



Notice of extraordinary meeting of shareholders in Catella AB (publ)

Notice is hereby given to shareholders in Catella AB (publ), corporate registration number 556079-1419, (“**Catella**” or “**the Company**”) that an extraordinary general meeting will be held at 14:00 CET on Monday, 22 January 2018 at the Company’s premises at Birger Jarlsgatan 6, Stockholm, Sweden. Entrance and registration will begin at 13:30 CET.

Right to participate in the meeting

Shareholders who wish to participate in the meeting must:

- Be recorded in the share register maintained by Euroclear Sweden AB on the record date, Tuesday, 16 January 2018, and
- Submit written notice of attendance to Catella AB (publ) by postal letter to Catella AB (publ), Attn: Investor Relations, Catella AB, Box 5894, 102 40 Stockholm, Sweden, or by email to bolagsstamma@catella.se not later than Tuesday, 16 January 2018. Notices must include the name of the shareholder, personal or corporate identity number, address, telephone number, the number of shares held and, where applicable, the particulars of proxies or agents (maximum of two).

Proxy

If attendance is by proxy, the proxy form should be appended to the notice of attendance. Representatives of legal persons should also bring a certified copy of a registration certificate or similar document granting authority. Copies of these documents should also be submitted to the Company along with the notice of attendance. Proxy forms are available on the Company’s website at www.catella.se. Proxy forms can be requested from the postal address and email address above. The validity of the proxy may not be more than five years from issue.

Registration

To be entitled to vote at the general meeting, shareholders with nominee-registered shares with a securities institution or equivalent foreign institution must temporarily re-register their shares in their own name. Shareholders who wish to re-register in this way should instruct their nominee thereof in ample time prior to Tuesday, 16 January 2018, when such registration shall have been effected.



Proposed agenda

1. Opening of the meeting
2. Election of the chairman of the meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of two persons to verify the minutes
6. Determination of whether the meeting was duly convened
7. Resolution on approval of acquisition of shares in IPM Informed Portfolio Management B.V.
8. Resolution on amendment of terms and conditions for warrants in series 2014/2018:A, 2014/2019:B and 2014/2020:C.
9. Closing of the meeting

Item 2. Election of the chairman of the meeting

The Board of Directors propose the election of Johan Claesson as chairman of the meeting.

Item 7. Resolution on approval of acquisition of shares in IPM Informed Portfolio Management B.V.

About IPM

IPM Informed Portfolio Management AB (“IPM AB”) is a systematic investment manager known mainly for its very successful and award-winning macro hedge strategy. The strategy has, along with systematic equity management, attracted more than SEK 70 billion in assets under management from institutional clients in the United States, Europe and Asia.

IPM AB was founded in 1998 with the purpose of delivering robust investment strategies with a systematic investment process to institutional investors. IPM AB’s investment strategies are based on economic theory and rely on the belief that market prices fluctuate around the true fundamental value of financial assets. IPM AB designs methods to model these movements in order to generate high risk-adjusted return, with low correlation to other asset classes. The investment process is entirely systematic and well-diversified in terms of strategies, asset classes and individual instruments. Effective risk management is utterly central to modelling and management alike.

About the Share Purchase and the Option

IPM AB has been consolidated in the Catella Group since 2014 through direct and indirect ownership of 50.7 percent of equity via IPM AB’s parent company IPM Informed Portfolio Management B.V. (“IPM B.V.”) combined with a shareholder agreement with a number of significant minority interests.

As the shareholder agreement has expired, Catella has agreed with a number of existing shareholders, who are in senior management positions or are directors in the company and thus also executives within the Catella Group (“the Executives”) to acquire shares in IPM B.V. (“the Share Purchase”) to secure continued control over IPM AB.

The Share Purchase has been agreed through a bid to certain shareholders in IPM B.V. As previously communicated, a number of the Executives have committed to selling shares to Catella to such an extent that Catella will obtain a controlling position in IPM B.V. through the bid (“the Guarantee”).



Subsequent to the bid process, it has been established that Catella will acquire approximately 13 percent of the shares in IPM B.V. through the Share Purchase, corresponding to approximately 10 percent of the shares in IPM AB. It has also been determined that fulfilment of the Guarantee will not be required. The deal is based on an enterprise value for IPM AB of approximately SEK 2 billion. Subsequent to the Share Purchase, Catella will own, directly and indirectly, approximately 61 percent of equity in IPM AB. The consideration to be paid will comprise a fixed component and a variable component. The fixed component is SEK 150 per share or a total of approximately SEK 198.5 million. The variable component will be based on IPM AB's financial results for the 2017 financial year and will amount to 50 percent of the shares transferred in IPM AB's net profit for the 2017 financial year.

In exchange for the Guarantee, Catella has given the Executives who issued the Guarantee the option ("the Option") to sell their remaining holdings in IPM to Catella five years after the agreement was executed. Through the Option, Catella may through acquisition of shares acquire up to approximately 12 percent of equity in IPM BV, corresponding to approximately 9 percent of equity in IPM AB. The price corresponds to the share in IPM AB's profit after tax conferred by the shares, multiplied by 3.1 in each of three consecutive financial years starting in the year the Option is exercised. Catella will pay for the shares acquired through the Option when the balance sheets and income statements for each year are adopted by the annual general meeting of shareholders in IPM AB.

As set out above, Catella has up to this point owned, directly and indirectly, 50.7 percent of equity in IPM AB. Accordingly, Catella is a majority shareholder in IPM AB, which is in turn a subsidiary of Catella. When a limited company decides to acquire shares from executives, the transaction requires approval by the general meeting of shareholders in accordance with generally accepted practices in the Swedish stock market. The decision is made by simple majority. Shareholders in Catella representing 49.8 percent of the shares and 49.1 percent of voting power have committed to voting in favour of the Share Purchase and the future share acquisition in accordance with the Option.

Proposed resolution

The Board of Directors proposes that the general meeting approves the Share Purchase and future share acquisition in accordance with the Option.

Rationale for the transaction

During Catella's tenure as its largest shareholder, IPM AB has operated its business independently under its own brand and has successfully expanded the business and attracted substantial international capital while building a robust administration and control organisation in order to meet comprehensive regulatory requirements. Going forward, Catella intends to actively facilitate sustained strong development in the same spirit, and to leverage its ownership to promote financial and operational stability and continuity in the business.

The price for the Share Purchase and the terms and conditions of the Option have been established in arm's-length negotiations with the Executives who issued the Guarantee.

In the considered opinion of the Board of Directors, the transaction is strategically important to the Catella Group because the IPM product offering both expands and complements other products offered by Catella through low correlation to other asset classes. Historically,

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profitability in IPM has interlaced with that of Catella Fondförvaltning AB, which has improved the stability of earnings in the Equity, Hedge and Fixed Income Funds business area.

During the period of 2014 to 2016, IPM AB delivered good growth in assets under management and profit after tax. Over the three financial years of 2014–2016, assets under management increased by approximately SEK 23 billion to SEK 68.1 billion, and profit after tax rose by SEK 133 million to SEK 177 million. The assets under management at IPM AB were developed during the period to be more conducive to earnings in pace with enhancement of the product mix by allocating the majority of inflow to the Systematic Macro product. Improvement of the product mix continued during the first nine months of 2017 and assets under management amounted to SEK 70.7 billion as of 30 September 2017 (30 September 2016: 63.0). The allocation of assets under management as of 30 September 2017 was SEK 44.3 billion to Systematic Macro (30 September 2016: 28.9) and SEK 26.4 billion to Systematic Equity (30 September 2016: 34.2).

In consideration of the current level of assets under management and the advantageous product mix within assets under management, the robust administration, control and sales organisation, as well as a favourable outlook for IPM AB, the Board of Directors finds that the Share Purchase and the Option are beneficial to the Catella Group and to shareholders in Catella and that the terms and conditions of the Share Purchase and the Option are fair.

Fairness opinion

The Board of Directors has obtained a fairness opinion from Ernst & Young that addresses the fairness of the Share Purchase and the Option to shareholders in Catella from a financial perspective. The fairness opinion is accessible on Catella's website (www.catella.se) no later than Friday, 29 December 2017, and will be sent to shareholders who so request and furnish their postal address.

Item 8. Proposed resolution on amendment of terms and conditions for warrants in series 2014/2018:A, 2014/2019:B and 2014/2020:C.

The Board of Directors proposes an amendment of the terms and conditions for warrants in series 2014/2018:A, 2014/2019:B and 2014/2020:C decided by the extraordinary general meeting of shareholders in the Company held 13 February 2014. The rationale for the proposed amendment is that the Chairman of the Board and principal shareholders have made an oral agreement that adjustment of warrants, as outlined in the following proposal, should have been part of the terms and conditions of the warrant programmes that were adopted by the extraordinary general meeting of shareholders in the Company held 13 February 2014. In the considered opinion of the Board of Directors, the current terms and conditions of the warrant programmes do not fully consider the value transfer from warrant holders to shareholders that occurs when the Company distributes dividends. The valuation of warrants used by the Company does not take dividends into account; consequently, value is transferred from warrant holders to shareholders upon every distribution of dividends, which the Board of Directors wishes to rectify, retroactively and prospectively, by means of this proposal. The decision proposal is in two parts, where a decision according to Item B) requires a prior resolution by the annual general meeting in accordance with Item A).

A) The Board of Directors proposes amendment of section 7, Item G of the terms and conditions in accordance with the following. The amendment entails application of a recalculated subscription price in connection with cash dividends (including group contributions) decided by the Company. Such recalculation shall not require the cash dividend to exceed eight percent of an



average share price, but shall instead be implemented upon every occasion that the Company decides to issue a cash dividend. The effect of the amendment is thus that warrant holders will be compensated for cash dividends issued by the Company, regardless of the size of the cash dividend.

Current wording of section 7, Item G:

“If a cash dividend (including group contributions) to shareholders is decided, by which shareholders receive a dividend that, combined with other dividends paid during the same financial year), exceeds eight (8) percent of the average share price during a period of 25 trading days immediately preceding the date upon which the Board of Directors of the Company announces its intention to propose such a dividend to a general meeting of shareholders and application for subscription is made at such time, so that shares obtained thereby do not confer the right to receive such dividend, a recalculated subscription price and a recalculated number of shares shall be applied. The recalculation shall be based on the portion of the total dividend that exceeds eight (8) percent of the average share price during the aforementioned period (extraordinary dividend). The recalculations will be performed by the Company according to the following formulae:

<p>Recalculated subscription price =</p>	<p>the preceding subscription price X average market price of the share during the period of 25 trading days counted from the date the share was listed without rights to extraordinary dividends (<u>the average share price</u>) the average share price increased by the extraordinary dividend paid per share</p>
<p>Recalculated number of shares to which each warrant confers the right to subscribe for =</p>	<p>the preceding number of shares that each warrant confers the right to subscribe for x (average share price increased by the <u>extraordinary dividend paid per share</u>) the average share price</p>

The average share price shall be considered equal to the average of the computed highest and lowest price paid for the share according to market quotation on each trading day during the aforementioned period of 25 trading days. If no price paid is available, the quoted closing bid price shall instead be used in the calculation. Days upon which neither a price paid nor bid price are quoted shall not be included in the calculation.

The subscription price and number of shares recalculated as above shall be set by the Company two banking days after the end of the aforementioned period of 25 trading days and shall be applied to subscriptions executed thereafter.

If the Company’s shares are not the object of market quotation and a decision to issue a cash dividend (including group contributions) to shareholders is taken, by which shareholders will receive a dividend that, combined with other dividends paid during the same financial year, exceeds one hundred (100) percent of the Company’s profit after tax for the financial year and eight (8) percent of the value of the Company, upon subscription claimed at such time that shares obtained thereby do not confer the right to receive such dividend, a recalculated subscription price and a recalculated number of shares to which each warrant confers the right to subscribe for shall be applied. The recalculation shall be based on the portion of the total dividend that exceeds one hundred (100) percent of the Company’s profit after tax for the financial year and eight (8) percent of the Company's value and shall be performed in accordance with the principles set forth

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in this item by an independent appraiser appointed by the Company. The fundamental premise of the recalculation is that the value of warrants shall remain unchanged, whereupon, with regard to group contributions, the reduced tax expense to the Company resulting from the group contribution, shall be taken into consideration.

If an application for subscription has been made, but, by reason of the provisions set out in Item 6 above, final registration in the CSD account has not occurred, a special note shall be made that every warrant may, after recalculation, confer the right to additional shares. Final registration in the CSD account takes place after the recalculations have been determined, but no earlier than the date specified in Item 6 above. If the Company is not a CSD-registered company, subscriptions for shares are executed by recording the new shares in the share register as interim shares. Final registration in the share register takes place after the recalculated subscription price and recalculated number of shares to which each warrant confers the right to subscribe for have been established.”

Proposed wording of section 7, Item G:

“If a cash dividend (including group contributions) to shareholders is decided, a recalculated subscription price shall be applied. The recalculation will be performed by the Company according to the following formula:

Recalculated subscription price =	the preceding subscription price reduced by the divided paid per share
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The subscription price recalculated as above shall be set by the Company two banking days after the dividend is distributed and shall be applied to subscriptions executed thereafter. Final registration in the CSD Account takes place after the recalculation has been determined, but no earlier than the date specified in Item 5 above. If the Company is not a CSD-registered company, subscriptions for shares are executed by recording the new shares in the share register as interim shares. Final registration in the share register takes place after the recalculated subscription price has been determined.”

B) The board of directors proposes that the amendment to the terms and conditions set out under A) be given retroactive effect and apply from the issue date of the warrants until the close of the 2018 extraordinary general meeting. Based upon the resolutions of the Company at the annual general meetings of 2015, 2016 and 2017 to distribute cash dividends of SEK 0.20, SEK 0.60 and SEK 0.80, respectively, the implications of the decision proposal are that the subscription price upon subscription of one new Class B share in the Company, after recalculation for such cash dividend, will be Nine Swedish Kronor and Forty Öre (SEK 9.40), corresponding to the earlier subscription price of Eleven Swedish Kronor (SEK 11.00), in accordance with Clause 3 of the terms and conditions of the warrants reduced by the aforementioned cash dividend.

Special majority requirement

A resolution under Item 8 shall be valid only if supported by shareholders holding at least nine-tenths of votes cast as well as shares represented at the general meeting.

PRESS RELEASE

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Available documentation

Documentation for the extraordinary general meeting will be available at the Company's offices and on the Company's website at www.catella.se no later than Friday, 29 December 2017, and can be ordered in print form free of charge by shareholders by phone on +46 8 463 34 26 or by email to bolagsstamma@catella.se.

Right to request information

In accordance with Chapter 7, Sections 32 and 57 of the Swedish Companies Act (2005:551), shareholders have the right to request information from the Board of Directors and Chief Executive Officer regarding circumstances that may influence their evaluation of an item on the agenda.

Number of shares and votes

As of the date this notice was issued, the total number of shares in the Company was 81,848,572 and the total number of votes was 91,970,792, of which 2,530,555 ordinary shares in Class A (carrying a total of 12,652,775 votes) and 79,318,017 ordinary shares in Class B (carrying a total of 79,318,017 votes).

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THE BOARD OF DIRECTORS

For further information, please contact:

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