |                             |                     | 120   | 120          | 24                        | 144          |
| Other comprehensive income, net of tax                    |   |                             | -9                  |   | -9           | 0                         | -9           |
| <b>Comprehensive income/loss for the period</b>           |   |                             | <b>-9</b>           | <b>120</b>  | <b>111</b>   | <b>24</b>                 | <b>136</b>   |
| <b>Transactions with shareholders:</b>                    |   |                             |                     |   |              |                           |              |
| Transactions with non-controlling interests               |   |                             |                     | 0   | 0            | -19                       | -19          |
| Warrants issued   |   | 3                           |                     |   | 3            |                           | 3            |
| Re-purchase of warrants issued                            |   | -23                         |                     | -7  | -30          |                           | -30          |
| New share issue   | 0   |                             |                     | 0   | 0            |                           | 0            |
| Dividend  |   |                             |                     | -16   | -16          |                           | -16          |
| <b>Closing balance at 30 September 2015</b>               | <b>163</b>  | <b>253</b>                  | <b>-118</b>         | <b>934</b>  | <b>1,232</b> | <b>94</b>                 | <b>1,326</b> |

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

The Parent Company has a total of 19,107,000 outstanding warrants. In 2011 – 2015, warrants were repurchased on market terms from employees. In March 2015, Catella offered to repurchase warrants, which fell due for redemption in the period 25 March – 25 May 2015. The offer, which was valid up until 31 March 2015, encompassed a total of 7,620,000 warrants. Of these, 7,270,000 warrants were repurchased for a total purchase consideration of SEK 30.1 M, and 30,000 warrants were utilized to subscribe for and equal number of newly issued shares at a price of SEK 11 per share. In May 2015, 17,390,000 warrants held in treasury expired, and in September Catella sold 900,000 warrants held in treasury to members of Catella's management and key executives. As of 30 September 2015, Catella holds 7,380,000 warrants in treasury. Repurchases of warrants are reported in the consolidated accounts as Other additional capital where classified as non-restricted equity, and as Retained earnings where classified as residual amounts.

## Note 1. Income Statement by operating segment

| SEK M   | Corporate Finance |            | Asset Management and Banking |            | Other      |           | Group      |            |
|---|-------------------|------------|------------------------------|------------|------------|-----------|------------|------------|
|   | 2016              | 2015       | 2016                         | 2015       | 2016       | 2015      | 2016       | 2015       |
|   | Jul-Sep           | Jul-Sep    | Jul-Sep                      | Jul-Sep    | Jul-Sep    | Jul-Sep   | Jul-Sep    | Jul-Sep    |
| Net sales   | 142               | 155        | 345                          | 300        | -12        | -1        | 475        | 455        |
| Other operating income  | 2                 | 0          | 1                            | 1          | -0         | -0        | 2          | 0          |
| <b>Total income</b>   | <b>144</b>        | <b>156</b> | <b>345</b>                   | <b>301</b> | <b>-12</b> | <b>-2</b> | <b>477</b> | <b>455</b> |
| Assignment expenses and commission                                    | -26               | -9         | -98                          | -84        | 10         | 0         | -114       | -93        |
| Other external expenses   | -29               | -30        | -66                          | -55        | -5         | -2        | -100       | -88        |
| Personnel costs   | -72               | -91        | -126                         | -119       | -7         | -4        | -204       | -214       |
| Depreciation  | -1                | -1         | -2                           | -2         | -0         | -0        | -4         | -3         |
| Other operating expenses  | -2                | -0         | -4                           | -2         | 0          | 0         | -5         | -2         |
| <b>Operating profit/loss before acquisition-related items</b>         | <b>14</b>         | <b>24</b>  | <b>50</b>                    | <b>38</b>  | <b>-14</b> | <b>-8</b> | <b>51</b>  | <b>55</b>  |
| Amortisation of acquisition-related intangible assets                 | 0                 | 0          | -1                           | -2         | 0          | 0         | -1         | -2         |
| <b>Operating profit/loss</b>  | <b>14</b>         | <b>24</b>  | <b>49</b>                    | <b>36</b>  | <b>-14</b> | <b>-8</b> | <b>50</b>  | <b>53</b>  |
| Interest income   | 0                 | 0          | 0                            | 0          | 6          | 6         | 6          | 6          |
| Interest expenses   | 0                 | -0         | -0                           | -0         | -3         | -2        | -3         | -3         |
| Other financial items   | 1                 | 0          | -2                           | 1          | 5          | 12        | 3          | 13         |
| Financial items—net   | 1                 | 0          | -2                           | 1          | 8          | 16        | 6          | 17         |
| <b>Profit/loss before tax</b>   | <b>15</b>         | <b>24</b>  | <b>47</b>                    | <b>37</b>  | <b>-6</b>  | <b>8</b>  | <b>56</b>  | <b>70</b>  |
| Tax   | -4                | -11        | -10                          | -11        | 3          | 3         | -11        | -18        |
| <b>Net profit/loss for the period</b>                                 | <b>11</b>         | <b>13</b>  | <b>37</b>                    | <b>27</b>  | <b>-3</b>  | <b>11</b> | <b>45</b>  | <b>51</b>  |
| <b>Profit/loss attributable to shareholders of the Parent Company</b> | <b>11</b>         | <b>13</b>  | <b>27</b>                    | <b>12</b>  | <b>-3</b>  | <b>11</b> | <b>35</b>  | <b>37</b>  |

| SEK M   | Corporate Finance |            |            | Asset Management and Banking |            |              | Other      |            |            | Group        |              |              |
|---|-------------------|------------|------------|------------------------------|------------|--------------|------------|------------|------------|--------------|--------------|--------------|
|   | 2016              | 2015       | 2015       | 2016                         | 2015       | 2015         | 2016       | 2015       | 2015       | 2016         | 2015         | 2015         |
|   | Jan-Sep           | Jan-Sep    | Jan-Dec    | Jan-Sep                      | Jan-Sep    | Jan-Dec      | Jan-Sep    | Jan-Sep    | Jan-Dec    | Jan-Sep      | Jan-Sep      | Jan-Dec      |
| Net sales   | 388               | 402        | 623        | 1,033                        | 894        | 1,245        | -21        | -9         | -16        | 1,401        | 1,287        | 1,853        |
| Other operating income  | 9                 | 2          | 6          | 9                            | 6          | 7            | -2         | -1         | -1         | 17           | 8            | 13           |
| <b>Total income</b>   | <b>397</b>        | <b>404</b> | <b>630</b> | <b>1,042</b>                 | <b>900</b> | <b>1,253</b> | <b>-22</b> | <b>-9</b>  | <b>-17</b> | <b>1,417</b> | <b>1,294</b> | <b>1,866</b> |
| Assignment expenses and commission                                    | -45               | -27        | -37        | -274                         | -238       | -317         | 15         | 4          | 7          | -304         | -261         | -347         |
| Other external expenses   | -97               | -99        | -138       | -199                         | -178       | -245         | -15        | -7         | -8         | -311         | -285         | -392         |
| Personnel costs   | -210              | -239       | -383       | -377                         | -333       | -447         | -15        | -12        | -17        | -602         | -583         | -846         |
| Depreciation  | -3                | -3         | -4         | -7                           | -6         | -8           | -0         | -0         | -0         | -10          | -10          | -13          |
| Other operating expenses  | -4                | -0         | -1         | -11                          | -6         | -8           | 2          | 1          | 1          | -13          | -6           | -8           |
| <b>Operating profit/loss before acquisition-related items</b>         | <b>39</b>         | <b>35</b>  | <b>66</b>  | <b>174</b>                   | <b>139</b> | <b>228</b>   | <b>-35</b> | <b>-24</b> | <b>-33</b> | <b>177</b>   | <b>150</b>   | <b>261</b>   |
| Amortisation of acquisition-related intangible assets                 | 0                 | 0          | 0          | -3                           | -6         | -7           | 0          | 0          | 0          | -3           | -6           | -7           |
| <b>Operating profit/loss</b>  | <b>39</b>         | <b>35</b>  | <b>66</b>  | <b>171</b>                   | <b>133</b> | <b>221</b>   | <b>-35</b> | <b>-24</b> | <b>-33</b> | <b>174</b>   | <b>144</b>   | <b>254</b>   |
| Interest income   | 1                 | 1          | 1          | 0                            | 0          | 0            | 17         | 18         | 25         | 18           | 19           | 26           |
| Interest expenses   | 0                 | -2         | -2         | -1                           | -0         | -0           | -8         | -7         | -10        | -8           | -9           | -12          |
| Other financial items   | 1                 | -0         | 5          | 219                          | 3          | 2            | 13         | 22         | 31         | 233          | 25           | 38           |
| Financial items—net   | 2                 | -1         | 4          | 218                          | 3          | 3            | 23         | 33         | 46         | 243          | 34           | 53           |
| <b>Profit/loss before tax</b>   | <b>41</b>         | <b>34</b>  | <b>70</b>  | <b>389</b>                   | <b>135</b> | <b>223</b>   | <b>-13</b> | <b>9</b>   | <b>13</b>  | <b>417</b>   | <b>178</b>   | <b>306</b>   |
| Tax   | -2                | -20        | -24        | -116                         | -36        | -51          | -1         | 22         | 41         | -119         | -34          | -34          |
| <b>Net profit/loss for the period</b>                                 | <b>39</b>         | <b>14</b>  | <b>46</b>  | <b>273</b>                   | <b>99</b>  | <b>172</b>   | <b>-14</b> | <b>31</b>  | <b>54</b>  | <b>299</b>   | <b>144</b>   | <b>272</b>   |
| <b>Profit/loss attributable to shareholders of the Parent Company</b> | <b>39</b>         | <b>14</b>  | <b>46</b>  | <b>209</b>                   | <b>75</b>  | <b>143</b>   | <b>-14</b> | <b>31</b>  | <b>54</b>  | <b>235</b>   | <b>120</b>   | <b>243</b>   |

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 Treasury Management, are recognized in the "Other" category. Acquisition and financing expenses and Catella's brand are also recognized 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 are mainly financial transactions and certain re-invoicing of expenses. Limited transactions for rendering services to external customers occur. Any transactions are conducted on arm's length basis.



## Historical earnings trend by quarter and operating segment

| SEK M   | Corporate Finance |                 |                 |                 |                 |                 |                 |                 |
|---|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | 2016<br>Jul-Sep   | 2016<br>Apr-Jun | 2016<br>Jan-Mar | 2015<br>Oct-Dec | 2015<br>Jul-Sep | 2015<br>Apr-Jun | 2015<br>Jan-Mar | 2014<br>Oct-Dec |
| Net sales   | 142               | 172             | 73              | 222             | 155             | 160             | 86              | 215             |
| Other operating income  | 2                 | 1               | 6               | 4               | 0               | 1               | 1               | 1               |
| <b>Total income</b>   | <b>144</b>        | <b>174</b>      | <b>80</b>       | <b>226</b>      | <b>156</b>      | <b>161</b>      | <b>87</b>       | <b>216</b>      |
| Assignment expenses and commission                                    | -26               | -14             | -4              | -10             | -9              | -11             | -7              | -13             |
| Other external expenses   | -29               | -33             | -36             | -39             | -30             | -33             | -36             | -34             |
| Personnel costs   | -72               | -89             | -49             | -144            | -91             | -91             | -58             | -113            |
| Depreciation  | -1                | -1              | -1              | -1              | -1              | -1              | -1              | -1              |
| Other operating expenses  | -2                | -1              | -0              | -1              | -0              | -0              | 0               | -1              |
| <b>Operating profit/loss before acquisition-related items</b>         | <b>14</b>         | <b>36</b>       | <b>-12</b>      | <b>31</b>       | <b>24</b>       | <b>25</b>       | <b>-15</b>      | <b>54</b>       |
| Amortisation of acquisition-related intangible assets                 | 0                 | 0               | 0               | 0               | 0               | 0               | 0               | 0               |
| <b>Operating profit/loss</b>  | <b>14</b>         | <b>36</b>       | <b>-12</b>      | <b>31</b>       | <b>24</b>       | <b>25</b>       | <b>-15</b>      | <b>54</b>       |
| Interest income   | 0                 | 0               | 0               | 0               | 0               | 0               | 0               | 0               |
| Interest expenses   | 0                 | 0               | 0               | -0              | -0              | -1              | -1              | -1              |
| Other financial items   | 1                 | 0               | 0               | 5               | 0               | -0              | -0              | -0              |
| Financial items—net   | 1                 | 1               | 1               | 5               | 0               | -1              | -1              | -0              |
| <b>Profit/loss before tax</b>   | <b>15</b>         | <b>36</b>       | <b>-11</b>      | <b>36</b>       | <b>24</b>       | <b>25</b>       | <b>-15</b>      | <b>53</b>       |
| Tax   | -4                | -1              | 3               | -4              | -11             | -9              | 0               | -11             |
| <b>Net profit/loss for the period</b>                                 | <b>11</b>         | <b>36</b>       | <b>-8</b>       | <b>32</b>       | <b>13</b>       | <b>16</b>       | <b>-15</b>      | <b>42</b>       |
| <b>Profit/loss attributable to shareholders of the Parent Company</b> | <b>11</b>         | <b>36</b>       | <b>-8</b>       | <b>32</b>       | <b>13</b>       | <b>16</b>       | <b>-15</b>      | <b>42</b>       |

| SEK M   | Asset Management and Banking |                 |                 |                 |                 |                 |                 |                 |
|---|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | 2016<br>Jul-Sep              | 2016<br>Apr-Jun | 2016<br>Jan-Mar | 2015<br>Oct-Dec | 2015<br>Jul-Sep | 2015<br>Apr-Jun | 2015<br>Jan-Mar | 2014<br>Oct-Dec |
| Net sales   | 345                          | 309             | 379             | 352             | 300             | 264             | 329             | 282             |
| Other operating income  | 1                            | 2               | 6               | 1               | 1               | 1               | 5               | 2               |
| <b>Total income</b>   | <b>345</b>                   | <b>311</b>      | <b>386</b>      | <b>353</b>      | <b>301</b>      | <b>265</b>      | <b>334</b>      | <b>284</b>      |
| Assignment expenses and commission  | -98                          | -81             | -96             | -79             | -84             | -74             | -79             | -73             |
| Other external expenses   | -66                          | -78             | -55             | -67             | -55             | -62             | -60             | -66             |
| Personnel costs   | -126                         | -116            | -135            | -114            | -119            | -96             | -117            | -106            |
| Depreciation  | -2                           | -2              | -2              | -2              | -2              | -2              | -2              | -2              |
| Other operating expenses  | -4                           | 8               | -15             | -1              | -2              | -2              | -3              | 4               |
| <b>Operating profit/loss before acquisition-related items and items affecting comparability</b> | <b>50</b>                    | <b>41</b>       | <b>83</b>       | <b>89</b>       | <b>38</b>       | <b>29</b>       | <b>72</b>       | <b>40</b>       |
| Amortisation of acquisition-related intangible assets   | -1                           | -1              | -1              | -1              | -2              | -2              | -2              | -2              |
| <b>Operating profit/loss</b>  | <b>49</b>                    | <b>40</b>       | <b>82</b>       | <b>88</b>       | <b>36</b>       | <b>27</b>       | <b>70</b>       | <b>38</b>       |
| Interest income   | 0                            | 0               | 0               | 0               | 0               | 0               | 0               | 0               |
| Interest expenses   | -0                           | -1              | -0              | -0              | -0              | -0              | -0              | -0              |
| Other financial items   | -2                           | 217             | 4               | -0              | 1               | 1               | -0              | 2               |
| Financial items—net   | -2                           | 217             | 4               | -0              | 1               | 1               | -0              | 2               |
| <b>Profit/loss before tax</b>   | <b>47</b>                    | <b>257</b>      | <b>86</b>       | <b>88</b>       | <b>37</b>       | <b>28</b>       | <b>70</b>       | <b>40</b>       |
| Tax   | -10                          | -83             | -24             | -15             | -11             | -8              | -18             | -9              |
| <b>Net profit/loss for the period</b>   | <b>37</b>                    | <b>174</b>      | <b>62</b>       | <b>73</b>       | <b>27</b>       | <b>20</b>       | <b>52</b>       | <b>31</b>       |
| <b>Profit/loss attributable to shareholders of the Parent Company</b>                           | <b>27</b>                    | <b>158</b>      | <b>24</b>       | <b>68</b>       | <b>12</b>       | <b>18</b>       | <b>44</b>       | <b>26</b>       |

## Note 2. Financial position by operating segment—condensed

| SEK M   | Corporate Finance |                |                | Asset Management and Banking |                |                | Other          |                |                | Group          |                |                |
|---|-------------------|----------------|----------------|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | 2016<br>30 Sep    | 2015<br>30 Sep | 2015<br>31 Dec | 2016<br>30 Sep               | 2015<br>30 Sep | 2015<br>31 Dec | 2016<br>30 Sep | 2015<br>30 Sep | 2015<br>31 Dec | 2016<br>30 Sep | 2015<br>30 Sep | 2015<br>31 Dec |
| <b>ASSETS</b>   |                   |                |                |                              |                |                |                |                |                |                |                |                |
| <b>Non-current assets</b>                                 |                   |                |                |                              |                |                |                |                |                |                |                |                |
| Intangible assets   | 62                | 62             | 61             | 272                          | 252            | 252            | 50             | 50             | 50             | 384            | 364            | 363            |
| Property, plant and equipment                             | 11                | 12             | 12             | 12                           | 11             | 11             | 0              | 0              | 0              | 24             | 22             | 24             |
| Holdings in associated companies                          | 0                 | 0              | 0              | 45                           | 0              | 1              | 0              | 23             | 26             | 45             | 23             | 27             |
| Other non-current securities                              | 0                 | 1              | 0              | 138                          | 30             | 29             | 251            | 283            | 245            | 390            | 313            | 274            |
| Deferred tax receivables                                  | 0                 | -10            | 1              | 21                           | 26             | 39             | 68             | 63             | 68             | 89             | 78             | 108            |
| Other non-current receivables                             | 5                 | 5              | 5              | 619                          | 169            | 248            | -0             | 0              | -0             | 624            | 174            | 253            |
|   | <b>79</b>         | <b>69</b>      | <b>79</b>      | <b>1,108</b>                 | <b>487</b>     | <b>580</b>     | <b>369</b>     | <b>419</b>     | <b>389</b>     | <b>1,556</b>   | <b>975</b>     | <b>1,048</b>   |
| <b>Current assets</b>                                     |                   |                |                |                              |                |                |                |                |                |                |                |                |
| Current loan receivables                                  | 0                 | 0              | 0              | 508                          | 514            | 542            | 0              | 0              | 0              | 508            | 514            | 542            |
| Accounts receivable and other receivables                 | 125               | 112            | 180            | 310                          | 324            | 285            | 4              | -3             | -16            | 440            | 433            | 449            |
| Current investments                                       | 0                 | 20             | 0              | 54                           | 2              | 52             | 30             | 27             | 66             | 84             | 49             | 118            |
| Cash and cash equivalents                                 | 218               | 166            | 220            | 2,384                        | 1,668          | 2,513          | 109            | 123            | 120            | 2,711          | 1,957          | 2,854          |
|   | <b>343</b>        | <b>299</b>     | <b>400</b>     | <b>3,256</b>                 | <b>2,508</b>   | <b>3,392</b>   | <b>143</b>     | <b>146</b>     | <b>170</b>     | <b>3,742</b>   | <b>2,953</b>   | <b>3,963</b>   |
| <b>Total assets</b>                                       | <b>423</b>        | <b>368</b>     | <b>480</b>     | <b>4,364</b>                 | <b>2,994</b>   | <b>3,973</b>   | <b>512</b>     | <b>565</b>     | <b>559</b>     | <b>5,298</b>   | <b>3,927</b>   | <b>5,011</b>   |
| <b>EQUITY AND LIABILITIES</b>                             |                   |                |                |                              |                |                |                |                |                |                |                |                |
| <b>Equity</b>   |                   |                |                |                              |                |                |                |                |                |                |                |                |
| Equity attributable to shareholders of the Parent Company | 237               | 184            | 213            | 855                          | 685            | 620            | 442            | 364            | 486            | 1,534          | 1,232          | 1,319          |
| Non-controlling interests                                 | 25                | 28             | 43             | 116                          | 66             | 75             | -0             | -0             | -0             | 141            | 94             | 117            |
| <b>Total equity</b>                                       | <b>262</b>        | <b>212</b>     | <b>256</b>     | <b>971</b>                   | <b>750</b>     | <b>695</b>     | <b>442</b>     | <b>364</b>     | <b>486</b>     | <b>1,675</b>   | <b>1,326</b>   | <b>1,436</b>   |
| <b>Liabilities</b>  |                   |                |                |                              |                |                |                |                |                |                |                |                |
| <b>Non-current liabilities</b>                            |                   |                |                |                              |                |                |                |                |                |                |                |                |
| Borrowings  | 0                 | 0              | 0              | 0                            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              |
| Long-term loan liabilities                                | 0                 | 0              | 0              | 0                            | 0              | 0              | 0              | 199            | 200            | 0              | 199            | 200            |
| Deferred tax liabilities                                  | 0                 | 0              | 8              | 24                           | 11             | 10             | 11             | 15             | 3              | 35             | 26             | 21             |
| Other provisions  | 1                 | 1              | 1              | 2                            | 2              | 2              | 0              | 25             | 25             | 3              | 28             | 28             |
|   | <b>1</b>          | <b>1</b>       | <b>9</b>       | <b>26</b>                    | <b>13</b>      | <b>12</b>      | <b>11</b>      | <b>240</b>     | <b>227</b>     | <b>38</b>      | <b>253</b>     | <b>248</b>     |
| <b>Current liabilities</b>                                |                   |                |                |                              |                |                |                |                |                |                |                |                |
| Borrowings  | 0                 | 0              | 0              | 84                           | 64             | 50             | 0              | 0              | 0              | 84             | 64             | 50             |
| Current loan liabilities                                  | 0                 | 0              | 0              | 2,602                        | 1,662          | 2,577          | 200            | 0              | 0              | 2,802          | 1,662          | 2,577          |
| Accounts payable and other liabilities                    | 143               | 138            | 192            | 625                          | 463            | 606            | -141           | -19            | -163           | 627            | 582            | 634            |
| Tax liabilities   | 16                | 17             | 23             | 56                           | 42             | 33             | 1              | -19            | 9              | 73             | 40             | 65             |
|   | <b>159</b>        | <b>155</b>     | <b>215</b>     | <b>3,367</b>                 | <b>2,231</b>   | <b>3,266</b>   | <b>59</b>      | <b>-38</b>     | <b>-154</b>    | <b>3,585</b>   | <b>2,348</b>   | <b>3,326</b>   |
| <b>Total liabilities</b>                                  | <b>160</b>        | <b>156</b>     | <b>224</b>     | <b>3,393</b>                 | <b>2,244</b>   | <b>3,278</b>   | <b>70</b>      | <b>202</b>     | <b>73</b>      | <b>3,623</b>   | <b>2,602</b>   | <b>3,575</b>   |
| <b>Total equity and liabilities</b>                       | <b>423</b>        | <b>368</b>     | <b>480</b>     | <b>4,364</b>                 | <b>2,994</b>   | <b>3,973</b>   | <b>512</b>     | <b>565</b>     | <b>559</b>     | <b>5,298</b>   | <b>3,927</b>   | <b>5,011</b>   |

## Note 3. 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    | 48.6                             | 12.5%                          | 40.5                          | 15.9%                         | 6.3%          | 3.0             |
| Pastor 3 **                                   | Spain    | -                                | -                              | -                             | -                             | -             | -               |
| Pastor 4                                      | Spain    | 41.2                             | 10.6%                          | 18.0                          | 7.1%                          | 11.3%         | 7.8             |
| Pastor 5 **                                   | Spain    | -                                | -                              | -                             | -                             | -             | -               |
| Lusitano 3                                    | Portugal | 91.6                             | 23.5%                          | 72.7                          | 28.6%                         | 6.3%          | 4.0             |
| Lusitano 4 **                                 | Portugal | -                                | -                              | -                             | -                             | -             | -               |
| Lusitano 5                                    | Portugal | 104.1                            | 26.7%                          | 58.8                          | 23.1%                         | 11.3%         | 5.8             |
| Minotaure                                     | France   | 47.9                             | 12.3%                          | 20.9                          | 8.2%                          | 11.3%         | 7.9             |
| Ludgate ****                                  | UK       | 56.5                             | 14.5%                          | 43.4                          | 17.0%                         | 11.3%         | 2.6             |
| Sestante 2 **                                 | Italy    | -                                | -                              | -                             | -                             | -             | -               |
| Sestante 3 **                                 | Italy    | -                                | -                              | -                             | -                             | -             | -               |
| Sestante 4 **                                 | Italy    | -                                | -                              | -                             | -                             | -             | -               |
| Sestante 4 AI                                 | Italy    | 0.1                              | 0.0%                           | 0.1                           | 0.0%                          | 4.8%          | 0.3             |
| <b>Total cash flow ***</b>                    |          | <b>390.1</b>                     | <b>100.0%</b>                  | <b>254.3</b>                  | <b>100%</b>                   | <b>9.0%</b>   | <b>5.0</b>      |
| Accrued interest                              |          |                                  |                                | 4.0                           |                               |               |                 |
| Carrying amount in consolidated balance sheet |          |                                  |                                | <b>258.4</b>                  |                               |               |                 |

\* 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.

\*\*\*\* Ludgate was revalued during the second quarter of 2014 having historically been assigned a value of SEK 0.

### 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. There is more information on Catella's loan portfolio on the website.

#### Cash flow projections

The portfolio is valued according to the fair value method, as defined in IFRS. In the absence of a functional and sufficiently liquid market for essentially all investments and comparable subordinated investments, valuation is performed using the mark-to-model method. This method is based on projecting cash flow until maturity for each investment using market-based credit assumptions. Projected cash flows have been produced by the external investment advisor Cartesia. The credit assumption used by Cartesia is based on the historical performance of each investment and a broad selection of comparable transactions. Projected cash

flows include assumptions of potential deterioration of credit variables. They do not include the full effect of a scenario of low probability and high potential negative impact, such as a dissolution of the Eurozone, where one of the countries in which EETI has underlying investments leaves the European Monetary Union, or similar scenarios. Adjustments of cash flows affect this value and are stated in a sensitivity analysis on Catella's website.

#### Discount rates

The discount rates applied are set internally, and based on a rolling 24-month index of non-investment grade European corporate bonds as underlying assets (iTraxx). The discount rates per portfolio are also set relative to other assets in the absence of market prices for the assets held by EETI. Each quarter, the Board of EETI evaluates the projected cash flows and related assumptions, combined with the market pricing of other assets for possible adjustment of the discount rates in

addition to variation of the index. 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 prioritised in instances of default or if the loss exceeds predetermined levels. This could result in interruptions in the income flow that Catella has assumed from its investment portfolio. For more information, see Note 22 in the Annual Report for 2015.

## Note 4. Actual and forecast cash flow 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        |             |            |            |            |             |            |            |             |             |             |             |             |             |              |              |             |
| Q4 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         |
| Q1 2010        | 3.4         | -          | -          | -          | -           | -          | -          | 0.8         | 1.6         | 0.2         | 1.5         | 1.9         | 0.3         | 9.5          | 6.3          | 3.3         |
| Q2 2010        | 2.3         | -          | -          | -          | 0.7         | -          | -          | 0.8         | 1.5         | 0.2         | 1.4         | 2.3         | 0.1         | 9.3          | 15.5         | -6.2        |
| Q3 2010        | 0.6         | -          | -          | -          | 2.0         | -          | -          | 0.8         | 1.5         | 0.2         | 1.4         | 2.5         | 0.1         | 9.1          | 8.0          | 1.1         |
| Q4 2010        | 1.5         | -          | -          | -          | -           | -          | -          | 0.8         | 1.5         | 0.2         | 1.4         | 2.1         | 0.1         | 7.7          | 5.9          | 1.7         |
| Q1 2011        | 2.8         | -          | -          | -          | 0.8         | -          | -          | 0.8         | 1.5         | 0.2         | 1.3         | 1.2         | 0.1         | 8.6          | 6.5          | 2.1         |
| Q2 2011        | 3.4         | -          | -          | -          | 4.7         | -          | 0.2        | 0.8         | 1.4         | 0.2         | 1.4         | 1.9         | 0.1         | 14.3         | 7.1          | 7.1         |
| Q3 2011        | 2.0         | -          | -          | -          | 3.2         | -          | 0.2        | 0.8         | 1.5         | 0.2         | 1.5         | 2.2         | 0.1         | 11.8         | 6.9          | 4.9         |
| Q4 2011        | 1.5         | -          | -          | -          | 2.5         | -          | 0.2        | 0.9         | -           | 0.3         | 1.5         | 1.6         | 0.1         | 8.5          | 7.8          | 0.6         |
| Q1 2012        | 2.1         | -          | -          | -          | 4.3         | -          | 0.2        | 0.8         | -           | 0.2         | 1.4         | 1.7         | 0.0         | 10.8         | 6.9          | 3.9         |
| Q2 2012        | 1.5         | -          | -          | -          | 3.4         | -          | 0.1        | -           | -           | 0.2         | 1.3         | 1.2         | 0.0         | 7.8          | 8.7          | -0.9        |
| Q3 2012        | 0.8         | -          | -          | -          | 2.5         | -          | 0.1        | -           | -           | 0.1         | 1.3         | 0.9         | 0.0         | 5.7          | 7.7          | -2.0        |
| Q4 2012        | 0.1         | -          | -          | -          | -           | -          | 0.1        | -           | -           | 0.1         | 1.2         | -           | 0.0         | 1.5          | 6.8          | -5.3        |
| Q1 2013        | 0.1         | -          | -          | -          | -           | -          | 0.1        | -           | -           | 0.1         | 1.2         | -           | 0.1         | 1.5          | 1.5          | -0.0        |
| Q2 2013        | -           | -          | -          | -          | -           | -          | 0.1        | -           | -           | 0.1         | -           | -           | -           | 0.2          | 2.3          | -2.1        |
| Q3 2013        | 0.1         | -          | -          | -          | 1.7         | -          | 0.1        | -           | -           | 0.1         | -           | -           | 0.1         | 2.2          | 2.6          | -0.4        |
| Q4 2013        | -           | -          | -          | -          | 1.0         | -          | 0.1        | -           | -           | 0.1         | -           | -           | -           | 1.1          | 1.1          | 0.0         |
| Q1 2014        | -           | -          | -          | -          | 1.6         | -          | 0.1        | -           | -           | 0.1         | -           | -           | 0.0         | 1.9          | 1.0          | 0.8         |
| Q2 2014        | -           | -          | -          | -          | 0.7         | -          | 0.1        | -           | -           | 0.1         | -           | -           | 2.6         | 3.5          | 0.3          | 3.3         |
| Q3 2014        | -           | -          | -          | -          | 2.2         | -          | 0.1        | -           | -           | 0.1         | -           | -           | 5.2         | 7.7          | 5.9          | 1.8         |
| Q4 2014        | 0.3         | -          | -          | -          | 2.2         | -          | 0.1        | -           | -           | 0.1         | -           | -           | 5.2         | 7.9          | 5.7          | 2.2         |
| Q1 2015        | 0.0         | -          | -          | -          | 1.1         | -          | 0.1        | -           | -           | 0.1         | -           | -           | 4.3         | 5.6          | 5.8          | -0.2        |
| Q2 2015        | 0.0         | -          | -          | -          | 1.0         | -          | 0.1        | -           | -           | 0.1         | -           | -           | 4.5         | 5.7          | 5.9          | -0.2        |
| Q3 2015        | 0.0         | -          | -          | -          | 0.7         | -          | 0.1        | -           | -           | 0.1         | -           | -           | 5.1         | 6.0          | 6.1          | -0.1        |
| Q4 2015        | -           | -          | -          | -          | 1.0         | -          | 0.1        | -           | -           | 0.1         | -           | -           | 3.1         | 4.3          | 5.4          | -1.2        |
| 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        |
| <b>Total</b>   | <b>27.2</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>42.1</b> | <b>0.8</b> | <b>2.8</b> | <b>8.4</b>  | <b>12.2</b> | <b>50.4</b> | <b>19.4</b> | <b>21.7</b> | <b>42.5</b> | <b>227.5</b> | <b>207.0</b> | <b>20.5</b> |

| Forecast       |             |            |             |            |             |              |            |            |            |            |            |             |             | Forecast     |       |      |
|----------------|-------------|------------|-------------|------------|-------------|--------------|------------|------------|------------|------------|------------|-------------|-------------|--------------|-------|------|
| Forecast       | Quarter/    | Year       | Acc.        |            |             |              |            |            |            |            |            |             |             | Quarter/     | Year  | Acc. |
| Q4 2016        | -           | -          | -           | 1.7        | -           | 0.1          |            |            |            |            |            | -           | 3.3         | 5.2          | 5.2   |      |
| Full year 2017 | 0.2         | -          | -           | 8.7        | -           | 0.0          |            |            |            |            |            | -           | 12.3        | 21.1         | 26.3  |      |
| Full year 2018 | 0.2         | -          | -           | 15.7       | -           |              |            |            |            |            |            | -           | 11.0        | 26.9         | 53.2  |      |
| Full year 2019 | 48.3        | -          | -           | 21.9       | -           |              |            |            |            |            |            | -           | 9.0         | 79.2         | 132.4 |      |
| Full year 2020 | -           | -          | -           | 18.3       | 54.1        |              |            |            |            |            |            | -           | 6.8         | 79.2         | 211.6 |      |
| Full year 2021 | -           | -          | -           | 3.2        | 20.9        |              |            |            |            |            |            | -           | 14.1        | 38.2         | 249.8 |      |
| Full year 2022 | -           | -          | -           | 2.9        | 3.3         |              |            |            |            |            |            | -           |             | 6.2          | 256.0 |      |
| Full year 2023 | -           | -          | -           | 2.6        | 2.4         |              |            |            |            |            |            | 23.3        |             | 28.2         | 284.2 |      |
| Full year 2024 | -           | -          | 41.2        | 2.3        | 2.1         |              |            |            |            |            |            | 9.7         |             | 55.3         | 339.5 |      |
| Full year 2025 | -           | -          | -           | 14.4       | 1.8         |              |            |            |            |            |            | 0.7         |             | 16.8         | 356.3 |      |
| Full year 2026 | -           | -          | -           |            | 1.5         |              |            |            |            |            |            | 14.3        |             | 15.8         | 372.0 |      |
| Full year 2027 | -           | -          | -           |            | 1.2         |              |            |            |            |            |            |             |             | 1.2          | 373.3 |      |
| Full year 2028 | -           | -          | -           |            | 16.8        |              |            |            |            |            |            |             |             | 16.8         | 390.1 |      |
| <b>Total</b>   | <b>48.6</b> | <b>0.0</b> | <b>41.2</b> | <b>0.0</b> | <b>91.6</b> | <b>104.1</b> | <b>0.1</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>47.9</b> | <b>56.5</b> | <b>390.1</b> |       |      |

\* 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.

## Note 5. Short and long-term investments

| SEK M                                  | 30 September 2016 |
|--|-------------------|
| Loan portfolio and Nordic Light Fund * | 275               |
| Operation-related investments          | 150               |
| Other securities                       | 48                |
| <b>Total **</b>                        | <b>473</b>        |

\* of which Loan portfolios SEK 258 M.

\*\* of which short-term investments SEK 84 M and long-term investments SEK 390 M.

## Note 6. The Group's assets and liabilities measured at fair value

In accordance with IFRS 7, financial instruments are recognised 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. Observable 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 meas-

urement of discounted cash flows to determine the fair value of financial instruments. For more information, see Note 3 in the Annual Report 2015.

The Group's assets and liabilities measured at fair value as of 30 September 2016 are stated in the following table.

| SEK M  | Tier 1    | Tier 2     | Tier 3     | Total      |
|--|-----------|------------|------------|------------|
| <b>ASSETS</b>  |           |            |            |            |
| Derivative instruments   |           | 6          |            | 6          |
| Financial assets available for sale                            |           | 45         |            | 45         |
| Financial assets measured at fair value through profit or loss | 59        | 88         | 277        | 423        |
| <b>Total assets</b>  | <b>59</b> | <b>138</b> | <b>277</b> | <b>473</b> |
| <b>LIABILITIES</b>   |           |            |            |            |
| Derivative instruments   |           | 6          |            | 6          |
| <b>Total liabilities</b>                                       | <b>0</b>  | <b>6</b>   | <b>0</b>   | <b>6</b>   |

No changes between levels occurred the previous year or 31 December 2015.

### CHANGE ANALYSIS, FINANCIAL ASSETS, LEVEL 3 IN THE NINE-MONTH PERIOD 2016

|  | 2016       |
|--|------------|
| as of 1 January                                    | 320        |
| Purchases  | 1          |
| Disposals  | -23        |
| Amortisation                                       | -55        |
| Gains and losses recognised through profit or loss | 11         |
| Capitalised interest income                        | 9          |
| Exchange rate differences                          | 15         |
| <b>At 30 September</b>                             | <b>277</b> |

## Note 7. Pledged assets and contingent liabilities

### Pledged assets

| SEK M                     | 2016<br>30 Sep | 2015<br>30 Sep | 2015 *<br>31 Dec |
|---------------------------|----------------|----------------|------------------|
| Cash and cash equivalents | 183            | 143            | 166              |
| Other pledged assets      | 50             | 46             | 46               |
|                           | <b>233</b>     | <b>189</b>     | <b>212</b>       |

Cash and cash equivalents include pledged cash funds in frozen accounts. These funds are used as collateral in the Asset Management and Banking 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.

\* Adjusted for the funds deposited with the central bank in Luxembourg, which are not classified as restricted cash, compared to previously reported amounts.

### Contingent liabilities

| SEK M                                     | 2016<br>30 Sep | 2015<br>30 Sep | 2015<br>31 Dec |
|---|----------------|----------------|----------------|
| Client funds managed on behalf of clients | 45             | 201            | 232            |
| Guarantees                                | 12             | 12             | 78             |
|   | <b>57</b>      | <b>212</b>     | <b>310</b>     |

Client funds relate to assets belonging to customers and managed by Catella Bank branch office. These assets are deposited in separate bank accounts by the branch

office under a third-party name. Guarantees were primarily provided for rental contracts with landlords.

### Commitments

| SEK M   | 2016<br>30 Sep | 2015<br>30 Sep | 2015<br>31 Dec |
|---|----------------|----------------|----------------|
| Unutilised credit facilities, granted by Catella Bank | 2,076          | 1,987          | 2,015          |
| Other commitments                                     | 6              | 3              | 2              |
|   | <b>2,082</b>   | <b>1,989</b>   | <b>2,017</b>   |

Unutilized credit facilities relate to the credit commitments issued by Catella Bank to its clients. Customers can utilize

these facilities under certain circumstances, depending on what collateral they can provide.



## Note 8. Disclosure regarding the acquisition of Catella Asset Management AS

On 5 September 2016, following approval from financial regulator CSSF in Luxembourg, Catella acquired 51% of the shares in Catella Asset Management AS (CAM AS). The acquisition provides Catella with a platform for conducting property investment management on the Norwegian market and management of mezzanine funds in Luxembourg. The establishment in Norway is a step in Catella's expansion in the business area, and extends Catella's offering in asset management and the management of niche fund products.

CAM AS holds 100% of the shares in independent advisor and asset manager Elementum Asset Management AS (Elementum) and in Ambolt Advisors S.à r.l (Ambolt), who acts as an advisor to regu-

lated funds. Elementum has two employees in Oslo, and Ambolt has one employee in Luxembourg.

The acquired operations, which are included in the Asset Management and Banking operating segment, will be consolidated as a subsidiary from 9 September 2019. As of 1 September, the fair value of acquired net assets in CAM AS was SEK 11 M. If CAM AS had been fully consolidated as of 1 January 2016, Group income would have been SEK 1,422 M, while profit after tax and comprehensive income for the period would have been SEK 299 M and SEK 346 M respectively. These amounts have been calculated on the basis of the Group's accounting principles and adjusting for CAM AS's profit. The figure includes additional depreciation and amortization that would have been carried out if fair value adjustments

of intangible assets had been made as of 1 January 2016, including the ensuing tax consequences.

The total purchase price for 51% of the shares in CAM AS amounts to SEK 18 M and has been financed with proprietary funds in cash payment during the third quarter 2016. In addition, Catella incurred acquisition-related expenses of SEK 0.5 M that were charged to operating profit in 2016.

The goodwill of SEK 8 M arising from the acquisition relates to operational expansion, human capital and synergies that are expected to arise through the coordination with the Group's existing asset management operations. No proportion of reported goodwill is expected to be deductible against income tax.

NET ASSETS AS OF 1 SEPTEMBER 2016, RESULTING FROM THE ACQUISITION OF CATELLA ASSET MANAGEMENT AS, ARE AS FOLLOWS (SEK M):

|   |           |
|---|-----------|
| Acquisition-related intangible assets                                 | 4         |
| Other receivables   | 5         |
| Cash and cash equivalents   | 6         |
| Deferred tax liabilities  | -1        |
| Other liabilities   | -3        |
| <b>Fair value, net assets</b>   | <b>11</b> |
| Non-controlling interests *   | 0         |
| Goodwill  | 8         |
| <b>Net assets acquired</b>  | <b>18</b> |
| Unsettled purchase price  | 0         |
| <b>Cash-settled purchase consideration</b>                            | <b>18</b> |
| Cash and cash equivalents in acquired subsidiary                      | -6        |
| Acquisition expenses  | 0         |
| <b>Change in the Group's cash and cash equivalents on acquisition</b> | <b>13</b> |

\* Refers to non-controlling interests in the acquired company of SEK 9 million less distributions to non-controlling interests of 9 million in connection with the rights issue in CAM AS.

The fair value of acquired identifiable intangible assets of SEK 4 M (SEK 3 M after latent tax) is attributable to distribution channels in the form of fund platforms and client relationships. This represents a

preliminary valuation while awaiting the final valuation of the assets, which should be completed within 12 months of the acquisition date.

## Note 9. Capital adequacy—consolidated financial situation

Catella AB and those subsidiaries that conduct operations regulated by Swedish or foreign financial supervisory authorities constitute a financial corporate group, known as a consolidated financial situation. The consolidated financial situation is governed by CSSF in Luxembourg from 31 March 2016 onwards. Catella Bank S.A is the reporting entity and responsible institute. Discussions are underway with CSSF regarding reporting and other matters that apply to the consolidated financial situation.

The consolidated financial situation complies with the EU's and the Council's statute (EU) no. 575/32013 (CRR). Group companies currently included in / excluded from the consolidated financial situation are shown in Note 20 of Catella's Annual Report 2015.

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, as final reporting under CSSF has not yet been clarified by the authority. 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 state extracts from the accounts for the consolidated financial situation.

### Income Statement—condensed, consolidated financial situation

| SEK M   | 2016<br>Jan-Sep | 2015<br>Jan-Sep | 2015<br>Jan-Dec |
|---|-----------------|-----------------|-----------------|
| Net sales   | 999             | 884             | 1,198           |
| Other operating income  | 9               | 2               | 3               |
| <b>Total income</b>   | <b>1,008</b>    | <b>886</b>      | <b>1,201</b>    |
| Assignment expenses & commission                              | -275            | -239            | -317            |
| <b>Income excl. direct assignment costs and commission</b>    | <b>733</b>      | <b>648</b>      | <b>884</b>      |
| Operating expenses  | -588            | -525            | -687            |
| <b>Operating profit/loss before acquisition-related items</b> | <b>146</b>      | <b>123</b>      | <b>196</b>      |
| Amortisation of acquisition-related intangible assets         | -3              | -6              | -7              |
| <b>Operating profit/loss</b>                                  | <b>143</b>      | <b>117</b>      | <b>189</b>      |
| Financial items—net   | 243             | 38              | 16              |
| <b>Profit/loss before tax</b>                                 | <b>386</b>      | <b>154</b>      | <b>205</b>      |
| Appropriations  | 0               | 0               | -18             |
| Tax   | -109            | -20             | -8              |
| <b>Net profit/loss for the period</b>                         | <b>276</b>      | <b>134</b>      | <b>179</b>      |
| <b>Profit/loss attributable to:</b>                           |                 |                 |                 |
| Shareholders of the Parent Company                            | 212             | 110             | 150             |
| Non-controlling interests                                     | 64              | 24              | 30              |
|   | <b>276</b>      | <b>134</b>      | <b>179</b>      |
| Employees at end of period                                    | <b>334</b>      | <b>291</b>      | <b>291</b>      |

### Financial position—condensed, consolidated financial situation

| SEK M                               | 2016<br>30 Sep | 2015<br>30 Sep | 2015<br>31 Dec |
|-------------------------------------|----------------|----------------|----------------|
| Non-current assets                  | 1,475          | 919            | 970            |
| Current assets                      | 3,443          | 2,741          | 3,610          |
| <b>Total assets</b>                 | <b>4,918</b>   | <b>3,659</b>   | <b>4,579</b>   |
| Equity                              | 1,446          | 1,176          | 1,211          |
| Liabilities                         | 3,472          | 2,483          | 3,368          |
| <b>Total equity and liabilities</b> | <b>4,918</b>   | <b>3,659</b>   | <b>4,579</b>   |

## Capital adequacy—consolidated financial situation

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

| SEK M   | 2016<br>30 Sep | 2015<br>30 Sep | 2015<br>31 Dec |
|---|----------------|----------------|----------------|
| Core tier 1 capital   | 758            | 656            | 645            |
| Other tier 1 capital  | 0              | 0              | 0              |
| Tier 2 capital  | 0              | 0              | 0              |
| <b>Capital base</b>   | <b>758</b>     | <b>656</b>     | <b>645</b>     |
| <b>Total risk-weighted exposure</b>   | <b>4,230</b>   | <b>3,266</b>   | <b>3,486</b>   |
| <b>CAPITAL ADEQUACY AND BUFFERS</b>   |                |                |                |
| <b>Capital adequacy pillar 1</b>  | <b>338</b>     | <b>261</b>     | <b>279</b>     |
| <i>of which capital adequacy requirement for credit risk</i>                  | 175            | 132            | 152            |
| <i>of which capital adequacy requirement for market risk</i>                  | 68             | 49             | 49             |
| <i>of which capital adequacy requirement for operational risk</i>             | 96             | 80             | 77             |
| Capital adequacy pillar 2   | 94             | 94             | 94             |
| Institution-specific buffer requirements                                      | 121            | 88             | 93             |
| Internal buffer requirements  | 42             | 33             | 35             |
| <b>Total capital adequacy and buffer requirement</b>                          | <b>596</b>     | <b>476</b>     | <b>501</b>     |
| Capital surplus after capital adequacy and buffers requirement                | 162            | 180            | 144            |
| <b>CAPITAL RELATIONS, % OF TOTAL RISK-WEIGHTED EXPOSURE AMOUNT</b>            |                |                |                |
| Core tier 1 capital ratio   | 17.9           | 20.1           | 18.5           |
| Tier 1 capital ratio  | 17.9           | 20.1           | 18.5           |
| Total capital ratio   | 17.9           | 20.1           | 18.5           |
| <b>CAPITAL ADEQUACY AND BUFFERS, % OF TOTAL RISK-WEIGHTED EXPOSURE AMOUNT</b> |                |                |                |
| Capital adequacy pillar 1   | 8.0            | 8.0            | 8.0            |
| Capital adequacy pillar 2   | 2.2            | 2.9            | 2.7            |
| Institution-specific buffer requirements                                      | 2.9            | 2.7            | 2.7            |
| <i>of which requirement for capital conservation buffer</i>                   | 2.5            | 2.5            | 2.5            |
| <i>of which requirement for counter-cyclical capital buffer</i>               | 0.4            | 0.2            | 0.2            |
| Internal buffer requirements  | 1.0            | 1.0            | 1.0            |
| <b>Total capital adequacy and buffer requirement</b>                          | <b>14.1</b>    | <b>14.6</b>    | <b>14.4</b>    |
| Capital surplus after capital adequacy and buffers requirement                | 3.8            | 5.5            | 4.1            |

Catella AB's consolidated financial situation satisfies the minimum capital base requirement.

| Capital base, SEK M   | 2016<br>30 Sep | 2015<br>30 Sep | 2015<br>31 Dec |
|---|----------------|----------------|----------------|
| Core tier 1 capital   |                |                |                |
| Share capital and share premium reserve                         | 399            | 399            | 399            |
| Retained earnings and other reserves                            | 1,047          | 777            | 812            |
| Reviewed results, net of any foreseeable charge or dividend     | -              | -              | -              |
| Less:   |                |                |                |
| Intangible assets   | -288           | -279           | -279           |
| Price adjustments   | -28            | -32            | -32            |
| Deferred tax receivables  | -67            | -75            | -76            |
| Positive results not yet verified by the Annual General Meeting | -276           | -134           | -179           |
| Other deductions  | -29            | 0              | 0              |
| <b>Total core tier 1 capital</b>                                | <b>758</b>     | <b>656</b>     | <b>645</b>     |
| Other tier 1 capital  | -              | -              | -              |
| Tier 2 capital  | -              | -              | -              |
| <b>Capital base</b>   | <b>758</b>     | <b>656</b>     | <b>645</b>     |

## NOTE 9. CAPITAL ADEQUACY—CONSOLIDATED FINANCIAL SITUATION

| Specification of risk-weighted exposure amounts and capital adequacy requirement pillar 1, SEK M | 2016<br>30 Sep              |                              | 2015<br>30 Sep              |                              | 2015<br>31 Dec              |                              |
|--|-----------------------------|------------------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|
|  | Risk-weighted<br>exp.amount | Capital adequacy<br>pillar 1 | Risk-weighted<br>exp.amount | Capital adequacy<br>pillar 1 | Risk-weighted<br>exp.amount | Capital adequacy<br>pillar 1 |
| <b>Credit risk according to standardised method</b>  |                             |                              |                             |                              |                             |                              |
| Exposures to institutions  | 453                         | 36                           | 369                         | 30                           | 460                         | 37                           |
| Exposures to corporates  | 791                         | 63                           | 738                         | 59                           | 785                         | 63                           |
| Exposures to retail  | 189                         | 15                           | 109                         | 9                            | 241                         | 19                           |
| Exposures secured by mortgages on real property  | 106                         | 8                            | 47                          | 4                            | 60                          | 5                            |
| Exposures in default   | 290                         | 23                           | 249                         | 20                           | 253                         | 20                           |
| Items associated with particular high risk   | 83                          | 7                            | -                           | -                            | -                           | -                            |
| Exposures in the form of covered bonds   | 2                           | 0                            | 9                           | 1                            | 2                           | 0                            |
| Exposures to collective investment undertakings (funds)  | 49                          | 4                            | 61                          | 5                            | 58                          | 5                            |
| Equity exposures   | 121                         | 10                           | 59                          | 5                            | 38                          | 3                            |
| Other items  | 102                         | 8                            | 10                          | 1                            | 10                          | 1                            |
|  | <b>2,187</b>                | <b>175</b>                   | <b>1,653</b>                | <b>132</b>                   | <b>1,906</b>                | <b>152</b>                   |
| <b>Market risk</b>   |                             |                              |                             |                              |                             |                              |
| Interest risks   | 0                           | 0                            | 7                           | 1                            | 0                           | 0                            |
| Exchange rate risks  | 845                         | 68                           | 603                         | 48                           | 614                         | 49                           |
|  | <b>845</b>                  | <b>68</b>                    | <b>610</b>                  | <b>49</b>                    | <b>614</b>                  | <b>49</b>                    |
| <b>Operational risk according to basic method</b>  | <b>1,199</b>                | <b>96</b>                    | <b>1,002</b>                | <b>80</b>                    | <b>966</b>                  | <b>77</b>                    |
| <b>Total</b>   | <b>4,230</b>                | <b>338</b>                   | <b>3,266</b>                | <b>261</b>                   | <b>3,486</b>                | <b>279</b>                   |

## Parent Company Income Statement

| SEK M  | 2016<br>Jul-Sep | 2015<br>Jul-Sep | 2016<br>Jan-Sep | 2015<br>Jan-Sep | 2015<br>Jan-Dec |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net sales  | 2.1             | 1.3             | 6.4             | 3.9             | 5.1             |
| Other operating income                             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             |
| <b>Total income</b>                                | <b>2.1</b>      | <b>1.3</b>      | <b>6.4</b>      | <b>3.9</b>      | <b>5.1</b>      |
| Other external expenses                            | -6.9            | -3.1            | -19.8           | -9.8            | -14.0           |
| Personnel costs *                                  | -7.8            | -4.9            | -18.8           | -15.3           | -20.8           |
| Depreciation                                       | -0.0            | -0.0            | -0.0            | -0.0            | -0.0            |
| Other operating expenses                           | -0.0            | 0.0             | -0.0            | 0.0             | 0.0             |
| <b>Operating profit/loss</b>                       | <b>-12.6</b>    | <b>-6.8</b>     | <b>-32.2</b>    | <b>-21.2</b>    | <b>-29.8</b>    |
| Profit/loss from participations in group companies | 0.3             | 0.0             | 0.3             | 0.0             | -2.3            |
| Interest income and similar profit/loss items      | 1.5             | 2.2             | 5.1             | 6.7             | 8.9             |
| Interest expenses and similar profit/loss items    | -2.5            | -2.6            | -7.5            | -8.1            | -10.7           |
| Financial items                                    | -0.7            | -0.4            | -2.0            | -1.4            | -4.1            |
| <b>Profit/loss before tax</b>                      | <b>-13.3</b>    | <b>-7.2</b>     | <b>-34.3</b>    | <b>-22.6</b>    | <b>-33.9</b>    |
| Appropriations                                     | 0.0             | 0.0             | 0.0             | 0.0             | 29.4            |
| Tax on net profit for the year                     | 0.0             | 0.0             | 0.0             | 0.0             | 0.4             |
| <b>Net profit/loss for the period</b>              | <b>-13.3</b>    | <b>-7.2</b>     | <b>-34.3</b>    | <b>-22.6</b>    | <b>-4.1</b>     |

\* Personnel costs include directors' fees

## Parent Company Statement of Comprehensive Income

| SEK M  | 2016<br>Jul-Sep | 2015<br>Jul-Sep | 2016<br>Jan-Sep | 2015<br>Jan-Sep | 2015<br>Jan-Dec |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net profit/loss for the period                           | -13.3           | -7.2            | -34.3           | -22.6           | -4.1            |
| Other comprehensive income                               | -               | -               | -               | -               | -               |
| Other comprehensive income for the period, net after tax | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             |
| <b>Total comprehensive income/loss for the period</b>    | <b>-13.3</b>    | <b>-7.2</b>     | <b>-34.3</b>    | <b>-22.6</b>    | <b>-4.1</b>     |

## Parent Company Balance Sheet—condensed

| SEK M                                    | 2016<br>30 Sep | 2015<br>30 Sep | 2015<br>31 Dec |
|--|----------------|----------------|----------------|
| Property, plant and equipment            | 0.1            | 0.1            | 0.1            |
| Participations in Group companies        | 519.1          | 519.1          | 523.2          |
| Deferred tax receivables                 | 18.9           | 18.5           | 18.9           |
| Current receivables from Group companies | 137.7          | 198.1          | 212.6          |
| Other current receivables                | 6.7            | 2.8            | 4.7            |
| Cash and cash equivalents                | 31.2           | 31.2           | 31.3           |
| <b>Total assets</b>                      | <b>713.7</b>   | <b>769.8</b>   | <b>790.8</b>   |
| Equity                                   | 499.8          | 563.3          | 581.8          |
| Non-current liabilities                  | 0.0            | 198.8          | 199.0          |
| Current liabilities                      | 213.9          | 7.7            | 10.1           |
| <b>Total equity and liabilities</b>      | <b>713.7</b>   | <b>769.8</b>   | <b>790.8</b>   |

There were no assets pledged or contingent liabilities as of 30 September 2016.

## 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 under 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 analy-

sis 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

| <b>Non-IFRS performance measures</b>   | <b>Description</b>   | <b>Reason for using the measure</b>  |
|--|--|--|
| 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.   |
| Earnings per Share attributable to parent company shareholders in the period * | Profit attributable to parent company shareholders in the period divided by the number of shares at the end of the period. | Provides investors with a view of Earnings per Share in the period.  |
| Return on equity *   | Total profit in the period for the most recent four quarters divided by average equity in the most recent five quarters.   | The company considers that the performance measure provides investors with a better understanding of return on equity.   |
| Operating margin   | Operating profit excluding amortization of acquisition-related intangible assets divided by total income for the period.   | Provides investors with a view of the company's profitability.   |
| Equity/assets 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.   |
| <b>Other Non-IFRS performance measures</b>                                     | <b>Description</b>   | <b>Reason for using the measure</b>  |
| 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 parts of the 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 parts of the 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 a value driver for Catella's income in Card & Payment Solutions. Provides investors with a view of what drives an element of Catella's income.  |

\* See next page for basis of calculation

## Calculation of performance measures for the Group

| GROUP                                   | 3 Months        |                 | 9 Months        |                 | 12 Months            |                 |
|---|-----------------|-----------------|-----------------|-----------------|----------------------|-----------------|
|   | 2016<br>Jul-Sep | 2015<br>Jul-Sep | 2016<br>Jan-Sep | 2015<br>Jan-Sep | Rolling<br>12 Months | 2015<br>Jan-Dec |
| Net profit/loss for the period, SEK M   | 45              | 51              | 299             | 144             | 427                  | 272             |
| Total income, SEK M                     | 477             | 455             | 1,417           | 1,294           | 1,989                | 1,866           |
| Profit margin, %                        | 10              | 11              | 21              | 11              | 21                   | 15              |
| Equity, SEK M                           | -               | -               | 1,675           | 1,326           | -                    | 1,436           |
| Total assets, SEK M                     | -               | -               | 5,298           | 3,927           | -                    | 5,011           |
| Equity/Asset ratio, %                   | -               | -               | 32              | 34              | -                    | 29              |
| Net profit/loss for the period, SEK M * | 35              | 37              | 235             | 120             | 357                  | 243             |
| No. of shares at end of the period      | 81,848,572      | 81,728,572      | 81,848,572      | 81,728,572      | 81,848,572           | 81,728,572      |
| Earnings per share, SEK *               | 0.43            | 0.45            | 2.87            | 1.47            | 4.36                 | 2.97            |
| Equity, SEK M *                         | -               | -               | 1,534           | 1,232           | -                    | 1,319           |
| No. of shares at end of the period      | -               | -               | 81,848,572      | 81,728,572      | -                    | 81,728,572      |
| Equity per share, SEK *                 | -               | -               | 18.75           | 15.07           | -                    | 16.14           |

| GROUP                                   | 2016    | 2016    | 2016    | 2015    | 2015    | 2015    | 2015    | 2014    | 2014    | 2014    | 2014    | 2013    | 2013    | 2013    | 2013    | 2012    |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|   | 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 | Oct-Dec |
| Net profit/loss for the period, SEK M * | 35      | 182     | 17      | 123     | 37      | 48      | 35      | 96      | 21      | 85      | 15      | -4      | 10      | 11      | -39     | 14      |
| Equity, SEK M *                         | 1,534   | 1,484   | 1,333   | 1,319   | 1,232   | 1,177   | 1,151   | 1,164   | 1,041   | 1,027   | 920     | 904     | 888     | 887     | 844     | 904     |
| Return on equity, %                     | 26      | 27      | 18      | 20      | 19      | 18      | 22      | 21      | 12      | 11      | 4       | -2      |         |         |         |         |

## Calculation of performance measures for the Corporate Finance operating segment

| CORPORATE FINANCE                     | 3 Months        |                 | 9 Months        |                 | 12 Months            |                 |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|----------------------|-----------------|
|                                       | 2016<br>Jul-Sep | 2015<br>Jul-Sep | 2016<br>Jan-Sep | 2015<br>Jan-Sep | Rolling<br>12 Months | 2015<br>Jan-Dec |
| Net profit/loss for the period, SEK M | 11              | 13              | 39              | 14              | 71                   | 46              |
| Total income, SEK M                   | 144             | 156             | 397             | 404             | 623                  | 630             |
| Profit margin, %                      | 8               | 9               | 10              | 3               | 11                   | 7               |
| Equity, SEK M                         | -               | -               | 262             | 212             | -                    | 256             |
| Total assets, SEK M                   | -               | -               | 423             | 368             | -                    | 480             |
| Equity/Asset ratio, %                 | -               | -               | 62              | 58              | -                    | 53              |

| CORPORATE FINANCE                       | 2016    | 2016    | 2016    | 2015    | 2015    | 2015    | 2015    | 2014    | 2014    | 2014    | 2014    | 2013    | 2013    | 2013    | 2013    | 2012    |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|   | 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 | Oct-Dec |
| Net profit/loss for the period, SEK M * | 11      | 36      | -8      | 32      | 13      | 16      | -15     | 42      | 5       | 16      | -9      | 4       | 17      | 3       | -23     | 23      |
| Equity, SEK M *                         | 237     | 222     | 206     | 213     | 184     | 171     | 187     | 206     | 144     | 143     | 138     | 287     | 284     | 272     | 267     | 141     |
| Return on equity, %                     | 33      | 37      | 28      | 24      | 32      | 28      | 30      | 30      | 8       | 13      | 6       | 1       |         |         |         |         |

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

| ASSET MANAGEMENT AND BANKING          | 3 Months        |                 | 9 Months        |                 | 12 Months            |                 |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|----------------------|-----------------|
|                                       | 2016<br>Jul-Sep | 2015<br>Jul-Sep | 2016<br>Jan-Sep | 2015<br>Jan-Sep | Rolling<br>12 Months | 2015<br>Jan-Dec |
| Net profit/loss for the period, SEK M | 37              | 27              | 273             | 99              | 347                  | 172             |
| Total income, SEK M                   | 345             | 301             | 1,042           | 900             | 1,395                | 1,253           |
| Profit margin, %                      | 11              | 9               | 26              | 11              | 25                   | 14              |
| Equity, SEK M                         | -               | -               | 971             | 750             | -                    | 695             |
| Total assets, SEK M                   | -               | -               | 4,364           | 2,994           | -                    | 3,973           |
| Equity/Asset ratio, %                 | -               | -               | 22              | 25              | -                    | 17              |

| ASSET MANAGEMENT AND BANKING            | 2016    | 2016    | 2016    | 2015    | 2015    | 2015    | 2015    | 2014    | 2014    | 2014    | 2014    | 2013    | 2013    | 2013    | 2013    | 2012    |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|   | 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 | Oct-Dec |
| Net profit/loss for the period, SEK M * | 27      | 158     | 24      | 68      | 12      | 18      | 44      | 26      | 5       | 20      | 19      | -8      | -5      | 11      | -2      | 4       |
| Equity, SEK M *                         | 855     | 788     | 648     | 620     | 685     | 660     | 676     | 639     | 651     | 575     | 545     | 436     | 473     | 481     | 480     | 612     |
| Return on equity, %                     | 39      | 39      | 19      | 22      | 15      | 15      | 15      | 12      | 7       | 5       | 4       | -1      |         |         |         |         |

\* Attributable to shareholders of the Parent Company.



Catella AB (publ)  
P.O. Box 5894, 102 40 Stockholm | Visitors: Birger Jarlsgatan 6  
Corp. ID no. 556079-1419 | Reg. office: Stockholm, Sweden  
Tel: +46 (0)8 463 33 10 | [info@catella.se](mailto:info@catella.se)

[catella.com](http://catella.com)

