



Catella strengthens UK presence by signing a conditioned share purchase agreement to acquire majority stake in APAM Ltd

Catella AB has, through Catella Property Fund Management AB ("CPFM"), signed a share purchase agreement to acquire a majority stake in the leading UK real estate investment and asset management company, APAM Ltd. Closing of the transaction requires regulatory approval and other conditions to be fulfilled.

APAM Ltd ("APAM") has experienced fast growth over recent years and had revenues of approximately GBP 7 million during the calendar year 2017. CPFM has agreed to acquire 75% of the shares in APAM for a price corresponding to GBP 18 million, on a debt and cash free basis. A non-refundable down payment of the purchase price of GBP 2.7 million was made at signing, while the remaining amount is to be paid in cash upon completion. Catella is not obligated to complete the transaction according to the agreement but it is expected to complete during second half of 2018, subject to necessary regulatory approval having been obtained from the financial supervisory authority in Luxembourg, Commission de Surveillance du Secteur Financier (CSSF).

"As a leading company within the strategically important UK market, APAM constitutes a key piece in Catella's ambition to build the pan-European platform Catella has built the last years within our Property Investment Management business area, which has been our focus for the last four years", says Knut Pedersen, CEO of Catella AB.

APAM is an independent real estate investment and asset manager operating exclusively in the UK market with a combination of skills to offer clients an 'end to end' approach to support their investment strategy. APAM has assets under management ("AUM") of GBP 1.4 billion and 41 employees.

Simon Cooke and William Powell, founders and executive directors of APAM, will remain shareholders in APAM, each with 12.5% of the share capital and voting power after the transaction. APAM will continue to be independently run by its current management team and to pursue its successful growth strategy within UK. Co-operation between Catella and APAM will start immediately. Management from both companies see significant opportunities to strengthen their offering to international investors by leveraging the combined pan-European reach the two companies can provide. With APAM, Catella will reach SEK 200bn in AUM (GBP 18bn).

"Catella Property Investment Management has continuously strengthened its competitive position over the last years and has experienced an annual cumulated growth rate (CAGR) in AUM of 23% and a CAGR of 43% the last three years. This transaction further strengthens our position." says Timo Numminen, Head of Property Investment Management at Catella.

"We are impressed by the strong risk adjusted return APAM generates for its clients and are delighted to expand our offering for our clients in UK. Catella's clients, in particular our Asian office's, will be able to expand their pan-European allocation with a significant share allocated to the UK", says Timo Numminen.

Simon Cooke, founding shareholder and executive director, said: "This transaction brings together two great names in property investment management and Catella's strategic investment provides us with an even stronger platform for growth. Will and I will continue to lead and drive the APAM business - it will be very much 'business as usual'. We have enjoyed building APAM over the last eight years and look forward to working with Catella to leverage the new opportunities that this partnership brings."

William Powell, founding shareholder and executive director, added: "Joining forces with Catella, marks the start of an exciting new chapter in APAM's development, providing our clients with access to best-in-class advisers across 14 countries and an even more extensive range of services. By combining our strengths, this strategic partnership delivers significant potential to grow our business and our international client base, as well as opportunities for our team."

In connection with the deal, CPFM and the two minority owners in APAM have entered into a call and put option agreement under which CPFM is being granted a call option to acquire the shares of the minority owners and the minority owners are being granted a put option to sell their shares to CPFM during the autumn 2023 at a price to be calculated through a pre-set formula depending on future profit development.

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About Catella: Catella is a leading specialist in property investments, fund management and banking, with operations in 12 European countries. The group has sales of approximately SEK 2 billion and manages assets of approximately SEK 150 billion. Catella is listed on Nasdaq Stockholm in the Mid Cap segment. Read more at catella.com.