

### July – September 2020

- Total income SEK 744 M (517)
- Net sales SEK 565 M (507)
- Operating profit/loss SEK 259 M (74)
- Profit/loss before tax SEK 246 M (-33)
- Profit for the period from remaining operations SEK 215 M (-60)
- Profit/loss for the period from disposal group held for sale SEK 5 M (-9)
- Profit/loss for the period SEK 220 M (-69), of which SEK 220 M (-83) attributable to shareholders of the Parent Company
- Earnings per share\* SEK 2.49 (-0.96)

### January – September 2020

- Total income SEK 1,771 M (1,659)
- Net sales SEK 1,513 M (1,631)
- Operating profit/loss SEK 370 M (300)
- Profit/loss before tax SEK 314 M (170)
- Profit for the period from remaining operations SEK 166 M (76)
- Profit/loss for the period from disposal group held for sale SEK -85 M (52)
- Profit/loss for the period SEK 81 M (128), of which SEK 73 M (66) attributable to shareholders of the Parent Company
- Earnings per share\* SEK 0.82 (0.76)
- Equity\* SEK 1,564 M (1,487)
- Equity per share\* SEK 17.70 (17.23)
- Assets under management SEK 135.8 Bn (174.4\*\*\*\*)
- Variable earnings\*\* in Systematic Funds levied at year-end totalled SEK 0 M at the end of the period.

ASSETS UNDER MANAGEMENT \*\*\*

SEK 136 Bn

End of period

TOTAL INCOME\*\*\*

SEK 2,532 M

Last 12 months

OPERATING PROFIT/LOSS\*\*\*

SEK 492 M

Last 12 months

EQUITY

SEK 1,736 M

End of period

\* Attributable to shareholders of the Parent Company. Includes disposal group held for sale. \*\* Variable earnings calculated on Systematic Macros' performance-based management fee. In order for the performance-based management fee to be settled at year end, and recognized for profit/loss, returns must be higher than comparative indices and the most recent level settled (High watermark). \*\*\* Remaining operations. \*\*\*\* Adjusted for the product Systematic Equity.

#### For further information, contact:

Christoffer Abramson, CFO, mobile +46(0) 73- 078 89 02

Niklas Bommelin, Investor Relations, mobile +46 (0)76- 891 12 40

#### Invitation to presentation of the Interim Report

Catella will be presenting the Interim Report and answering questions in a teleconference today 12 November 2020 at 9 a.m. CET. The presentation will be in English and will be made by Catella's Interim CEO and President Johan Claesson. To participate in the teleconference, go to [www.catella.com](http://www.catella.com) or call +46 (0)8 505 583 54.

## “Increased focus on property”

In my previous CEO's Statement, I commented on the property focus that we have initiated. This continued in the third quarter. From next year, we will be reporting our principal investments under a dedicated business area. The investments will be described in more detail in order to increase transparency and better monitor progress. The goal is for the investments to generate a minimum return of 20%. Catella's investments will be categorized in two main groups:

A) Seed capital investments or co-investments alongside major customers. Our investment is estimated at some 3-5% of the total invested capital in each co-investment. The investments are made with the aim of increasing assets under management and generating income in three ways:

1. return on Catella's invested capital.
2. attract more external capital that generates fixed earnings, and enables
3. performance-based income when returns exceed a specified level.

The conclusion is that if Catella capitalizes equity through more and smaller investments in proprietary property products, this generates a return on invested capital and adds value through operational income streams.

B) Larger investments in property projects, structures or portfolios alongside partners within the framework of funds or SPVs. The aim is to generate surplus returns based on Catella's pan-European expertise, and performance-based income in addition to the return on invested capital. The projects are often internally generated, but can also be externally sourced. Catella's contribution will be to generate high risk-adjusted returns for ourselves and our partners through our unique competences.

Christoffer Abramson was appointed new CFO and joined Catella's Group management in the third quarter. Christoffer took up his position in October and will consolidate our expertise at Group level, as well as contribute significant expertise in relation to the ongoing change work.

### Property Investment Management

The business area posted its strongest operating profit ever of SEK 92 M in the quarter, and the strong inflows of assets under management continued, mainly in the Property Asset Management operations in the UK and in Property Funds in Germany. The main income and profit contribution was derived from our German Project Management operations, originating in the divestment of the project Grand Central. We are continuing to benefit from proprietary fund products, with assets under long-term management and a clear focus on residential and office premises in central locations. Demand for residential investments has been particularly strong, which ensured that valuations were maintained

across Europe. In the office segment, the valuations are holding up relatively well even if it remains to be seen how tenant behaviour changes over time. Demand for logistics properties remained strong throughout Europe, and limited investment opportunities put downward pressure on yields while valuations increased. Catella already has competences in France in the logistics segment, and in Sweden we are planning to establish more new funds with a property focus, including a new fund focusing on logistics properties. The aim is to raise the capital in the first quarter 2021. The two other Swedish funds are a property index fund and a systematic share property fund, aimed at professional and non-professional investors. The investment strategy for the systematic share property fund is based on a bottom-up analysis of all Nordic listed property companies. The analysis is relative, which means that the risk in the property companies is evaluated relative to all listed property companies, and the risk classification is based on the property segments and municipalities where the properties are located.

The retail and hotel sectors are facing significant challenges. Many hotels have closed and occupancy is very low. The recovery can take time and potential hotel bankruptcies may occur once the government subsidies come to an end in early 2021. This will affect returns for hotel investors who will need highly skilled asset managers to safeguard the value of this asset class. Catella's French operations focusing on hotels have the right conditions in place to explore new pan-European business opportunities and generate positive returns for investors. The retail sector is struggling in the wake of the pandemic, which creates potential for good returns in future. Catella's Property Asset Management operations in the UK has extensive experience of managing complex and management-intensive retail assets, and won a mandate to manage three shopping centres totalling some SEK 5 Bn in the quarter. This is a good example of Catella's execution power, positioning and credibility on the market.

Catella has great products and we are extremely proud of what we have achieved. It is worth highlighting that Catella has 5 funds on the list of Germany's 16 most successful property funds up until August 2020.

Against this background and Catella's strong position in Germany we have started the work of analysing and evaluating how Catella's property operations, mainly in Germany, should be organized and structured. After several years of positive progress, the question is how we will organize and position Catella's products to achieve more and become even better at what we do. Our ambition is to complete the work this year, with implementation next year. The aim is to increase growth in existing and new segments, and on new geographical markets.

## Corporate Finance

Progress in the third quarter was better than we feared earlier this year, with mainly Sweden making positive progress, although France also returned results slightly below compared to previous year.

There is high demand for centrally located properties in metropolitan areas in continental Europe with quality tenants and long rental contracts, which means that yields continue to fall. Full-year market volumes in continental Europe are expected to decrease by some 25% in year-on-year terms. Germany remains our biggest challenge, and a new Group-wide initiative has been introduced to strengthen Catella's position on Europe's largest property market. Progress in the Spanish operations was positive, while we have made significant personnel changes which negatively impacted profit in the short term.

Following a sharp slowdown in the second quarter, the Nordic markets regained momentum in the third quarter. Market conditions were challenging in the Baltics while activity was high on other Nordic markets in the third quarter. Despite the increased activity in the third quarter, market volumes for the full year 2020 are expected to decrease by some 20% in year-on-year terms. The Nordic property markets have shown structural stability in the long term, and we expect growing demand from international investors with pan-Nordic strategies in future.

The ambition is to strengthen the collaboration within and between business areas to achieve a strong position, which is important to all Catella's property operations.

## Equity, Hedge and Fixed Income Funds

Systematic Funds saw continued outflows of assets under management, mainly due to relatively weak asset management for an extended period. Although there was a partial recovery after the summer, fund performance weakened again in September and October. However, we have implemented extensive measures to decrease costs, and in particular to improve the model for Systematic Macro.

Early in July, the requirements relating to factors in the Systematic Macro model became more stringent, which led us to phase out some of the theoretically and statistically weaker factors. The improvements have been made thanks to the improved factor diversification and the increased volume of historical data that is now available for risk analysis. We also expanded Systematic Macro to include a model for bonds. In the coming quarter, we will also add a commodities model that covers a broad range of commodities both with relative and directed positions. Other models that will soon be added include investments with a shorter time frame, to be headed up by a new expert recruited from Squarepoint.

In the second quarter, we expanded the investments side with a team that will develop solutions and products in style premia. The team, which comes from Goldman Sachs Asset Management, is currently focusing on model development and integration of new products.

## Principal investments and co-investments

For a number of years, we have very successfully invested Catella's capital alongside our customers, part-owned subsidiaries and local staff, but also in various external property projects. The returns on these investments have been excellent, far exceeding 20% (IRR). The purpose is to capitalize on our combined market, property, project and financing competences. The aim is to generate an attractive return on equity, but also to attract external capital now that we are able to demonstrate our execution power coupled with attractive returns. The projects are going well and we anticipate that they will satisfy our return requirement. As mentioned above, this will operate as an independent business area in future.

We divested the project Grand Central in Düsseldorf in the third quarter, generating profit after tax of some SEK 175 M. Catella Project Management, which developed and ran the project, also generated profit after tax of some SEK 33 M thanks to the high returns achieved.

## Catella Bank

The winding down of operations is proceeding as planned, and we hope to apply to return the banking license to the supervisory authority before year-end. Once the application has been submitted, the supervisory authority will process the case over several months, meaning that Catella is likely to exit the consolidated financial situation in the first half-year 2021.

In conclusion, I would like to thank all employees for outstanding achievements in difficult circumstances and then I am referring not only to Corona but equally to all the changes that have been initiated. This makes me very positive about Catella's market positioning and future business opportunities, primarily in the property area in Europe.

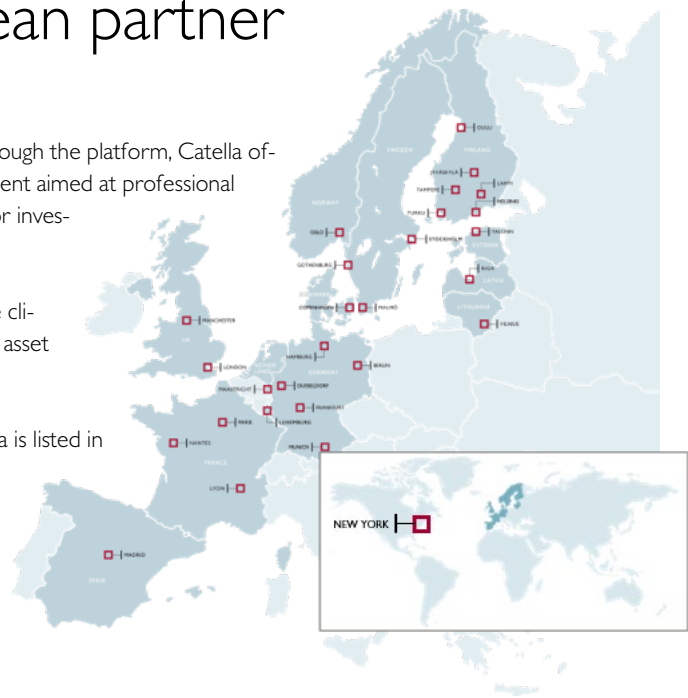
JOHAN CLAEISSON  
Acting CEO and President

# “The preferred European partner for investors”

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

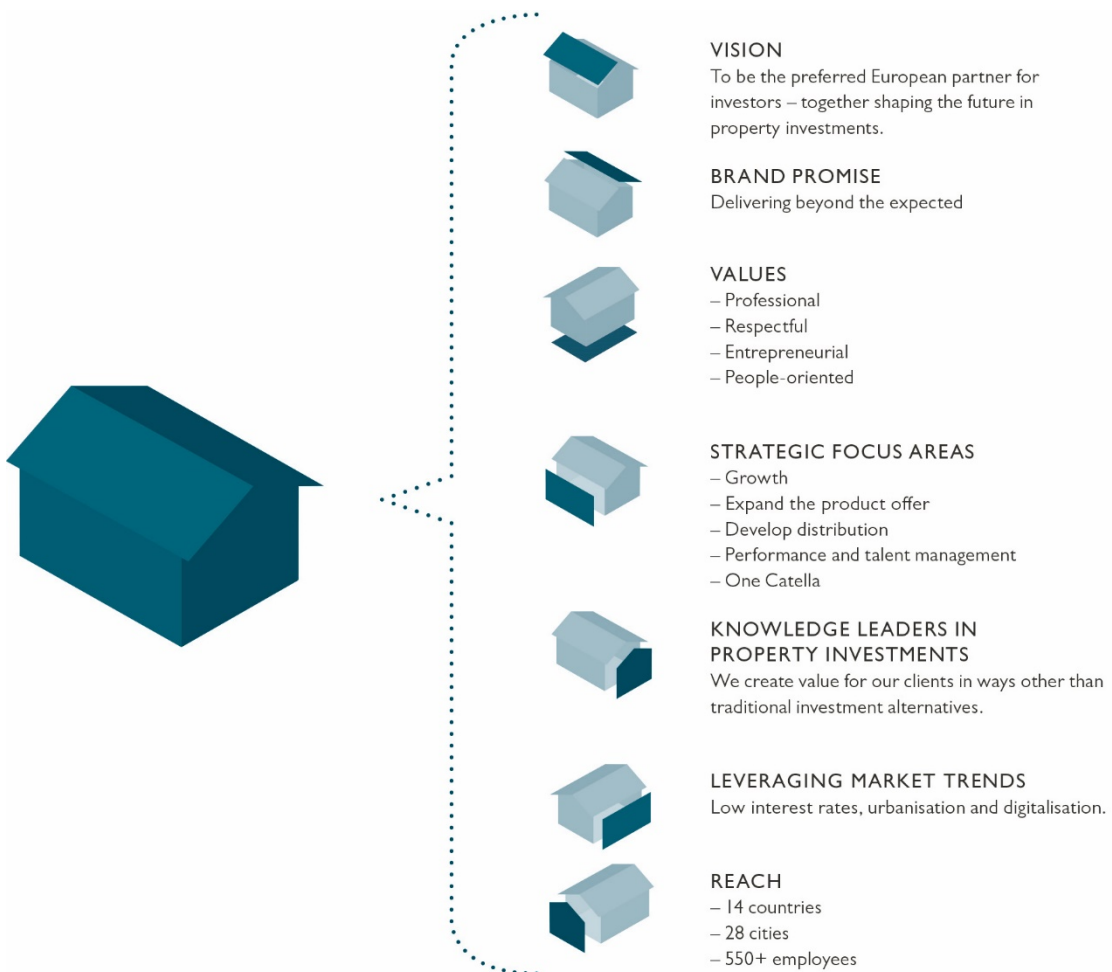
Our geographical spread and broad offering targeted at multiple client groups reduces Catella’s exposure to individual markets and asset classes. This builds stable earnings over time.

The Group manages total assets of some SEK 140 Bn and Catella is listed in the Mid Cap segment on Nasdaq Stockholm.



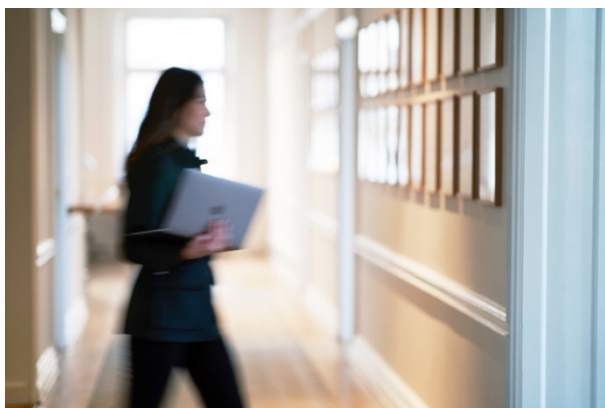
## A focused Catella

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



## Our segments and business areas

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



### Corporate Finance

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

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



### Property Investment Management

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

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



### Equity, Hedge and Fixed Income Funds

Catella offers systematic managed products for institutional investors with a global focus.

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

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

# Comments on the Group's progress

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

## Disposal group held for sale

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

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

## Net sales and results of operations

### Third quarter 2020

The Group's total income for remaining operations was SEK 744 M (517) and net sales for remaining operations totalled SEK 565 M (507), of which SEK 148 M (150) related to Corporate Finance and SEK 422 M (361) to Asset Management. Income growth in Asset Management was due to significant variable earnings in Property Funds and the divestment of property development project Grand Central. However, the operating segment's fixed earnings decreased sharply as a result of lower assets under management in the Systematic Funds product area and the divestment of the product area Mutual Funds. Other operating income amounted to SEK 179 M (10), of which SEK 176 M relates to income from shares in associated companies. A majority of this income relates to profit from the divestment of property development project Grand Central.

The Group's operating profit for remaining operations was SEK 259 M (74). Comments on the progress of each business area can be found on pages 10-12.

The Group's net financial income/expense was SEK -13 M (-107), of which interest income was SEK 2 M (5) and

interest expenses SEK 11 M (11). Net financial income/expense also includes profit from the divestment of the majority stake in Catella Fondförvaltning (Mutual Funds) of SEK -9 M, realized gains from terminated currency forwards of SEK 4 M (-5) and positive exchange rate differences recognized in the Income Statement of SEK 3 M (-1). The previous year's profit includes write down of loan portfolios of SEK 85 M.

The Group's operating profit before tax for remaining operations was SEK 246 M (-33).

Profit for the period (after tax) from disposal group held for sale was SEK 5 M (-9) and related to the Banking business area. Profit includes a deferred tax receivable of SEK 13 M resulting from the reversal of deferred tax liabilities attributable to the first reporting date for the Visa holding.

Profit in the period for the Group's total operations was SEK 220 M (-69), of which SEK 220 M (-83) was attributable to parent company shareholders. This corresponds to Earnings per share of SEK 2.49 (-0.96).

### Nine-month period 2020

The Group's total income in the nine-month period was SEK 1,771 M (1,659), and the Group's net sales was SEK 1,513 M (1,631). Other operating income amounted to SEK 257 M (28) of which SEK 195 M relates to income from shares in associated companies. Furthermore, Other operating income includes performance-based income of SEK 34 M, which is derived from exiting a mandate in the Property Asset Management service area in the UK. Operating profit for remaining operations was SEK 370 M (300).

The Group's net financial income/expense was SEK -56 M (-130) and included interest income of SEK 5 M (16) and interest expenses of SEK 36 M (36). Net financial income/expense also includes loss from the divestment of shares in the mutual fund company of SEK 9 M, fair value

changes in non-current securities holdings and short-term investments of SEK -21 M (-96), and positive exchange rate differences of SEK 8 M (3).

Tax for the period was SEK -148 M (-94), and includes the write-down of deferred tax assets of SEK 70 M. The write-down was due to more limited opportunities for tax offset in the Swedish operations as a result of the divestment of the majority holding in Catella Fondförvaltning. Applicable tax is mainly attributable to the Property Funds product area in Germany.

Profit (after tax) from disposal group held for sale amounted to SEK -85 M (52) and includes the final element of the additional purchase consideration from Advanzia Bank of SEK 30 M. Profit was burdened by anticipated termination costs of SEK 58 M for concluding the winding down of operations in Catella Bank. In the previous year, the figure included income from the transfer of the Bank's Wealth Management operations in Luxembourg and Sweden, and income from the transfer of the card issuing operations in Luxembourg to Advanzia Bank, totalling SEK 307 M.

Profit for the period for the Group's total operations was SEK 81 M (128), of which SEK 73 M (66) was attributable to Parent Company shareholders. This corresponds to Earnings per share of SEK 0.82 (0.76).

## Significant events in the quarter

### Impact of Covid-19

The outbreak of Covid-19 affects Catella negatively, and there is a risk of a significant financial impact on the Group. Given the uncertain situation, it is currently not possible to estimate the full potential impact on the Group over the coming quarters. We proceed from the assumption that the fourth quarter of 2020 will be characterized by uncertainty, compared to the corresponding period of the previous year, affecting investor appetite for completing transactions and capital investments.

***Catella divested 70% of the shares in Catella Fondförvaltning AB.***

The final purchase consideration amounted to SEK 140 M and the total profit effect after tax, including transaction expenses, was SEK -9 M.

The strategic partnership between Catella and Athanase continues, with the intention of developing and improving the customer offering via Catella Fondförvaltning AB. In January 2022, Catella has the right to divest and Athanase has the right to acquire the remaining 30% of the shares for a purchase consideration of SEK 60 M. Catella's remaining 30% ownership in the mutual funds company has been reported as a Holding in associated company from 30 September 2020 onwards.

***Catella concluded the transaction for the development project Grand Central.***

As previously communicated, through associated companies Catella signed an agreement with the German property developer Consus RE AG (formerly CG Gruppe AG) regarding the divestment of the property development project Grand Central in Düsseldorf, Germany. The transaction, which was concluded in August 2020, generated total profit after tax

of some SEK 208 M for the Catella Group in the third quarter 2020. Profit was distributed over Principal Investments and Property Investment Management. The buyer also paid interest on the outstanding amount as a result of a delay to the transaction. Catella's share of interest income amounted to SEK 23 M, of which SEK 21 M was recognized in the first half of 2020, and SEK 2 M in the third quarter 2020.

***Write-down of Visa preference shares in Catella Bank.***

In September 2020, Visa Inc. communicated changes to the rates apply into conversion of Class B and C preference shares to Class A shares. The conversion price was affected by the outcome of the legal disputes underway against Visa Europe. The conversion price for Class C shares, which Catella Bank holds, was adjusted from 13.722 to 6.861. The adjustment implied a negative value change of SEK 60 M which was recognized under Other comprehensive income in the third quarter 2020. In addition, Catella carried out a new assessment of deferred tax attributable to the Visa holding. The assessment resulted in the reversal of deferred tax liabilities totalling SEK 34 M, of which

SEK 21 M was recognized under Other comprehensive income and SEK 13 M recognized in the Income Statement in the third quarter 2020. In total, equity of SEK 26 M was negatively affected.

***New Chief Financial Officer appointed***

Christoffer Abramson has been appointed Chief Financial Officer and member of Group Management at Catella AB (publ). Christoffer joins Catella from his role as CFO at EF Real Estate Holdings in Boston.

In his role within the EF Group, Christoffer has been involved in building a global Real Estate group based in the US. Prior to that, he worked as an operating executive for various Private Equity-funds in London and Paris. Christoffer started his career at General Electric where he worked for 10 years in various roles, most recently as CFO of GE Real Estate in London.

**Significant events after the end of the quarter**

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

## Income statement for remaining operations by operating segment in summary

SEK M	3 Months		9 Months		12 Months	
	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	Rolling 12 Months	2019 Jan-Dec
<b>CORPORATE FINANCE</b>						
Total income	148	152	362	421	649	709
Operating profit/loss	6	11	-10	14	38	62
Operating margin, %	4	7	-3	3	6	9
<b>ASSET MANAGEMENT</b>						
Total income	424	374	1,222	1,245	1,666	1,689
Operating profit/loss	88	79	232	325	298	392
Operating margin, %	21	21	19	26	18	23
<b>Equity-, Hedge and Fixed Income Funds</b>						
Total income *	75	195	336	620	535	818
Operating profit/loss	-4	64	23	245	65	288
Operating margin, %	-5	33	7	40	12	35
<b>Property Investment Management</b>						
Total income *	349	179	886	625	1,132	871
Operating profit/loss	92	15	209	80	233	104
Operating margin, %	26	8	24	13	21	12
<b>OTHER **</b>						
Total income	172	-8	187	-7	216	22
Operating profit/loss	164	-16	148	-39	155	-32
<b>GROUP</b>						
Total income	744	517	1,771	1,659	2,532	2,420
Operating profit/loss	259	74	370	300	492	422
Operating margin, %	35	14	21	18	19	17

\* Includes internal income.  
\*\* Includes eliminations.

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

## Selected key figures for remaining operations by operating segment

GROUP	3 Months		9 Months		12 Months	
	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	Rolling 12 Months	2019 Jan-Dec
Profit margin, %	29	-12	9	5	9	6
Return on equity, % *	-	-	22	2	-	7
Equity/Asset ratio, %	-	-	37	37	-	36
Equity, SEK M *	-	-	1,100	893	-	943
No. of employees, at end of period	-	-	562	566	-	582
Earnings per share, SEK *	2.44	-0.85	1.78	0.16	2.40	0.79
Equity per share, SEK *	-	-	12.45	10.36	-	10.93
<b>CORPORATE FINANCE</b>						
Profit margin, %	0	1	-6	-1	1	3
Return on equity, % *	-	-	10	25	-	70
Equity/Asset ratio, %	-	-	9	12	-	15
Equity, SEK M *	-	-	33	29	-	57
No. of employees, at end of period	-	-	210	214	-	214
Property transaction volume for the period, SEK Bn	7.2	11.4	22.6	26.7	46.7	50.7
<b>ASSET MANAGEMENT</b>						
Profit margin, %	16	11	12	16	12	15
Return on equity, % *	-	-	14	17	-	18
Equity/Asset ratio, %	-	-	60	61	-	60
Equity, SEK M *	-	-	839	940	-	967
No. of employees, at end of period	-	-	333	329	-	344
Asset under management at end of period, SEK Bn	-	-	135.8	184.1	-	171.3
net in-(+) and outflow(-) during the period, mdkr	-15.9	-22.6	-31.0	-19.3	-44.7	-33.0

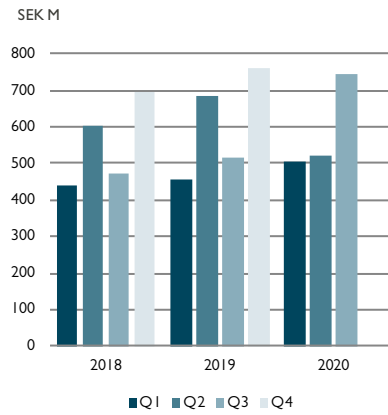
\* Attributable to shareholders of the Parent Company.

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



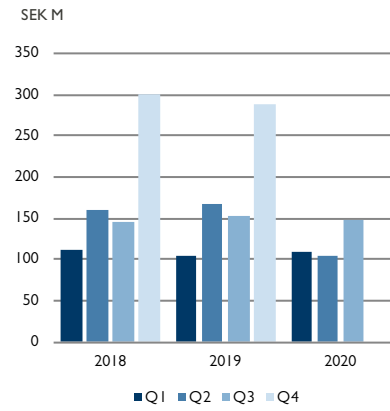
**Group\***

TOTAL INCOME



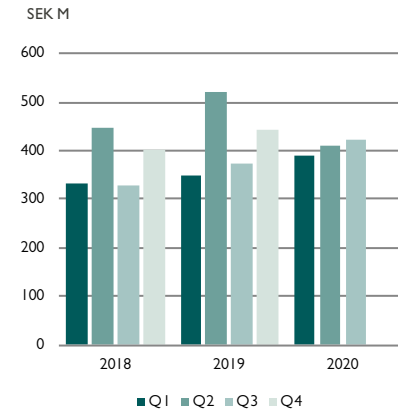
**Corporate Finance**

TOTAL INCOME

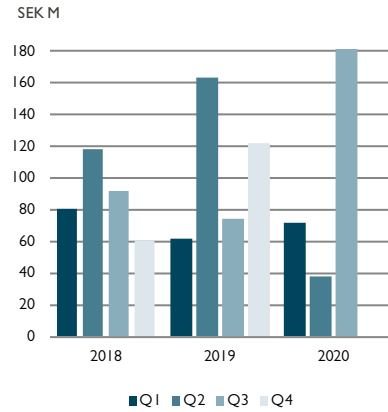


**Asset Management\***

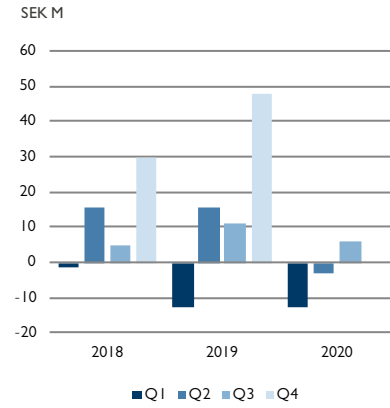
TOTAL INCOME



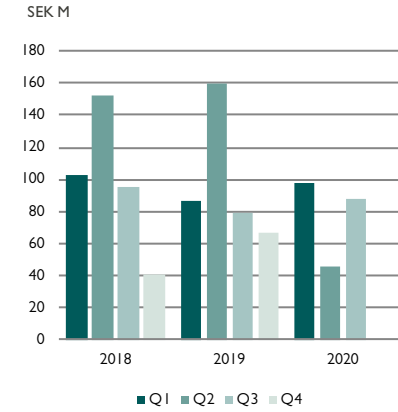
OPERATING INCOME



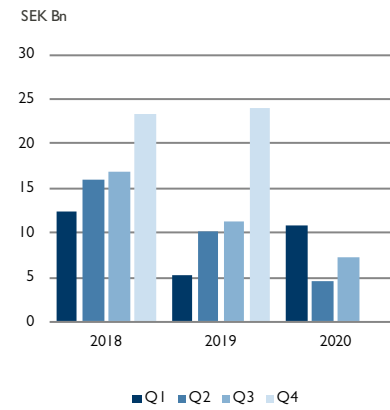
OPERATING INCOME



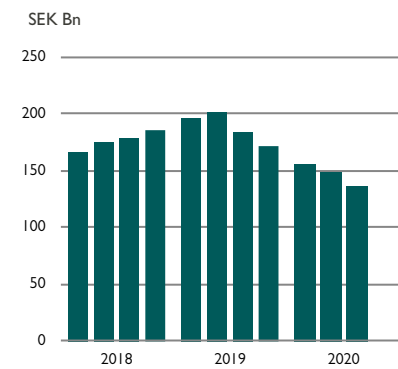
OPERATING INCOME



CATELLA'S PROPERTY TRANSACTION VOLUMES



CATELLA'S ASSETS UNDER MANAGEMENT



\*Remaining operations

# Corporate Finance

## Third quarter 2020

The total transaction market for commercial properties in Europe, excluding the UK, totalled EUR 34.9 Bn (64.0) in the quarter, which is a decrease of 46% year-on-year.

Property transactions where Catella served as advisor totalled SEK 9.7 Bn (15.8) in the quarter. Of the total transaction volumes in the quarter, France provided SEK 2.1 Bn (7.2) Denmark 4.5 Bn (5.4), Sweden 1.4 Bn (1.4), Germany 0.1 Bn (0.3).

Total income was SEK 148 M (152), and total income, adjusted for assignment

costs, decreased by SEK 14 M relating to Continental Europe, and operating profit amounted to SEK 6 M (11), a decrease by SEK 5 M year-on-year.

Assignment costs increased on the previous year mainly because France co-invoiced with another advisor.

Operating costs decreased by SEK 9 M, mainly due to lower variable personnel costs and personnel-related costs.

Income in the Nordics was in line with the previous year and was evenly distributed between Sweden, Denmark and Finland. In addition, Operating profit was in line with the corresponding period of the

previous year. In Continental Europe, income after assignment expenses and operating profit was lower in year-on-year terms, mainly driven by Germany but also France and Spain returned weaker profit.

## Nine-month period 2020

Transaction volumes in Europe, excluding the UK, totalled EUR 140.6 Bn (171.7) in the period, a reduction of 18% year-on-year. Catella's transaction volume in the period was SEK 26.7 bn (38.1).

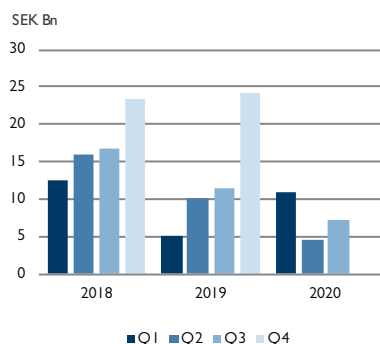
Total income was SEK 362 M (421), and operating profit for the year was SEK -10 M (14) in the period.

SEK M

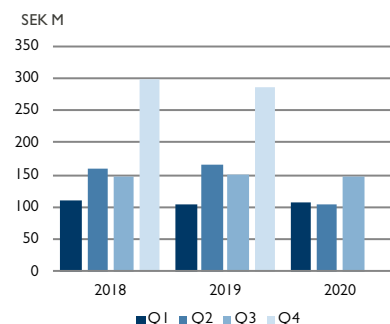
INCOME STATEMENT—CONDENSED	3 Months		9 Months		12 Months	
	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	Rolling 12 Months	2019 Jan-Dec
Nordic *	45	45	126	148	203	225
Continental Europe *	103	107	234	272	443	482
Total income	148	152	362	421	649	709
Assignment expenses and commission	-22	-11	-42	-37	-60	-55
Operating expenses	-121	-130	-330	-370	-552	-592
Operating profit/loss	6	11	-10	14	38	62
<b>KEY FIGURES</b>						
Operating margin, %	4	7	-3	3	6	9
Property transaction volume for the period, SEK Bn	9.7	15.8	26.7	38.1	58.9	70.2
of which Nordic	7.2	7.6	16.9	17.8	26.2	27.1
of which Continental Europe	2.5	8.2	9.8	20.2	32.7	43.1
No. of employees, at end of period	-	-	210	214	-	214

\* Includes internal revenue between business areas. Internal revenue has been eliminated in the service area for the current period and for the corresponding period in 2019.

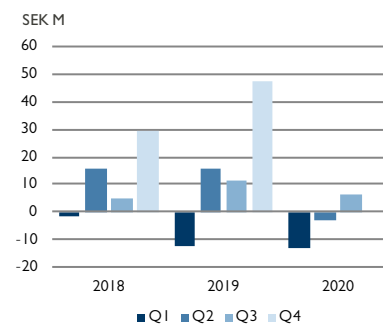
CATELLA'S PROPERTY TRANSACTION VOLUMES



TOTAL INCOME



OPERATING INCOME



# Property Investment Management

## Third quarter 2020

Assets under management increased by SEK 16.2 bn compared to the corresponding period of the previous year. The increase on the previous quarter was SEK 10.0 Bn, net flows were SEK 9.0 Bn in the quarter. The increase was mainly due to Property Asset Management in the UK. The mandate relates to problem assets in retail - shopping centres.

Total income was SEK 349 M (179), and income after assignment costs amounted to SEK 318 M (146) in the quarter.

Property Funds' income was up SEK 73 M year-on-year, mainly driven by variable earnings but also fixed earnings.

Property Asset Management's income increased by SEK 135 M year-on-year, mainly attributable to Project Management's divestment of the Grand Central property development project.

Operating costs were mainly affected by increased Personnel expenses.

Operating profit was SEK 92 M (15), mainly attributable to the Business Areas German operations within both Property Funds and Property Asset Management.

Operating profit from the Project Management operation in Germany amounted to SEK 47 M.

## Nine-month period 2020

Catella's assets under management in the business area increased by SEK 16.0 bn in the period and was SEK 116.5 bn at the end of the period.

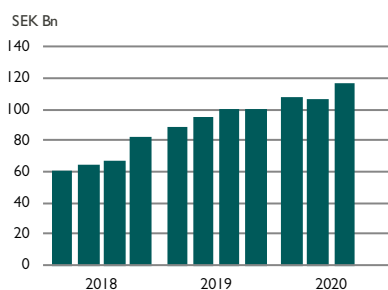
Total income was SEK 886 M (625), and operating profit for the year was SEK 209 M (80).

SEK M

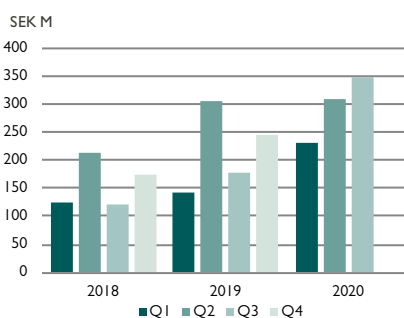
INCOME STATEMENT—CONDENSED	3 Months		9 Months		12 Months	
	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	Rolling 12 Months	2019 Jan-Dec
Property Funds *	197	124	582	466	729	613
Property Asset Management *	200	65	391	192	505	306
Total income	349	179	886	625	1,132	871
Assignment expenses and commission	-30	-33	-134	-154	-168	-189
Operating expenses	-226	-131	-543	-390	-730	-577
Operating profit/loss	92	15	209	80	233	104
<b>KEY FIGURES</b>						
Operating margin, %	26	8	24	13	21	12
Asset under management at end of period, SEK Bn	-	-	116.5	100.3	-	100.5
net in-(+) and outflow(-) during the period, mdkr	9.0	2.3	16.1	11.4	17.2	12.5
of which Property Funds	-	-	69.3	58.7	-	61.5
net in-(+) and outflow(-) during the period, mdkr	2.2	2.0	6.2	7.1	9.9	10.8
of which Property Asset Management	-	-	47.2	41.6	-	39.0
net in-(+) and outflow(-) during the period, mdkr	6.8	0.2	9.9	4.3	7.3	1.7
No. of employees, at end of period	-	-	266	237	-	251

\* Includes internal revenue between business areas. Internal revenue has been eliminated in the service area for the current period and for the corresponding period in 2019.

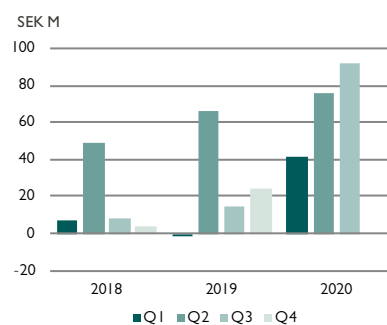
## ASSETS UNDER MANAGEMENT



## TOTAL INCOME



## OPERATING INCOME



# Equity, Hedge and Fixed Income Funds

## Third quarter 2020

During the third quarter 2020, Catella divested 70% of the shares in Catella Fondförvaltning AB (Mutual Funds). Income and expenses were included for the period 1 January - 31 August. Assets under management were zero at the end of the third quarter 2020. The remaining 30% was included in the Group's financial position as a Holding in associated companies under the Other segment.

The business area's assets under management decreased by SEK 26.5 Bn, adjusted for Mutual Funds and the product Systematic Equity, in year-on-year terms. The decrease on the previous quarter was SEK 2.8 Bn, adjusted for Mutual Funds. In the SEK M

quarter, net flows were SEK -2.6 Bn in Systematic Funds. Development work relating to Systematic Macro is underway, and a new product is also in development.

Total income was SEK 75 M (195) in the quarter, a decrease of SEK 120 M in year-on-year terms, of which SEK 32 M related to Mutual Funds. The decrease in income was almost exclusively due to fixed earnings, mainly in Systematic Funds.

Assignment costs and commission decreased due to lower fixed earnings in the business area and because Mutual Funds was only included for July and August.

Operating costs decreased year-on-year, mainly driven by lower variable personnel and consultancy costs, and depreciation and amortization, and because Mutual

Funds was only included for July and August.

Operating profit was SEK -4 M (64).

## Nine-month period 2020

Catella's assets under management in the business area, adjusted for Mutual Funds, decreased by SEK 22.6 Bn in the period, totalling SEK 19.3 Bn at the end of the period.

Total income was SEK 336 M (620), and operating profit for the year was SEK 23 M (245).

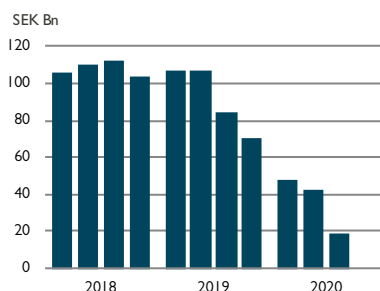
Variable earnings\*\* charged at the end of the period in Systematic Funds totalled SEK 0 M.

	3 Months		9 Months		12 Months	
	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	Rolling 12 Months	2019 Jan-Dec
<b>INCOME STATEMENT—CONDENSED</b>						
Mutual Funds *	29	61	130	183	189	243
Systematic Funds *	47	135	206	436	346	576
Total income	75	195	336	620	535	818
Assignment expenses and commission	-16	-35	-63	-104	-94	-135
Operating expenses	-63	-96	-251	-271	-376	-395
Operating profit/loss	-4	64	23	245	65	288
<b>KEY FIGURES</b>						
Operating margin, %	-5	33	7	40	12	35
Asset under management at end of period, SEK Bn	-	-	19.3	83.8	-	70.8
net in-(+) and outflow(-) during the period, mdkr	-24.9	-24.9	-47.1	-30.7	-61.9	-45.5
of which Mutual Funds	-	-	0.0	28.3	-	29.0
net in-(+) and outflow(-) during the period, mdkr	-22.2	-0.8	-29.0	-3.3	-29.8	-4.1
of which Systematic Funds	-	-	19.3	55.5	-	41.9
net in-(+) and outflow(-) during the period, mdkr	-2.6	-24.1	-18.2	-27.4	-32.2	-41.4
No. of employees, at end of period	67	92	67	92	-	93

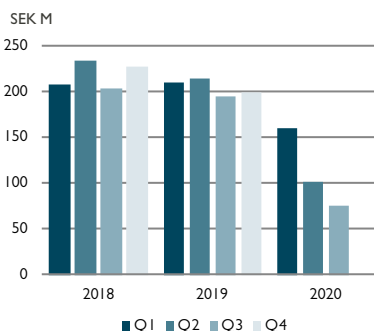
\*Includes internal revenue between business areas. Internal revenue has been eliminated in the service area for the current period and for the corresponding period in 2019.

\*\*From 1 January 2018, Systematic Funds has transferred to annual settlement for all products, which means that variable earnings can only be settled and recognized at year end. Variable earnings are calculated on Systematic Macros' performance-based management fee. In order for the performance-based management fee to be settled at year end, and recognized for profit/loss, returns must be higher than comparative indices and the most recent level settled (High watermark).

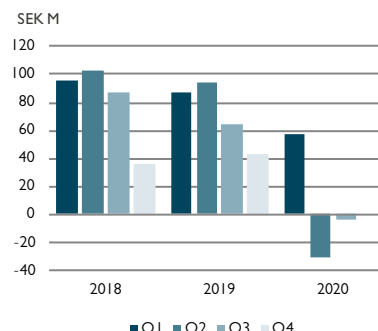
## ASSETS UNDER MANAGEMENT



## TOTAL INCOME



## OPERATING INCOME



## Other financial information

### The Group's financial position

In the third quarter, the Group's total assets increased by SEK 149 M and amounted to SEK 4,040 M as of 30 September 2020. Cash and cash equivalents increased by SEK 414 M in the period, partly due to the divestment of the property development project Grand Central with ensuing dividends from associated companies and the divestment of a majority holding in Catella Fondförvaltning to Athanase. Intangible assets decreased by SEK 126 M, of which goodwill attributable to Catella Fondförvaltning comprised SEK 118 M.

According to IAS 12, "Income Taxes", deferred tax assets relating to tax loss carry-forwards are recognised to the extent it is probable that future taxable profits will be available. In accordance with this standard, Catella recognized a deferred tax asset of SEK 1 M as of 30 September 2020 (SEK 1 M as of 30 June 2020). The Group had total loss carry-forwards amounting to SEK some 1,150 M.

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

As a result of Covid-19, and the negative financial impact the pandemic is having on a majority of businesses, the Group's French and Spanish subsidiaries have been granted government-guaranteed loans from credit institutions on favourable terms. As of 30 September 2020, these loans totalled SEK 104 M (101 M as of 30 June 2020) and were recognized under Long-term borrowing from credit institutions.

The Group also has an overdraft facility of SEK 30 M, of which SEK 30 M was utilized as of as of 30 September 2020.

In the third quarter, Group equity increased by SEK 152 M, amounting to SEK 1,736 M as of 30 September 2020. In addition to profit for the period of SEK 220 M, equity was negatively affected by fair value changes in financial assets recognized under Other comprehensive income (Visa preference shares) of SEK 39 M, and by positive translation differences of SEK 2 M.

In addition, Equity was affected by dividend to non-controlling holdings of SEK 42 M and its share of profit for the period amounting to 11 mkr. As of 30 September 2020, the Group's equity/assets ratio was 43% (41% as of 30 June 2020).

### Consolidated cash flow

*The comments below relate to total Group operations, remaining operations and disposal group held for sale, unless otherwise indicated. Assets held for sale and Liabilities held for sale have been included in remaining operations.*

#### Third quarter 2020

Consolidated cash flow from operating activities before changes in working capital amounted to SEK 63 M (38), of which SEK 95 M was attributable to remaining operations and SEK -32 M to the Banking operations. Tax paid totalled SEK 28 M (46) in the period.

Consolidated cash flow from operating activities was SEK 101 M (50), of which changes in working capital comprised SEK 38 M (11) in the period. Of the changes in working capital, SEK -12 M (-77) was attributable to banking operations and SEK 50 M (88) to other operations.

Cash flow from investing activities totaled SEK 199 M (-16) and includes dividends from associated companies of SEK 173 M, and purchase consideration for the divestment of subsidiaries less sales expenses and the subsidiary's net cash and cash equivalents of SEK 83 M. Furthermore, additional investments in the property development project Kaktus amounted to SEK 63 M. Terminated currency forwards generated inflows of SEK 23 M in the period.

Cash flow from financing activities amounted to SEK 6 M (-79), of which dividends to Parent Company shareholders and dividends to non-controlling interests were SEK 42 M. Amortisation of the Group's lease liability totalled SEK 12 M (12). In addition, the subsidiary Kaktus TopCo raised a further SEK 60 loan for its property development project.

Cash flow for the period amounted to SEK 306 M (-45), of which cash flow from remaining operations was SEK 352 M (66) and cash flow from disposal group held for sale was SEK -46 M (-111).

Cash and cash equivalents at the end of the period were SEK 1,880 M (1,352), of which cash and cash equivalents relating to remaining operations were SEK 1,454 M (752) and cash and cash equivalents reported under Assets in disposal group held for sale were SEK 426 M (600).

#### Nine-month period 2020

Consolidated cash flow from operating activities before changes in working capital amounted to SEK 70 M (24), of which SEK 162 M was attributable to remaining operations and SEK -92 M to the Banking operations. Tax paid totalled SEK 76 M (221) in the period.

Consolidated cash flow from operating activities was SEK 78 M (-1,922), of which changes in working capital comprised SEK 8 M (-1,946) in the period. Of the changes in working capital, SEK 121 M (174) was attributable to remaining operations and SEK -113 M (-2120) to banking operations. The sharp decrease in the bank's working capital in the previous year was due to transfers of the Wealth Management operations in Luxembourg and Sweden.

Cash flow from investing activities was SEK 226 M (177) and includes dividends from associated companies and purchase consideration for divested shares in subsidiaries of SEK 173 M and SEK 83 M respectively. In addition, the additional purchase consideration from Advanzia Bank was paid in, amounting to SEK 130 M after deductions for commission expenses. Investments in Kaktus totalled SEK 170 M and terminated currency forwards generated inflows of SEK 24 M in the period.

Cash flow from financing activities amounted to SEK 192 M (-234), of which Covid-19 loans raised by the Group's French and Spanish subsidiaries with government-guaranteed credit institutes and at advantageous terms totalled SEK 104 M and loans raised for the Kaktus property development project were SEK 174 M.

Amortisation of lease liabilities totalled SEK 40 M and dividend to non-controlling holdings was SEK 60 M. Cash flow from financing activities also included payment received of SEK 15 M from warrant holders for the subscription of new Class B shares in Catella AB, and a payment of SEK 1 M relating to the re-purchase of warrants.

Cash flow for the period amounted to SEK 496 M (-1,979), of which cash flow from remaining operations was SEK 572 M (43) and cash flow from disposal group held for sale was SEK -76 M (-2,022).

### Parent Company

#### Third quarter 2020

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

The Parent Company recognised income of SEK 6.3 M (7.8) and operating profit/loss was SEK -8.3 M (-9.6). Lower net sales on the previous year was mainly due to absent invoicing to a divested subsidiary, at the same time as the previous year's operating profit was burdened by higher consultancy costs attributable to concluded and ongoing projects.

The Parent Company's net financial income/expense totalled SEK -3.7 M (-10.4), of which SEK -18.5 M (-1.5) related to unrealized positive value changes on derivatives, and SEK -13.2 M (-) related to realized losses on derivatives. In May 2018, the Parent Company started currency hedging using derivatives. The purpose of the hedging of EUR 60 M was to reduce the exchange rate risk in Catella's exposure in EUR. Net financial income/expense also include interest and arrangement costs for bond loans totalling SEK 8.8 M (8.6)

Profit/loss before tax and profit/loss for the period was SEK -12.0 M (-20.0).

Cash and cash equivalents in Catella's transaction account in the Group's cash pool with a Swedish credit institute are reported as Current receivables with Group companies. On the reporting date, this item totalled SEK 81.1 M.

At the end of the period, there were 12 (13) employees in the Parent Company, expressed as full-time equivalents.

#### Nine-month period 2020

Total income was SEK 23.0 M (16.9), of which SEK 8.4 M related to onward invoicing of legal and consultancy costs attributable to completed projects. Operating profit/loss totalled SEK -35.0 M (-34.5) in the period. Financial items amounted to SEK -15.5 M (-50.8), and profit before tax and also profit for the period was SEK -50.5 M (-85.3).

#### Employees

The number of employees in remaining units, expressed as full-time equivalents, was 562 (566), of which 210 (214) were employed in the Corporate Finance operating segment, 333 (329) in the Asset

The number of employees in the disposal group held for sale (Banking) was 17 (80) at period end.

At the end of the period, there were 579 (645) employees, expressed as full-time equivalents.

#### Share capital

As of 30 September 2020, Catella's registered share capital was SEK 177 M (173), divided between 88,348,572 shares (86,281,905). 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 85 818 017 Class B shares with 1 vote per share.

In March 2020, warrant holders exercised 2,066,667 warrants to subscribe for an equal number of new shares at a price of SEK 7.20 per share. The new Class B shares were registered with the Swedish Companies Registration Office on 6 May 2020. In March, Catella repurchased 100,000 warrants from a key person and 266,667 warrants held in treasury expired without being utilised.

There were no remaining warrants in Catella AB.

#### Shares

Catella is listed on Mid Cap on Nasdaq Stockholm, trading under the ticker symbols CAT A and CAT B. The price of Catella's Class B share was SEK 23.40 (21.80) as of 30 September 2020. Total market capitalization at the end of the period was SEK 1,930 M (2,289).

#### Shareholders

Catella had 9,501 (7,238) shareholders registered at the end of the period. The principal shareholder on 30 September 2020 was the Claesson & Anderzén Group with 49.4% (48.3) of the capital and 48.8% (47.8) of the votes, followed by M2 Asset Management with 3.4% (0.92) of the capital and 3.6% (0.82) of the votes.

#### Dividend

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

Against the background of the coronavirus pandemic, the Board of Catella AB (publ) decided in April to revoke the proposed dividend of SEK 0.90 per share, and proposes to the Annual General Meeting that no dividend be paid. Due to the future investments in the operating activities and future investments as well as the uncertainty due to the pandemic, the Board intends not to convene an Extraordinary General Meeting during the second half of 2020 to address the matter of dividend.

#### 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 financing.

Asset Management is affected by market progress on Nordic stock exchanges and progress on the property market.

The outbreak of Covid-19 affects Catella negatively, and there is a risk of a significant financial impact on the Group. Given the uncertain situation, it is currently not possible to estimate the full potential impact on the Group over the coming quarters. Group management assumes that the fourth quarter of 2020 will be characterized by significant uncertainty, affecting investor appetite for completing transactions and capital investments.

A number of companies in the Catella Group conduct operations that are under

the supervision of regulatory financial authorities on their respective domestic markets. Existing regulatory frameworks and rapid regulatory changes are complex in general, and specifically with regard to banking operations. These regulatory framework place stringent, and in future even more stringent, demands on the routines and procedures, and liquidity and capital reserves, of the operations under supervision. Compliance with these regulatory frameworks is a pre-condition for conducting operations subject to supervision. Catella continuously seeks to ensure compliance with existing regulatory frameworks and to prepare for future compliance with coming regulatory changes.

The preparation of financial statements requires the Board of Directors and Group management to make estimates and judgements of the value of loan portfolios, goodwill, trademarks and brands, as well as assumptions concerning revenue recognition. Estimates and judgements affect the Group's Income Statement and financial position, as well as disclosures regarding contingent liabilities, for example. See Note 4 in the Annual Report 2019 for significant estimates and judgements. Actual outcomes may differ from these estimates and judgements, due to other circumstances or changed conditions.

Catella has investments in property development projects in Germany, Denmark and France. Investments primarily take place through associated companies but also through subsidiaries. The projects are run by Catella's German, Danish and French subsidiaries. Catella intends to invest and complete projects with the aim of investing in future fund structures created by Catella. The investments include the risk that associated companies are forced to choose between continuing to invest in late stages of projects, run the projects to completion or leaving the project and losing the invested capital.

During 2019, Catella decided to initiate the construction phase for the Danish project Kaktus, and complete the project in order to realize the maximum potential for Catella's shareholders. The decision implies an increased investment commitment from Catella and has implied a re-classification of the holding in the property development company Kaktus I TopCo ApS from a holding in an associated company

to shares in a subsidiary with full consolidation of Kaktus's Income Statement and Balance Sheet. The aforementioned risks apply to all property development projects that Catella invests in (see Note 3).

#### **Seasonal variations**

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

#### **Accounting principles**

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

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

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

The information provided in Note 8 regarding the consolidated financial situation, relating to parts of Catella's operations, has been prepared in accordance with the Group's accounting policies and the Annual Accounts for Credit Institutions and Securities Companies Act.

The Group's and Parent Company's key accounting principles are presented in Catella's Annual Report for 2019. Figures in tables and comments may be rounded.

#### **Related party transactions**

Catella holds shares in associated companies Nordic Seeding GmbH and Grand Central Beteiligungs GmbH, whose other owners are the Claesson & Anderzén group and the management of Catella Project Management GmbH. Dividends received from both companies exceeded Catella's total investments in the companies by SEK 88 M as of 30 September

2020. For more information, see Note 3 of this report and Notes 20 and 37 in the Annual Report 2019.

Catella's German subsidiary Catella Project Management GmbH operated the property development projects within associated companies Nordic Seeding GmbH and Grand Central Beteiligungs GmbH. Furthermore, Catella's French subsidiary Catella Logistic Europe SAS (CLE) operates property development projects through a number of associated companies. No part of the fees levied for services rendered that CPM and CLE invoice associated companies have been eliminated in Catella's Consolidated Income Statement as associated companies fall outside Catella's associated enterprises.

#### **Forecast**

Catella does not publish forecasts.

**Financial calendar**

***Year-end Report 2020***

25 February 2021

***Catella Annual Report 2020***

21 April 2021

***Interim Report January–March 2021***

7 May 2021

***Annual General Meeting 2021***

25 May 2021

***Interim Report January–June 2021***

20 August 2021

***Interim Report January–September 2021***

11 November 2021

***Year-end Report 2021***

25 February 2022

Stockholm, Sweden, 12 November 2020  
Catella AB (publ)

Jan Roxendal, Board Chairman

Johan Damne, Board member

**For further information, contact**

Johan Claesson, interim CEO and President

Tel. +46 (0) 8 – 463 33 10

Joachim Gahm Board member

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

Anna Ramel, Board member

The information in this report is mandatory for Catella AB to publish in accordance with EU's Market Abuse Regulation and the Swedish Securities Market Act. This information was submitted to the market, through the agency of the below contact, for publication on 12 November 2020 at 07:00 a.m. CET.

Tobias Alsborger, Board member

The undersigned certify that this Interim Report provides a fair overview of the performance 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 the companies included in the Group.

Johan Claesson, interim 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 (corporate ID no. 556079-1419) as of 30 September 2020 and the nine-month period then ended. The Board of Directors and CEO are responsible for the preparation and presentation of this Interim Report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on the Interim Report based on our review.

### Scope of review

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

### Conclusion

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

Stockholm, Sweden, 12 November 2020

PricewaterhouseCoopers AB

*Daniel Algotsson*  
Authorized Public Accountant

## Consolidated Income Statement

SEK M	Note	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Net sales		565	507	1,513	1,631	2,353
Other operating income		179	10	257	28	67
Total income		744	517	1,771	1,659	2,420
Assignment expenses and commission		-65	-76	-235	-289	-372
Other external expenses		-91	-110	-298	-319	-451
Personnel costs		-304	-224	-775	-664	-1,043
Depreciation		-23	-37	-73	-93	-128
Other operating expenses		-3	3	-18	7	-4
Operating profit/loss		259	74	370	300	422
Interest income		2	5	5	16	13
Interest expenses		-11	-11	-36	-36	-49
Other financial items		-3	-101	-26	-111	-103
Financial items—net		-13	-107	-56	-130	-138
Profit/loss before tax		246	-33	314	170	284
Tax		-31	-27	-148	-94	-135
Profit for the period from continuing operations		215	-60	166	76	148
Operations held for sale:						
Profit for the period from divestment group held for sale	7	5	-9	-85	52	45
Net profit/loss for the period		220	-69	81	128	193
Profit/loss attributable to:						
Shareholders of the Parent Company		220	-83	73	66	113
Non-controlling interests		-0	14	8	62	80
		220	-69	81	128	193

## Consolidated Statement of Comprehensive Income

SEK M		2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Net profit/loss for the period		220	-69	81	128	193
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss:						
Value change in defined benefit pension plans		0	0	0	0	1
Items that will be reclassified subsequently to profit or loss:						
Fair value changes in financial assets through other comprehensive income		-39	3	-36	22	26
Hedging of net investment		-4	-8	-3	-22	-7
Translation differences		6	33	-6	74	40
Other comprehensive income for the period, net after tax		-37	29	-45	74	59
Total comprehensive income/loss for the period		183	-40	36	202	252
Profit/loss attributable to:						
Shareholders of the Parent Company		183	-57	28	136	171
Non-controlling interests		0	17	8	66	81
		183	-40	36	202	252

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

## Consolidated Statement of Financial Position - condensed

SEK M	Note	2020 30 Sep	2019 30 Sep	2019 31 Dec
<b>ASSETS</b>				
Non-current assets				
Intangible assets		474	639	627
Contract assets		158	194	183
Property, plant and equipment		27	27	25
Holdings in associated companies	3	170	73	92
Non-current receivables from associated companies		8	0	0
Other non-current securities	3, 4, 5	228	258	261
Deferred tax receivables		1	81	78
Other non-current receivables		6	6	6
		1,073	1,277	1,272
Current assets				
Development and project properties		511	291	336
Accounts receivable and other receivables		428	603	684
Current investments	3, 4, 5	59	128	124
Cash and cash equivalents *		1,454	752	881
		2,451	1,774	2,026
Assets in divestment groups held for sale	7	516	861	759
		2,968	2,636	2,785
Total assets		4,040	3,912	4,057
<b>EQUITY AND LIABILITIES</b>				
Equity				
Share capital		177	173	173
Other contributed capital		289	280	280
Reserves		16	74	61
Profit brought forward including net profit for the period		1,082	961	1,009
Equity attributable to shareholders of the Parent Company		1,564	1,487	1,522
Non-controlling interests		173	193	214
Total equity		1,736	1,680	1,736
Liabilities				
Non-current liabilities				
Borrowings from credit institutions		494	219	213
Bond issue		750	746	747
Contract liabilities		124	195	138
Other non-current liabilities		0	2	0
Deferred tax liabilities		23	28	27
Other provisions		79	53	61
		1,470	1,242	1,186
Current liabilities				
Contract liabilities		42	0	52
Accounts payable and other liabilities		575	567	772
Tax liabilities		48	53	22
		666	621	846
Liabilities in disposal groups held for sale	7	169	369	289
		834	990	1,135
Total liabilities		2,304	2,232	2,321
Total equity and liabilities		4,040	3,912	4,057
* Of which pledged and blocked liquid funds		50	99	97

Information on Income Financial Position by operating segment is in Note 2.

## Consolidated Statement of Cash Flows

SEK M	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Cash flow from operating activities					
Profit/loss before tax	239	-50	219	247	385
Reclassification and adjustments for non-cash items:					
Wind down expenses	-18	14	38	57	24
Other financial items	2	68	-3	-166	-203
Depreciation	22	37	74	95	130
Impairment / reversal of impairment of current receivables	1	5	4	15	8
Change in provisions	7	1	-1	-1	8
Reported interest income from loan portfolios	-1	-4	-4	-12	-11
Profit/loss from participations in associated companies	-176	3	-195	-4	-25
Personnel costs not affecting cash flow	14	11	14	15	32
Paid income tax	-28	-46	-76	-221	-277
Cash flow from operating activities before changes in working capital	63	38	70	24	71
Cash flow from changes in working capital					
Increase (-)/decrease (+) of operating receivables	73	117	431	1,659	1,511
Increase (+) / decrease (-) in operating liabilities	-35	-105	-423	-3,605	-3,416
Cash flow from operating activities	101	50	78	-1,922	-1,834
Cash flow from investing activities					
Purchase of property, plant and equipment	-4	-1	-9	-4	-5
Purchase of intangible assets	-3	-5	-7	-11	-16
Sale of subsidiaries, net of cash disposed	83	0	83	-0	-0
Business transfers net of advisory costs	-1	-3	131	244	245
Purchase of and additional investments in associated companies	-8	-0	-8	-29	-34
Dividend and other disbursements from associated companies	173	0	173	0	-
Investments in development and project properties	-63	0	-169	-	-45
Purchase of financial assets	0	-14	-34	-59	-101
Sale of financial assets	23	4	66	24	74
Cash flow from loan portfolios	0	3	0	9	28
Cash flow from investing activities	199	-16	226	177	148
Cash flow from financing activities					
Re-purchase of share warrants	0	0	-1	-4	-4
New share issue	0	0	15	18	18
Borrowings	60	-1	278	-5	1
Amortisation of leasing debt	-12	-12	-40	-43	-53
Dividend	0	0	0	-104	-104
Transactions with, and payments to, non-controlling interests	-42	-65	-60	-97	-103
Cash flow from financing activities	6	-79	192	-234	-245
Cash flow for the period	306	-45	496	-1,979	-1,931
Cash and cash equivalents at beginning of period	1,565	1,372	1,378	3,234	3,234
Exchange rate differences in cash and cash equivalents	9	25	6	97	75
Cash and cash equivalents at end of the period *	1,880	1,352	1,880	1,352	1,378
Of which cash flow from divestment groups held for sale:					
Cash flow from operating activities	-44	-112	-206	-2,292	-2,381
Cash flow from investing activities	-1	1	130	270	266
Cash flow from financing activities	0	0	0	0	0
Cash flow for the period from divestment groups held for sale	-46	-111	-76	-2,022	-2,115
* Of which cash and cash equivalents recognised in Assets in disposal groups held for sale	426	600	426	600	497

SEK 426 M of the Group's cash and cash equivalents is related to Catella Bank, and pursuant to the regulations and rules Catella Bank is regulated by, the rest of Catella Group does not have access to Catella Bank's liquidity.

## Consolidated Statement of Changes in Equity

SEK M	Equity attributable to shareholders of the Parent Company							Total equity
	Share capital	Other contributed capital *	Fair value reserve	Translation reserve	Profit brought forward incl. net profit/loss for the period	Total	Non-controlling interests **	
Opening balance at 1 January 2020	173	280	48	13	1,009	1,522	214	1,736
Comprehensive income for January - September 2020:								
Net profit/loss for the period					73	73	8	81
Other comprehensive income, net of tax			-36	-9		-45	0	-45
Comprehensive income/loss for the period			-36	-9	73	28	8	36
Transactions with shareholders:								
Transactions with non-controlling interests					0	0	-49	-49
Re-purchase of warrants issued		-1				-1		-1
New share issue during registration	4	11				15		15
Closing balance at 30 September 2020	177	289	12	4	1,082	1,564	173	1,736

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

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

In the first quarter 2020, 2,066,667 warrants were utilised to subscribe for an equal number of Class B shares in Catella AB at a price of SEK 7.20 per share, and 100,000 warrants were repurchased from a key person. In addition, 266,667 warrants held in treasury expired without being utilised. There were no outstanding warrants remaining in Catella AB after these transactions. In the Consolidated Accounts, the repurchase of share warrants is reported under other contributed capital to the extent it consists of non-restricted equity, and the remainder against retained earnings.

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

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

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

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

## Note I Income Statement by Operating Segment

SEK M	Note	Corporate Finance		Asset Management		Other		Group	
		2020	2019	2020	2019	2020	2019	2020	2019
		Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep
Net sales		148	150	422	361	-5	-5	565	507
Other operating income		1	1	2	12	176	-3	179	10
Total income		148	152	424	374	172	-8	744	517
Assignment expenses and commission		-22	-11	-46	-68	3	3	-65	-76
Other external expenses		-30	-32	-67	-78	7	0	-91	-110
Personnel costs		-85	-88	-212	-129	-7	-7	-304	-224
Depreciation		-6	-10	-13	-22	-4	-4	-23	-37
Other operating expenses		-0	1	3	2	-6	1	-3	3
Operating profit/loss		6	11	88	79	164	-16	259	74
Interest income		0	1	0	0	1	4	2	5
Interest expenses		-2	-4	-2	1	-7	-7	-11	-11
Other financial items		0	0	7	-17	-10	-85	-3	-101
Financial items—net		-2	-3	5	-16	-16	-88	-13	-107
Profit/loss before tax		4	8	94	63	148	-104	246	-33
Tax		-4	-6	-27	-23	0	2	-31	-27
Profit for the period from continuing operations		0	2	67	40	148	-102	215	-60
Operations held for sale:									
Profit for the period from divestment group held for sale	7	0	0	5	-10	0	0	5	-9
Net profit/loss for the period		0	2	71	30	148	-101	220	-69
Profit/loss attributable to shareholders of the Parent Company		1	2	71	17	148	-101	220	-83

SEK M	Note	Corporate Finance			Asset Management			Other			Group		
		2020	2019	2019	2020	2019	2019	2020	2019	2019	2020	2019	2019
		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		358	418	704	1,165	1,222	1,660	-10	-9	-11	1,513	1,631	2,353
Other operating income		4	3	5	57	22	29	197	3	34	257	28	67
Total income		362	421	709	1,222	1,245	1,689	187	-7	22	1,771	1,659	2,420
Assignment expenses and commission		-42	-37	-55	-196	-258	-324	3	6	7	-235	-289	-372
Other external expenses		-90	-109	-152	-200	-208	-296	-8	-1	-3	-298	-319	-451
Personnel costs		-222	-244	-413	-528	-393	-591	-26	-28	-39	-775	-664	-1,043
Depreciation		-18	-20	-26	-45	-62	-80	-11	-12	-22	-73	-93	-128
Other operating expenses		-0	3	-1	-20	2	-6	2	2	3	-18	7	-4
Operating profit/loss		-10	14	62	232	325	392	148	-39	-32	370	300	422
Interest income		1	2	2	0	1	1	3	14	10	5	16	13
Interest expenses		-8	-8	-11	-6	-7	-9	-22	-21	-28	-36	-36	-49
Other financial items		0	-0	-0	-5	-30	-23	-21	-81	-80	-26	-111	-103
Financial items—net		-6	-7	-9	-10	-36	-31	-40	-87	-98	-56	-130	-138
Profit/loss before tax		-16	7	52	222	289	361	108	-127	-130	314	170	284
Tax		-7	-11	-29	-71	-87	-107	-70	5	1	-148	-94	-135
Profit for the period from continuing operations		-23	-4	23	151	202	253	38	-122	-128	166	76	148
Operations held for sale:													
Profit for the period from divestment group held for sale	7	0	0	0	-85	51	44	0	1	1	-85	52	45
Net profit/loss for the period		-23	-4	23	66	253	298	38	-121	-128	81	128	193
Profit/loss attributable to shareholders of the Parent Company		-23	-4	23	58	191	218	38	-121	-128	73	66	113

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

## Historical earnings trend by quarter and operating segment

SEK M	Corporate Finance								
	2020 Jul-Sep	2020 Apr-Jun	2020 Jan-Mar	2019 Oct-Dec	2019 Jul-Sep	2019 Apr-Jun	2019 Jan-Mar	2018 Oct-Dec	
Net sales	148	104	107	286	150	165	102	299	
Other operating income	1	1	2	1	1	1	1	1	
Total income	148	105	109	287	152	166	103	299	
Assignment expenses and commission	-22	-11	-9	-18	-11	-17	-9	-50	
Other external expenses	-30	-26	-35	-42	-32	-40	-37	-58	
Personnel costs	-85	-67	-70	-169	-88	-90	-66	-163	
Depreciation	-6	-6	-6	-7	-10	-5	-5	-1	
Other operating expenses	-0	2	-2	-4	1	1	1	3	
Operating profit/loss	6	-3	-13	48	11	15	-12	30	
Interest income	0	0	1	1	1	1	0	0	
Interest expenses	-2	-3	-3	-3	-4	-2	-2	-1	
Other financial items	0	-1	1	-0	0	0	-0	0	
Financial items—net	-2	-3	-1	-3	-3	-1	-2	-0	
Profit/loss before tax	4	-6	-14	45	8	14	-14	29	
Tax	-4	-1	-2	-18	-6	-3	-2	-18	
Periodens resultat	0	-7	-16	27	2	11	-16	11	
Profit/loss attributable to shareholders of the Parent Company	1	-8	-16	27	2	11	-16	12	

SEK M	Asset Management								
	2020 Jul-Sep	2020 Apr-Jun	2020 Jan-Mar	2019 Oct-Dec	2019 Jul-Sep	2019 Apr-Jun	2019 Jan-Mar	2018 Oct-Dec	
Net sales	422	398	345	438	361	514	347	390	
Other operating income	2	10	44	7	12	6	4	12	
Total income	424	408	389	445	374	520	351	401	
Assignment expenses and commission	-46	-89	-61	-65	-68	-122	-68	-51	
Other external expenses	-67	-62	-71	-88	-78	-68	-63	-89	
Personnel costs	-212	-174	-142	-198	-129	-148	-116	-209	
Depreciation	-13	-17	-14	-18	-22	-22	-18	-8	
Other operating expenses	3	-21	-3	-8	2	-0	0	-4	
Operating profit/loss	88	45	98	67	79	160	86	41	
Interest income	0	0	0	1	0	0	-0	0	
Interest expenses	-2	-2	-2	-3	1	-4	-4	-1	
Other financial items	7	2	-14	7	-17	-3	-11	4	
Financial items—net	5	-0	-16	5	-16	-6	-14	3	
Profit/loss before tax	94	45	82	72	63	154	72	44	
Tax	-27	-21	-23	-20	-23	-42	-22	-18	
Profit for the period from continuing operations	67	24	60	51	40	112	50	26	
Operations held for sale:									
Profit for the period from divestment group held for sale	5	-76	-14	-7	-10	-49	110	-150	
Net profit/loss for the period	71	-52	46	45	30	63	160	-123	
Profit/loss attributable to shareholders of the Parent Company	71	-49	36	27	17	36	138	-137	

## Note 2 Financial position by operating segment - condensed

SEK M	Corporate Finance			Asset Management			Other			Group		
	2020 30 Sep	2019 30 Sep	2019 31 Dec	2020 30 Sep	2019 30 Sep	2019 31 Dec	2020 30 Sep	2019 30 Sep	2019 31 Dec	2020 30 Sep	2019 30 Sep	2019 31 Dec
<b>ASSETS</b>												
Non-current assets												
Intangible assets	66	67	67	354	513	507	54	59	53	474	639	627
Contract assets	65	85	79	89	93	90	3	17	14	158	194	183
Property, plant and equipment	8	9	9	19	17	16	0	0	0	27	27	25
Holdings in group companies	0	0	0	-0	-0	-0	0	0	0	0	0	0
Holdings in associated companies	-0	0	-0	11	11	11	159	61	81	170	73	92
Non-current receivables from associated companies	0	0	0	8	0	0	0	0	0	8	0	0
Other non-current securities	0	0	0	121	141	149	107	116	111	228	258	261
Deferred tax receivables	0	0	0	0	11	7	0	70	70	1	81	78
Other non-current receivables	16	18	17	2	2	2	-12	-14	-13	6	6	6
	155	180	171	606	788	783	312	309	318	1,073	1,277	1,272
Current assets												
Development and project properties	0	0	0	0	0	0	511	291	336	511	291	336
Accounts receivable and other receivables	153	147	189	228	413	460	47	43	36	428	603	684
Current investments	0	0	0	0	50	51	59	78	74	59	128	124
Cash and cash equivalents	227	118	176	820	546	608	407	87	97	1,454	752	881
	380	265	364	1,048	1,009	1,118	1,024	500	543	2,451	1,774	2,026
Assets in divestment groups held for sale	0	0	0	595	940	835	-79	-78	-76	516	861	759
	380	265	364	1,643	1,949	1,953	945	421	467	2,968	2,636	2,785
Total assets	534	445	536	2,249	2,737	2,736	1,257	730	785	4,040	3,912	4,057
<b>EQUITY AND LIABILITIES</b>												
Equity												
Equity attributable to shareholders of the Parent Company	33	29	57	1,303	1,533	1,545	228	-75	-80	1,564	1,487	1,522
Non-controlling interests	17	24	26	151	164	182	5	6	5	173	193	214
Total equity	50	53	83	1,453	1,697	1,727	233	-70	-75	1,736	1,680	1,736
Liabilities												
Non-current liabilities												
Borrowings from credit institutions	81	0	0	22	0	0	390	218	213	494	219	213
Bond issue	0	0	0	0	0	0	750	746	747	750	746	747
Contract liabilities	53	87	65	71	94	73	0	14	0	124	195	138
Other non-current liabilities	108	107	105	12	13	12	-119	-118	-118	0	2	0
Deferred tax liabilities	0	0	0	13	17	17	10	11	10	23	28	27
Other provisions	1	0	1	78	53	59	0	0	1	79	53	61
	243	195	171	196	177	162	1,030	870	854	1,470	1,242	1,186
Current liabilities												
Contract liabilities	16	0	17	22	0	21	4	0	15	42	0	52
Accounts payable and other liabilities	223	191	259	399	471	555	-47	-94	-42	575	567	772
Tax liabilities	2	6	7	47	48	15	0	-0	0	48	53	22
	241	197	282	468	518	591	-43	-94	-27	666	621	846
Liabilities in disposal groups held for sale	0	0	0	132	345	256	37	24	33	169	369	289
	241	197	282	599	863	847	-6	-70	6	834	990	1,135
Total liabilities	484	392	453	796	1,040	1,009	1,024	800	860	2,304	2,232	2,321
Total equity and liabilities	534	445	536	2,249	2,737	2,736	1,257	730	785	4,040	3,912	4,057



## Note 3 Catella's principal investments

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

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

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

Catella has investments in property development projects in Germany and Denmark (for description of the projects, see below). The investments are made through subsidiaries and associated companies. The projects are run by Catella's German and Danish subsidiaries. Catella intends to invest in the early phases of projects where the concept and framework is determined to divest the projects before or during the construction phase, or alternatively, at project completion.

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

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

OTHER, SEK M	Holdings in associated companies	Other non-current securities	Development and project properties	Current investments	Total
Property Development Projects *	91	-	511	-	601
Loan portfolios	-	63	-	52	116
Other holdings	69	44	-	7	119
Total	159	107	511	59	836
Investment commitments			18		18

\* The investments include the risk that Catella is obliged to choose between continuing to invest in late stages of projects, run the projects to completion or leave the project and lose the invested capital.

### Comments on Catella's principal investments in the third quarter 2020

Catella's principal investments are reported under the 'Other' category in the Consolidated Income Statement and Statement of Financial Position, see Notes 1 and 2. As of 30 September 2020, the principal investments totalled SEK 836 M, an increase of SEK 117 M on the previous quarter. From 30 September 2020, Catella's remaining holding in Catella Fondförvaltning has been reported as Holdings in associated companies after a majority stake in the company was divested. The mutual funds company was included under Other holdings at an amount of SEK 60 M. Furthermore, additional investments in the property development project Kaktus amounted to SEK 64 M. The value change for the period in the property development projects in Nordic Seeding and Grand Central amounted to SEK 177 M, at the same time as dividends from these totalled SEK 173 M, which means that the net change after translation amounted to SEK 5 M.

### Property development projects

#### Grand Central

Residential property development project with a total expected transaction volume, finalized project, of some EUR 500 M located adjacent to central Station in Düsseldorf. The project consists of 1,000 apartments over an area of 40,000 m<sup>2</sup>. The project started in 2015 and Catella has held planning approval to construct buildings on the land from the outset.

Catella divested the project in the third quarter 2020.

#### Seestadt MG+

Residential property development project with a total expected transaction volume, finalized project, of some EUR 700 M located adjacent to the central station in Mönchengladbach. The project consists of 1,500-2,000 apartments over an area of 140,000 m<sup>2</sup>. The project started in 2017 and Catella acquired the first land parcel in 2019. Catella is working on producing blueprints for the site and finalising an urbanisation agreement.

#### Düssel-Terrassen

Residential property development project with a total expected transaction volume, finalized project, of some EUR 250 M located in a suburb of Düsseldorf. The project consists of 800 apartments over an area of 75,000 m<sup>2</sup>. The project started in 2018 and Catella acquired the first land parcel in 2018. Catella is working on producing blueprints for the site and finalising an urbanisation agreement.

#### Kaktus

Student housing development project with a total expected transaction volume, finalized project, of some EUR 130 M located in central Copenhagen. The project consists of 25,000 m<sup>2</sup> including 495 apartments. The blueprint was approved in 2017 and planning approval obtained in 2019.

As previously communicated, for the Kaktus project, Catella has decided to initiate the construction phase and complete the project in order to realize the maximum potential for Catella's shareholders.

The decision implies an increased investment commitment from Catella and has implied a re-classification of the holding in the property development company Kaktus I TopCo ApS from a holding in an associated company to shares in a subsidiary with full consolidation of Kaktus's Income Statement and Balance Sheet. The change means that a new Balance Sheet item, Properties held for development and project properties, has been included in

the Group's financial position from 30 September 2019 onwards.

***Loan portfolios***

The loan portfolios comprise securitised European loans with primary exposure in housing. The performance of the loan portfolios is closely monitored and revaluations are made on a continuous basis. Forecasts are conducted by the French investment advisor Cartesia S.A.S. The book value in Catella's Consolidated Accounts is

determined based on the projected discounted cash flows mainly comprising interest payments but also amortisation.

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

***Other holdings***

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

## Summary of Catella's loan portfolios

SEK M	Loan portfolio	Country	Forecast undiscouted cash flow *	Share of undiscouted cash flow	Forecast discounted cash flow	Share of discounted cash flow	Discount rate	Duration, years
	Pastor 2	Spain	53.7	24.9%	52.9	45.1%	5.5%	0.3
	Pastor 3 **	Spain	-	-	-	-	-	-
	Pastor 4	Spain	25.6	11.9%	11.4	9.7%	10.5%	8.0
	Pastor 5 **	Spain	-	-	-	-	-	-
	Lusitano 4 **	Portugal	-	-	-	-	-	-
	Lusitano 5	Portugal	136.5	63.3%	53.1	45.2%	30.0%	4.2
	Sestante 2 **	Italy	-	-	-	-	-	-
	Sestante 3 **	Italy	-	-	-	-	-	-
	Sestante 4 **	Italy	-	-	-	-	-	-
	Total cash flow ***		215.7	100.0%	117.4	100%	17.1%	3.6
	Accrued interest				-1.8			
	Carrying amount in consolidated balance sheet				115.6			

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

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

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

### Method and assumptions for cash flow projections and discount rates.

The cash flow for each loan portfolio is presented in the table on the next page and the discount rates by portfolio are stated above. More information about the loan portfolio can be found on the following page and in Catella's annual report 2019.

### Cash flow projections

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

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

### Discount rates

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

### Risks and uncertainties relating to loan portfolios

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

highly ranked securities that are secured or represented by ownership of the same asset class are prioritized in instances of default or if the loss exceeds predetermined levels. This could lead to interruptions in Catella's expected revenue flow from its investment portfolio. For more information, see Note 23 in the Annual Report for 2019.

### Clean-up call

A clean-up call affects all sub-portfolios and constitutes an option held by the issuer that enables the repurchase of the sub-portfolio when the outstanding loans have been repaid and are less than 10% of the issued amount. The administration of the portfolio is frequently unprofitable when it falls below 10% of the issued amount, and this structure allows the issuer to avoid these additional costs. The design also means that the investor avoids ending up with small, long-term cash flows until the portfolio has been repaid.

### Time call

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

## Actual and forecast cash flows from the loan portfolio\*

SEK M		Spain				Portugal		Italy	Netherlands		Germany		France	UK			
Loan portfolio		Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Sestante 4	Memphis **	Shield **	Gems **	Semper **	Minotaure **	Ludgate **	Outcome	Forecast	Diff
Outcome																	
Full year	2009	4.6	-	-	-	0.4	0.8	-	0.9	1.7	0.2	1.6	2.2	0.0	12.4	7.7	4.7
Full year	2010	7.8	-	-	-	2.7	0.0	-	3.3	6.1	0.7	5.8	8.8	0.5	35.6	35.7	-0.1
Full year	2011	9.8	-	-	-	11.1	0.0	0.6	3.3	4.4	0.9	5.7	6.9	0.4	43.1	28.4	14.7
Full year	2012	4.5	-	-	-	10.2	0.0	0.5	0.8	-	0.7	5.2	3.7	0.1	25.8	30.1	-4.3
Full year	2013	0.2	-	-	-	2.7	0.0	0.4	-	-	0.4	1.2	-	0.2	5.0	7.5	-2.5
Full year	2014	0.3	-	-	-	6.7	0.0	0.4	-	-	0.4	-	-	13.1	20.9	12.8	8.1
Full year	2015	0.1	-	-	-	3.7	0.0	0.5	-	-	0.3	-	-	16.9	21.5	23.2	-1.6
Q1	2016	-	-	-	-	1.7	-	0.1	-	-	46.7	-	-	3.9	52.4	51.3	1.1
Q2	2016	0.1	-	-	-	2.0	-	0.1	-	-	-	-	-	4.0	6.2	5.4	0.9
Q3	2016	-	-	-	-	0.9	-	0.1	-	-	-	-	-	3.4	4.5	5.0	-0.5
Q4	2016	-	-	-	-	3.7	-	0.1	-	-	-	-	-	3.4	7.2	5.2	2.1
Q1	2017	-	-	-	-	1.5	-	-	-	-	-	-	-	2.6	4.1	5.0	-0.9
Q2	2017	-	-	-	-	1.9	-	-	-	-	-	-	-	3.5	5.5	5.6	-0.1
Q3	2017	-	-	-	-	1.8	-	-	-	-	-	-	-	4.6	6.4	5.0	1.4
Q4	2017	0.0	-	-	-	3.8	-	-	-	-	-	-	-	2.7	6.5	4.8	1.7
Q1	2018	0.0	-	-	-	3.1	-	-	-	-	-	-	-	-	3.1	2.6	0.5
Q2	2018	0.0	-	-	-	2.4	-	-	-	-	-	-	-	-	2.4	2.7	-0.3
Q3	2018	0.0	-	-	-	2.1	-	-	-	-	-	-	-	-	2.2	2.2	-0.1
Q4	2018	-	-	-	-	3.6	-	-	-	-	-	-	-	-	3.6	2.3	1.3
Q1	2019	0.0	-	-	-	1.9	-	-	-	-	-	-	-	-	1.9	2.2	-0.3
Q2	2019	0.0	-	-	-	4.3	-	-	-	-	-	-	-	-	4.3	2.3	2.0
Q3	2019	0.0	-	-	-	3.2	-	-	-	-	-	-	-	-	3.2	2.4	0.9
Q4	2019	-	-	-	-	16.8	-	-	-	-	-	-	-	-	16.8	16.1	0.7
Q1	2020	0.0	-	-	-	0.3	-	-	-	-	-	-	-	-	0.3	0.0	0.3
Q2	2020	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	-0.0
Q3	2020	-	-	-	-	0.3	-	-	-	-	-	-	-	-	0.3	0.0	0.3
Total		27.2	0.0	0.0	0.0	92.8	0.8	2.9	8.4	12.2	50.4	19.4	21.7	59.3	295.1	265.4	29.7

Forecast														Forecast		
														Quarter/ Year	Acc.	
Q4	2020	53.7	-	-	-	-	-	-	-	-	-	-	-	-	53.7	53.7
Full year	2021	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	53.7
Full year	2022	-	-	-	-	30.6	-	-	-	-	-	-	-	-	30.6	84.3
Full year	2023	-	-	-	-	21.1	-	-	-	-	-	-	-	-	21.1	105.4
Full year	2024	-	-	-	-	22.0	-	-	-	-	-	-	-	-	22.0	127.4
Full year	2025	-	-	-	-	21.5	-	-	-	-	-	-	-	-	21.5	148.9
Full year	2026	-	-	-	-	22.3	-	-	-	-	-	-	-	-	22.3	171.2
Full year	2027	-	-	-	-	18.9	-	-	-	-	-	-	-	-	18.9	190.1
Full year	2028	-	-	25.6	-	-	-	-	-	-	-	-	-	-	25.6	215.7
Total		53.7	0.0	25.6	0.0	0.0	136.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	215.7	

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

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

### Pastor 2

According to the earlier forecast, the issuer would exercise its clean-up call in the third quarter 2019, which has not occurred. As of the third quarter 2019, the value of the underlying loan falls below 10% implying that Catella judges that a repurchase will take place in the fourth quarter 2020.

### Lusitano 5

The forecast cash flows for the sub-portfolio Lusitano 5, assume that the issuer will not utilise its time call. However, the discount rate has been increased to reflect the probability that the issuer will exercise its option to repurchase Lusitano 5 at the nominal value of some EUR 3.3 M. This probability is expected to increase in the

second quarter 2021, and in the event that the issuer exercises the option, this would imply impairment of the value of some EUR 2 M.

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

## Note 4 Short and long-term investments

SEK M	30 September 2020
Loan portfolios	116
Operation-related investments	172
Other securities	0
Total *	287

\* of which short-term investments SEK 59 M and long-term investments SEK 228 M.

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

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

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

discounted cash flows to determine the fair value of financial instruments. For more information, see Note 3 in the Annual Report 2019.

The Group's assets and liabilities measured at fair value as of 30 September 2020 are stated in the following table.

SEK M	Tier 1	Tier 2	Tier 3	Total
<b>ASSETS</b>				
Derivative instruments		0		0
Financial assets measured at fair value through profit or loss	7	101	179	287
Total assets	7	101	179	287
<b>LIABILITIES</b>				
Derivative instruments		14		14
Total liabilities	0	14	0	14

No changes between levels occurred the previous year.

### CHANGE ANALYSIS, FINANCIAL ASSETS, LEVEL 3 IN THE NINE-MONTH PERIOD 2020.

	2020
as of 1 January	221
Purchases	7
Disposals	-40
Gains and losses recognised through profit or loss	-9
Exchange rate differences	-0
At 30 September	179

## Note 6 Pledged assets and contingent liabilities

### Pledged assets

SEK M	2020 30 Sep	2019 30 Sep	2019 31 Dec
Cash and cash equivalents	50	99	97
Other pledged assets	20	20	19
	70	119	116
Of which pledged assets related to divestment groups held for sale:			
Cash and cash equivalents	0	54	53
Other pledged assets	20	20	19
	21	74	72

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

Cash and cash equivalents also include cash funds in accordance with minimum retention requirements, funds that are to be made available at all times for regulatory

reasons as well as frozen funds for other purposes.

### Contingent liabilities

SEK M	2,020 30 Sep	2,019 30 Sep	2019 31 Dec
Client funds managed on behalf of clients	0	2	0
Other contingent liabilities	344	6	341
	344	9	341
Of which contingent liabilities related to divestment groups held for sale:			
Client funds managed on behalf of clients	0	2	0
Other contingent liabilities	4	5	5
	4	8	5

Other contingent liabilities mainly relate to Catella AB's guarantee to credit institutes as collateral for approved credit lines to subsidiary Kaktus I HoldCo ApS. Other

contingent liabilities also relate to guarantees which were provided for rental contracts with landlords.

### Commitments

SEK M	2,020 30 Sep	2,019 30 Sep	2019 31 Dec
Unutilised credit facilities, granted by Catella Bank	0	3	0
Investment commitments	18	27	24
Other commitments	0	0	0
	18	30	24
Of which commitments related to divestment groups held for sale:			
Unutilised credit facilities, granted by Catella Bank	0	3	0
Investment commitments	0	0	0
Other commitments	0	0	0
	0	3	0

Investment commitments mainly relate to the unlisted holding in Pamica 2 AB. Unutilized credit facilities mainly related to credit commitments issued by Catella Bank

to credit card clients. A majority of these commitments were transferred to Advanzia Bank as of 1 April 2019 and remaining commitments gradually terminated during 2019.

## Note 7 Disposal group held for sale

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

In the first quarter 2019, Catella Bank divested its Wealth Management operations in Sweden and Luxembourg and its card issuing operations. The migration of card customers to Advanzia Bank was completed in the first quarter 2020.

In May 2020 the Board of Catella AB (publ) decided to conclude the liquidation of operations in Catella Bank with the aim of returning the banking license to the supervisory authority in the first half of 2021.

### Third quarter 2020

Total income was SEK 1 M (15), and profit/loss for the period was SEK 5 M (-10). Profit included deferred tax receivables of SEK 13 M resulting from a reversal of deferred tax liabilities attributable to the first reporting date for the Visa holding.

The holding of Visa preference shares has been written down by SEK 60 M as a result of adjusted rates applying to conversion of Class A shares in accordance with guidelines from Visa Inc. The negative value change was recognized under Other comprehensive income in the third quarter 2020. In addition, a new assessment was made of deferred tax attributable to the Visa holding. The assessment resulted in the reversal of deferred tax liabilities totalling SEK 34 M, of which SEK 21 M was recognized under Other comprehensive income and SEK 13 M recognized in the Income Statement in the third quarter 2020. In total, equity of SEK 26 M was negatively affected.

### Nine-month period 2020

Total income was SEK 8 M (64), and profit/loss for the period was SEK -85 M (51). Profit was burdened by anticipated termination costs of SEK 58 M related to concluding the winding down of operations in Catella Bank. The final cost of winding down the banking operations is difficult to estimate and may be higher than the provisions made as of 30 September 2020. Profit/loss for the period also includes the final element of the additional purchase consideration from Advanzia Bank of SEK 30 M, and commission expenses of SEK 4 M.

In the previous year, the figure included income from the transfer of the Bank's Wealth Management operations in Luxembourg and Sweden, and income from the transfer of the card issuing operations in Luxembourg to Advanzia Bank, totalling SEK 307 M.

SEK M	3 Months		9 Months		12 Months	
	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	Rolling 12 Months	2019 Jan-Dec
<b>INCOME STATEMENT—CONDENSED</b>						
Total income	1	15	8	64	2	58
Other expenses	-10	-67	-134	-265	-167	-298
Financial items—net	1	33	31	278	94	340
Profit/loss before tax	-8	-19	-95	76	-71	101
Tax	12	9	10	-25	-21	-56
Net profit/loss for the period	5	-10	-85	51	-91	44
<b>FINANCIAL POSITION - CONDENSED</b>						
			2020	2019	2019	
<b>Assets</b>			30 Sep	30 Sep	31 Dec	
Loan receivables	-	-	0	1	-	0
Cash and cash equivalents	-	-	426	600	-	497
Other assets	-	-	169	338	-	337
Assets in divestment groups held for sale	-	-	595	939	-	834
<b>Equity</b>						
Equity attributable to shareholders of the Parent Company	-	-	464	595	-	579
Non-controlling interests	-	-	0	0	-	0
Total equity	-	-	464	595	-	579
<b>Liabilities</b>						
Borrowings and loan liabilities	-	-	34	106	-	71
Other liabilities	-	-	98	239	-	185
Liabilities in disposal groups held for sale	-	-	132	344	-	256
Total equity and liabilities	-	-	596	939	-	835

## Note 8 Capital adequacy—consolidated financial situation

Catella AB and the subsidiaries that conduct operations regulated by Swedish or foreign financial supervisory authorities comprise a financial corporate Group, known as a consolidated financial situation. The consolidated financial situation is under the supervision of the Luxembourg supervisory authority, CSSF. Catella Bank S.A is the reporting entity and responsible institute. Group companies included in/excluded from the consolidated financial situation are shown in Note 20 of Catella's Annual Report 2019.

Discussions are underway with CSSF regarding the reporting and other matters that apply to the consolidated financial situation.

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

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

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

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

### Income Statement—condensed, consolidated financial situation

SEK M	2020	2019	2019
	Jan-Sep	Jan-Sep	Jan-Dec
Net sales	865	1,063	1,390
Other operating income	14	15	19
Total income	879	1,078	1,409
Assignment expenses & commission	-392	-389	-492
Income excl. direct assignment costs and commission	487	689	917
Operating expenses	-454	-439	-640
Operating profit/loss	33	249	276
Financial items—net	19	-98	-109
Profit/loss before tax	52	151	167
Appropriations	0	0	11
Tax	-95	-59	-81
Profit for the period from continuing operations	-43	92	97
Operations held for sale:			
Profit for the period from divestment group held for sale	-85	52	45
Net profit/loss for the period	-128	144	142
Profit/loss attributable to:			
Shareholders of the Parent Company	-135	82	64
Non-controlling interests	7	62	78
	-128	144	142
Employees at end of period	185	261	260



## Financial position—condensed, consolidated financial situation

SEK M	2020 30 Sep	2019 30 Sep	2019 31 Dec
Non-current assets	1,017	1,222	1,196
Current assets	1,243	1,170	1,282
Assets in divestment groups held for sale	516	861	759
Total assets	2,776	3,254	3,236
Equity	1,485	1,679	1,673
Liabilities	1,123	1,205	1,274
Liabilities in disposal groups held for sale	169	369	289
Total equity and liabilities	2,776	3,254	3,236

## Capital adequacy—consolidated financial situation

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

SEK M	2020 30 Sep	2019 30 Sep	2019 31 Dec
Common Equity Tier 1 capital	947	976	892
Additional Tier 1 capital	0	0	0
Tier 2 capital	0	0	0
Own funds	947	976	892
Total risk exposure amount	3,664	3,948	3,922
OWN FUNDS AND BUFFERS			
Own funds requirements Pillar 1	293	316	314
<i>of which own funds requirements for credit risk</i>	118	130	130
<i>of which own funds requirements for market risk</i>	7	14	12
<i>of which own funds requirements for operational risk</i>	168	171	171
<i>of which own funds requirements for credit valuation adjustment risk</i>	0	0	0
Own funds requirements Pillar 2	110	118	118
Institution-specific buffer requirements	92	152	153
Internal buffer	37	39	39
Total own funds and buffer requirements	532	625	623
Capital surplus after own funds and buffer requirements	415	351	269
Capital surplus after regulatory required own funds and buffer requirements	451	390	308
CAPITAL RATIOS, % OF TOTAL RISK EXPOSURE AMOUNT			
Common Equity Tier 1 capital ratio	25.8	24.7	22.8
Tier 1 capital ratio	25.8	24.7	22.8
Total capital ratio	25.8	24.7	22.8
OWB FUNDS AND BUFFERS, % OF TOTAL RISK EXPOSURE AMOUNT			
Own funds requirements Pillar 1	8.0	8.0	8.0
Own funds requirements Pillar 2	3.0	3.0	3.0
Institution-specific buffer requirements	2.5	3.8	3.9
<i>of which requirement for capital conservation buffer</i>	2.5	2.5	2.5
<i>of which requirement for countercyclical capital buffer</i>	0.0	1.3	1.4
Internal buffer	1.0	1.0	1.0
Total own funds and buffer requirements	14.5	15.8	15.9
Capital surplus after own funds and buffer requirements	11.3	8.9	6.9
Capital surplus after regulatory required own funds and buffer requirements	12.3	9.9	7.9

Catella AB's consolidated financial situation is in compliance with minimum capital base requirements.

Own funds, SEK M	2020	2019	2019
	30 Sep	30 Sep	31 Dec
<i>Common Equity Tier 1 capital</i>			
Share capital and share premium reserve	455	440	440
Retained earnings and other reserves	1,030	1,239	1,233
<i>Less:</i>			
Intangible assets	-152	-277	-274
Price adjustments	-15	-17	-15
Deferred tax receivables	0	-102	-72
Qualifying holdings outside the financial sector	-173	-167	-186
Proposed or foreseeable dividend	-80		-80
Other deductions	-116	-139	-153
Total Common Equity Tier 1 capital	947	976	892
Additional Tier 1 capital	-	-	-
Tier 2 capital	-	-	-
Own funds	947	976	892

Specification of risk-weighted exposure amounts and own funds requirements Pillar I, SEK M	2020 30 Sep		2019 30 Sep		2019 31 Dec	
	Risk-weighted exp.amount	Own funds requirements Pillar I	Risk-weighted exp.amount	Own funds requirements Pillar I	Risk-weighted exp.amount	Own funds requirements Pillar I
<i>Credit risk according to Standardised Approach</i>						
Exposures to institutions	263	21	206	16	211	17
Exposures to corporates	10	1	23	2	11	1
Exposures to retail	0	0	0	0	3	0
Exposures secured by mortgages on immovable property	0	0	0	0	0	0
Exposures in default	104	8	127	10	108	9
Items associated with particular high risk	151	12	172	14	178	14
Exposures in the form of covered bonds	0	0	2	0	0	0
Exposures to collective investment undertakings (funds)	1	0	2	0	33	3
Equity exposures	536	43	543	43	517	41
Other items	408	33	549	44	565	45
	1,475	118	1,624	130	1,625	130
<i>Market risk</i>						
Interest risk	0	0	0	0	0	0
Share price risk	0	0	0	0	0	0
Foreign exchange risk	92	7	181	14	154	12
	92	7	181	14	154	12
<i>Operational risk according to the Basic Indicator Approach</i>						
Credit valuation adjustment risk	2,097	168	2,143	171	2,143	171
	0	0	0	0	0	0
Total	3,664	293	3,948	316	3,922	314

## Parent Company Income Statement

SEK M	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Net sales	5.7	7.7	14.6	16.9	17.6
Other operating income	0.7	0.0	8.4	0.1	0.3
Total income	6.3	7.8	23.0	16.9	17.8
Other external expenses	-7.9	-8.0	-34.5	-29.1	-31.3
Personnel costs *	-6.5	-6.7	-22.8	-19.7	-30.0
Depreciation	-0.2	-0.2	-0.7	-0.3	-0.4
Other operating expenses	0.0	-2.5	-0.0	-2.4	-0.0
Operating profit/loss	-8.3	-9.6	-35.0	-34.5	-43.9
Profit/loss from participations in group companies	0.0	0.0	0.0	0.0	22.0
Interest income and similar profit/loss items	18.4	0.0	24.2	0.0	0.0
Interest expenses and similar profit/loss items	-22.0	-10.4	-39.7	-50.8	-54.7
Financial items	-3.7	-10.4	-15.5	-50.8	-32.7
Profit/loss before tax	-12.0	-20.0	-50.5	-85.3	-76.6
Appropriations	0.0	0.0	0.0	0.0	63.7
Tax on net profit for the year	0.0	0.0	0.0	0.0	0.0
Net profit/loss for the period	-12.0	-20.0	-50.5	-85.3	-13.0

\* Personnel costs include directors' fees

## Parent Company Statement of Comprehensive Income

SEK M	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Net profit/loss for the period	-12.0	-20.0	-50.5	-85.3	-13.0
Other comprehensive income					
Other comprehensive income for the period, net after tax	0.0	0.0	0.0	0.0	0.0
Total comprehensive income/loss for the period	-12.0	-20.0	-50.5	-85.3	-13.0

## Parent Company Balance Sheet—condensed

SEK M	2020 30 Sep	2019 30 Sep	2019 31 Dec
Intangible assets	3.2	3.0	3.3
Property, plant and equipment	0.1	0.1	0.1
Participations in Group companies	1,052.6	1,052.6	1,052.6
Current receivables from Group companies	220.2	189.1	246.6
Other current receivables	20.2	6.6	27.5
Cash and cash equivalents	0.2	0.0	0.3
Total assets	1,296.5	1,251.4	1,330.4
Equity	520.7	483.9	556.3
Bond issue	749.6	745.6	746.6
Current liabilities to Group companies	0.0	2.5	0.3
Other current liabilities	26.2	19.4	27.2
Total equity and liabilities	1,296.5	1,251.4	1,330.4

Catella AB has issued a guarantee to a credit institute of SEK 339.7 M as security for approved credit lines to subsidiary Kaktus I HoldCo ApS.

## Application of key performance indicators not defined by IFRS

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

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

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

### Definitions

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

\* See next page for basis of calculation

## KPI, all operations (excl. Banking business area)

### Calculation of performance measures for the Group

GROUP	3 Months		9 Months		12 Months	
	2020	2019	2020	2019	Rolling	2019
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	12 Months	Jan-Dec
Net profit/loss for the period, SEK M	215	-60	166	76	238	148
Total income, SEK M	744	517	1,771	1,659	2,532	2,420
Profit margin, %	29	-12	9	5	9	6
Equity, SEK M	-	-	1,273	1,087	-	1,157
Total assets, SEK M	-	-	3,445	2,972	-	3,222
Equity/Asset ratio, %	-	-	37	37	-	36
Net profit/loss for the period, SEK M *	215	-73	157	14	212	68
No. of shares at end of the period	88,348,572	86,281,905	88,348,572	86,281,905	88,348,572	86,281,905
Earnings per share, SEK *	2.44	-0.85	1.78	0.16	2.40	0.79
Equity, SEK M *	-	-	1,100	893	-	943
No. of shares at end of the period	88,348,572	86,281,905	88,348,572	86,281,905	88,348,572	86,281,905
Equity per share, SEK *	-	-	12.45	10.36	-	10.93

GROUP	2020	2020	2020	2019	2019	2019	2019	2018	2018	2018	2018	2017	2017	2017	
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net profit/loss for the period, SEK M *	215	-71	13	54	-73	87	1	9	25	50	43	114	60	37	34
Equity, SEK M *	1,100	884	990	943	893	948	973	940	1,141	1,118	1,133	1,236	1,106	1,050	1,092
Return on equity, %	22	-8	9	7	2	12	8	11	20	24	23				

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

CORPORATE FINANCE	3 Months		9 Months		12 Months	
	2020	2019	2020	2019	Rolling	2019
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	12 Months	Jan-Dec
Net profit/loss for the period, SEK M	0	2	-23	-4	4	23
Total income, SEK M	148	152	362	421	649	709
Profit margin, %	0	1	-6	-1	1	3
Equity, SEK M	-	-	50	53	-	83
Total assets, SEK M	-	-	534	445	-	536
Equity/Asset ratio, %	-	-	9	12	-	15

CORPORATE FINANCE	2020	2020	2020	2019	2019	2019	2019	2018	2018	2018	2018	2017	2017	2017	
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net profit/loss for the period, SEK M *	1	-8	-16	27	2	11	-16	12	1	7	-5	29	15	0	-1
Equity, SEK M *	33	34	39	57	29	27	17	35	44	42	115	120	90	78	177
Return on equity, %	10	14	69	70	25	21	8	21	40	52	34				

\* Attributable to shareholders of the Parent Company.

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

ASSET MANAGEMENT	3 Months		9 Months		12 Months	
	2020	2019	2020	2019	Rolling	2019
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	12 Months	Jan-Dec
Net profit/loss for the period, SEK M	67	40	151	202	202	253
Total income, SEK M	424	374	1,222	1,245	1,666	1,689
Profit margin, %	16	11	12	16	12	15
Equity, SEK M	-	-	990	1,103	-	1,149
Total assets, SEK M	-	-	1,653	1,797	-	1,901
Equity/Asset ratio, %	-	-	60	61	-	60

\* Attributable to shareholders of the Parent Company.

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

ASSET MANAGEMENT	2020	2020	2020	2019	2019	2019	2019	2018	2018	2018	2018	2017	2017	2017	
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net profit/loss for the period, SEK M *	66	27	50	34	26	85	28	12	41	79	55	79	52	49	37
Equity, SEK M *	839	1,004	1,036	967	940	983	937	887	656	626	530	438	445	414	393
Return on equity, %	18	14	20	18	17	20	22	30	47	54	53				

\* Attributable to shareholders of the Parent Company.

## KPI, all operations (incl. Banking business area)

### Selected KPIs per operating segment

	3 Months		9 Months		12 Months	
	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	Rolling 12 Months	2019 Jan-Dec
<b>GROUP</b>						
Profit margin, %	29	-13	5	7	6	8
Return on equity, %*	-	-	8	-4	-	7
Equity/Asset ratio, %	-	-	43	43	-	43
Equity, SEK M*	-	-	1,564	1,487	-	1,522
No. of employees, at end of period	-	-	579	645	-	649
Earnings per share, SEK*	2.49	-0.96	0.82	0.76	1.37	1.31
Equity per share, SEK*	-	-	17.70	17.23	-	17.64
<b>CORPORATE FINANCE</b>						
Profit margin, %	0	1	-6	-1	1	3
Return on equity, %*	-	-	10	25	-	70
Equity/Asset ratio, %	-	-	9	12	-	15
Equity, SEK M*	-	-	33	29	-	57
No. of employees, at end of period	-	-	210	214	-	214
Property transaction volume for the period, SEK Bn	7.2	11.4	22.6	26.7	46.7	50.7
<b>ASSET MANAGEMENT AND BANKING</b>						
Profit margin, %	17	8	5	19	7	17
Return on equity, %*	-	-	2	4	-	14
Equity/Asset ratio, %	-	-	65	62	-	63
Equity, SEK M*	-	-	1,303	1,533	-	1,545
No. of employees, at end of period	-	-	350	410	-	412
Asset under management at end of period, SEK Bn	-	-	136.8	185.4	-	172.4
<i>net in-(+) and outflow(-) during the period, mdkr</i>	-15.9	-21.6	-31.1	-35.6	-45.2	-49.7
Card and payment volumes, SEK Bn	0.0	0.0	0.0	0.0	0.0	0.0

\* Attributable to shareholders of the Parent Company.

### Calculation of performance measures for the Group

	3 Months		9 Months		12 Months										
	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	Rolling 12 Months	2019 Jan-Dec									
<b>GROUP</b>															
Net profit/loss for the period, SEK M	220	-69	81	128	146	193									
Total income, SEK M	745	530	1,779	1,717	2,536	2,474									
Profit margin, %	29	-13	5	7	6	8									
Equity, SEK M	-	-	1,736	1,680	-	1,736									
Total assets, SEK M	-	-	4,040	3,912	-	4,057									
Equity/Asset ratio, %	-	-	43	43	-	43									
Net profit/loss for the period, SEK M*	220	-83	73	66	120	113									
No. of shares at end of the period	88,348,572	86,281,905	88,348,572	86,281,905	88,348,572	86,281,905									
Earnings per share, SEK*	2.49	-0.96	0.82	0.76	1.36	1.31									
Equity, SEK M*	-	-	1,564	1,487	-	1,522									
No. of shares at end of the period	88,348,572	86,281,905	88,348,572	86,281,905	88,348,572	86,281,905									
Equity per share, SEK*	-	-	17.70	17.23	-	17.64									
<b>GROUP</b>															
	2020 Jul-Sep	2020 Apr-Jun	2020 Jan-Mar	2019 Oct-Dec	2019 Jul-Sep	2019 Apr-Jun	2019 Jan-Mar	2018 Oct-Dec	2018 Jul-Sep	2018 Apr-Jun	2018 Jan-Mar	2017 Oct-Dec	2017 Jul-Sep	2017 Apr-Jun	2017 Jan-Mar
Net profit/loss for the period, SEK M*	220	-147	0	47	-83	38	111	-133	-13	13	22	67	59	33	33
Equity, SEK M*	1,564	1,381	1,577	1,522	1,487	1,543	1,603	1,442	1,578	1,587	1,625	1,729	1,628	1,578	1,597
Return on equity, %	8	-12	0	7	-4	0	-1	-7	5	10	11				

Calculation of performance measures for the Corporate Finance operating segment

CORPORATE FINANCE	3 Months		9 Months		12 Months	
	2020	2019	2020	2019	Rolling	2019
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	12 Months	Jan-Dec
Net profit/loss for the period, SEK M	0	2	-23	-4	4	23
Total income, SEK M	148	152	362	421	649	709
Profit margin, %	0	1	-6	-1	1	3
Equity, SEK M	-	-	50	53	-	83
Total assets, SEK M	-	-	534	445	-	536
Equity/Asset ratio, %	-	-	9	12	-	15

CORPORATE FINANCE	2020	2020	2020	2019	2019	2019	2019	2018	2018	2018	2018	2017	2017	2017	2017
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net profit/loss for the period, SEK M *	1	-8	-16	27	2	11	-16	12	1	7	-5	29	15	0	-1
Equity, SEK M *	33	34	39	57	29	27	17	35	44	42	115	120	90	78	177
Return on equity, %	10	14	69	70	25	21	8	21	40	52	34				

\* Attributable to shareholders of the Parent Company.

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

ASSET MANAGEMENT AND BANKING	3 Months		9 Months		12 Months	
	2020	2019	2020	2019	Rolling	2019
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	12 Months	Jan-Dec
Net profit/loss for the period, SEK M	71	30	66	253	111	298
Total income, SEK M	425	389	1,230	1,308	1,668	1,747
Profit margin, %	17	8	5	19	7	17
Equity, SEK M	-	-	1,453	1,697	-	1,727
Total assets, SEK M	-	-	2,249	2,737	-	2,736
Equity/Asset ratio, %	-	-	65	62	-	63

ASSET MANAGEMENT	2020	2020	2020	2019	2019	2019	2019	2018	2018	2018	2018	2017	2017	2017	2017
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net profit/loss for the period, SEK M *	71	-49	36	27	17	36	138	-137	6	43	33	30	51	49	39
Equity, SEK M *	1,303	1,500	1,624	1,545	1,533	1,578	1,568	1,389	1,093	1,095	1,022	931	968	941	898
Return on equity, %	6	2	7	14	4	3	4	-5	11	16	17				

\* Attributable to shareholders of the Parent Company.



Catella AB (publ)

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

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

