

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

INTERIM REPORT

January – June 2019

» *A Catella clearly positioned for future growth.*

CATELLA

Leading finance group in property and alternative investments

Catella was founded in 1987, has 29 offices across 15 countries and 550+ employees within three business areas:

CORPORATE FINANCE

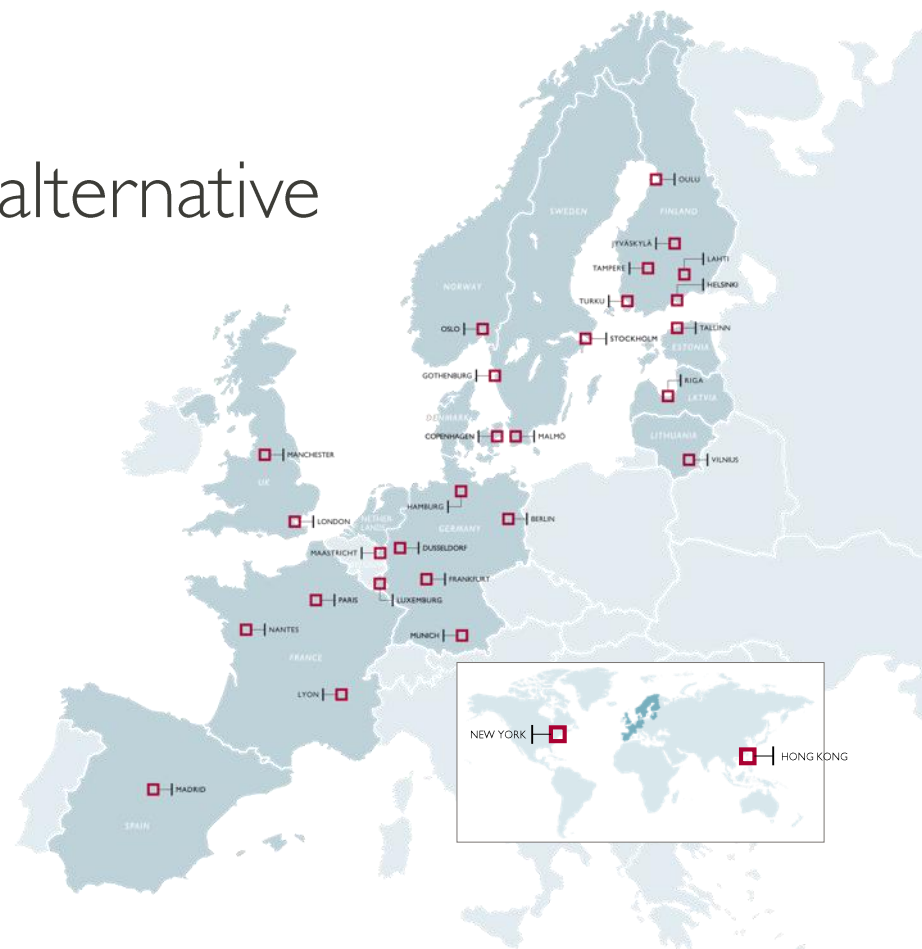
Leading European advisor within high-end real estate transaction services and real estate related corporate finance.

PROPERTY INVESTMENT MANAGEMENT

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

EQUITY, HEDGE AND FIXED INCOME FUNDS

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



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

MARKET CAPITALISATION

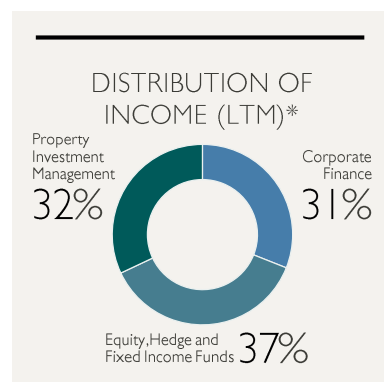
SEK **2,3** Bn

August 2019

TOTAL INCOME*

SEK **2,3** Bn

Last 12 months "LTM"



OPERATING PROFIT*

SEK **378**M

LTM

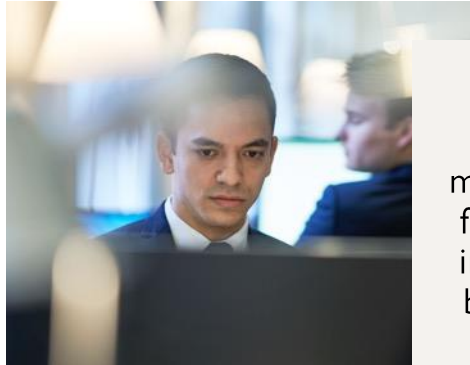
ASSETS UNDER MANAGEMENT "AUM"*

SEK **202**Bn

Q2 2019

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

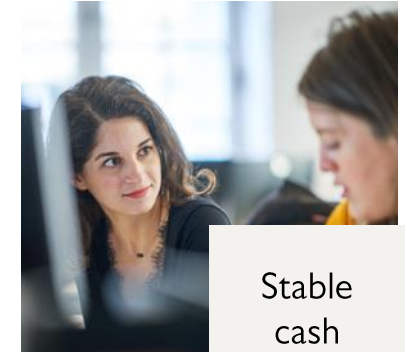
Differentiated, linked business model with a clear income base



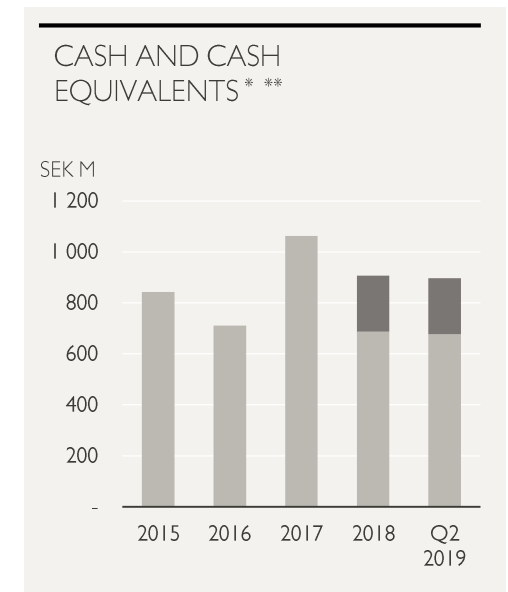
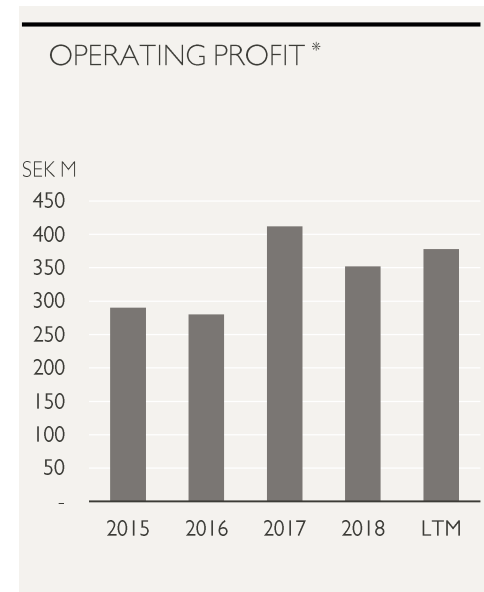
Strong growth in assets under management drives fixed earnings and increases Catella's base for potential variable earnings



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



Stable cash position

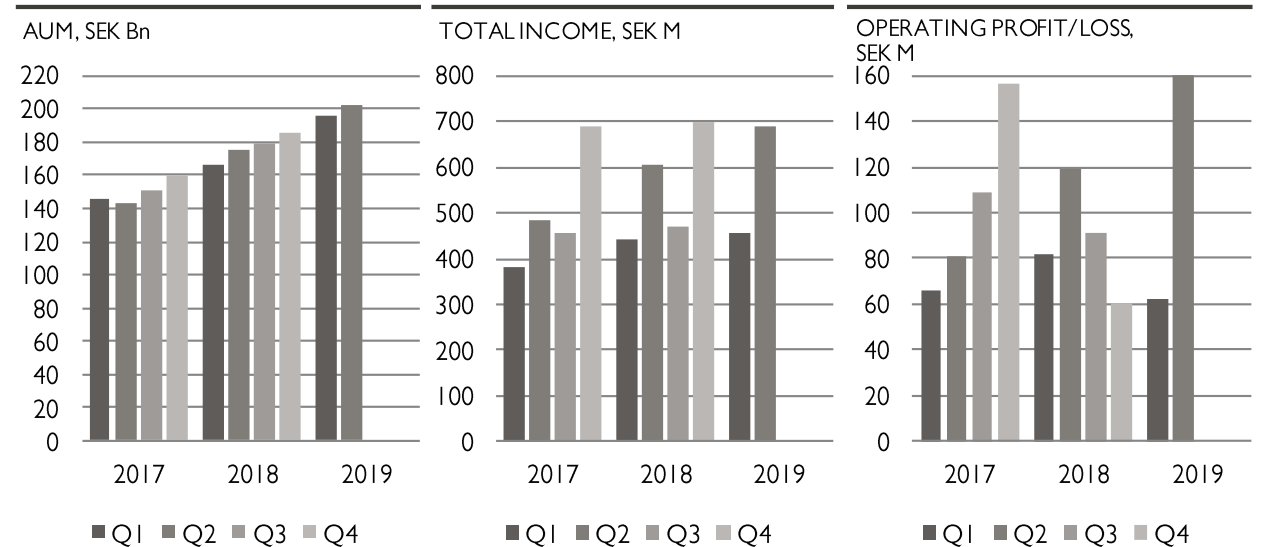


*THE BANKING BUSINESS AREA HAS BEEN REPORTED AS A DISPOSAL GROUP HELD FOR SALE AND HAS NOT BEEN INCLUDED IN GROUP FIGURES.

** THE DARKER AREAS OF THE BARS SHOW BRIDGE FINANCING OF SEK 220 M RELATING TO BANKING, WHICH WILL BE REPAID TO CATELLA'S REMAINING OPERATIONS IN 2019.

Sales and results of operations Group

- Total income for Q2 2019 amounted to SEK 688 M, up 14% year-on-year.
- Q2 2019 was one of Catella's strongest ever in terms of earnings and operating profit. Operating profit totalled SEK 164 M, an increase of 38% year-on-year.
- The initiatives completed to date focusing on growing assets under management paid off in the quarter, with increased fixed earnings as well as the model's potential in the form of variable earnings also feeding through. This was despite the absence of variable earnings in Equity, Hedge and Fixed Income Funds.
- The wind-down of the Banking business area continued as planned, focusing on migrating as many card customers as possible to maximise the additional purchase consideration.
- Banking's expenses are expected to decrease over coming quarters, and include functions required for Banking's operations and for fulfilling commitments under the agreement with Advanzia Bank linked to the additional purchase considerations.



SEK M	3 Months		6 Months		12 Months	
	2019	2018	2019	2018	Rolling 12 Mth.	2018
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	12 Mth.	Jan-Dec
Total income	688	604	1,142	1,046	2,312	2,216
Assignment expenses and commission	-136	-119	-213	-201	-402	-389
Operating expenses	-388	-365	-702	-644	-1,532	-1,474
Operating profit/loss	164	119	226	200	378	352
Profit for the period from continuing operations	114	75	136	138	209	210
Net profit/loss for the period	64	39	197	80	209	-28
shareholders	38	13	149	35	2	-112
Operating margin, %	24	20	20	19	16	16
No. of employees, at end of period	551	484	551	484	-	552
Asset under management, SEK Bn	-	-	202.2	175.6	-	186.2
net in-(+) and outflow(-)	2.7	1.9	3.3	-1.9	4.7	-0.5

* Includes internal income between business areas.

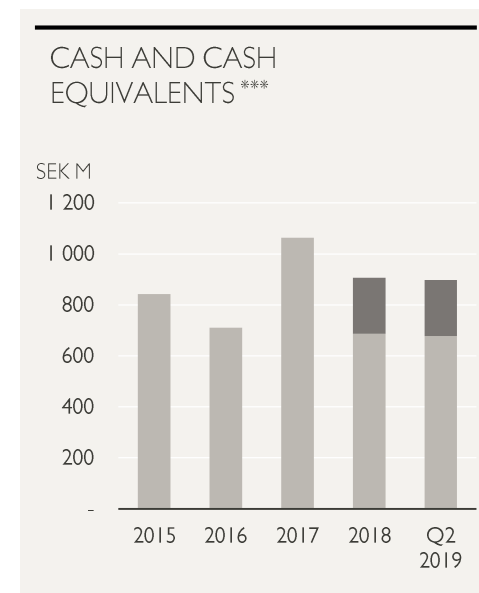
Balance sheet – Remaining operations

Balance sheet	SEK M
Assets	2,991
Short and long term investments	477
<i>Loan portfolio</i>	223
<i>Other investments (Securities, Co-investments)</i>	88
<i>Treasury placements (Bonds, Macro fund)</i>	101
<i>Accrued bonuses invested in own products</i>	66
Property development projects	157
Deferred tax assets *	81
Cash and cash equivalents	677
Other assets	1,599
Equity	1,280
Shareholders of the parent company	1,052
Minorities interest	228
Liabilities	1,711
Unsecured bond **	750
Other liabilities	961

* *Deferred tax assets which can set of corporate taxes in Mutual Funds and Loan portfolios.*

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

*** *The darker part of the stacked bars are SEK 220 M capital bridge to Banking, which will be repaid during 2019 to Catellas remaining operations.*

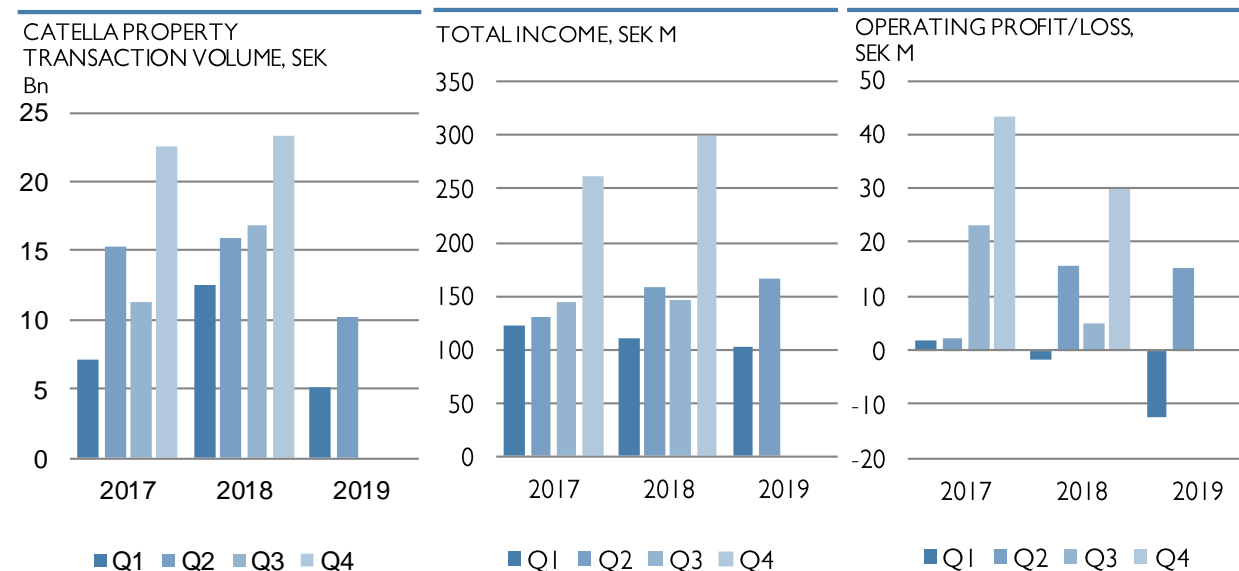




CORPORATE FINANCE

Sales and results of operations

- The transaction market for commercial properties in Europe, excluding the UK, totalled EUR 51.4 Bn (49.9), an increase of 3% year-on-year.
- Breakdown of Catella's property transaction volumes in the quarter:
 - France SEK 6.5 Bn (7.8)
 - Sweden SEK 6.4 Bn (3.5)
 - Germany SEK 1.1 Bn (2.0)
 - Denmark SEK 0.0 Bn (0.7).
- Income adjusted for assignment costs and operating profit were in line with the previous year.
 - France is the primary driver behind the increased assignment costs, through joint invoicing with an external advisor.
- In the Nordics, Sweden provided a majority of operating profit.
- The Danish operations are currently working on a small number of large projects, implying decreased profit for the period in year-on-year terms.
- In Continental Europe, Spain increased profit while Germany decreased compared to corresponding period last year. France delivered slightly weaker operating profit compared to a strong second quarter in 2018.



SEK M	3 Months		6 Months		12 Months	
	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	Rolling 12 Mth.	2018 Jan-Dec
Nordic *	69	63	103	103	246	246
Continental Europe *	97	96	166	166	468	468
Total income	166	159	270	270	715	715
Assignment expenses and commission	-17	-10	-26	-16	-98	-88
Operating expenses	-134	-133	-240	-239	-580	-578
Operating profit/loss	15	16	3	14	38	49
Operating margin, %	9	10	1	5	5	7
No. of employees, at end of period	216	208	216	208	-	220
Property transaction volume, SEK Bn	15.4	16.0	22.3	28.4	62.5	68.6
of which Nordic	7.5	6.0	10.2	8.8	31.4	30.1
of which Continental Europe	7.9	9.9	12.1	19.6	31.0	38.5

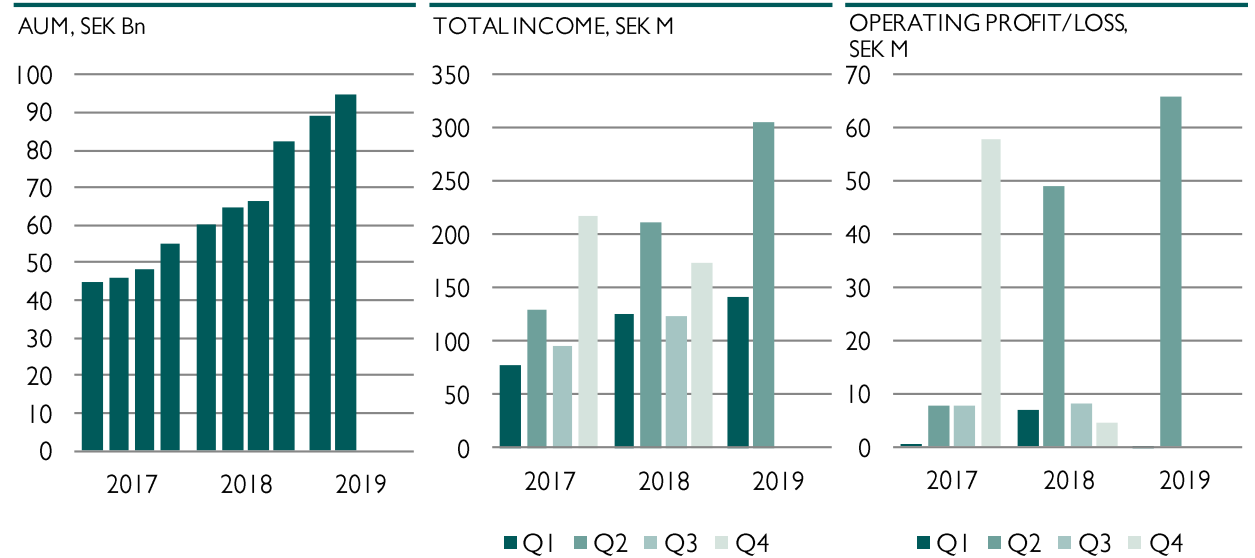
* Includes internal income between business areas.



PROPERTY INVESTMENT MANAGEMENT

Sales and result of operations

- Assets under management increased by SEK 5.9 Bn and net flows reached SEK 3.6 Bn in the quarter. The increase was mainly due to Property Funds' residential funds, and a mandate in the Danish Property Asset Management operations.
- Assets under management for the business area as a whole increased by SEK 30.0 Bn year-on-year, adjusted for APAM's opening balance the increase was SEK 14.1 Bn.
- Total income was SEK 305 M (212) and income after assignment costs totalled SEK 216 M (146) in the quarter.
 - The increased year-on-year income in Property Funds was mainly due to Catella European Residential Fund exceeding the level where performance-based fees are triggered, which has been shared with a third party, explaining the increased assignment costs.
 - Income in Property Asset Management decreased year-on-year due to more limited invoicing by Project Management. The proportion of fixed earnings increased significantly, both including and adjusted for APAM.
- Operating profit was SEK 66 M (49). Operating costs were mainly affected by higher personnel costs.
 - Personnel costs are mainly derived from the aggressive initiatives completed in Property Funds.



SEK M	3 Months		6 Months		12 Months	
	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	Rolling 12 Mth.	2018 Jan-Dec
Property Funds *	237	130	342	212	536	406
Property Asset Management *	80	90	127	138	249	260
Total income	305	212	446	338	742	634
Assignment expenses and commission	-89	-66	-121	-106	-158	-142
Operating expenses	-150	-97	-259	-176	-507	-423
Operating profit/loss	66	49	66	56	78	68
Operating margin, %	22	23	15	17	11	11
No. of employees, at end of period	-	-	222	169	-	220
Asset under management, SEK Bn	-	-	94.9	64.9	-	82.2
net in-(+) and outflow(-)	4.7	2.7	9.1	4.8	10.1	5.7

* Includes internal income between business areas.

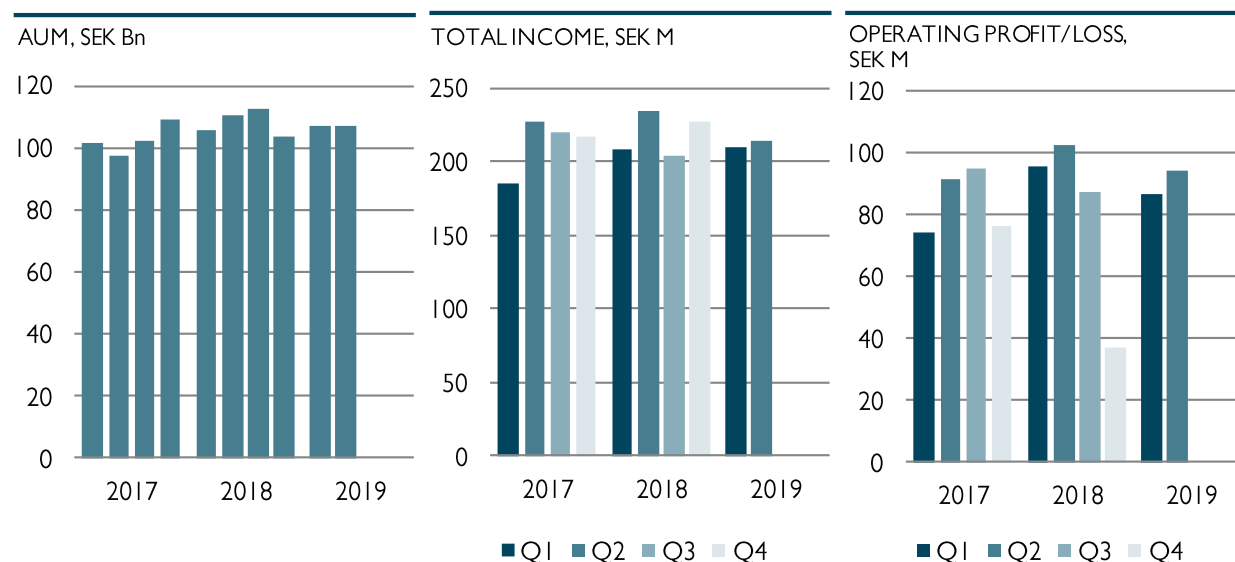


EQUITY, HEDGE AND FIXED INCOME FUNDS

Sales and results of operations

Progress in the quarter

- New savings in funds in Sweden totalled SEK 18.0 Bn in the quarter.
 - At the end of the quarter, Mutual Funds' share of fund volumes in Sweden was 0.6% (0,8).
- Business area assets under management increased by SEK 0.3 Bn in the quarter.
 - Systematic Macro increased assets under management by SEK 2.3 Bn in year-on-year terms, of which net flows were SEK 2.4 Bn for the same period.
- Total income was SEK 215 M (235) in the quarter, a decrease on the previous year driven by lower variable earnings in the business area.
 - A majority of income consists of fixed earnings, which were up on the previous year.
- Operating profit was SEK 94 M (103), negatively affected by the aforementioned absence of variable earnings. Assignment costs and commission decreased as a result of lower fixed earnings in Mutual Funds, while personnel and other expenses were in line with the previous year.
 - Annualised profit from fixed earnings/fixed expenses was SEK 381 M at the end of the quarter, an increase of SEK 36 M year-on-year.
 - Accrued, non-chargeable, (not recognised for profit) variable earnings in Systematic Funds were SEK 0 M at the end of the period.



SEK M	3 Months		6 Months		12 Months	
	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	Rolling 12 Mth.	2018 Jan-Dec
Mutual Funds *	64	85	123	179	255	311
Systematic Funds *	151	149	302	264	602	564
Total income	215	235	425	443	857	875
Assignment expenses and commission	-33	-43	-69	-80	-150	-161
Operating expenses	-88	-89	-174	-164	-401	-391
Operating profit/loss	94	103	181	199	305	323
Operating margin, %	44	44	43	45	36	37
No. of employees, at end of period	-	-	93	90	-	91
Asset under management, SEK Bn	-	-	107.3	110.7	-	103.9
net in-(+) and outflow(-)	-2.0	-0.8	-5.8	-6.7	-5.4	-6.2

* Includes internal income between business areas.

PRINCIPAL INVESTMENTS

Catella's principal investments

INVESTMENTS

SEK M	30 June 2019
Property development projects	141
Loan portfolios	223
Other holdings	57
Total	421

HISTORICAL CASH FLOW FROM LOAN PORTFOLIOS – ACTUAL AND FORECAST

Mkr	Total		
	Actual	Forecast	Variance
Full year 2009-2018	268.3	242.3	26.0
Q1 2019	1.9	2.2	-0.3
Q2 2019	4.3	2.3	2.0
Total	274.5	246.9	27.7

Progress in the quarter

- Principal investments totalled SEK 421 M as of 30 June 2019, an increase of SEK 47 M on the previous quarter.
- The increase was mainly due to additional investments in property development projects of SEK 26 M, profit recognition of the property development project Living Lyon totalling SEK 2 M, and value adjustments on loan portfolios and other holdings of SEK 13 M.
- Catella has recognized profit before tax related to the project Living Lyon totalling SEK 19 M, of which SEK 3 M in the second quarter 2019.
 - Corresponding to a 24% return (IRR) on Catella's investment.

The Catella strategy



Vision

To be the preferred European partner for investors – together shaping the future in property and alternative investments.



Brand promise

Delivering beyond the expected.



Values

- Professional
- Respectful
- Entrepreneurial
- People-oriented



Strategic focus areas

- Growth
- Expand product offer
- Develop global distribution
- Performance and talent management
- One Catella



Thought leadership in alternative investments

We help our clients generate value in other ways than traditional investment alternatives.



Capitalize on market trends

Savings growth; Urbanisation and Digitization.

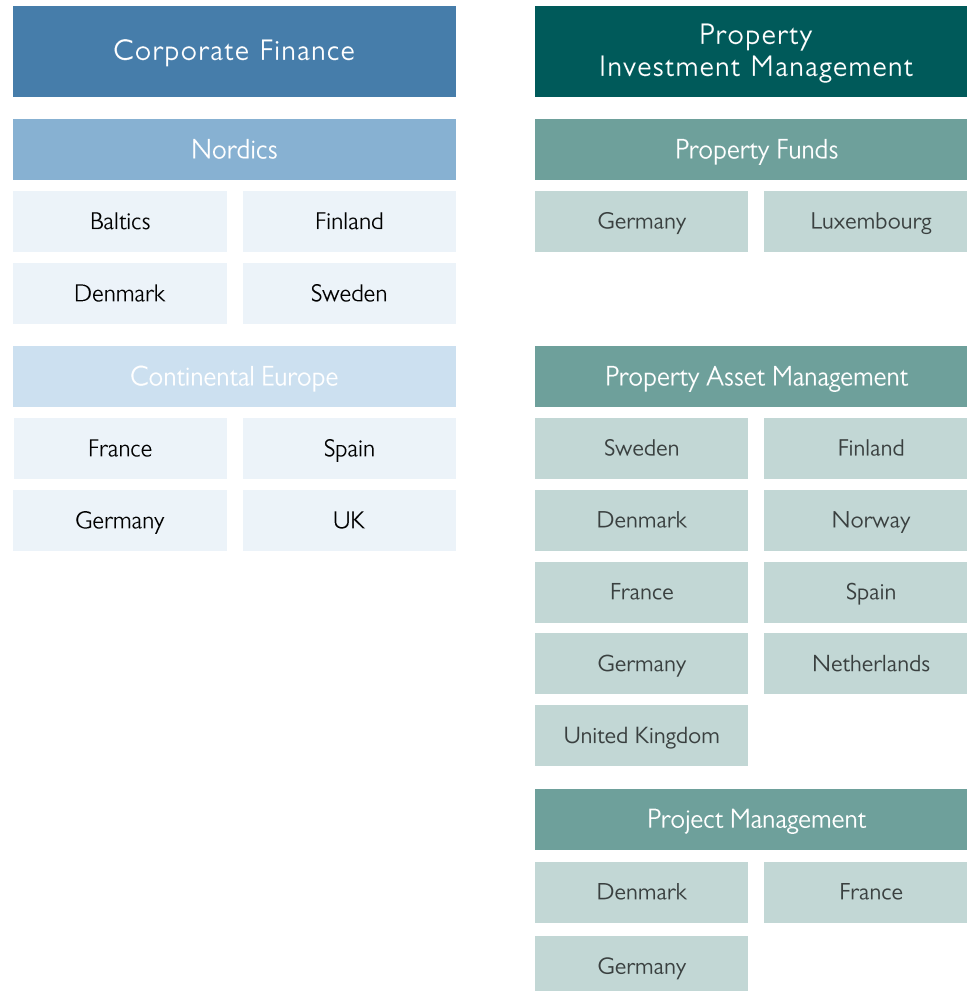


Reach

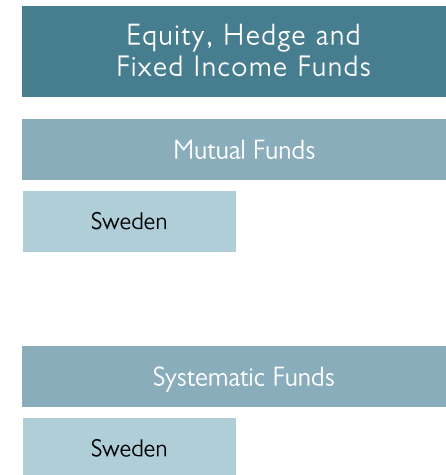
- 15 countries
- 29 cities
- 550+ employees

Business areas and Principal Investments – Pan-European reach

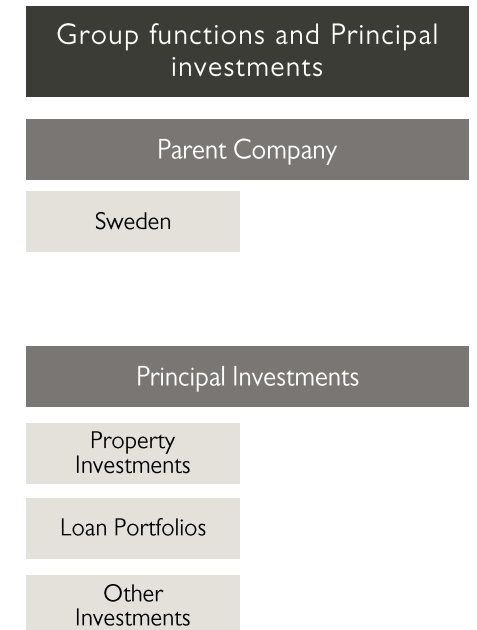
PROPERTY INVESTMENTS AND ADVISORY



FUND MANAGEMENT



OTHER



International Distribution: London, Hong Kong and New York

Financial calendar 2019

Interim report january–september 2019

- November 14, 2019

Year-end report 2019

- February 21, 2020

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Catella - Reception	1
	HBO-Nord
	Tingens besöksadress till överstyrelsens Birger Jarlsgatan 6A
Tingens besöksadress till överstyrelsens Birger Jarlsgatan 6A	
4	
	Denna fastighets bevakning är HUMLEGÅRDEN
Tingens besöksadress till överstyrelsens Birger Jarlsgatan 6A	

Thank you!

