



CASTELLUM

Invitation to subscribe for shares in Castellum Aktiebolag

PLEASE NOTE THAT THE SUBSCRIPTION RIGHTS ARE EXPECTED TO HAVE AN ECONOMIC VALUE.

In order to not lose the potential value of the subscription rights, the holder must either:

- exercise the subscription rights received and subscribe for new shares not later than on 29 May 2023, or
- not later than on 24 May 2023 sell received subscription rights that are not intended to be exercised for subscription of new shares.

Please note that shareholders with nominee-registered shareholdings will subscribe for new shares through their nominee.

The distribution of this prospectus and the subscription for new shares are subject to restrictions in certain jurisdictions, please see "Important information".

Joint Global Coordinators and Joint Bookrunners



Handelsbanken Capital Markets

Nordea

Joint Bookrunners

Danske Bank

DNB Markets

Nykredit

SEB

Swedbank 

IMPORTANT INFORMATION

This prospectus (the "**Prospectus**") has been prepared in connection with the share issue in Castellum Aktiebolag, reg. no. 556475-5550 (a Swedish public limited liability company), with preferential rights for existing shareholders to subscribe for new shares in the company in accordance with the terms and conditions of the Prospectus (the "**Rights Issue**"). "Castellum", the "Company" or the "Group", where the terms are used in the Prospectus, refers, depending on the context, to Castellum Aktiebolag, one or more subsidiaries of Castellum or the Group in which Castellum is the parent company. "Joint Global Coordinators" refers to Citigroup Global Markets Europe AG (reg. no. HRB 88301) ("**Citi**"), Handelsbanken Capital Markets, part of Svenska Handelsbanken AB (publ) (reg. no. 502007-7862) ("**Handelsbanken**") and Nordea Bank Abp, filial i Sverige (reg. no. 516411-1683) ("**Nordea**"). "Joint Bookrunners" refers to the Joint Global Coordinators, Danske Bank A/S, Danmark, Sverige filial, DNB Markets, part of DNB Bank ASA, filial Sverige, Nykredit Bank A/S, Skandinaviska Enskilda Banken AB (publ) and Swedbank AB (publ). "Managers" refers to Joint Global Coordinators and the Joint Bookrunners.

A Swedish language version of the Prospectus has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) which is the competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The Swedish Financial Supervisory Authority approves the Prospectus to the extent that it meets the criteria of completeness, comprehensibility and consistency as stated in the Prospectus Regulation. The approval shall not be regarded as any form of endorsement of the issuer described in the Prospectus. Nor should this approval be regarded as any form of endorsement of the quality of the securities described in the Prospectus, and investors should use their own judgement on whether or not it is appropriate to invest in these securities. The Prospectus has been prepared as a simplified prospectus in accordance with Article 14 of the Prospectus Regulation.

The Prospectus and the Rights Issue are governed by Swedish law. Disputes arising in connection with the Prospectus, the Rights Issue and related legal matters shall be settled exclusively by Swedish courts. The Prospectus has been prepared by Castellum based on its own information and information from sources that Castellum deems reliable. The Prospectus has been prepared in both Swedish and English language versions. In the event of any discrepancy between the versions, the Swedish version shall prevail.

Castellum has not taken and will not take any actions to allow a public offering in any jurisdiction other than Sweden, Denmark, Finland and Norway. The Rights Issue is not being made to persons resident in Australia, Canada, Japan, New Zealand, South Africa, Switzerland and the United States or any other jurisdiction where participation would require additional prospectuses, registration or measures besides those required by Swedish law. Consequently, the Prospectus may not be distributed in or into the mentioned countries or any other country or jurisdiction in which such distribution or the Rights Issue in accordance with the Prospectus require such measures or otherwise would conflict with applicable securities law in such country or jurisdiction. Subscription of shares and other acquisitions of securities in violation of the restrictions described above may be void. Recipients of the Prospectus are required to inform themselves about, and comply with, such restrictions. Any failure to comply with the restrictions described may result in a violation of applicable securities regulations.

An investment in securities is associated with certain risks (see the section "**Risk factors**"). When an investor makes an investment decision, they must rely on their own analysis of Castellum and the Rights Issue in accordance with the Prospectus, including applicable facts and risks. Potential investors should, before making an investment decision, engage their own professional advisers and carefully evaluate and consider their investment decision. Investors may only rely on the information in the Prospectus and any supplements, as applicable, to the Prospectus. No person is authorised to provide any information or make any statements other than those made in the Prospectus. However, should such information or statements nevertheless be provided or made, such information or statements should not be considered to have been approved by Castellum, and Castellum is not responsible for such information or statements and such information and/or statements shall not be deemed reliable. Neither the publication of the Prospectus nor any transactions made in respect of it shall, under any circumstances, be deemed to imply that the information in the Prospectus is accurate or applicable at any time other than on the date of the publication of the Prospectus or that there have been no changes in Castellum's business since this date. If significant changes relating to the information contained in the Prospectus occur, such changes will be announced in accordance with the provisions on prospectus supplements under the Prospectus Regulation.

As a condition for subscription of new shares under the Rights Issue as governed by the Prospectus, each person applying for subscription of new shares shall be deemed to have made or, in some cases, be required to make, certain representations and warranties that will be relied upon by Castellum and its advisors. Castellum reserves the right to declare null and void any subscription of shares that Castellum or its advisors believe may give rise to a breach or violation of any law, rule or regulation in any jurisdiction.

Information to investors in the United States

None of the subscription rights, paid subscribed shares or shares in Castellum (collectively, the "**Securities**") have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States and may not be offered, subscribed for, exercised, pledged, sold, resold, granted, delivered or otherwise transferred, directly or indirectly, within or to the United States except pursuant to an applicable exemption from, the registration requirements of the Securities Act and in compliance with the applicable securities legislation in the applicable state or other jurisdiction of the United States. The Securities are being offered outside the United States in accordance with Regulation S under the Securities Act. No public offering of the Securities will be made in the United States. Any offering of the Securities made in the United States will only be made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, to a limited number of investors that (i) are qualified institutional buyers as defined in Rule 144A under the Securities Act ("**QIBs**"); (ii) are existing shareholders in Castellum on the record date and on the date of subscription; and (iii) have executed and delivered an investor letter to Castellum in form and substance acceptable to Castellum. Persons receiving the Prospectus are hereby notified that Castellum may be relying on an exemption from the registration requirements of Section 5 of the Securities Act. The Managers will not execute any transactions or attempt to arrange the purchase or sale of any Securities in or to the United States in connection with the Rights Issue.

The Securities have not been approved or disapproved by the U.S. Securities and Exchange Commission (SEC), any state regulatory authority in the United States or any other U.S. regulatory authority nor have any of the foregoing authorities passed upon or endorsed the merits of the Rights Issue or the accuracy or adequacy of the Prospectus. Any representation to the contrary is a criminal offense in the United States.

Up until 40 days after the first date upon which the Securities were offered to the public, an offer or a transfer of Securities within the United States made by a broker-dealer (regardless of whether such broker-dealer participates in the Rights Issue or not) may constitute a breach of the registration requirements of the Securities Act.

Information to investors in the EEA and the EU

Within the European Economic Area ("**EEA**"), no public offering of Securities is made in other countries than Sweden, Denmark, Finland and Norway. In other member states of the European Union ("**EU**"), such an offering of Securities may only be made in accordance with an exemption under the Prospectus Regulation. In other member states of the EEA which have implemented the Prospectus Regulation in their national legislation, any offer of Securities may only be made in

accordance with an applicable exemption in the Prospectus Regulation and/or in accordance with an applicable exemption under a relevant national implementation measure. In other member states of the EEA which have not implemented the Prospectus Regulation in their national legislation, any offer of Securities may only be made in accordance with an applicable exemption under national law.

Information to investors in the United Kingdom

The Prospectus has been prepared on the basis that any offer of securities in the United Kingdom will be made pursuant to an exemption under the UK Prospectus Regulation from the requirement to publish a prospectus for offers of securities. Accordingly, any person making or intending to make an offer in the United Kingdom of the securities which are subject to the offering contemplated in the Prospectus, may only do so in circumstances in which no obligation arises for Castellum or the Managers to publish a prospectus pursuant to Section 85 of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**") or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. Neither Castellum nor the Managers have authorised, nor do they authorise, the making of any offer of securities in circumstances in which an obligation arises for Castellum or the Managers to publish or supplement a prospectus for such offer. The expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of the United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018.

In the United Kingdom, the Prospectus is only being distributed to, and is only directed at (i) "investment professionals" falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**"); (ii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (e) of the Financial Promotion Order, provided that they are also a qualified investor as defined in Article 2 of the UK Prospectus Regulation (all such persons together being referred to as "**relevant persons**"). The Securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on the Prospectus or any of its contents.

Information to distributors

In order to comply with the product governance requirements contained within:

(a) Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and to release the or those Joint Global Coordinator(s) and Joint Bookrunner(s) who is/are to be considered as "manufacturer(s)" (for the purposes of the MiFID II Product Governance Requirements) from any extra-contractual, intra-contractual or any other liability which it/they may otherwise be subject to, the Securities have been subject to a product approval process, which has determined that the Securities each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "**Target Market Assessment**"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II. Notwithstanding the foregoing, distributors should note that: the price of the Securities may decline and investors could lose all or part of their investment; the Securities offer no guaranteed income and no capital protection; and an investment in the Securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Securities is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Rights Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Securities.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Securities and determining appropriate distribution channels.

Forward-looking statements

The Prospectus contains various forward-looking statements that reflect Castellum's current views with respect to future events and financial and operational performance. Terms such as "intended to", "considered", "expected", "may", "plans to", "believes", "estimates" and other expressions that involve indications or predictions regarding future progress or trends, and that are not based on historical facts, are forward-looking statements. Forward-looking statements are by their nature associated with both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not constitute any guarantee regarding future performance or progress, and actual outcomes may differ materially from those set out in the forward-looking statements. Factors that may cause Castellum's future performance and progress to deviate from what is stated in forward-looking statements include, but are not limited to, those described in the section "**Risk factors**". Forward-looking statements in the Prospectus only apply as of the date of the publication of the Prospectus. Castellum does not undertake to publish updates or revisions of forward-looking statements resulting from new information, future events, or similar circumstances other than as required by applicable law.

Presentation of financial information

The figures in certain financial and other information presented in the Prospectus have been rounded in order to make the information more accessible for the reader. Consequently, in certain columns the numbers do not exactly sum up with the stated total amount. Unless otherwise expressly stated, no information in the Prospectus has been reviewed or audited by the Company's auditor.

Industry and market information

The Prospectus includes industry and market information pertaining to Castellum's business and the market in which Castellum operates. Such information is based on the Company's analysis of multiple sources. Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of industry and market information contained in the Prospectus that was extracted or derived from such industry publications or reports. Industry and market information is inherently predictive and subject to uncertainty and are not necessarily reflective of actual market conditions. Such information is based on market research, which itself is based on sampling and subjective judgments by both researchers and respondents, including judgments about what types of products and transactions should be included in the relevant market. Information provided by third parties has been accurately reproduced and, as far as the Company is aware and is able to ascertain through comparison with other information published by the third parties concerned, no details have been omitted in a way that could render the information reproduced inaccurate or misleading.

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The Swedish version of this prospectus has been approved by the Swedish Financial Supervisory Authority on 10 May 2023. The prospectus is valid for up to twelve months after the date of the approval of the prospectus provided that it is complemented by any supplement required pursuant to Article 23 of the Prospectus Regulation. The obligation to supplement the prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply once the subscription period has ended and once trading has commenced in the newly issued shares on Nasdaq Stockholm.

The Rights Issue in brief

Preferential rights

Those who are registered as shareholders in Castellum on the record date 11 May 2023 will receive one (1) subscription right for each share held in Castellum, subject to the restrictions described in the section "Terms and conditions". The subscription rights entitle the holder to subscribe for new shares in the Rights Issue with preferential rights, with two (2) subscription rights entitling the holder to subscribe for one (1) new share in Castellum.

Subscription price

SEK 62 per share

Record date for right to receive subscription rights in the Rights Issue

11 May 2023

Subscription period

15 May 2023 – 29 May 2023¹⁾

Trading in subscription rights

15 May 2023 – 24 May 2023

Trading in BTA

15 May 2023 – 5 June 2023

Subscription with preferential rights

Subscription by exercise of subscription rights is made during the subscription period through simultaneous cash payment. For shareholders with nominee-registered shareholdings, subscription shall be carried out in accordance with the instructions of the respective nominee.

Subscription without preferential rights

Application for subscription without subscription rights takes place during the subscription period in accordance with the instructions set out in the section "Terms and conditions". For shareholders with nominee-registered shareholdings, subscription shall be carried out in accordance with the instructions of the respective nominee.

1) The Board of Directors of Castellum is entitled to extend the subscription period, which - in such case - would be announced through a press release as soon as such decision has been taken.

Other information

Ticker: CAST

ISIN code share: SE0000379190

ISIN code subscription right: SE0020202737

ISIN code BTA: SE0020202745

LEI code: 549300GUSOHRIT5IY68

Certain definitions

BTA refers to paid subscribed shares.

Company, the **Group** or **Castellum** refers to, depending on the context, Castellum Aktiebolag, reg. no. 556475-5550, the group in which Castellum is the parent company or a subsidiary in the group.

Citi refers to Citigroup Global Markets Europe AG (reg. no. HRB 88301).

EUR refers to euro.

Euroclear refers to Euroclear Sweden AB (Box 7822, SE-103 97 Stockholm, Sweden).

Handelsbanken refers to, depending on the context, Handelsbanken Capital Markets, part of Svenska Handelsbanken AB (publ) or Svenska Handelsbanken AB (publ) (reg. no. 502007-7862).

IFRS refers to International Financial Reporting Standards, as adopted by the European Union.

Joint Bookrunners refers to Joint Global Coordinators, Danske Bank A/S, Danmark, Sverige filial, DNB Markets, part of DNB Bank ASA, filial Sverige, Nykredit Bank A/S, Skandinaviska Enskilda Banken AB (publ) and Swedbank AB (publ).

Joint Global Coordinators refers to Citi, Handelsbanken and Nordea.

Managers refers to Joint Global Coordinators and Joint Bookrunners.

MSEK refers to millions of Swedish kronor.

Nasdaq Stockholm refers to the regulated market operated by Nasdaq Stockholm Aktiebolag.

Nordea refers to Nordea Bank Abp, filial i Sverige (reg. no. 516411-1683).

Prospectus refers to this prospectus, prepared in connection with the share issue in Castellum Aktiebolag, with preferential rights for existing shareholders to subscribe for new shares in the Company.

Prospectus Regulation refers to the Regulation (EU) 2017/1129.

SEK or "**krona**" refers to Swedish krona.

Financial calendar

14 July 2023: Interim report

January–June 2023

20 October 2023: Interim report

January–September 2023

Summary

Introduction and warnings

Introduction and warnings

This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. An investor could lose all or part of the invested capital.

Where a claim relating to the information in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Civil liability may only attach to those persons who have tabled the summary, including any translation thereof, only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or where it does not provide, together with other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

Information about the issuer

Castellum Aktiebolag, reg. no. 556475-5550, Östra Hamngatan 16, SE-403 14 Gothenburg, Sweden.

LEI code: 549300GU5OHTR1T5Y68

Ticker: CAST

ISIN code for Castellum's shares: SE0000379190

Competent authority

The Swedish Financial Supervisory Authority (address for visitors: Brunnsgränd 3, SE-111 38 Stockholm, Sweden; postal address: Box 7821, SE-103 97 Stockholm; Sweden, email: finansinspektionen@fi.se; telephone: +46 8-408 980 00, website: www.fi.se/en/) has approved the Swedish language version of the Prospectus in its capacity as competent authority under the Prospectus Regulation. The Prospectus was approved on 10 May 2023.

Key information on the issuer

Who is the issuer of the securities?

Information about the issuer

The Company is a Swedish public limited company with the LEI code: 549300GU5OHTR1T5Y68. The Company was incorporated in Sweden and is subject to Swedish law.

The issuer's principal activities

Castellum is one of the largest listed property companies in the Nordic region that owns, develops and manages commercial properties. The Company operates in growth regions in Sweden, Denmark and Finland as well as in Norway through the associated company Entra ASA ("Entra"), a company listed on the Oslo Stock Exchange.

The issuer's major shareholders

The table below shows Castellum's shareholders with a direct or indirect holding in the Company as of 31 March 2023 (with known changes thereafter) that corresponds to five per cent or more of the outstanding shares or votes in the Company. As of the date of the Prospectus and as far as the Company is aware, the Company is not directly or indirectly controlled by any party.

Shareholder	Number of shares	Outstanding shares and votes, percentage
Akelius Residential Property AB (publ)	44,021,358	13.4
Länsförsäkringar Fondförvaltning AB	17,482,299	5.3
<i>Other shareholders</i>	266,897,311	81.3
Total number of outstanding shares	328,400,968	100.0
Treasury shares ¹⁾	17,331,000	
Total number of shares registered	345,731,968	

1) The Company's treasury shares will be cancelled in connection with the Rights Issue in accordance with the resolution by the Annual General Meeting on 23 March 2023. The treasury shares may not be represented at a General Meeting and do not entitle to participation in the Rights Issue.

Board of Directors and Executive Management

The Company's Board of Directors consists of Per Berggren (chair), Anna-Karin Celsing, Ann-Louise Lökhölm-Klasson, Henrik Käll, Louise Richnau and Leiv Synnes.

The Company's Executive Management consists of Joacim Sjöberg (CEO), Sebastian Schlasberg, Jens Andersson, Hanna Brandström, Mats Eriksson, Per Gawelin, Örjan Rystedt, Malin Löveborg, Anna-Karin Nyman, Ola Orsmark, Kristina Sawjani and Sven Stork.

Auditor

Deloitte AB is the Company's auditor, with the authorised public accountant Harald Jagner as auditor-in-charge.

What is the key financial information regarding the issuer?

Summarised key financial information	Selected income statement items	1 January – 31 December		1 January – 31 March	
		2022	2021	2023	2022
	MSEK (unless otherwise stated)				
	Income	8,996	6,353	2,470	2,193
	Net operating income	5,838	4,346	1,536	1,406
	Net operating income				
	Income including associated companies	3,581	4,400	864	1,943
	<i>Of which income from property management¹⁾</i>	<i>4,510</i>	<i>3,522</i>	<i>1,014</i>	<i>1,151</i>
	Net income for the period	1,750	11,828	-4,304	3,612
	Earnings per share, SEK	5.29	41.81	-13.10	10.67
	1) Including Castellum's share of Entra's income from property management.				
	Selected balance sheet items				
		31 December		31 March	
	MSEK (unless otherwise stated)	2022	2021	2023	2022
	Total assets	179,731	177,632	174,595	180,947
	Equity	78,983	83,637	74,369	81,845
	Loan-to-value ratio ¹⁾ , total assets (%)	42.3	39.2	43.6	39.6
	1) Alternative key performance indicator.				
	Selected cash flow items				
		1 January – 31 December		1 January – 31 March	
	MSEK (unless otherwise stated)	2022	2021	2023	2022
	Cash flow from operating activities before change in working capital	4,113	3,277	959	1,208
	Cash flow from operating activities	4,300	2,603	1,092	1,139
	Cash flow from investment activities	-2,526	-13,972	-463	1,016
	Cash flow from financing activities	-2,162	12,405	253	-1,860
	Cash flow for the period	-388	1,036	882	294

What are the key risks that are specific to the issuer?**Material risk factors specific to the issuer****The Company's operations are affected by macroeconomic factors**

Castellum owns, develops and manages commercial properties in selected growth regions in Sweden, Denmark and Finland (and indirectly in Norway through its shareholding in Entra) and its operations are therefore affected by macroeconomic factors that are beyond Castellum's control. These factors include, but are not limited to, growth measured as gross domestic product ("GDP"), inflation and deflation, as well as general difficulties in securing financing or financing on terms acceptable to Castellum. For instance, weak economic growth has a negative impact on the demand for commercial premises, which in turn may lead to higher vacancy rates, declining market rents and foregone indexation income from existing leases. The risk of payment difficulties (or even bankruptcies) among customers also increases, which, if the risk materialises, would have an immediate negative effect on the cash flow. Limited access to capital due to general difficulties in securing financing or financing on terms acceptable to Castellum, may impede Castellum's ability to conduct its operations.

The commercial property sector is competitive and Castellum may have difficulties competing successfully in the future

Castellum operates in a competitive sector. Among other things, Castellum's competitiveness depends on its ability to attract and retain tenants, to anticipate future changes and trends in the industry, and to rapidly adapt to both current and future market needs. Castellum's competitors may have larger financial and operational resources at their disposal to better withstand market downturns, to compete more successfully, to better retain skilled personnel, and to respond more rapidly to evolving tenant needs, than what Castellum may be capable to. Accordingly, Castellum may have to make investments, restructurings or price reductions in order to adapt to changes in the competitive situation, for example through the renegotiation of lease terms. If Castellum is unable to successfully compete, such failure may materially impact rent levels and vacancy rates, and Castellum's revenues could decline, which in turn may have a material adverse impact on Castellum's operations, earnings and financial position.

Material risk factors specific to the issuer, cont.
Castellum's income is dependent on tenants meeting their rental obligations

Castellum's income primarily comprises of rental income from its properties. A failure by tenants to pay rents or otherwise to perform their obligations towards Castellum may lead to lower rental income and increased loss on accounts receivable. Although Castellum has a diversified customer base, including, *inter alia*, government agencies and global companies, there is a risk that tenants may not be able to meet their rental obligations. Factors specific to Castellum may also affect the rental income negatively, e.g., insufficient customer care or property maintenance may result in unsatisfied tenants and ultimately increased vacancy rates, which in turn might lead to lower rental income. There is also a risk that Castellum's tenants will not renew or extend their leases as they expire. Furthermore, there is a risk that it will not be possible to find new tenants, or that new tenants will not pay the equivalent rents as the previous tenants, which may result in a higher vacancy rate and/or lower rental income. If tenants fail to perform their obligations, for example in the event of bankruptcy, this may also result in loss of revenue and an increased vacancy rate, which may result in reduced cash flow and lower property values. If tenants fail to renew or extend their leases as they expire or fail to pay agreed rents on time or otherwise fail to perform their obligations, this may have a material adverse impact on Castellum's operations, earnings and financial position.

Risks implied by the composition of the property portfolio

The composition of Castellum's property portfolio implies risks, including that Castellum may own properties in the wrong submarket, city or location with regard to future growth. The composition may also be affected by Castellum owning properties that do not meet evolving customer preferences, technology standard, micro-location, demand or flexibility of use and contractual flexibility. Properties that cannot meet such requirements over time entail a higher risk of increased vacancies, which in turn may lead to a decline in the value of the property in question, or a need on the part of Castellum to make costly investments. Furthermore, trends and demand may also change over time and it may not be possible to accurately predict future developments. The Covid-19 pandemic has, for example, led to a certain trend towards increased work from home. However, this has not led to higher vacancy rates for Castellum, which has a positive net letting, but rather a change in the tenants' utilisation of the premises. In addition, Castellum's property portfolio is divided into five segments: *offices, warehouse/light industry, public sector properties, retail and developments and land*. If Castellum makes inaccurate judgements regarding which regions and segments have the right characteristics for continued exposure through holding of portfolio properties, or if Castellum does not succeed in ensuring that its properties meet customer demand over time despite the fact that they are located in regions and exist within segments that have the right characteristics with regard to economic growth, rental market conditions, collaborative climate and infrastructure connections, this may have a material adverse effect on Castellum's operations, earnings and financial position.

Property transactions involve uncertainties which could adversely impact Castellum's business

All property transactions are associated with uncertainty and assumptions, and accordingly, there is a risk that Castellum may be (i) unable to find suitable acquisition properties, (ii) unable to finance property acquisitions on terms commercially acceptable to Castellum, and (iii) that desired property sales cannot be completed on terms acceptable to Castellum. The market's yield requirement, future vacancies, the tenants' payment capability, environmental conditions, currency fluctuations when expanding into a new geographical market as well as technical defects constitute some of the uncertain elements associated with property transactions. In addition, property-owning and property-acquiring companies are exposed to risks in relation to non-identified risks linked to businesses that are acquired, either because of lack of information or due to the fact that made assumptions may turn out to be erroneous.

Castellum has not been subject to any material unsettled warranty claims with respect to sold properties or companies during the last few years, however, there is a risk that any claims in the future may have an adverse impact on Castellum's business, financial position and earnings.

Castellum may continue to sell properties within the framework of its operations, but may not be able to sell properties at prices that reflect the property's current book value or at all. If Castellum is unable to generate proceeds through disposals, or if there is a material delay in effecting disposals, this may adversely impact Castellum's liquidity and cash flow.

Castellum is subject to possible future changes in tax laws and regulations

Castellum operates in multiple jurisdictions. Castellum's operations are affected by from time to time applicable rules regarding corporate tax, value added tax, stamp duty and property tax in the jurisdictions in which Castellum operates. This also applies to other state and municipal fees. Castellum conducts its operations in accordance with Castellum's interpretation of applicable tax laws and regulations, which means that there is a risk that the Company's interpretation is incorrect or that applicable tax laws and regulations may be amended with possible retroactive effect. In addition, future changes to applicable tax laws and regulations may significantly affect the conditions for Castellum's operations, earnings and financial position.

Material risk factors specific to the issuer, cont.

Regulatory compliance and changes in legislation may adversely affect the Group's results of operations and increase its costs

Castellum's operations are subject to Swedish, Danish and Finnish laws and regulations, relating to, for example, construction documents and zoning plans, building standards, safety and protection regulations, health and environmental regulations, regulations concerning permitted construction materials, building classifications and rental legislation. Castellum is subject to legal restrictions in connection with the structuring of property transactions and may become subject to such additional restrictions in the future. Furthermore, Castellum is obliged to comply with external corporate governance regulations such as Regulation (EU) No 596/2014 on Market Abuse ("MAR"), the Swedish Companies Act, the Swedish Corporate Governance Code and Nasdaq's regulations (Nordic Main Market Rulebook for Issuers of Shares). Changes in regulations regarding accounting and reporting could also have an impact on Castellum's financial position, for example regarding the accounting of shares in associated companies and how the value in use is determined, which could affect how the Company's holding in Entra is reported. In addition, Castellum's operations is affected by regional and international regulatory frameworks such as the General Data Protection Regulation (EU) 2016/679 ("GDPR"). There is a risk of non-compliance with existing regulatory frameworks, which may result in sanctions being imposed on Castellum. In the event of any breach of the GDPR, Castellum may also be liable for damages in relation to data subjects who have suffered damage as a result of the breach. Further, new legislation and other regulatory frameworks may be implemented in the future, and existing legislation and other regulatory frameworks may be changed and there is a risk that Castellum will be unable to comply with such changed requirements without having to implement far-reaching measures and incurring significant costs. Adapting Castellum's operations to correspond with these legal requirements could cause Castellum to incur additional costs, which in turn could have a material adverse effect on Castellum's operations, earnings and financial position.

Financing risk

External borrowing constitutes a large part of the Company's supply of capital and the external borrowing constitutes by far the Group's largest financial risk. Castellum is subject to liquidity and financing risks, which among other things entail a risk that sufficient financing is lacking or that available financing at a certain time may be unfavourable for Castellum. Insufficient liquidity reserves may result in Castellum missing out on business opportunities or not being able to meet the Company's payment obligations.

There is also a risk that the necessary financing cannot be obtained or can only be obtained on terms unfavourable for Castellum. The risk may also consist of significantly increased costs for existing or new loans, which, if it materialises, would have an adverse impact on Castellum's liquidity and ability to fulfil its obligations and lead to a deterioration in Castellum's ability to conduct its operations.

Castellum is dependent on its long-term credit rating to pursue its financing strategy

Castellum has sought and obtained a long-term issuer credit rating of Baa3 with a stable outlook from Moody's. If Castellum's long term credit rating was to be downgraded, future issuances of bonds and shares may become significantly more expensive or more difficult. Moody's could downgrade Castellum's long-term issuer credit rating if, for instance, the value of Castellum's unencumbered assets would not reach certain levels, or if Castellum's effective leverage or fixed charge cover ratios were to exceed certain levels, both on a sustained basis. Further examples are if Castellum would be unable to maintain an adequate liquidity profile or its debt maturity schedule was shortened. If any of the risks described above would materialise, this could potentially have an impact on both the cost and accessibility of new funding and it could be more difficult for Castellum to pursue its current funding strategy, which could have a material adverse effect on the Group's operations, earnings and financial position.

Larger unforeseen payment obligations may impact Castellum's liquidity

Larger payment obligations may arise in conjunction with the refinancing of one or more of the Company's loans in the event that any lender would demand a lower loan-to-value ratio in the new financing arrangement or if the relevant property would decrease in value following Castellum incurring the debt. Of the Group's debt financing, SEK 33.9 billion contains, as of 31 March 2023, financial covenants that measure loan volumes in relation to the fair value of Castellum's properties. The levels of these covenants vary between approximately 60 per cent to 75 per cent. In addition, Castellum's payment obligations primarily comprise of operating expenses, such as costs for heating, electricity, water and waste, agreed maintenance charges, investments in project development and other investments, as well as interest on, and the repayment of, debts. Larger unforeseen payment obligations may arise for Castellum in light of the current interest rate environment and volatile electricity prices. Unforeseen payment obligations could also arise in the event of tax changes, particularly in the event of retroactive application. In addition, there is a risk that tenants do not fulfil their rental obligations and that large rental income will be lost for Castellum. There is a risk that Castellum's liquidity will be insufficient to cover the fulfilment of the Company's payment obligations, which could have a material adverse impact on Castellum's operations, earnings and financial position.

Key information on the securities

What are the main features of the securities?

Securities offered	<p>The Prospectus refers to the issue of a maximum of 164,200,484 shares (ISIN-code: SE0000379190) with preferential rights for Castellum's shareholders. The shares in Castellum are issued according to Swedish law, fully paid for, and denominated in SEK. As of date of the Prospectus there are a total of 328,400,968¹⁾ outstanding shares in the Company. The quota value per share is SEK 0.5.</p> <p>1) Excluding 17,331,000 treasury shares, corresponding to SEK 8,665,500 in share capital, held by Castellum (which will be cancelled in connection with the Rights Issue, in accordance with the resolution from the Annual General Meeting held on 23 March 2023).</p>
Rights attached to the securities	<p>Each share in the Company entitles the holder to one (1) vote at a General Meeting, and each shareholder is entitled to vote for the total number of shares held in the Company.</p> <p>If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue, the shareholders shall as a principal rule have preferential rights to subscribe for such securities in proportion to the number of shares held. All shares in the Company carry equal rights to dividends and to the Company's assets and any surplus in the event of liquidation. On the record date determined by the General Meeting or by the Board of Directors, all shareholders recorded in the share register maintained by Euroclear are entitled to receive dividends.</p> <p>The rights associated with shares issued by the Company, including those described in the Articles of Association, may only be changed according to the procedures set out in the Swedish Companies Act (2005:551).</p>
Dividend policy	<p>According to the Company's dividend policy, dividends corresponding to at least 50 per cent of the Company's income from property management, before tax, is to be distributed.</p>

Where will the securities be traded?

Admission to trading	<p>Castellum's shares are admitted to trading on Nasdaq Stockholm under the ticker CAST. The shares to be issued in the forthcoming Rights Issue will also be admitted to trading on Nasdaq Stockholm.</p>
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What are the main risks specific to the securities?

Material risk factors specific to the securities	<p>The share price can be volatile and the share price development is affected by several factors</p> <p>Since an investment in shares may decrease in value, there is a risk that investors will not recover their invested capital. The share price development depends on multiple factors, some of which are specific to Castellum whilst others are related to the stock market in general. The share price may, for example, be affected by supply and demand, fluctuations in actual or projected results, changes in earnings forecasts, failure to meet stock analysts' earnings expectations, changes in general economic conditions, changes in perceived reputation and changes in regulatory conditions and other factors. This presents a significant risk for investors.</p> <p>Influence of major shareholders' and sales of shares in the Company</p> <p>Akelius Residential Property AB (publ) ("Akelius Residential Property") is the Company's largest shareholder controlling 13.4 per cent of the capital and votes in Castellum as of the date of the Prospectus. The above-mentioned shareholder may have the ability to exercise a significant influence over the result in matters referred to the Company's shareholders for approval, including election of Board members and certain potential increases of share capital, consolidations or sales in all, or almost all, of Castellum's assets. The larger shareholders' interest may deviate from, or compete with, the Company's or other shareholders' interests and there is a risk that larger shareholders will exercise their influence over the Company in a way that is not in line with the interests of other shareholders. The price of the shares in Castellum could decrease if there is a large sale of the Company's shares, particularly if Castellum's Board members, members of the Executive Management or major shareholders sell their shares, or when a larger number of shares are sold. Sales of larger number of shares from major shareholders, or if such sale is expected, could have a material adverse effect on the Company's share price.</p> <p>Castellum's ability to pay dividends is dependent on multiple factors</p> <p>Dividends can only be paid out if Castellum has distributable funds and in such an amount that it appears justifiable with regard to the requirements that the nature, scope and risks of the business renders on the size of equity and Castellum's consolidation needs, liquidity and position in general for a certain financial year. Furthermore, Castellum's ability to pay dividends in the future is affected by the Group's future earnings, financial position, cash flows, working capital requirements and other factors. There is thus a risk that distributable funds will be less or not available in any given financial year. On 15 November 2022, the Board of Directors announced it had resolved to not propose any dividend for the financial year 2022. The Annual General Meeting 2023 resolved in accordance with the Board of Directors' proposal, and accordingly, no dividend for the financial year 2022 was paid and the profit was carried forward. There is a risk that the Company may also resolve not to pay dividends to shareholders in the future.</p>
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Material risk factors specific to the securities, cont.

Trading in subscription rights and paid subscribed shares may be limited

Those who are registered as shareholders in Castellum on the record date will receive subscription rights in proportion to their existing shareholdings. Both subscription rights and paid subscribed shares (Sw. *betalda tecknade aktier*) ("BTA") which, after payment, are booked into the securities accounts of those who have subscribed for new shares, will be subject to trading on Nasdaq Stockholm for a limited period of time. Trading in these instruments may be limited, which may cause problems for individual holders in selling their subscription rights and/or BTA and thereby mean that the holders will not be able to compensate themselves for the economic dilution effect that the Rights Issue entails. Such circumstances would constitute a significant risk for investors.

Shareholders not participating in the Rights Issue will be affected by dilution

The subscription rights will expire and become useless without entitlement to compensation for the shareholder if the shareholder chooses not to exercise or sell its subscription rights in the Rights Issue as set out in the Prospectus. If a shareholder chooses to sell its unexercised subscription rights or if these subscription rights are sold on behalf of the shareholder, there is a risk that the compensation the shareholder receives for the subscription rights sold in the market does not correspond to the economic dilution of the shareholder's ownership in Castellum after the completion of the Rights Issue.

Non-secured subscription undertakings and guarantee commitments

Akelius Residential Property, Castellum's largest shareholder, representing 13.4 per cent of the shares and votes in Castellum, has undertaken to subscribe for its pro rata share (13.4 per cent) of the Rights Issue. In addition, Akelius Residential Property has entered into a guarantee commitment to subscribe for an additional 28.5 per cent of the Rights Issue without subscription rights. In total, the subscription undertakings and the guarantee commitments provided by Akelius Residential Property amount to approximately 41.9 per cent of the Rights Issue. Citi and Nordea have entered into a guarantee commitment by way of an underwriting agreement, on customary terms, for the remaining part of the Rights Issue that is not covered by Akelius Residential Property's subscription undertaking and guarantee commitment, i.e. 58.1 per cent of the Rights Issue (divided equally between Citi and Nordea). However, the subscription undertakings and the guarantee commitments are not secured through, for example, bank guarantees. Consequently, there is a risk that one or more of said parties will not be able to fulfil their respective subscription undertakings or guarantee commitments in whole or in part. Should the aforementioned subscription undertakings and guarantee commitments not be fulfilled, it would have an adverse effect on Castellum's possibility to successfully carry out the Rights Issue.

Key information on the offer of securities to the public and/or admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?

The Board of Directors of Castellum resolved on 4 May 2023, by virtue of the authorisation from the Annual General Meeting, to issue new shares in Castellum with preferential rights for existing shareholders.

The Rights Issue will entail that Castellum's share capital will increase by not more than SEK 82,100,242, from the current SEK 172,865,984 to not more than SEK 246,300,726, through the issuance of not more than 164,200,484 new shares. After the Rights Issue, the number of shares in Castellum will amount to not more than 492,601,452 shares¹⁾. The Company's shareholders have preferential rights to subscribe for new shares in Castellum in proportion to the number of shares held on the record date of the Rights Issue. The record date for the right to participate in the Rights Issue is 11 May 2023.

For each existing share held on the record date, one (1) subscription right will be received. The subscription rights entitle the holder to subscribe for new shares, whereas two (2) subscription rights entitle the holder to subscribe for one (1) new share. Any shares not subscribed for on the basis of subscription rights, will be allocated to shareholders and other investors that have subscribed for shares without preferential rights. Subscription for new shares shall be carried out during the period from and including 15 May 2023 up to and including 29 May 2023, or such later date as decided by the Board of Directors.

The subscription price has been set to SEK 62 per share. Upon full subscription, the Rights Issue will result in proceeds for Castellum of approximately SEK 10,180 million before deduction of costs related to the Rights Issue. The costs related to the Rights Issue, that will be deducted from the issue proceeds, are estimated to amount to approximately SEK 228 million.

Upon full subscription of the Rights Issue, the number of shares in Castellum will increase with 164,200,484 shares, from 328,400,968 outstanding shares to 492,601,452 outstanding shares, which corresponds to a dilution of approximately 33.3 per cent of the number of outstanding shares and 33.3 per cent of the number of votes in the Company.²⁾ Shareholders who decide not to participate in the Rights Issue will have the possibility to partly gain economic compensation for the dilution by selling their subscription rights.

1) Excluding 17,331,000 treasury shares, corresponding to SEK 8,665,500 in share capital, held by Castellum (which will be cancelled in connection with the Rights Issue, in accordance with the resolution from the Annual General Meeting held on 23 March 2023).

2) Excluding 17,331,000 treasury shares, corresponding to SEK 8,665,500 in share capital, held by Castellum (which will be cancelled in connection with the Rights Issue, in accordance with the resolution from the Annual General Meeting held on 23 March 2023).

Why is the Prospectus being produced?

Background and reasons

During 2022, the Nordic real estate market was heavily impacted by high inflation, rapidly rising interest rates, a cautious bond market and an economic slowdown. At the same time, the rental market and demand for offices and warehouses/logistics space remained strong. In response to the rapidly changing market conditions, Castellum has increased its focus on ensuring long-term sustainable financing with a maintained credit profile and credit rating by strengthening its balance sheet. The Company is continuously evaluating measures that can secure and strengthen the Company's financial strength in the event of prolonged uncertainty on the capital markets. One of the measures taken by the Board of Directors of Castellum is a pause in the Company's dividend tradition by not proposing a dividend to the Annual General Meeting 2023. The Annual General Meeting held on 23 March 2023 resolved in accordance with the Board of Director's proposal, entailing that no dividend was paid for the financial year 2022 and that the profit was carried forward. Another measure is the Board of Directors' decision to, by virtue of the authorisation resolved on at the Annual General Meeting held on 23 March 2023, carry out the contemplated share issue, with preferential rights for the Company's existing shareholders and with total issue proceeds of approximately SEK 10,180 million, before deduction of issue costs.

Upon full subscription in the Rights Issue, the issue proceeds will amount to approximately SEK 10,180 million before deduction of issue costs, which are estimated to amount to SEK 228 million (including the fee for the guarantee commitments). The Board of Directors of Castellum believes that the proceeds from the Rights Issue will strengthen the Company's financial position and enable the Company, in the current macroeconomic environment, to (i) manage balance sheet liquidity alongside repayment of upcoming near and mid-term bond maturities with adequate margins, (ii) maintain and reinforce the Company's credit profile and public credit rating and (iii) enable the Company to keep growing selectively through planned and future value-creating development projects.

Akelius Residential Property, Castellum's largest shareholder representing 13.4 per cent of the shares and votes in Castellum¹⁾, supports the decision of the Rights Issue and has undertaken to subscribe for its pro rata share (13.4 per cent) of the Rights Issue. Akelius Residential Property has, additionally, entered into a guarantee commitment to subscribe, subject to certain terms, for an additional 28.5 per cent of the Rights Issue without subscription rights. Citi and Nordea have entered into a guarantee commitment by way of an underwriting agreement, subject to customary terms, for the remaining part of the Rights Issue that is not covered by Akelius Residential Property's subscription undertaking and guarantee commitment, i.e. 58.1 per cent of the Rights Issue (divided equally between Citi and Nordea). Hence, 100 per cent of the Rights Issue is covered by subscription undertakings and guarantee commitments. The subscription undertakings and guarantee commitments are not secured through, for example, bank guarantees.

1) Excluding 17,331,00 treasury shares, corresponding to SEK 8,665,500 in share capital, held by Castellum (which will be cancelled in connection with the Rights Issue, in accordance with the resolution from the Annual General Meeting held on 23 March 2023).

Conflicts of interest

Citi, Handelsbanken and Nordea are Joint Global Coordinators and Joint Bookrunners. Danske Bank A/S, Danmark, Sverige filial, DNB Markets, part of DNB Bank ASA, filial Sverige, Nykredit Bank A/S, Skandinaviska Enskilda Banken AB (publ) and Swedbank AB (publ) are Joint Bookrunners. The Joint Global Coordinators and the Joint Bookrunner provide financial advice and other services to the Company in relation to the Rights Issue. The Joint Global Coordinators and the Joint Bookrunners have provided, and may in the future provide, various banking, financial, investment, commercial and other services to Castellum for which they have received, and may in the future receive, compensation. Citi and Nordea are also acting as underwriters in relation to the Rights Issue.

In addition, the Joint Global Coordinators and the Joint Bookrunners and their affiliates are lenders to Castellum.

Risk factors

An investment in the securities in the Rights Issue is associated with a number of risks. Prior to any investment decision, investors should carefully consider all the risks set out below and all other information in the Prospectus before making an investment decision regarding the shares. In accordance with the Prospectus Regulation, the risk factors set out below are limited to risks which are specific to the Company and/or to the securities and which are material for making an informed investment decision. The assessment of the materiality of each risk factor is based on the probability of the occurrence of the risk and the expected magnitude of the negative impact of the risk. The assessment is based on information available as of the date of the Prospectus. The risk factors that the Company currently considers to be the most material is presented first in each category, and the subsequent risk factors are presented in no particular order.

Risks related to the issuer

Operational and industrial risks

The Company's operations are affected by macroeconomic factors

Castellum owns, develops and manages commercial properties in selected growth regions in Sweden, Denmark and Finland (and indirectly in Norway through its shareholding in Entra) and its operations are therefore affected by macroeconomic factors that are beyond Castellum's control. These factors include, but are not limited to, growth measured as gross domestic product ("GDP"), inflation and deflation, as well as general difficulties in securing financing or financing on terms acceptable to Castellum. For instance, weak economic growth has a negative impact on the demand for commercial premises, which in turn may lead to higher vacancy rates, declining market rents and foregone indexation income from existing leases. The risk of payment difficulties (or even bankruptcies) among customers also increases, which, if the risk materialises, would have an immediate negative effect on the cash flow. Limited access to capital due to general difficulties in securing financing or financing on terms acceptable to Castellum, may impede Castellum's ability to conduct its operations. General economic downturns may also have a negative impact on the market value of Castellum's properties and its assets in general, including its shareholding in Entra. General economic downturns can occur as a result of, among other things, global pandemics, such as the Covid-19 pandemic that during 2020, 2021 and partly in 2022 caused extensive economic turbulence leading to a deterioration of both global and regional economic conditions, including Europe and the Nordic region. While the pandemic had a great impact on the European and Nordic financial markets, the impact on Castellum's earnings has, to date, been marginal with slightly lower rental income. Additionally, global macroeconomic conditions may be adversely affected, for example, by political tensions, acts of war and/or increase of sanctions, in particular as a result of Russia's invasion of Ukraine.

Although the length, impact and outcome of the ongoing war in Ukraine is unpredictable, the war (including the imposition of sanctions by the United States, EU, United Kingdom and other nations as well as Russian counter-sanctions) has led to significant market disruption, including significant volatility in commodity and energy prices, international credit and capital markets and asset prices, construction prices, supply chain interruption and deteriorating financing conditions, which has led to significant impacts on Castellum's business through increased costs. The prolongation of geopolitical tensions, sanctions and political uncertainty therefore negatively impacts economic growth, business operations and real estate markets. This has had, and might continue to have, a material adverse effect on Castellum's financial performance and the cost for funding as well as business and operations. Although the Company is continuously evaluating measures that can secure and strengthen the Company's financial strength in the event of prolonged uncertainty in the capital markets and annually reviews its strategic goals, it cannot be ruled out that such circumstances might affect the Company's future strategic goals.

The economy in both Europe and globally are currently being affected by a significant inflationary pressure. This has been exacerbated by the sanctions put in place as a response to Russia's ongoing invasion of Ukraine, which has increased energy, commodity and fuel prices. In response to rising inflation, central banks have globally increased interest rates, and it cannot be ruled out that further increases may occur. Interest expenses represent one of Castellum's single largest cost item and a significant increase in interest rates would increase financing costs for Castellum. Rising inflation may also have direct and/or indirect impact on tenants' business and tenants' ability to pay rent as they might have less disposable income. Indexation of leases, in addition to increased costs for energy, wages and sourcing, may reinforce cost pressure on tenants' business. In addition, inflationary pressure may negatively affect the cost of project developments and operating costs, and may impact Castellum, for instance, in

case of unlet space. Any such changes to interest rates and inflation may also adversely affect the market's yield requirements and the market value of Castellum's properties. If any of these risks would materialise, it could have a material adverse effect on Castellum's operations, earnings and financial position.

Supply and demand for properties, and therefore the yield on property investments, varies between different geographic markets and property categories, and can thus develop differently within such geographic markets and property categories. There is a risk that demand will fall and that the market's yield requirement therefore will increase within those geographic markets and property categories in which Castellum operates. This could have a material adverse impact on Castellum's operations, earnings and financial position.

The commercial property sector is competitive and Castellum may have difficulties competing successfully in the future

Castellum operates in a competitive sector. Among other things, Castellum's competitiveness depends on its ability to attract and retain tenants, to anticipate future changes and trends in the industry, and to rapidly adapt to both current and future market needs. Castellum's competitors may have larger financial and operational resources at their disposal to better withstand market downturns, to compete more successfully, to better retain skilled personnel, and to respond more rapidly to evolving tenant needs, than what Castellum may be capable to. Accordingly, Castellum may have to make investments, restructurings or price reductions in order to adapt to changes in the competitive situation, for example through the renegotiation of lease terms. If Castellum is unable to successfully compete, such failure may materially impact rent levels and vacancy rates, and Castellum's revenues could decline, which in turn may have a material adverse impact on Castellum's operations, earnings and financial position.

Castellum's income is dependent on tenants meeting their rental obligations

Castellum's income primarily comprises of rental income from its properties. A failure by tenants to pay rents or otherwise to perform their obligations towards Castellum may lead to lower rental income and increased loss on accounts receivable. Although Castellum has a diversified customer base, including, *inter alia*, government agencies and global companies, there is a risk that tenants may not be able to meet their rental obligations. Factors specific to Castellum may also affect the rental income negatively, e.g., insufficient customer care or property maintenance may result in unsatisfied tenants and ultimately increased vacancy rates, which in turn might lead to lower rental income. There is also a risk that Castellum's tenants will not renew or extend their leases as they expire. Furthermore, there is a risk that it will not be possible to find new tenants, or that new tenants will not pay the equivalent rents as the previous tenants, which may result in a higher vacancy rate and/or lower rental income. If tenants fail to perform their obligations, for example in the event of bankruptcy, this may also result in loss of revenue and an increased vacancy rate, which may result in reduced cash flow

and lower property values. If tenants fail to renew or extend their leases as they expire or fail to pay agreed rents on time or otherwise fail to perform their obligations, this may have a material adverse impact on Castellum's operations, earnings and financial position.

Risks implied by the composition of the property portfolio

For Castellum, a successful composition of the property portfolio is dependent on its properties having the right characteristics in terms of location and segment, as well as on the properties being able to meet customer preferences and a satisfactory technology standard over time.

The composition of Castellum's property portfolio implies certain risks, including that Castellum may own properties in the wrong submarket, city or location with regard to future growth. The composition may also be affected by Castellum owning properties that do not meet evolving customer preferences, technology standard, micro-location, demand or flexibility of use and contractual flexibility. Properties that cannot meet such requirements over time entail a higher risk of increased vacancies, which in turn may lead to a decline in the value of the property in question, or a need on the part of Castellum to make costly investments. Furthermore, trends and demand may also change over time, and it may not be possible to accurately predict future developments. The Covid-19 pandemic has, for example, led to a certain trend towards increased work from home. However, this has not led to higher vacancy rates for Castellum, which has a positive net letting, but rather a change in the tenants' utilisation of the premises. In addition, Castellum's property portfolio is divided into five segments: *offices, warehouse/light industry, public sector properties, retail and developments and land*. If Castellum makes inaccurate judgements regarding which regions and segments have the right characteristics for continued exposure through holding of portfolio properties, or if Castellum does not succeed in ensuring that its properties meet customer demand over time despite the fact that they are located in regions and exist within segments that have the right characteristics with regard to economic growth, rental market conditions, collaborative climate and infrastructure connections, this may have a material adverse effect on Castellum's operations, earnings and financial position.

Property transactions involve uncertainties which could adversely impact Castellum's business

Property transactions represent an important part of Castellum's growth strategy. During 2022, the Group acquired properties for SEK 363 million in total and carried out sales of properties for SEK 3,080 million in total, compared to 2021 where acquisitions of properties amounted to SEK 56,147 million and the carrying amount of sales of properties amounted to SEK 16,350 million. All property transactions are associated with uncertainty and assumptions, and accordingly, there is a risk that Castellum may be (i) unable to find suitable acquisition properties, (ii) unable to finance property acquisitions on terms commercially acceptable to Castellum, and (iii) that desired property sales cannot be completed on terms acceptable to Castellum. The market's yield require-

ment, future vacancies, the tenants' payment capability, environmental conditions, currency fluctuations when expanding into a new geographical market as well as technical defects constitute some of the uncertain elements associated with property transactions. In addition, property-owning and property-acquiring companies are exposed to risks in relation to non-identified risks linked to businesses that are acquired, either because of lack of information or due to the fact that made assumptions may turn out to be erroneous. Although Castellum, prior to each investment, makes an evaluation aimed at identifying and, if possible, mitigating the risks that may be associated with the investment, there remains a risk that future businesses or properties that are acquired may have a material adverse impact on Castellum's operations, earnings and financial position. Should the prices at which Castellum acquires companies or properties in the long term prove to be misleading or for other reasons too high, this may lead to an impairment requirement. In the event that goodwill is impaired, the assets in the balance sheet decreases, which in turn means that the Company's solvency decreases. See also "*Risks related to the acquisition of Kungsleden*" below.

According to several of the sales agreements that Castellum has entered into historically, there are undertakings and warranty provisions to the buyer's benefit that may become relevant, such as that the property's use has deviated from an applicable zoning plan in violation of stipulated warranties; that, contrary to stipulated warranties, all charges relating to road construction/maintenance costs and connection fees relating to the period prior to the completion date have not been paid in full; or that, contrary to stipulated warranties concerning the property, a public authority's decision to take measures has not been performed in full prior to the completion date. In certain agreements, Castellum has also undertaken to perform certain measures and/or indemnify a certain buyer. Some sale agreements may also contain provisions stating that part of the purchase price that Castellum is to receive falls due for payment only when certain specific conditions have been fulfilled. Castellum has not been subject to any material unsettled warranty claims with respect to sold properties or companies during the last few years, however, there is a risk that any claims in the future may have an adverse impact on Castellum's business, financial position and earnings. Accordingly, there is a risk that the possibility of obtaining compensation in the case of a warranty claim will be limited if an acquisition was made from a vendor which is, or will be, in financial difficulties or if there is a cap in respect of the amount of compensation that may be claimed, which may contribute to increased uncertainty and increased costs for Castellum, which in turn could have a material adverse impact on Castellum's operations, earnings and financial position.

Castellum may continue to sell properties within the framework of its operations, but may not be able to sell properties at prices that reflect the property's current book value or at all. If Castellum is unable to generate proceeds through disposals, or if there is a material delay in effecting disposals, this may adversely impact Castellum's liquidity and cash flow. Accord-

ingly, Castellum's growth strategy is dependent on a liquid property market, a matter which in turn depends on a number of different factors, such as macroeconomic conditions, changes in the financial position of potential buyers and their prospects for securing financing, changes in domestic or international economic conditions, and changes to legislation, regulations or tax policy in Sweden, Denmark, Finland and Norway. An illiquid property market may therefore have a material adverse effect on Castellum's operations, earnings and financial position.

Increasing operating and maintenance costs may affect Castellum's financial position

Castellum's operating expenses mainly comprise of tariff-based costs such as costs for heating, electricity, water and waste. There are a limited number of suppliers in respect of some of these services, which could result in increased costs for Castellum. For example, Castellum, like other companies in the same sector, is dependent on a limited number of electricity suppliers. Energy costs are the most significant and volatile item in operating and maintenance costs, and energy costs have significantly increased as a result of Russia's invasion of Ukraine. For example, electricity prices have significantly increased, and the price of other energy has also been affected. If the energy price increases by 10 per cent on all of Castellum's properties, such increase would result in SEK 89 million in increased operating costs, without taking into account that parts of the costs would be charged to the tenants. Notwithstanding that some of Castellum's leases are structured in such manner that the tenant defrays a significant part of these costs, there may be an adverse impact on Castellum's operations, earnings and financial position, if Castellum would not be able to receive increased rental income to cover any such increased costs.

Measures aimed at maintaining the standard of Castellum's properties in the long-term and/or modernising properties require maintenance and renovation expenditures. Expenditures necessary to satisfy market or legal requirements may be significant and unforeseen. There is a risk that, in respect of large-scale operating expenses, maintenance or renovation work, it may not be possible to pass on the associated costs to Castellum's tenants through increased rents, which may have a material adverse impact on Castellum's operations, earnings and financial position.

Defects in or damage to Castellum's properties may result in unforeseen costs

As of 31 March 2023, Castellum owns 741 properties in total. There are risks associated with the technical operation of properties, such as the risk of structural defects, other defects or deficiencies, damages (for example, through fire or other forces of nature) and contamination. Climate change also presents a risk of property damage caused by weather conditions, increased water levels and changes in other physical environments that affect real estate. These risks could increase in the long run, which could mean increased investment requirements for properties located in vulnerable areas

in order to prevent such properties from becoming obsolete. Although Castellum seeks to invest in properties with a sound technical standard, there is a risk of unforeseen costs. In the event such technical problems arise, and the costs cannot be fully or partially covered by any insurance, this may have a material adverse impact on Castellum's operations, earnings and financial position.

Business disruptions and operational shortcomings in Castellum's IT systems or control systems may have a negative impact on its operations

All operational activities are subject to the risk of incurring losses due to deficient routines and/or the business being detrimentally affected by disruptions caused by shortcomings or internal or external events. The term operating risk refers mainly to the risk of financial consequences and consequences related to the loss of trust which ensue from such shortcomings in internal routines and systems, including IT systems and reporting. Operational certainty, achieved through sound internal control, appropriate administrative systems and access to reliable valuation and risk models, is required to mitigate such risks and reduce the risk to Castellum's administrative security and control. Castellum's ability to effectively run its organisation and to maintain effective internal control depends on having a functional IT environment and IT operations, and on having control systems that are integrated throughout the entire organisation. Failure or disruption in Castellum's IT systems or control systems may also impact Castellum's ability to submit correct financial reports or to submit such reports in a timely manner, both internally and externally. To the extent Castellum is subject to failure or disruption in any of its systems or some other technological resource or experiences a cyber-security breach, it may be rendered incapable of effectively running and managing its operations. Business disruptions and shortcomings in operational security including serious failures and disruptions in Castellum's IT systems, control systems or payment systems may also impact its customer relationships, reputation, risk management and profitability, which may in turn have a material adverse effect on Castellum's operations, earnings and financial position.

Property valuation relies on factors which are subject to change

Castellum is exposed to changes in the market value of its property portfolio. Castellum reports its property holdings at fair value in accordance with IAS 40 *Investment Property*, which means that the book value in respect of the Group's properties corresponds to the properties' assessed market value. Castellum uses an internal valuation process to assess the market value of its properties. In addition to this internal valuation, an external valuation is also carried out each year by an independent appraiser in respect of approximately 50 per cent of Castellum's portfolio value. In connection with preparing the Prospectus, Castellum has also commissioned independent appraisers to value 100 per cent of Castellum's property portfolio. There is, however, still a risk that the valua-

tion of some of the properties may be incorrect or that the properties' value may decline over time. The value of the properties is affected by, and any assessment is made in the light of, a number of factors such as market supply, vacancy rate, rent level and operating expenses, residual value, yield requirements, general economic trends, interest rates and inflation. In particular, if interest rates continue to increase, this would put pressure on yield requirements, meaning that market values risk declining if yield requirements do not reach a sufficient level. As of 31 March 2023, the property value totalled SEK 148 billion, according to Castellum's internal valuation. The value range normally used in property valuations is +/- 5-10 per cent, and should be seen as an indication of the uncertainty that exists in assumptions and calculations. In a less liquid market, the range may be wider. An uncertainty range of +/- 5 per cent means a range in value of the property portfolio of SEK 140,803-155,625 million, corresponding to +/- SEK 7,410 million.

There is no guarantee that there will be a liquid market for Castellum's properties going forward. There is a risk that changes in any of these factors may negatively affect the property values, which could have an adverse impact on Castellum's earnings and financial position. For example, potential large write downs of the property portfolio could negatively affect Castellum's loan to value ratio ("**LTV**") as well as its credit rating.

Risks relating to the acquisition of Kungsleden

On 10 November 2021, Castellum announced that it would complete its public offer (the "**Offer**") to the shareholders of Kungsleden Aktiebolag ("**Kungsleden**") to acquire all shares in Kungsleden in exchange for a combined consideration of shares in Castellum and cash, with the effect that Castellum controlled Kungsleden, which thereafter formally became a subsidiary of Castellum (the "**Acquisition**").

Following the completion of the Acquisition, Kungsleden's business has become an integral part of the Group's business. However, missing synergies as a result of the Acquisition could result in an adverse impact on the price of Castellum's shares and debt securities. Whether or not all synergies may be realised depends on a number of factors and is based on Castellum's assessment of future circumstances and there is a risk that synergies may not be fully realised. The information used by Castellum when making the Offer was derived from public sources and was not independently verified by Castellum at the time. If the consideration paid by Castellum to acquire Kungsleden proves over time to have been too high, this could lead to impairments in the future. As of 31 March 2023, goodwill related to the acquisition of Kungsleden amounted to SEK 3,739 million. As of the date of the Prospectus, the Company has made goodwill impairments attributable to Kungsleden of SEK 191 million and there is no guarantee that further goodwill impairments will not occur in the future. All of the above factors could have a material adverse effect on the Group's operations, earnings and financial position.

Project development poses risks to Castellum

The construction, refurbishment and extension of properties constitute a part of Castellum's regular business operations. Project development is inherently associated with uncertainties and risks as regards to costs and delays. Project development is also subject to construction risks, meaning that Castellum may incur greater delay costs if commitments under the Company's construction agreements are not fulfilled. Larger projects can involve significant investments, which may lead to an increased credit risk if tenants fail to perform their obligations to pay rent and Castellum is unable to find other tenants for the premises, if Castellum fails to let the premises upon completion of a project, or if the demand or price of properties generally changes during the course of a project. Although Castellum monitors development projects closely, projects may be delayed, become more expensive and the quality may not meet the expectations, which may result in increased costs or reduced income. In particular, increasing refurbishment and maintenance repair costs may arise, for example, from increasing legal requirements for energy efficiency, or due to inflation, increased energy costs or supply constraints, which may drive prices and costs. In addition, Castellum may be dependent on procuring the necessary permits from public authorities and other permits for carrying out property development projects. There is a risk that Castellum will not be able to complete its property projects, which may have a material adverse impact on Castellum's operations, earnings and financial position.

Loss of key personnel may undermine Castellum's operations

Castellum's business and financial performance is dependent on experienced employees possessing relevant core skills within Castellum's operations and industry. Such key individuals include the senior executives as well as the Group's employees in general. Examples of such key personnel within the Company are the President and CEO, CFO, COO and Chief Legal Officer. If several of the persons in these positions were to simultaneously decide to terminate their employment at Castellum, in combination with the immediate subordinate manager choosing to leave, situations may arise where the risk level would increase and entail that the Company's results may deteriorate for a limited period of time. Castellum's success is heavily dependent on its ability to recruit, motivate and retain qualified personnel at all levels of the organisation. Castellum has recently experienced changes in the composition of its Executive Management, and there may be a risk that, over time, Castellum would be unable to retain or recruit qualified personnel to the desired extent. Any disruption caused by the departure of one or more key individuals, including any delay in securing highly skilled replacements, could have an impact on Castellum's ability to implement its strategy in the near-term which could have a material adverse impact on Castellum's operations, earnings and financial position.

Castellum could incur losses not covered by, or exceeding the coverage limits of, its insurance

Castellum's management believes that Castellum's risks are covered by appropriate insurance coverage in line with market practice. Castellum has insurance policies, for example, in respect of property, business interruption, fraud and liability for damages. However, the actual losses suffered by Castellum could exceed Castellum's insurance coverage and could be material. Furthermore, certain types of risks, such as the risk for war, acts of terror, natural disasters or extreme weather conditions, such as floods, may be or may in the future be impossible or too costly for Castellum to insure itself against. If damage should occur to a property and subsequently lead to tenants terminating or not renewing their leases, there is also a risk that Castellum's insurance coverage will not cover the consequent loss of rental income. If uninsured damage would occur, or if any damages would exceed the insurance coverage, Castellum may lose the capital invested in the relevant property as well as future revenues from such property. Furthermore, Castellum may become liable to repair damage caused by uninsured risks. Castellum may also become liable for debts and other financial obligations with regard to damaged buildings. The realisation of one or more damaging events for which Castellum has no insurance coverage or for which Castellum's insurance coverage is insufficient could have a material adverse effect on Castellum's business, financial position and earnings.

Legal and regulatory risks**Castellum is subject to possible future changes in tax laws and regulations**

Castellum operates in multiple jurisdictions. Castellum's operations are affected by from time to time applicable rules regarding corporate tax, value added tax, stamp duty and property tax in the jurisdictions in which Castellum operates. This also applies to other state and municipal fees. Castellum conducts its operations in accordance with Castellum's interpretation of applicable tax laws and regulations, which means that there is a risk that the Company's interpretation is incorrect or that applicable tax laws and regulations may be amended with possible retroactive effect. In addition, future changes to applicable tax laws and regulations may significantly affect the conditions for Castellum's operations, earnings and financial position.

The EU countries have agreed on the implementation of the directive on ensuring a global minimum level of taxation for multinational groups (the Pillar Two Directive). The directive shall be implemented by 31 December 2023 and applied from 1 January 2024, and introduces a global minimum tax rate of 15 per cent on companies' income regardless of where in the world they operate. The rules apply to multinational groups with a turnover of at least EUR 750 million. Although the global minimum tax rate is lower than the national tax rate, this may lead to a 'top-up tax', since the taxable profit in some cases is calculated in a way that differs from the national tax rules.

On 7 February 2023, a proposal was presented for implementing the Pillar Two Directive in Sweden by introducing a special law, the Supplementary Tax Act. The Group is expected to have such turnover that it will be affected by the Swedish legislation. The legislative proposal has not yet been finalised in all parts and significant research work remains until the scope of the new regulation is clear. As of the date of the Prospectus, neither Finland nor Denmark has presented any legislative proposal for the implementation of the Pillar Two Directive.

On 31 March 2022, the Swedish Land Survey Authority (Sw. *Lantmäteriet*) presented its report "Stamp duty on the acquisition of real property through property formation measures" (Sw. "*Stämpelskatt vid förvärv av fast egendom genom fastighetsbildningsåtgärder*"), in which it is proposed that stamp duty should be levied on (i) acquisitions in accordance with the Swedish Land Code (Sw. *Jordabalken*) (1970:994) followed by property formation, (ii) acquisitions through property formation (Sw. *fastighetsregleringsförvärv*), and (iii) acquisitions through subdivision (Sw. *klyvningsförvärv*). Furthermore, it is proposed that the stamp duty levied in the case of acquisitions through subdivision should be calculated on the basis of the market value of the acquired property. The Swedish Land Survey Authority has concluded that the proposal needs further assessment before a legislative amendment can be implemented and it is therefore difficult to predict when a final legislative proposal may be presented, what such proposal will contain and when new legislation on stamp duty may enter into force. There is a risk that the introduction of a general stamp duty for certain acquisitions through property formation measures could lead to higher stamp duty costs for Castellum in connection with such acquisitions. However, any new rules are not expected to have retroactive effect and acquisitions through property formation procedures initiated before such rules enter into force are therefore not expected to be affected.

On 1 March 2023, the Finnish Income Tax Act was amended. The taxation of income from the transfer of real estate was extended to cover indirect transfers. Under the new law, Finland is entitled to tax in situations where a foreign company sells a company that owns shares in a Finnish real estate company or Finnish real estate. According to the amendment, income from Finland includes gains from the disposal of shares, participations or rights in a company, association or group of assets managed on behalf of another person, if the assets of the company, associations or group of assets, consist directly or indirectly of more than 50 per cent of real property situated in Finland on the date of disposal or any of the 365 days preceding the disposal, and the transferred shares, units or other similar rights are not listed on a trading venue. As a result of the amendment, there is a risk that Castellum will be subject to Finnish capital gains taxation upon the sale of a holding company that owns shares in a Finnish real estate company.

The Finnish government has intended to reform the real estate tax system in order to make tax values better reflect price levels and construction costs in different areas. The reform was intended to enter into force as of the 2023 tax

year, but on 2 September 2022 the Finnish government decided that the tax reform will be postponed and that the government's proposal on the reform will not be published during the current government term. There is a great consensus that the current property tax system needs to be changed as it does not meet the requirements of a fair tax system, but it is unclear whether the current government will propose a reform of the property tax system.

On 19 December 2022, a public inquiry was presented with extensive proposals for changes to property taxation in Norway (Torvik Committee - "A sustainable tax system") (No. *Torvik-utvalget - "Et helhetlig skattesystem"*). According to current legislation, municipalities in Norway may choose whether to levy property tax and, within certain limits, determine the tax rate. Some municipalities allow a basic deduction per property when determining the tax base. According to the report, the basic deduction should be changed so that a person or company that owns several properties only receives one basic deduction for all properties. If the proposal is implemented, it could lead to only one basic deduction being allowed within a group, which could lead to increased property tax costs. The Norwegian Ministry of Finance has not yet decided to implement the changes in property taxation.

There can be no assurance that tax rates will not be increased in the future or that the changes described above or other changes in tax laws/regulations might occur, which could affect the ownership of real estate properties or real estate transactions resulting in unforeseen or higher tax liabilities. If any such risks materialise, it could have a material adverse impact on Castellum's operations, earnings and financial position.

Regulatory compliance and changes in legislation may adversely affect the Group's results of operations and increase its costs

Castellum's operations are subject to Swedish, Danish and Finnish laws and regulations, relating to, for example, construction documents and zoning plans, building standards, safety and protection regulations, health and environmental regulations, regulations concerning permitted construction materials, building classifications and rental legislation. Castellum is subject to legal restrictions in connection with the structuring of property transactions and may become subject to such additional restrictions in the future. Furthermore, Castellum is obliged to comply with external corporate governance regulations such as Regulation (EU) No 596/2014 on Market Abuse ("**MAR**"), the Swedish Companies Act, the Swedish Corporate Governance Code and Nasdaq's regulations (Nordic Main Market Rulebook for Issuers of Shares). Changes in regulations regarding accounting and reporting could also have an impact on Castellum's financial position, for example regarding the accounting of shares in associated companies and how the value in use is determined, which could affect how the Company's holding in Entra is reported. In addition, Castellum's operations is affected by regional and international regulatory frameworks such as the General Data Protection Regulation (EU) 2016/679 ("**GDPR**"). There is a risk of non-compliance with existing regulatory frameworks,

which may result in sanctions being imposed on Castellum. In the event of any breach of the GDPR, Castellum may also be liable for damages in relation to data subjects who have suffered damage as a result of the breach. Further, new legislation and other regulatory frameworks may be implemented in the future, and existing legislation and other regulatory frameworks may be changed and there is a risk that Castellum will be unable to comply with such changed requirements without having to implement far-reaching measures and incurring significant costs. Adapting Castellum's operations to correspond with these legal requirements could cause Castellum to incur additional costs, which in turn could have a material adverse effect on Castellum's operations, earnings and financial position.

Disputes and legal proceedings could have a material adverse effect on Castellum

There is a risk that costs incur as a consequence of the Group being party to legal proceedings, settlement costs, as well as costs in respect of awarded damages and other obligations which may be imposed on Castellum. Companies within the Group may, from time to time, become involved in disputes within the scope of normal business operations and run the risk, similarly to other companies within Castellum's industry, of being the subject of claims with respect to, for example, contractual issues, warranty claims, alleged errors in the offered services, environmental issues and intellectual property rights. Such disputes and claims may be time-consuming, disrupt normal operations, involve large amounts, detrimentally affect customer relations and result in significant costs. Disputes involving major constructions, bankruptcies or rent disputes are examples of disputes that could have a greater impact on the Company. In the event of such disputes arises and Castellum is held liable for damages or enters into a settlement agreement, there is a risk that claims will not be covered in full by Castellum's insurance. In addition, the outcome of complicated disputes may be difficult to predict. Potential disputes and legal proceedings brought against Castellum could have a material adverse impact on Castellum's operations, earnings and financial position.

Environmental risks and related regulatory risks

Castellum is subject to extensive and increasingly stringent environmental, health and safety legislation and regulations relating to acquisitions, ownership, possessions and management of properties. Properties affect the environment through the construction, on-going maintenance and through the activities conducted within the properties. According to the Swedish Environmental Code (Sw. *Miljöbalken*) (1998:808), the persons who pursue or have pursued activities or have taken a measure that have contributed to contamination are responsible for remedying any harm caused. In Castellum's case, it would normally be its tenants who are pursuing such activities. However, if the person pursuing the activity is unable to investigate, carry out or pay the cost of remediation, responsibility for the investigation and after-treatment may be imposed on a party that has acquired the property after 31 December 1998 and, at the time of the acquisition, was

aware or should have been aware of the contamination. Furthermore, by acquiring a business and/or a company, a party may assume the responsibility for environmental liability for contaminations which the operations and the businesses previously have contributed to. Thus, Castellum may be held liable for contaminations caused by operations acquired through previous real estate transactions. Responsibility may also be imposed on Castellum as a developer if actions for the development cause existing contaminations to spread to surrounding areas. Accordingly, there is a risk that in certain circumstances claims may be brought against Castellum for investigations, remedying and monitoring contamination or for the clean-up of contamination that has taken place, in order to maintain or restore properties to a condition that complies with the Environmental Code. In the event such liability is imposed on Castellum, it could have a material adverse impact on its operations, earnings and financial position.

Furthermore, the Energy Performance of Buildings Directive (EPBD) is being revised at EU level. Certain changes in the directive could have an impact on planning and construction legislation, among other things, which could affect Castellum's operations. Existing provisions on renovation are intended to be supplemented with minimum requirements at EU level for energy efficiency, which aims to significantly increase the rate of renovation in society with a focus on buildings with the lowest energy class. The ambition with the amendments includes ensuring that new buildings are climate neutral by 2028, and that all new public buildings are climate neutral by 2026.

In addition, Castellum is subject to legislation and permit requirements relating to the operation of airports and flight operations due to Castellum's ownership of Gothenburg City Airport (Sw. *Säve flygplats*). The flight operations have given rise to pollution on the airport site and it cannot be ruled out that Castellum may incur costs for any remediation of the site. In the event the operations on the property would be subject to change, Castellum as the operator may be required to obtain new or amended environmental and/or operational permits. Permit processes entail a general risk that the permit applied for is not granted, which may affect the development of Castellum's operations.

Harm to Castellum's brand may have a negative impact on the Company's competitiveness, consume management's time and resources as well as give rise to additional costs

Castellum's ability to attract and retain tenants is to a certain extent dependent on its brand, as a consequence of which its operations are sensitive to risks related to reputational harm. For instance, Castellum's brand may be adversely affected by rumours, negative publicity or other factors that could lead to Castellum no longer being considered as being a competent and serious operator on the market. If Castellum's brand would deteriorate, or if Castellum would be subject to negative publicity, this could reduce Castellum's competitiveness, reduce confidence in the Company and consume the time and resources of Castellum's management as well as impose additional costs on Castellum, which could have a material

adverse effect on Castellum's possibilities to achieve its growth targets and its operations, earnings and financial position. Similarly, there is a risk that a third party may challenge the validity of Castellum's trademark registrations or the right to use its trademarks. Defending itself in proceedings regarding the validity of distinctive marks or registrations may be costly and, in the event that Castellum would be required to cease using its business name or valuable trademarks, this could have a material adverse impact on Castellum's operations, earnings and financial position.

Financial risks

Financing risk

External borrowing constitutes a large part of the Company's supply of capital and the external borrowing constitutes by far the Group's largest financial risk. Castellum is subject to liquidity and financing risks, which among other things entail a risk that sufficient financing is lacking or that available financing at a certain time may be unfavourable for Castellum. Insufficient liquidity reserves may result in Castellum missing out on business opportunities or not being able to meet the Company's payment obligations. Through Castellum's shareholding in Entra, parts of Castellum's liquidity may have to be used to strengthen the liquidity in Entra, if such a need would arise. Changes in the capital structure could result in Castellum breaching financial covenants in the loan terms, which could lead to more expensive credit or, at the lender's request, early termination of credit agreements, which in turn could lead to demands for immediate repayment and creditors claiming pledged assets. In the event that Castellum fails to ensure an appropriate capital structure, it may adversely affect the Company's confidence in the capital markets. If Castellum's loan-to-value ratio increases, or if a lender considers Castellum's creditworthiness to deteriorate in the future, it may affect the terms of existing financing agreements or Castellum's access to sources of financing.

There is also a risk that the necessary financing cannot be obtained or can only be obtained on terms unfavourable for Castellum. The risk may also consist of significantly increased costs for existing or new loans, which, if it materialises, would have an adverse impact on Castellum's liquidity and ability to fulfil its obligations and lead to a deterioration in Castellum's ability to conduct its operations. Castellum's financing is dependent on bank and capital market conditions, which are affected by factors such as fluctuations in interest rates and inflation, fulfilment of financial commitments and Castellum's financial position at the time of financing. Finally, Castellum has outstanding bonds which, like the loan agreements, contain customary provisions on change of control and may be subject to termination in the event of a significant change of control in Castellum.

Castellum is dependent on its long-term credit rating to pursue its financing strategy

Castellum has sought and obtained a long-term issuer credit rating of Baa3 with a stable outlook from Moody's. If Castellum's long term credit rating was to be downgraded, future issuances of bonds and shares may become significantly

more expensive or more difficult. Moody's could downgrade Castellum's long-term issuer credit rating if, for instance, the value of Castellum's unencumbered assets would not reach certain levels, or Castellum's effective leverage or fixed charge cover ratios were to exceed certain levels, both on a sustained basis. Further examples are if Castellum would be unable to maintain an adequate liquidity profile or its debt maturity schedule was shortened. If any of the risks described above would materialise, this could potentially have an impact on both the cost and accessibility of new funding and it could be more difficult for Castellum to pursue its current funding strategy, which could have a material adverse effect on the Group's operations, earnings and financial position.

Larger unforeseen payment obligations may impact Castellum's liquidity

Larger payment obligations may arise in conjunction with the refinancing of one or more of the Company's loans in the event that any lender would demand a lower loan-to-value ratio in the new financing arrangement or if the relevant property would decrease in value following Castellum incurring the debt. Of the Group's debt financing, SEK 33.9 billion contains, as of 31 March 2023, financial covenants that measure loan volumes in relation to the fair value of Castellum's properties. The levels of these covenants vary between approximately 60 per cent to 75 per cent. In addition, Castellum's payment obligations primarily comprise of operating expenses, such as costs for heating, electricity, water and waste, agreed maintenance charges, investments in project development and other investments, as well as interest on, and the repayment of, debts. Larger unforeseen payment obligations may arise for Castellum in light of the current interest rate environment and volatile electricity prices. Unforeseen payment obligations could also arise in the event of tax changes, particularly in the event of retroactive application. In addition, there is a risk that tenants do not fulfil their rental obligations and that large rental income will be lost for Castellum. There is a risk that Castellum's liquidity will be insufficient to cover the fulfilment of the Company's payment obligations, which could have a material adverse impact on Castellum's operations, earnings and financial position.

Fluctuations in market interest rates and loan margins may adversely affect Castellum's business

Castellum's operations are primarily financed through equity and interest-bearing debt. Interest expenses represent one of Castellum's single largest cost items and have a major impact on growth in income from property management. Changes in market interest rates and credit margins affect net financial items. How quickly and by how much largely depends on the chosen fixed interest term and the duration of credit margins. Castellum is therefore exposed to the risk of changes in market interest rates and loan margins. The risk is also affected by the strategy Castellum chooses in respect of fixed interest rate durations. To ensure low and stable net interest, Castellum has chosen to restrict the proportion of fixed maturities due within six months at a maximum 50 per cent of net debt; the average fixed interest term will be between 1.5–4.5 years. At 31 March

1) Refers to the period 1 April 2022 – 31 March 2023.

2023, the interest coverage ratio was 3.4 times¹⁾ and the average fixed interest duration was 2.7 years. Increased interest costs could have a material adverse impact on Castellum's operations, earnings and financial position.

Changes in the value of financial derivative instruments may result in losses for Castellum

Castellum has a large number of loans with short fixed-interest periods and uses interest rate derivatives (mainly interest rate swaps) as an element in the management of interest rate risk. Interest rate derivatives are regularly reported at fair value in the balance sheet, with changes in value being reported in the income statement. Castellum's derivatives are primarily impacted by changes to long-term market interest rates as well as exchange rate fluctuations. As of 31 March 2023, the market value of financial derivative instruments amounted to SEK 3.1 billion. In the event that market rates fall, the market value of Castellum's interest rate derivatives will decrease, which could have a material adverse impact on Castellum's operations, earnings and financial position.

Credit and counterparty risk

There is a risk that Castellum's counterparties within its financing operations may fail to perform their financial obligations towards Castellum. Castellum's financing activities include, among other things, the execution of long and short-term loan agreements, the execution of interest rate derivatives, as well as the investment of liquidity surpluses through cash, deposits in banks and investments in treasury-bills and bank CDs. There is a risk that Castellum's counterparties will fail to perform their financial obligations towards Castellum, which may have a material adverse impact on Castellum's operations, earnings and financial position.

Breach of financial covenants may lead to Castellum's creditors demanding pre-payment

The Company has outstanding bond loans and a number of facility agreements with various banks. Castellum's bank loan agreements usually include both financial and other covenants. Such covenants may, for example, relate to an interest-coverage ratio or loan volumes related to the fair value of Castellum's properties. Examples of other provisions in the Company's loan agreements are change of control clauses on change of ownership that are triggered if, for example, one or more persons acting jointly directly or indirectly acquire shares representing more than 30 or 50 per cent of the total share capital in Castellum. As security for bank loans, Castellum may grant mortgages on some of the Group's properties or on intragroup claims against subsidiaries. Castellum may also pledge shares in its subsidiaries or provide guarantees for its commitments to lenders. In the event that Castellum breaches its financial covenants in one or more loan agreements, it may result in the loan agreement being terminated prematurely by the lender, all outstanding loans becoming immediately due for repayment and the credit institutions enforcing its security, which could have a material adverse impact on Castellum's operations, earnings and financial position.

Changes in exchange rates may adversely affect Castellum's business

The Swedish krona is Castellum's reporting currency, but the Group also has revenues, expenses, assets and liabilities in currencies other than the Swedish krona. Castellum's currency exposure is currently limited to the Danish krone, the euro and the Norwegian krone and relates to the properties that the Group owns in Denmark and Finland and a shareholding in the Norwegian property company Entra. Currency exposure arises, *inter alia*, in connection with the Company's holding of assets and liabilities in foreign currencies, in connection with the purchases and sales of goods and services in currencies other than the local currency of Castellum's relevant subsidiary, as well as dividend payments (transaction exposure), and the translation into Swedish kronor of the balance sheets and income statements of the relevant foreign subsidiaries that are reported in foreign currency (translation exposure). Permissible currency exposure under the Company's financial policy is a net exposure corresponding to 10 per cent of the balance sheet total. In cases where currency derivatives are used, Castellum typically practices hedge accounting for net investments in foreign operations. Castellum's interest rate derivatives or currency derivatives change in value in the event of changes in the exchange rate between DKK to SEK, EUR to SEK and NOK to SEK. Accordingly, Castellum is exposed to exchange rate fluctuations that could affect its income statement and balance sheet, which in turn could have a material adverse impact on Castellum's operations, earnings and financial position.

Risks related to the securities

The share price can be volatile and the share price development is affected by several factors

Since an investment in shares may decrease in value, there is a risk that investors will not recover their invested capital. The Company's shares are listed on Nasdaq Stockholm and during the period 2 January 2023 to 5 May 2023, the minimum closing share price for Castellum's share was SEK 109.4 and the maximum was SEK 163.1. During the same period, the daily number of traded shares amounted to a minimum of 362,903 and a maximum of 5,657,975. Accordingly, the share price may be volatile and there may, from time to time, be limited liquidity in the share.

The share price development depends on multiple factors, some of which are specific to Castellum whilst others are related to the stock market in general. The share price may, for example, be affected by supply and demand, fluctuations in actual or projected results, changes in earnings forecasts, failure to meet stock analysts' earnings expectations, changes in general economic conditions, changes in perceived reputation and changes in regulatory conditions and other factors. The price of Castellum's share is furthermore in some cases affected by competitors' activities and market positions. There is a risk that there will not always be an active and liquid market for trading in Castellum's shares, which would affect investors' possibilities to recover their invested capital. This presents a significant risk for investors. Since it is impossible for a single company to control all factors which may affect the share price, every investment decision should be preceded by careful analysis.

Influence of major shareholders and sales of shares in the Company

As of the date of the Prospectus, Akelius Residential Property AB (publ) ("**Akelius Residential Property**") is the Company's largest shareholder controlling 13.4 per cent of the capital and votes in Castellum. Akelius Residential Property has undertaken to subscribe for shares corresponding to its pro rata share in the Company and has entered into a guarantee commitment, which implies that Akelius Residential Property, after the Rights Issue, if it is not fully subscribed and Akelius Residential Property is thus forced to fulfil its guarantee commitment, increases its shareholding further. In such a scenario, Akelius Residential Property would control up to 22.9 per cent of the capital and votes in Castellum (provided that Akelius Residential Property does not purchase and exercise additional subscription rights).

The above-mentioned shareholder may have the ability to exercise a significant influence over the result in matters referred to the Company's shareholders for approval, including election of Board members and certain potential increases of share capital, consolidations or sales in all, or almost all, of Castellum's assets. The larger shareholders' interest may deviate from, or compete with, the Company's or other shareholders' interests and there is a risk that larger shareholders will exercise their influence over the Company in a way that is not in line with the interests of other shareholders. The price of the shares in Castellum could decrease if there is a large sale of the Company's shares, particularly if Castellum's Board members, members of the Executive Management or major shareholders sell their shares, or when a larger number of shares are sold. Sales of larger number of shares from major shareholders, or if such sale is expected, could have a material adverse effect on the Company's share price.

Castellum's ability to pay dividends is dependent on multiple factors

Dividends can only be paid out if Castellum has distributable funds and in such an amount that it appears justifiable with regard to the requirements that the nature, scope and risks of the business renders on the size of equity and Castellum's consolidation needs, liquidity and position in general for a certain financial year. Furthermore, Castellum's ability to pay dividends in the future is affected by the Group's future earnings, financial position, cash flows, working capital requirements and other factors. There is thus a risk that distributable funds will be less or not available in any given financial year. Castellum's ability to pay out dividends can also be affected by changes to regulations.

Castellum's long-term goal is to increase income from property management per share by 10 per cent annually, while maintaining a dividend of at least 50 per cent of income from property management before tax. On 15 November 2022, Castellum announced that, in order to safeguard the Company's credit rating, the Board of Directors had resolved to adopt a stricter financial policy and a savings program with a reduced investment scope for 2023 in order to strengthen the Company's balance sheet. Simultaneously, the Board of Directors announced it had resolved to not propose any dividend for the

financial year 2022. The Annual General Meeting 2023 resolved in accordance with the Board of Directors' proposal, and accordingly, no dividend for the financial year 2022 was paid and the profit was carried forward. There is a risk that the Company may also resolve not to pay dividends to shareholders in the future.

Shareholders in the United States and other jurisdictions outside Sweden are exposed to particular share-related risks

The Company's shares, and any dividends that may be paid out, is denominated in SEK. An investment in the Company's shares by an investor whose main currency is not SEK exposes the investor to currency risks that may affect the value of the investment in the shares and any dividends. The recent weak development of SEK has thus had an adverse effect on the value of shareholdings denominated in other currencies. Furthermore, tax laws in both Sweden and shareholders' home countries can affect income from any dividends that may be paid out. In certain jurisdictions there may be limitations in national securities laws resulting in shareholders in such jurisdictions not being permitted to participate in new issues and other public offerings of transferable securities. Castellum has shareholders in, among other countries, the United States, where securities laws include such restrictions. If Castellum in the future issues new shares with preferential rights for the Company's shareholders, shareholders in certain jurisdictions may, including the above-mentioned countries and in the same way as applies for the Rights Issue, be subject to restrictions that may, for example, prevent them from participating in rights issues or that their participation is otherwise impeded or restricted. To the extent that shareholders in jurisdictions outside of Sweden are restricted from preferentially subscribing for new shares in any future rights issues, their ownership may be diluted or reduced in value.

It may be difficult for investors to recover in civil proceedings for U.S. securities law violations

Castellum and its subsidiaries are located outside of the United States and the operations are conducted entirely outside the United States. All members of the Board of Directors and the Executive Management of Castellum are resident outside the United States. Castellum's assets, and most of the personal assets of the members of the Board of Directors and the Executive Management, are located outside of the United States. It is possible that investors may not be able to bring legal action in the United States against members of the Board of Directors or the Executive Management in Castellum and its respective subsidiary, and it is also possible that investors may not be able to execute judgements from a court in the United States against any of these individuals.

The United States and Sweden do not currently have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitral awards, in civil and commercial matters. Consequently, a final judgment rendered against Castellum or any of its directors or executive officers that are residents of Sweden by any U.S. federal or state court for payment would not automatically be enforceable in Sweden and it may be difficult to enforce any such judgment in Sweden

against Castellum or such directors or executive officers. In addition, there is doubt as to enforceability in Sweden, in original actions or in actions for enforcement of judgments of U.S. courts, of liabilities predicated solely upon the federal or state securities laws of the United States.

Risks related to the Rights Issue

Trading in subscription rights and paid subscribed shares (BTA) may be limited

Those who are registered as shareholders in Castellum on the record date will receive subscription rights in proportion to their existing shareholdings. The subscription rights are expected to have an economic value that can only benefit the holder if they either exercise them to subscribe for new shares no later than 29 May 2023 or sell them no later than 24 May 2023. After 29 May 2023, unexercised subscription rights will be deregistered, without prior notification, from the holder's securities account and the holder will thus be deprived of the expected economic value of the subscription rights. Both subscription rights and paid subscribed shares (Sw. *betalda tecknade aktier*) ("**BTA**") which, after payment, are booked into the securities accounts of those who have subscribed for new shares, will be subject to trading on Nasdaq Stockholm for a limited period of time. Trading in these instruments may be limited, which may cause problems for individual holders in selling their subscription rights and/or BTA and thereby mean that the holders will not be able to compensate themselves for the economic dilution effect that the Rights Issue entails (see "*Shareholders not participating in the Rights Issue will be affected by dilution*" below) as well as during the period when trading in BTA is expected to take place on Nasdaq Stockholm (from and including 15 May 2023 up to and including 5 June 2023). Investors also thereby risk being unable to realise the value of their BTA. Such circumstances would constitute a significant risk for investors. Limited liquidity could also enhance fluctuations in the market price of subscription rights and/or BTA. Accordingly, pricing of these instruments may be incorrect or misleading.

Shareholders not participating in the Rights Issue will be affected by dilution

The subscription rights will expire and become useless without entitlement to compensation for the shareholder if the shareholder chooses not to exercise or sell its subscription rights in the Rights Issue as set out in the Prospectus. Consequently, such shareholders' proportional ownership and voting rights in Castellum will decrease. Shareholders who decline to subscribe for shares in the Rights Issue will have their ownership diluted by up to approximately 29.8 per cent (33.3 per cent excluding treasury shares held by Castellum as of the date of the Prospectus) through the issuance of not more than 164,200,484 new shares (corresponding to an increase of the number of shares of approximately 50 per cent, approximately 42 per cent including treasury shares held by Castellum). Furthermore, such shareholders will not be compensated for the dilution of Castellum's profit per share by up to 29.8 per cent (33.3 per cent excluding treasury shares held by Castellum), which the Rights Issue will entail. Their relative

share of Castellum's equity will also be reduced. If a shareholder chooses to sell its unexercised subscription rights or if these subscription rights are sold on behalf of the shareholder, there is a risk that the compensation the shareholder receives for the subscription rights sold in the market does not correspond to the economic dilution of the shareholder's ownership in Castellum after the completion of the Rights Issue.

Non-secured subscription undertakings and guarantee commitments

Akelius Residential Property, Castellum's largest shareholder, representing 13.4 per cent of the shares and votes in Castellum, has undertaken to subscribe for its pro rata share (13.4 per cent) of the Rights Issue. In addition, Akelius Residential Property has entered into a guarantee commitment to subscribe for an additional 28.5 per cent of the Rights Issue without subscription rights. In total, the subscription undertakings and the guarantee commitments provided by Akelius Residential Property amount to approximately 41.9 per cent of the Rights Issue. Citi and Nordea have entered into a guarantee commitment by way of an underwriting agreement, on customary terms, for the remaining part of the Rights Issue that is not covered by Akelius Residential Property's subscription undertaking and guarantee commitment, i.e. 58.1 per cent of the Rights Issue (divided equally between Citi and Nordea).

However, the subscription undertakings and the guarantee commitments are not secured through, for example, bank guarantees. Consequently, there is a risk that one or more of said parties will not be able to fulfil their respective subscription undertakings or guarantee commitments in whole or in part. Should the aforementioned subscription undertakings and guarantee commitments not be fulfilled, it would have an adverse effect on Castellum's possibility to successfully carry out the Rights Issue. If the Rights Issue, despite the issued subscription undertakings and guarantee commitments, is not successful, the Company may be forced to seek alternative financing opportunities such as additional capital raising or loan financing, alternatively carry out divestments of assets and/or parts of the business and carry out cost reductions or be forced to adapt the Company's operations until additional capital can be raised.

Risks related to the underwriting agreement

According to the underwriting agreement entered into with Citi and Nordea (the "**Underwriters**"), which is subject to customary terms, the agreement may be terminated by the Underwriters in the event of, *inter alia*, a breach of the guarantees provided by the Company and if the terms set for the commitments are not fulfilled. In addition, the Underwriters are entitled to terminate the agreement in the event of a material adverse change in the Company's operations or other events affecting the conditions for issuing new shares or the conditions on the financial markets in general. If such an event occurs, it may adversely affect the Company's ability to carry out the Rights Issue for the maximal amount under the terms for the Rights Issue.

Invitation to subscribe for shares in Castellum

On 13 February 2023, the Board of Directors of Castellum resolved to propose that the Annual General Meeting 2023 authorises the Board of Directors to resolve on a new share issue with preferential rights for existing shareholders. The Annual General Meeting held on 23 March 2023 authorised the Board of Directors of Castellum to resolve on the Rights Issue. The Board of Directors of Castellum resolved on 4 May 2023, by virtue of the authorisation from the Annual General Meeting, to issue new shares in Castellum with preferential rights for existing shareholders.

The Rights Issue will entail that Castellum's share capital will increase by not more than SEK 82,100,242, from the current SEK 172,865,984 to not more than SEK 246,300,726, through the issuance of not more than 164,200,484 new shares. After the Rights Issue, the number of shares in Castellum will amount to not more than 492,601,452 shares.¹⁾ The Company's shareholders have preferential rights to subscribe for new shares in Castellum in proportion to the number of shares held on the record date of the Rights Issue. The record date for the right to participate in the Rights Issue is 11 May 2023. For each existing share held on the record date, one (1) subscription right will be received. The subscription rights entitle the holder to subscribe for new shares, whereas two (2) subscription rights entitle the holder to subscribe for one (1) new share. Any shares not subscribed for on the basis of subscription rights, will be allocated to shareholders and other investors that have subscribed for shares without preferential rights as set out in the section "*Terms and conditions*". Subscription for new shares shall be carried out during the period from and including 15 May 2023 up to and including 29 May 2023, or such later date as decided by the Board of Directors, and in accordance with the instructions in the section "*Terms and conditions*".

The subscription price has been set to SEK 62 per share. Upon full subscription, the Rights Issue will result in proceeds for Castellum of approximately SEK 10,180 million before deduction of costs related to the Rights Issue. Upon full subscription of the Rights Issue, the number of shares in Castellum will increase with 164,200,484 shares, from 328,400,968 outstanding shares to 492,601,452 outstanding shares, which corresponds to a dilution of approximately 33.3 per cent of the number of outstanding shares and 33.3 per cent of the number of votes in the Company.²⁾ Shareholders who decide not to participate in the Rights Issue will have the possibility to partly gain economic compensation for the dilution by selling their subscription rights. The new shares confer the same rights as existing shares.

Subscription undertakings and guarantee commitments

Akelius Residential Property, Castellum's largest shareholder representing 13.4 per cent of the shares and votes in Castellum³⁾, supports the decision of the Rights Issue and has undertaken to subscribe for its pro rata share (13.4 per cent) of the Rights Issue. Akelius Residential Property has, additionally, entered into a guarantee commitment to subscribe, subject to certain terms, for an additional 28.5 per cent of the Rights Issue without subscription rights. Citi and Nordea have entered into a guarantee commitment by way of an underwriting agreement, subject to customary terms, for the remaining part of the Rights Issue that is not covered by Akelius Residential Property's subscription undertaking and guarantee commitment, i.e. 58.1 per cent of the Rights Issue (divided equally between Citi and Nordea). Hence, 100 per cent of the Rights Issue is covered by subscription undertakings and guarantee commitments. If the guarantee undertaking would be utilised, Akelius Residential Property's holding of shares in Castellum would increase to a maximum of 22.9 per cent of the capital and votes in Castellum. Guarantee fee of 1.9 per cent of the guaranteed amount will be paid to Akelius Residential Property, Citi and Nordea. The subscription undertakings and guarantee commitments are not secured through, for example, bank guarantees. For further information, see the section "*Legal considerations and supplementary information – Subscription undertakings and guarantee commitments*".

The shareholders of Castellum are hereby invited to subscribe for new shares in Castellum with preferential rights in accordance with the terms and conditions of the Prospectus.

Gothenburg, 10 May 2023

Castellum Aktiebolag
The Board of Directors

- 1) Excluding 17,331,000 treasury shares, corresponding to SEK 8,665,500 in share capital, held by Castellum (which will be cancelled in connection with the Rights Issue, in accordance with the resolution from the Annual General Meeting held on 23 March 2023).
- 2) Excluding 17,331,000 treasury shares, corresponding to SEK 8,665,500 in share capital, held by Castellum (which will be cancelled in connection with the Rights Issue, in accordance with the resolution from the Annual General Meeting held on 23 March 2023).
- 3) Excluding 17,331,000 treasury shares, corresponding to SEK 8,665,500 in share capital, held by Castellum (which will be cancelled in connection with the Rights Issue, in accordance with the resolution from the Annual General Meeting held on 23 March 2023).

Background and reasons

Castellum is one of the largest listed property companies in the Nordic region that owns, develops and manages commercial properties. In recent years, Castellum has shown good growth in property value and income from property management, while the property portfolio has been actively refined both geographically and in terms of assets. As of 31 March 2023, the Company's property value amounted to SEK 174 billion, including the shareholding in the Norwegian company Entra, compared to SEK 82 billion as of 31 March 2018, which corresponds to an annual growth of 16 per cent. During the same period (rolling 12 months) the income from property management has increased from SEK 2,603 million as of 31 March 2018 to SEK 4,371 million as of 31 March 2023, corresponding to an annual growth of 11 per cent.

During 2022, the Nordic real estate market was heavily impacted by high inflation, rapidly rising interest rates, a cautious bond market and an economic slowdown. At the same time, the rental market and demand for offices and warehouses/logistics space remained strong. In response to the rapidly changing market conditions, Castellum has increased its focus on ensuring long-term sustainable financing with a maintained credit profile and credit rating by strengthening its balance sheet. The Company is continuously evaluating measures that can secure and strengthen the Company's financial strength in the event of prolonged uncertainty in the capital markets. One of the measures taken by the Board of Directors of Castellum is a pause in the Company's dividend tradition by not proposing a dividend to the Annual General Meeting 2023. The Annual General Meeting held on 23 March 2023 resolved in accordance with the Board of Director's proposal, entailing that no dividend was paid for the financial year 2022 and that the profit was carried forward. Another measure is the Board of Directors' decision to, by virtue of the authorisation resolved on at the Annual General Meeting held on 23 March 2023, carry out the contemplated share issue, with preferential rights for the Company's existing shareholders and with total issue proceeds of approximately SEK 10,180 million, before deduction of issue costs.

The Company's financial position is strengthened by the Rights Issue, which is assumed to increase the Company's attractiveness as an investment. Through Castellum, investors are hereby given access to one of the Nordic region's leading commercial property companies – largest among listed companies in the Nordics within commercial properties¹⁾ and second largest in the warehouse/light industry segment²⁾.

In addition, the Company has a significant exposure to public sector tenants – i.e., government agencies and departments – as well as exposure to the most active metropolitan areas in the Nordic region, characterised by stable demand for office space and a liquid underlying real estate market.

Use of issue proceeds

Upon full subscription in the Rights Issue, the issue proceeds will amount to approximately SEK 10,180 million before deduction of issue costs, which are estimated to amount to SEK 228 million (including the fee for the guarantee commitments). The Board of Directors of Castellum believes that the proceeds from the Rights Issue will strengthen the Company's financial position and enable the Company, in the current macroeconomic environment, to (i) manage balance sheet liquidity alongside repayment of upcoming near and mid-term bond maturities with adequate margins, (ii) maintain and reinforce the Company's credit profile and public credit rating and (iii) enable the Company to keep growing selectively through planned and future value-creating development projects.

Cash and unutilised credit facilities amounted to SEK 24.4 billion as of 31 March 2023, adjusted for the proceeds from the Rights Issue of approximately SEK 10,180 million before deduction of issue costs. Moreover, Castellum's LTV³⁾ will decrease from 43.6⁴⁾ per cent to 37.8 per cent and the net debt to EBITDA⁵⁾ from 13.0x to 11.2x⁶⁾ (excluding any potential further positive impact deriving from the assets disposal already announced but not completed as of 31 March 2023⁷⁾). The net proceeds from a fully subscribed Rights Issue affirms the Company's current Baa3 Moody's credit rating, which Moody's confirmed in a report⁸⁾ published on 14 February 2023, and creates conditions to strengthen the Company's credit rating over time, which is the Company's ambition.

The Board of Directors of Castellum is responsible for the content in the Prospectus. To the best of the Board of Directors' knowledge, the information contained in the Prospectus is in accordance with the facts and the Prospectus does not include any omission likely to affect its content.

Gothenburg, 10 May 2023

Castellum Aktiebolag
The Board of Directors

1) Based on property value excluding development projects and land for the financial year 2022. Compared to Fabege AB, Corem Property Group AB and Wihlborgs Fastigheter AB for commercial properties.

2) Based on property value excluding development projects and land for the financial year 2022. Compared to AB Sagax, Corem Property Group AB, Nyfosa AB and Wallenstam AB for light industrial and warehouse properties.

3) Interest-bearing liabilities after deduction for cash and cash equivalents as a percentage of total assets.

4) Calculated as of 31 March 2023.

5) Interest-bearing liabilities after deduction for cash and cash equivalents in relation to net operating income less central administrative expenses. In the interim accounts, net operating income less central administrative expenses have been recalculated on an annual basis, disregarding seasonal variations normally occurring in operations.

6) Calculated as of 31 March 2023, adjusted for the Rights Issue.

7) Includes the divestment of a soon-to-be-completed property in Jönköping for SEK 510 million, announced on 22 December 2022, and the divestment of the properties Marievik 27 and 30 to AMF Fastigheter for SEK 962 million, announced on 22 December 2022.

8) Moody's on 14 February 2023: *Moody's affirms Castellum's Baa3 issuer rating, outlook stable.*

Terms and conditions

This section contains terms and conditions for participation in the Rights Issue. For further information concerning the new shares being issued, see the section "*Share capital and ownership structure*".

Preferential right and subscription rights

Those who are registered as shareholders in Castellum on the record date 11 May 2023 will receive one (1) subscription right for each share held in Castellum, subject to the restrictions described in section "*Shareholders resident in certain unauthorised jurisdictions*". The subscription rights entitle the holder to subscribe for new shares in the Rights Issue with preferential rights, with two (2) subscription rights entitling the holder to subscribe for one (1) new share in Castellum. For subscription of new shares without subscription rights, see the section "*Subscription for new shares without holding subscription rights*" below.

Shareholders who decide not to participate in the Rights Issue will have their ownership diluted with approximately 29.8 (33.3 per cent excluding treasury shares held by Castellum as of the date of the Prospectus) per cent but have the possibility to partly gain economic compensation for the dilution by selling their subscription rights. If subscription rights are transferred, the preferential rights are transferred to the new holder of the subscription right.

Upon expiry of the subscription period on 29 May 2023, unexercised subscription rights will be invalid and lapse without any value.

Subscription price

The new shares will be issued at a price of SEK 62 per new share. No commission will be charged.

Record date

The shares in Castellum will be traded including the right to receive subscription rights up to and including 9 May 2023. The shares will be traded excluding the right to receive subscription rights from and including 10 May 2023. The record date for establishing who is entitled to receive subscription rights in the Rights Issue is 11 May 2023.

Subscription period

Subscription for new shares shall be carried out during the period from and including 15 May 2023 up to and including 29 May 2023. The Board of Directors of Castellum is entitled to extend the subscription period, which – in such case – would be announced through a press release as soon as such decision has been taken.

Trading with subscription rights

Trading with subscription rights in Castellum is expected to take place on Nasdaq Stockholm during the period from and including 15 May 2023 up to and including 24 May 2023 under the ticker CAST TR. The ISIN code for the subscription rights is SE0020202737. Subscription rights neither exercised to subscribe for shares through payment no later than 29 May 2023 nor sold no later than 24 May 2023 will expire without value and no compensation will be paid to the holder.

Issue statement

Directly registered shareholdings

An issue statement with an attached payment slip will be sent to directly registered shareholders who are registered in the shareholder register kept by Euroclear on behalf of Castellum on the record date, except for shareholders resident in certain unauthorised jurisdictions. The pre-printed issue statement includes the number of subscription rights received and the number of whole new shares that can be subscribed for on the basis of subscription rights. No notification (Sw. *VP-avi*) will be sent out by Euroclear regarding the registration of subscription rights in the shareholder's securities account.

Those registered in the separate list of pledgees and custodians kept in connection with the register of shareholders will not receive an issue statement but will instead be notified separately.

Nominee-registered shareholdings

Shareholders in Castellum whose shareholdings are nominee-registered on the record date at a bank or other nominee will neither receive the Prospectus nor an issue statement from Euroclear. Subscription and payment for shareholders with nominee-registered shareholdings, i.e., shareholdings held through custody accounts, shall be carried out through the respective bank or nominee, or if the shareholding is registered with several nominees, through each of these and in accordance with their instructions.

Shareholders resident in certain unauthorised jurisdictions

Allotment of subscription rights and, where these subscription rights are exercised, the issue of new shares, to persons resident in countries other than Sweden may be affected by securities legislation in those countries; see section "*Important information*" in the beginning of the Prospectus.

In connection hereto, shareholders whose shares are directly registered in securities accounts with registered addresses in Australia, Canada, Japan, New Zealand, South Africa, Switzerland and the United States or another jurisdiction

where participation would require further prospectuses, registration or other approval by authorities, will not receive an issue statement nor the Prospectus, nor will they receive any subscription rights in their respective securities accounts. The subscription rights that would otherwise have been allocated to such shareholders will instead be sold by Handelsbanken Capital Markets Emission and the proceeds of the sale, with a deduction for costs, will be paid out to such shareholders. However, amounts of less than SEK 100 will not be paid out.

Notwithstanding the above information, the Company, independently of and without participation from the Managers, may permit existing shareholders in the U.S. as of the record date and the date of the subscription, who are qualified institutional buyers (QIBs) as defined by Rule 144A of the Securities Act to subscribe for shares based on subscription rights in accordance with the exceptions for private placements according to Section 4(a)(2) of the Securities Act.

Banks or other nominees that hold shares for shareholders in Castellum whose shareholding on the record date is nominee-registered may not send the Prospectus or the issue statement to shareholders with addresses in, or who are situated or resident in, Australia, Canada, Japan, New Zealand, South Africa, Switzerland and the United States or any other jurisdiction in which participation in the Rights Issue would require an additional prospectus, registration or other approval by authorities, without prior approval from Castellum.

Subscription of new shares on the basis of subscription rights

Subscription for new shares on the basis of subscription rights shall be carried out through simultaneous cash payment during the period from and including 15 May 2023 until 17.00 CEST on 29 May 2023. Upon expiry of the subscription period, on 29 May 2023, unexercised subscription rights will be invalid and lapse without any value. Unexercised subscription rights will be removed from the holder's securities account without any notice from Euroclear. To ensure that the value of the subscription rights is not lost, the holder must either:

- exercise the received subscription rights and subscribe for new shares no later than 29 May 2023, which is the last day of the subscription period; or
- no later than 24 May 2023, which is the last day for trading in subscription rights on Nasdaq Stockholm, sell the subscription rights that have not been exercised for subscription of new shares.

Subscribers whose shareholdings are held through custody accounts with banks or nominees must subscribe for shares or sell subscription rights in accordance with instructions from their respective nominee(s). The final day for subscription or sale may deviate from what has been stated above.

Subscription for new shares on the basis of subscription rights is irrevocable and cannot be withdrawn or modified.

Shareholders resident in Sweden with directly registered holdings

Subscription for new shares on the basis of subscription rights is to be carried out through simultaneous cash payment, which can be done by either using the payment slip attached to the issue statement, or a separate application form in accordance with the following:

- *Payment slip:* If all of the subscription rights received on the record date which can be used to subscribe for new shares are to be exercised, the pre-printed payment slip attached to the issue statement from Euroclear is to be used for subscription through payment. No additions or amendments may be made to the pre-printed text on the payment slip.
- *Application form:* Where a different number of subscription rights to that stated on the pre-printed issue statement is being exercised to subscribe for shares (for example if subscription rights have been purchased or sold), a separate application form is to be used for subscription through payment. At the same time as the completed application form is sent to Handelsbanken Capital Markets Emission, payment is to be made for the new shares subscribed for in accordance with instructions on the application form. The application form and the payment must be received by Handelsbanken Capital Markets Emission, by 17.00 CEST on 29 May 2023 at the latest. The application form is available through Handelsbanken Capital Markets Emission via e-mail address: issuedept@handelsbanken.se. In this case the pre-printed payment slip is not to be used.

Shareholders resident outside Sweden with directly registered shareholdings¹⁾

Directly registered shareholders in Castellum resident outside Sweden and who are not subject to the restrictions described in the section "*Shareholders resident in certain unauthorised jurisdictions*" above, should use the distributed application form to subscribe for shares. In conjunction with sending or emailing the application form to Handelsbanken Capital Markets Emission, payment is to be made in Swedish kronor (SEK) to the bank account stated below. Shareholders with access to a Swedish online bank can, however, use the payment slip attached to the issue statement for subscription and payment.

Handelsbanken Capital Markets Emission
SE-106 70 Stockholm, Sweden
Bank account number: 6028-212 315 161
IBAN number: SE08 6000 0000 0002 1231 5161
SWIFT/BIC: HANDSESS

When making the payment, the subscriber's name and address as well as their securities account number or payment identity as per the issue statement must be stated. The application form and payment must be received by Handelsbanken Capital Markets Emission by 17.00 CEST on 29 May 2023 at

1) Please note that directly registered shareholders resident outside Sweden can use the preprinted payment slip for payment and subscription, if the holder has a Swedish online bank.

the latest. The application form for shareholders resident abroad can be obtained from Handelsbanken Capital Markets Emission by sending an email to: issuedept@handelsbanken.se.

By using the payment slip attached to the issue statement or submitting the application form and making payment, or by approving delivery of the subscription rights or the new shares, each such shareholder will be deemed to have declared, given an assurance and approved that they are not, and will not be at the time when they receive or subscribe for subscription rights or subscribe for new shares, located or resident in Australia, Canada, Japan, New Zealand, South Africa, Switzerland and the United States or any other jurisdiction in which participation in the Rights Issue would require an additional prospectus, registration or other approval by authorities, and that they are not acting on a non-discretionary basis on behalf of, or for the benefit of, any such person.

Shareholders with nominee-registered shareholdings

Shareholders in Castellum with holdings in a custody account with a bank or other nominees who wish to subscribe for new shares with subscription rights must apply to subscribe for shares in accordance with instructions from their nominee(s).

Paid subscribed shares (BTAs)

After subscription and payment for new shares by exercise of subscription rights, Euroclear will distribute a notification (Sw. *VP-avi*) confirming that paid and subscribed shares (BTAs) have been registered at the subscriber's securities account. When the Rights Issue has been registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*), which is expected to take place around 7 June 2023, the BTAs will be converted into new shares, without any notice from Euroclear. The new shares are expected to be registered at the subscriber's securities accounts around 12 June 2023.

Subscribers with custody accounts with nominees will receive BTAs and information in accordance with their nominee's procedures.

Trading with BTAs

The BTAs are expected to be admitted to trading on Nasdaq Stockholm from and including 15 May 2023 up to and including 5 June 2023 under the ticker CAST BTA. The ISIN code for BTAs is SE0020202745.

Subscribing for new shares without holding subscription rights

Applications to subscribe for new shares without subscription rights can be submitted during the same period of time as subscribing for shares on the basis of subscription rights, i.e., from and including 15 May 2023 up to and including 29 May 2023.

Important information regarding NID and LEI when subscribing for shares without subscription rights

Requirement of NID number for natural persons

National ID or National Client Identifier ("NID number") is a global identification code for natural persons. Under MiFID II, with effect from 3 January 2018, you as an investor need to have a NID number in order to be able to complete a securities transaction. For natural persons who only have Swedish citizenship the NID number consists of the designation "SE" followed by the personal identity number. With more than one citizenship or citizenship in another country than Sweden, the NID number may be a different type of number. If another citizenship than Swedish, the NID number will need to be stated on the application form. If this number is not stated, Handelsbanken Capital Markets Emission may be prevented from completing the transaction. For more information on how to obtain a NID number contact your bank branch.

Requirement of LEI code for legal entities

The Legal Entity Identifier ("LEI") is a global identification code for legal entities. Under MiFID II, with effect from 3 January 2018 legal entities need to have a LEI code in order to be able to complete a securities transaction. If no active LEI code is available Handelsbanken Capital Markets Emission may be prevented from completing the transaction. Registration of a LEI code is available from any of the relevant providers in the market. Remember to ensure your LEI code in ample time since it will need to be confirmed on the application form.

Directly registered shareholders with securities accounts

Application for subscription for shares without subscription rights is to be made on the application form "*Subscription for new shares without subscription rights*". Signed and completed application forms are to be submitted to Handelsbanken Capital Markets Emission at the address stated on the application form. The application form can be obtained from Handelsbanken Capital Markets Emission via e-mail: issuedept@handelsbanken.se. The application form must be received by Handelsbanken Capital Markets Emission, at 17.00 CEST on 29 May 2023 at the latest.

Only one application form per natural person or legal entity will be considered. If more than one application form is submitted only the first received will be taken into consideration. Incomplete or incorrectly completed application forms may be disregarded.

Shareholders with nominee-registered shares

For shareholders with holdings on custody accounts with banks or other nominees, applications to subscribe for new shares without subscription rights are to be made to the respective nominee(s) in accordance with their instructions.

Allotment of new shares subscribed for without subscription rights

Should all shares not be subscribed for by virtue of subscription rights, the Board of Directors shall, within the framework of the Rights Issue's maximum amount, decide on the allocation of shares which have not been subscribed for by virtue of subscription rights. In such case, shares shall firstly be allotted to those who have also applied for subscription and subscribed for shares by virtue of subscription rights, irrespective of whether or not they were shareholders on the record date, 11 May 2023, pro rata in relation to the number of subscription rights exercised for subscription of shares or, to the extent not possible, through the drawing of lots. Secondly, allotment shall be made to others who have applied for subscription for shares without exercising subscription rights pro rata in relation to the number of shares stated in the respective application form or, to the extent not possible, through the drawing of lots. Lastly, allotment shall be made to Akelius Residential Property, Nordea and Citi in accordance with the guarantee commitments entered into with Castellum.

As a confirmation of the allotment of new shares subscribed for without subscription rights, a contract note will be sent to directly registered shareholders on or around 1 June 2023. Notification will only be sent to those who have been allotted shares. The expected settlement date for shares subscribed for without subscription rights is around 7 June 2023 and the settlement amount shall be paid in accordance with the contract note. If payment is not made on time, the shares may be transferred to others. If the selling price is lower than the subscription price at the time of such transfer, the party that was first allotted the shares will be liable to pay all or part of the difference. Once payment has been made for shares subscribed and allotted for, and as soon as the shares have been registered with the Swedish Companies Registration Office, the shares will be registered at the subscribers securities account and a notification will be sent from Euroclear as a confirmation of shares registered on the securities account. No BTAs will be registered at the subscriber's securities account, as the subscriber will receive shares immediately.

Nominee-registered shareholders will receive notification of allotment and payment in accordance with the respective bank's or nominee's procedures.

Trading in new shares

The shares in Castellum are listed for trading on Nasdaq Stockholm. Once the Swedish Companies Registration Office has registered the new shares, the new shares will also be traded on Nasdaq Stockholm. The new shares subscribed for on the basis of subscription rights are expected to be registered with the Swedish Companies Registration Office on or around 7 June 2023. Trading in the new shares is expected to start around 12 June 2023, provided that registration has taken place. The new shares subscribed for without subscription rights are

expected to be registered with the Swedish Companies Registration Office around 13 June 2023 and the shares are expected to be registered at respective securities accounts around 15 June 2023 and to be admitted to trading around 15 June 2023, provided that registration has taken place.

Right to dividends

The new shares carry the right to dividends for the first time on the record date for the first dividend distribution which occurs after the shares have been registered in the share register kept by Euroclear and the Rights Issue has been registered with the Swedish Companies Registration Office.

Conditions for completion of the Rights Issue

Castellum's Board of Directors does not have the right to cancel, revoke or temporarily withdraw the offer to subscribe for shares in Castellum in accordance with the terms of the Prospectus. Castellum's Board of Directors is entitled to extend the period during which subscription and payment can take place on one or more occasions. Any extension of the subscription period would be announced by a press release, at the latest on 29 May 2023 or as soon as possible after the Company has made such a decision.

Disclosure of the outcome of the Rights Issue

The preliminary outcome of the Rights Issue will be announced in a press release issued by Castellum and this is expected to take place on or around 30 May 2023. The final outcome of the Rights Issue will be announced in a press release issued by Castellum, and this is expected to take place on or around 1 June 2023.

Other information

In the event that an excessive amount has been paid by a subscriber Handelsbanken Capital Markets Emission will arrange for the surplus amount to be repaid. No interest will be paid on excess amounts. Subscription for shares is irrevocable and the subscriber cannot cancel or modify any subscription for shares. Incomplete or incorrectly completed application forms may be disregarded. If the settlement amount for the subscription is paid too late, is insufficient or is paid incorrectly the application for subscription may be disregarded or subscription may take place at a lower amount; funds paid that are not used will in this case be repaid. Late payment of amounts of less than SEK 100 will be repaid only at request. Handelsbanken Capital Markets Emission's receipt and processing of application forms and subscription payments in the Rights Issue is being carried out on behalf of Castellum. This means that no customer relationship arises between the subscriber and Svenska Handelsbanken AB (publ) merely by the fact that Handelsbanken Capital Markets Emission receives and processes application forms and subscription payments.

Information on processing of personal data

Svenska Handelsbanken AB (publ) is the party responsible (data controller) for processing the personal data that you provide on the application form or that is otherwise registered in connection with the application. Detailed information of how Handelsbanken Capital Markets Emission's processing of personal data and your rights in connection with this process is available at www.handelsbanken.com.

Important information on taxation

The tax legislation in the investor's home country and in Sweden may affect any income received from shares in Castellum.

The taxation of any dividend as well as capital gains taxation and rules concerning capital losses in connection with disposal of securities, depends on the shareholder's particular circumstances. Special tax rules apply to certain categories of taxpayers and certain types of investments. Each holder of shares and subscription rights should therefore consult a tax advisor for information on the specific implications that may arise in an individual case, including the application and effect of foreign tax rules and tax treaties.

For certain U.S. federal income tax considerations, please refer to the section "*Certain U.S. Federal Income Tax Considerations*".

Expected timetable

Record date for right to receive subscription rights in the Rights Issue	11 May 2023
Subscription period commences	15 May 2023
Trading in subscription rights commences	15 May 2023
Trading in BTAs commences	15 May 2023
Trading in subscription rights expires	24 May 2023
Subscription period expires	29 May 2023
Preliminary outcome of the Rights Issue is announced	30 May 2023
Final outcome of the Rights Issue is announced	1 June 2023
Trading in BTAs expires	5 June 2023
First day for trading in new shares by virtue of subscription rights	12 June 2023
First day for trading in new shares without virtue of subscription rights	15 June 2023



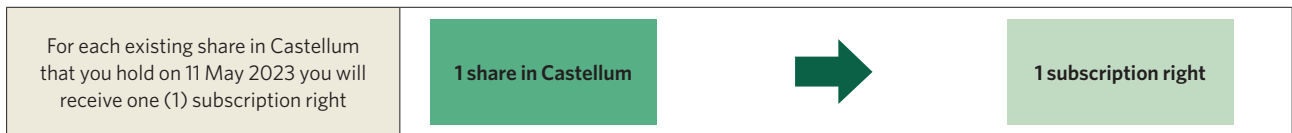
How to proceed

Terms	For each existing share in Castellum, you receive one (1) subscription right. Two (2) subscription rights entitle to subscription for one (1) new share in Castellum.
Subscription price	SEK 62 per share
Record date for right to receive subscription rights in the Rights Issue	11 May 2023
Subscription period¹⁾	15 May – 29 May 2023
Trading in subscription rights	15 May – 24 May 2023

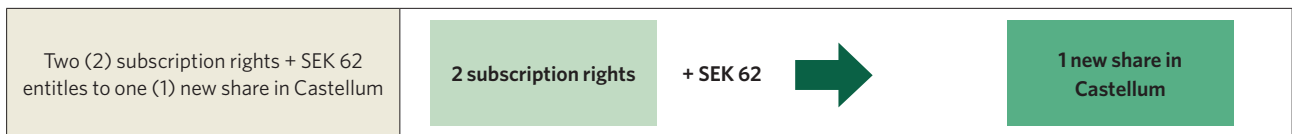
Upon expiry of the subscription period, on 29 May 2023, unexercised subscription rights will be invalid and lapse without any value.

Subscription of shares by exercise of subscription rights

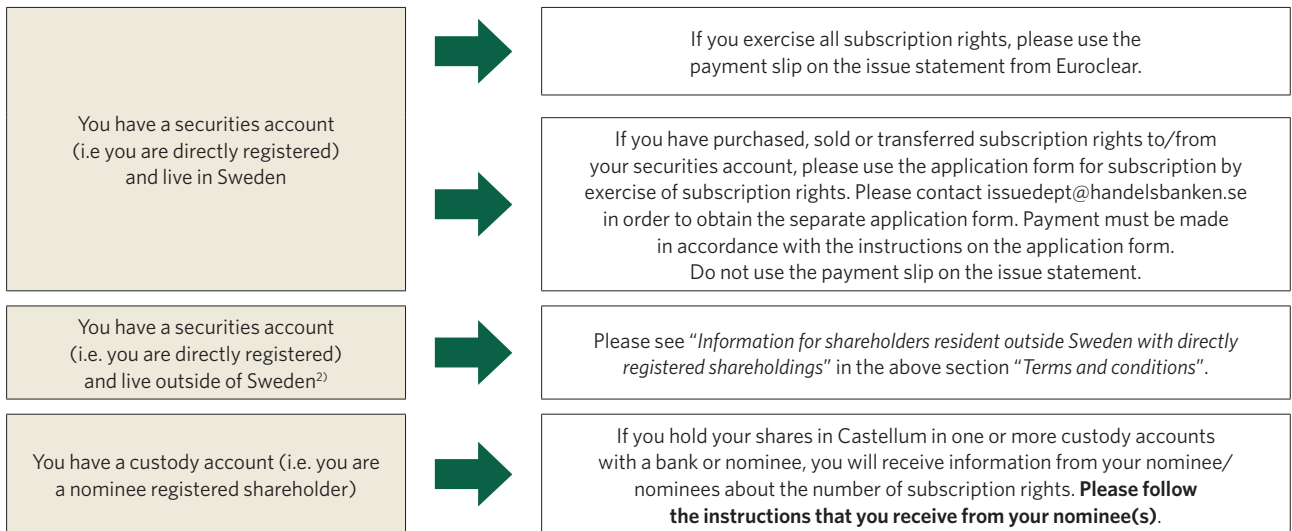
1. You receive subscription rights



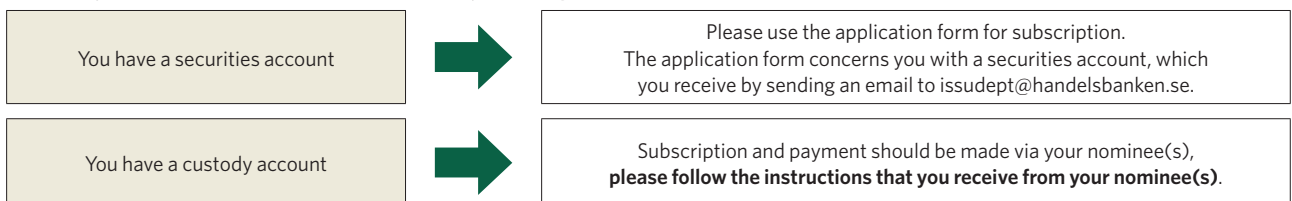
2. How to exercise your subscription rights



3. Are you a directly registered shareholder or are your shares nominee-registered?



Subscription for shares without subscription rights (for shareholders and others)³⁾



1) The Board of Directors of Castellum is entitled to extend the subscription period. Please note that nominees may apply a shorter application period. Please check the instructions that you receive from your nominee(s).
 2) Please note that special rules apply to shareholders resident in the United States and certain other jurisdictions. See "Shareholders in certain unauthorised jurisdictions" in the above section "Terms and conditions".
 3) Any allotment will be made in accordance with what is stated in "Allotment of new shares subscribed for without subscription rights" in the above section "Terms and conditions".



Market overview

The information in this market overview presents a summarising description of the markets Castellum operates in. The market overview focuses on macroeconomic developments in Sweden, Norway, Denmark and Finland as well as the property segments that the Company operates within.

Some of the information provided below has been obtained from third parties, including publicly available industry publications and industry reports, including information and data compiled by Cushman & Wakefield Sweden AB (“**Cushman & Wakefield**”). The Company deems these industry publications and industry reports to be reliable, but the Company has not independently verified them and cannot guarantee their accuracy or completeness. Information that has been provided by third parties has been accurately reproduced in the Prospectus and, as far as the Company is aware and is able to ascertain through other information published by the third parties concerned, no details have been omitted in a way that could render the information reproduced inaccurate or misleading.

In addition, the Company has made a number of statements in this market overview in respect of the Company’s industry and its competitive position within the industry. These statements are based on the Company’s experience and its own investigation of market conditions. The Company cannot guarantee that any of these assumptions are accurate or that they correctly reflect its market position in the industry and the Company cannot fully guarantee that internal investigations or information has been verified by independent sources, which may have estimates or opinions regarding industry-related information that is different from the Company’s.

The forward-looking statements set out in this section are no guarantee of future outcomes and actual events, and circumstances may deviate substantially from current expectations. A number of factors can cause or contribute to such deviations, some or all of which may be beyond the Company’s control.

Macroeconomic outlooks

Macroeconomic developments in Sweden

GDP and inflation

The Swedish economy experienced a strong development during substantial parts of 2022. The labour market was strong with a significant shortage of labour.¹⁾ Real GDP growth for the full-year 2022 was 2.6 per cent.²⁾ During 2023, a weaker development of the economy is expected, driven by a drastic change in financial conditions including high inflation and sharp interest rate increases that decelerates the economic growth. On 26 April 2023 the Swedish Central Bank increased the policy rate from 3.0 to 3.5 per cent. In comparison the policy rate was zero per cent in April 2022.³⁾ The rising inflation that has been observed both in Sweden and globally since the beginning of 2022 can be attributed to supply disruptions resulting from the Covid-19 pandemic and Russia’s invasion of Ukraine, as well as strong demand globally.⁴⁾ For Sweden specifically, the high inflation has been largely driven by increased import prices and sharply rising energy costs.⁵⁾

Since the beginning of 2022, the Swedish krona has also weakened, which has contributed to the increased import prices for Swedish companies. However, the weaker Swedish krona has also led to increased competitiveness among exporting companies.⁶⁾ Real GDP is projected to decline by 0.6 per cent during 2023, followed by a 1.3 per cent real growth in 2024.⁷⁾

The decline in Swedish GDP during 2023 is expected to be partially offset by strong exports, even though exports is negatively affected by the slowdown in the global economy. The first half of 2023 is expected to be weak, but substantial climate and energy transition investments in Europe as well as increases in defence industry spending, are expected to have a positive impact on Swedish exports. Swedish exports are, consequently, expected to outpace domestic demand in 2023 and 2024, as well as being the largest contributor to GDP growth.⁸⁾

Another factor that is expected to have a positive impact on GDP in 2023 and 2024 is the growing public consumption. In real terms, public consumption is expected to increase by

1) Nordea, Nordea Economic Outlook, no. 1 (January 2023).

2) The National Institute of Economic Research, Konjunkturläget (March 2023).

3) The Swedish Central Bank, Penningpolitisk rapport (April 2023).

4) The National Institute of Economic Research, Konjunkturläget (December 2022).

5) The National Institute of Economic Research, Konjunkturläget (March 2023).

6) The Swedish Central Bank, Penningpolitisk rapport (February 2023).

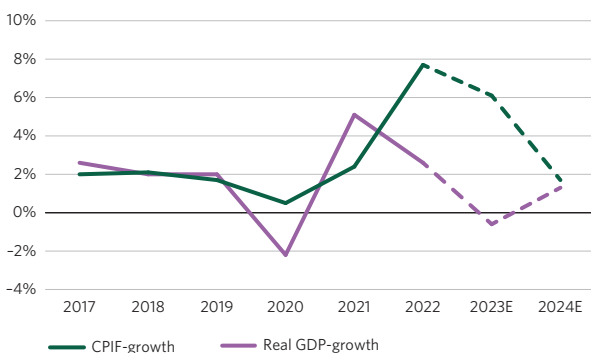
7) The National Institute of Economic Research, Konjunkturläget (March 2023).

8) The National Institute of Economic Research, Konjunkturläget (March 2023).

1.2 per cent and 1.4 per cent in 2023 and 2024, respectively. This development is driven by several factors. The cost of energy consumption and other consumer goods is increasing due to high inflation. Higher wage increases in 2023 than in 2022 contribute to the increase in wage costs. The demographic pressure within healthcare and elderly care is also increasing. Between 2022 and 2027, the number of people in the population who are 80 years or older will increase by 160,000, which means that the number of employees within elderly care needs to increase. Increased investments in the defence sector are also expected to contribute to public consumption, with expenditure expected to reach 2 per cent of GDP in 2027. Reduced spending related to the management of Covid-19 pandemic is partly holding back growth in 2023.¹⁾

Inflation is expected to decrease in 2023, although the pace of the decrease is uncertain.²⁾ The inflation rate in March 2023 measured by CPIF³⁾ was 8.0 per cent and CPIF excluding energy was 8.9 per cent. This can be compared to the CPIF in December 2022, which was 10.2 per cent, and the CPIF excluding energy, which was 8.4 per cent.⁴⁾ Substantial price increases during the benchmark period of 2022 and falling electricity prices suggest that these inflation numbers will decline in 2023.⁵⁾ In addition, the price pressure will be reduced when the demand is suppressed, as shown by falling commodity prices and lower global transportation costs. A lower inflation rate is also expected to be driven by falling domestic demand, making it difficult to carry forward cost increases to consumers.⁶⁾ Factors that may continue to keep core inflation high include price increases on consumer goods at the producer level, partly driven by a weak Swedish krona, as well as price increases in the retail trade.⁷⁾ For the full-year 2023, inflation, measured by CPIF, is expected to reach 6.1 per cent, compared to 7.7 per cent for the full-year 2022. For 2024, CPIF is expected to decrease further to 1.7 per cent.⁸⁾

INFLATION AND GDP-GROWTH, SWEDEN



Source: The National Institute of Economic Research, Konjunkturläget (March 2023).

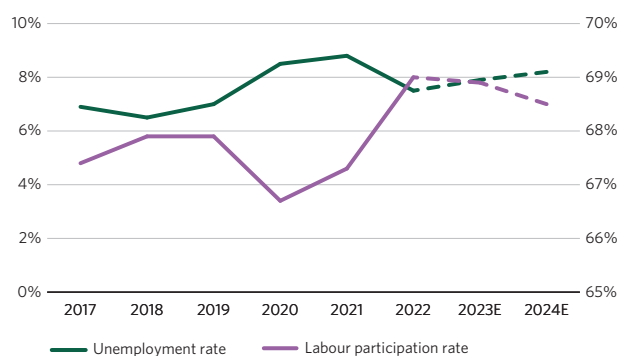
1) The National Institute of Economic Research, Konjunkturläget (March 2023).
 2) SEB, SEB Nordic Outlook (January 2023).
 3) Consumer price index with a fixed interest rate. Source: SCB (March 2023).
 4) SCB, Database: Consumer Price Index with fixed interest rate (CPIF), 1987=100 (retrieved on 20 April 2023). See also SCB, Database: Consumer Price Index exclusive energy with fixed interest rate (CPIF-XE), 1987=100 (retrieved on 20 April 2023).
 5) SEB, SEB Nordic Outlook (January 2023).

Unemployment and labour participation rate

The labour market showed strength in 2022 with a rising labour participation rate, as the number of employed people grew by 2.7 per cent, which corresponds to an average of 140,000 more employed people in 2022 compared to 2021, although the growth slowed down towards the end of the year. The strong development has been driven primarily by immigrants entering the labour market. The growth in the number of employed persons weakened during the second half of 2022, driven by young people (aged 15–24) and unchanged growth among the core labour force (aged 25–54). Overall, the labour participation rate in 2022 was 69.0 per cent, which corresponds to an increase of 1.7 percentage points compared to 2021. In addition, the unemployment rate in 2022 was 7.5 per cent, which was 1.3 percentage points lower than in 2021.⁹⁾

During 2023, real GDP is expected to decline, resulting in lower demand for personnel by companies, which is projected to lead to a declining labour participation rate and rising unemployment. Sectors that are expected to contribute to weaker labour participation include the service sector and construction, primarily due to fewer new employments. Overall, unemployment in 2023 is expected to rise to 7.9 per cent and the labour participation rate is expected to fall to 68.9 per cent. During 2024, the number of employed is expected to bottom out at the beginning of the year, and then slowly increase as the economy improves and the demand for labour increases. Companies are expected to retain some employees due to difficulties in finding the right skills, which will mitigate the decline in labour participation. For the full year 2024, the labour participation rate is expected to be 68.5 per cent and the unemployment rate 8.2 per cent.¹⁰⁾

UNEMPLOYMENT AND EMPLOYMENT RATE, SWEDEN



Source: The National Institute of Economic Research, Database: Unemployment and employment rate. Year 2023 (retrieved on 21 April 2023).

6) Nordea, Nordea Economic Outlook, no. 1 (January 2023).
 7) SEB, SEB Nordic Outlook (January 2023).
 8) The National Institute of Economic Research, Konjunkturläget (March 2023).
 9) The National Institute of Economic Research, Konjunkturläget (March 2023).
 10) The National Institute of Economic Research, Konjunkturläget (March 2023).

Public and household debt

Sweden’s public finances are characterised by low indebtedness from a European perspective. The Maastricht debt¹⁾ by the end of the third quarter of 2022 amounted to 33.6 per cent of GDP, which is significantly lower than the EU average of 85.1 per cent of GDP. From a historical perspective, the Maastricht debt has fallen, from 42.3 per cent in 2016, to a level of 33.6 per cent during the third quarter of 2022, corresponding to a reduction of 8.7 percentage points.²⁾

Household debt as a percentage of GDP amounted to 89.6 per cent by the end of the third quarter of 2022, which is high compared to the rest of the EU. The average for the Euro area was 58.3 per cent. Since 2016 the debt ratio has risen slightly from 85.8 per cent to 89.6 per cent by the end of the third quarter of 2022, corresponding to an increase of 3.8 percentage points.³⁾ This increase reflects the development of the housing market, where the prices of apartments in Sweden rose by 16.9⁴⁾ per cent and the prices on houses rose by 42.3⁵⁾ per cent between 2016 and 2022. Apartment prices reached their highest level in March 2022, after which they fell by a total of 10.4 per cent, until March 2023.⁶⁾ House prices were at its highest level in April 2022, after which they fell by a total of 13.9 per cent, until March 2023.⁷⁾

Macroeconomic development in Norway

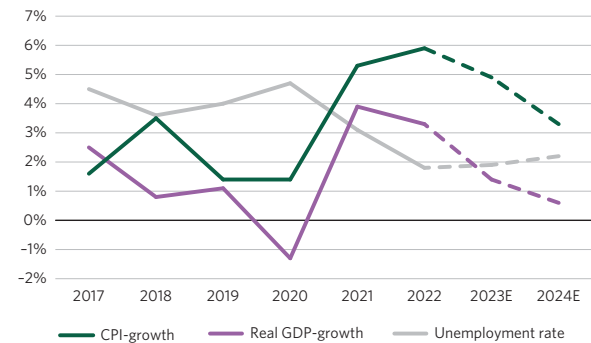
Despite the reintroduction of restrictions and reduced economic activity in the first quarter, the Norwegian economy experienced stronger than expected growth during 2022. This growth was mainly due to increased consumption and historically low unemployment, which resulted in a real GDP growth of 3.3 per cent. The strong development in the Norwegian economy and significant price increases has led the Norwegian Central Bank to introduce sharp interest rate hikes, from 0.50 per cent in January 2022 to 2.75 per cent in December 2022. The policy rate is expected to amount to 3.6 per cent at the end of 2023.⁸⁾ Following tax reliefs targeting the oil industry aimed at increasing investment in the sector by making more profitable projects, Norway’s GDP is expected to grow by 1.4 per cent in real terms during 2023 and with 0.6 per cent in 2024 driven by increased investments in energy and oil, despite weaker consumption.⁹⁾

Norway has stable and resilient public finances with a Maastricht debt of 34.9 per cent by the end of the third quarter of 2022, compared to the EU average of 85.1 per cent. From a historical perspective, the Maastricht debt has fallen, from 37.0 per cent in 2016, to a level of 34.9 per cent during the third quarter of 2022, corresponding to a reduction of 2.1 percentage points.¹⁰⁾ Household indebtedness in relation to GDP amounted to 78.6 per cent by the end of the third quarter

of 2022, well above the Euro area average of 58.3 per cent¹¹⁾. After a strong development in the Norwegian housing market in the last three years with a growth of 19.6¹²⁾ per cent, prices are expected to fall by 2.9 per cent from January 2023 until December 2023 as a result of the increased interest expenses for households.¹³⁾

The labour market remains strong from a historical perspective, with the unemployment rate for 2022 at 1.8 per cent, which is expected to increase to 1.9 per cent during 2023, and rise slightly to 2.2 per cent in 2024 driven by a slowing growth and expected stagflation. The inflation is expected to fall to 4.9 per cent during 2023 from 5.8 per cent in 2022. The lower inflation is mainly due to a lower demand for goods and services, which also reduces the ability to pass on companies’ cost increases to consumers. Inflation is expected to amount to 3.3 per cent in 2024 and 2.6 per cent in 2025.¹⁴⁾

INFLATION, GDP-GROWTH AND UNEMPLOYMENT RATE, NORWAY



Source: Statistics Norway, Norwegian Central Bank, Nordea Economic Outlook, no. 1 (January 2023).

Macroeconomic development in Denmark

The Danish economy showed strong growth during 2022 with real GDP growth of 3.6 per cent, primarily driven by an increase in export of goods in various sectors. Denmark’s exports of goods are now 10 per cent higher compared to pre-pandemic levels. After several years of high growth, the growth is expected to slow considerably in 2023 as a result of a fall in household consumption due to reduced purchasing power, rising interest rates and rising unemployment. Combined with reduced investment going forward, Denmark’s GDP is expected to grow in 2023 in real terms by 0.9 per cent before economic activity increases during 2024 in which GDP is expected to grow by 1.2 per cent.¹⁵⁾

Denmark’s public finances have strengthened with budget surpluses over the past six years, resulting in Denmark’s Maastricht debt as a percentage of GDP standing at

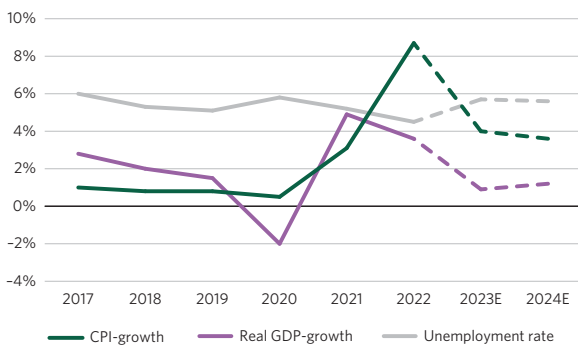
1) Consolidated gross debt in the public sector. Source: Konjunkturinstitutet (March 2023).
 2) Eurostat, Database: Quarterly government debt (retrieved on 23 March 2023).
 3) Trading Economics, Database: Household debt to GDP (retrieved on 23 March 2023).
 4) Swedish realtor statistics, Database: Bostadsrätter i Riket (retrieved on 21 April 2023).
 5) Price development based on purchase price coefficient. Swedish realtor statistics, Database: Villor i Riket (retrieved on 21 April 2023).
 6) Swedish realtor statistics, Database: Bostadsrätter i Riket (retrieved on 21 April 2023).

7) Price development based on purchase price coefficient. Swedish realtor statistics, Database: Villor i Riket (retrieved on 21 April 2023).
 8) Norges Bank: Pengepolitisk rapport 1/23.
 9) Norges Bank: Pengepolitisk rapport 1/23.
 10) Eurostat, Database: Quarterly government debt (retrieved on 23 March 2023).
 11) Trading Economics, Database: Household debt to GDP (retrieved on 23 March 2023).
 12) Eiendom Norge (December 2019 to December 2022).
 13) Norges Bank: Pengepolitisk rapport 1/23.
 14) Norges Bank: Pengepolitisk rapport 1/23: average of Q1-Q4 2025.
 15) Danish Central Bank: Outlook for the Danish economy (15 March 2023).

30.7 per cent during the third quarter of 2022, compared to 37.2 per cent in 2016.¹⁾ A similar decline can be observed in the household's indebtedness as a percentage of GDP, which fell to 86.9 per cent by the end of the third quarter of 2022 from 118.8 per cent in 2016.²⁾ From 2020 to the beginning of 2022, the Danish housing market has been characterised by rapidly rising prices and elevated transaction volumes. This trend slowed in 2022 as a result of rising interest rates and declining disposable income. From the peak price point for the Danish housing market, which was observed in spring 2022, prices have fallen by 10.0 per cent up until January 2023 and are expected to fall by another 9.4 per cent during the full year 2023.³⁾

Unemployment is expected to rise from 4.5 per cent in 2022 to 5.7 per cent in 2023, which is in line with levels observed before the pandemic, and further stabilise at 5.6 per cent in 2024.⁴⁾ During 2022, the average inflation was 8.5 per cent, driven by higher commodity prices (e.g., groceries were 12.0 per cent higher on average compared to 2021)⁵⁾ as well as high electricity, gas and gasoline prices. This trend has somewhat reversed towards the end of 2022 and the inflation is expected to decrease to 4.0 per cent in 2023 before falling to 3.6 per cent in 2024, driven by lower energy costs, which has contributed to the inflation.⁶⁾

INFLATION, GDP-GROWTH AND UNEMPLOYMENT RATE, DENMARK



Source: Statistics Denmark, Danish Central Bank, Nordea Economic Outlook, no. 1 (January 2023).

Macroeconomic development in Finland

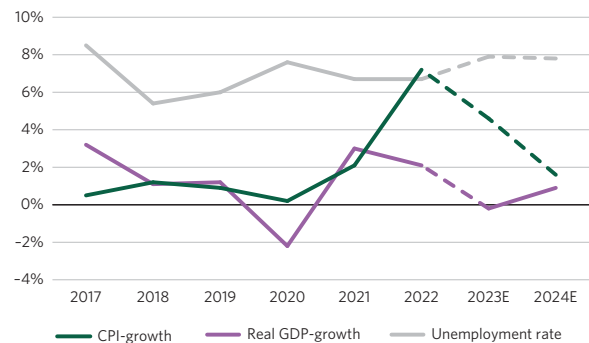
The Finnish economy developed positively during 2022 as a result of eased pandemic restrictions and strong global growth resulting in a real GDP growth of 2.1 per cent. Unemployment decreased to below 7.0 per cent during the year as a result of the strong development in the real economy. However, economic growth began to decline in late 2022 due to high energy prices combined with interest rate hikes and generally higher price levels, which negatively affected the purchasing power. In 2023, unemployment is expected to reach a level of 7.9⁷⁾ per cent due to reduced economic activity, where the

construction industry in particular is expected to be negatively affected. The purchasing power is expected to recover in 2023 as a result of an increase of 4.0 per cent in wages, which is an improvement compared to 2022 where wage growth was just below 3.0 per cent. In addition to wage increases, purchasing power is also expected to increase due to reduced energy prices, where a support package from the Finnish state will be offered to the worst affected⁸⁾.

Finland differs from the other Nordic countries by the country having a higher public debt compared to household debt. Finland's Maastricht debt in relation to GDP amounted to 70.8 per cent during the third quarter of 2022. From a historical perspective, the Maastricht debt has increased, from 68.0 per cent during 2016, to a level of 70.8 per cent during the third quarter of 2022, corresponding to an increase of 2.8⁹⁾ percentage points. This can be compared with the development in household debt in relation to GDP which amounted to 65.3 per cent by the end of the third quarter of 2022, an increase of 1.2 percentage points from 64.1¹⁰⁾ per cent by the end of 2016. Home prices and the number of sales fell rapidly in 2022 as interest rates rose, resulting in 3.4 per cent lower home prices for 2022. Prices are expected to continue to decline by 5.0 per cent during 2023, as a result of rising interest rates and declining consumer confidence.¹¹⁾

Inflation is expected to decline during 2023 to a level of 4.6 per cent (compared to 7.2 per cent in 2022)¹²⁾. However, interest rates are expected to be raised during the year, contributing to increased interest expenses for households. These expenses are expected to increase from 2.0 per cent of household income by the end of 2022 to 5.0 per cent by the end of 2023. The Finnish economy is expected to decline during 2023, however, during 2024, GDP is expected to increase in real terms from negative 0.2 per cent in 2023 to 0.9 per cent in 2024. This is a result of declining inflation and rising wages which stimulate private consumption.¹³⁾

INFLATION, GDP-GROWTH AND UNEMPLOYMENT RATE, FINLAND



Source: Statistics Finland, Bank of Finland, Nordea Economic Outlook, no. 1 (January 2023).

1) Eurostat, Database: Quarterly government debt (retrieved on 23 March 2023).
 2) Trading Economics, Database: Household debt to GDP (retrieved on 23 March 2023).
 3) Nordea, Nordea Economic Outlook, no. 1 (January 2023). See also Danish Central Bank: Outlook for the Danish economy (15 March 2023).
 4) OECD database: Unemployment rate forecast (recorded on 19 April 2023).
 5) Nordea, Nordea Economic Outlook, no. 1 (January 2023).
 6) Danish Central Bank: Outlook for the Danish economy (15 March 2023).
 7) OECD database: Unemployment rate forecast (recorded on 19 April 2023).

8) Nordea, Nordea Economic Outlook, no. 1 (January 2023).
 9) Eurostat, Database: Quarterly government debt (retrieved on 23 March 2023).
 10) Trading economics, Database: Household debt to GDP (retrieved on 23 March 2023).
 11) Nordea, Nordea Economic Outlook, no. 1 (January 2023).
 12) Bank of Finland: Interim Forecast March 2023 (4 April 2023).
 13) Bank of Finland: Interim Forecast March 2023 (4 April 2023). See also Nordea, Nordea Economic Outlook, no. 1 (January 2023).

The Nordic real estate market

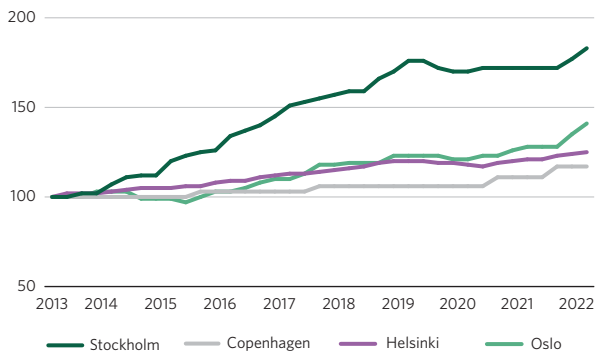
The macroeconomic development in 2022 posed challenges across global real estate markets, the Nordics being no exception. Inflationary pressures have pushed central banks across the world to conduct an increasingly tight monetary policy. This development contrasts with the past decade, when both interest rates and yield requirements in the Nordic property market showed a downward trend. The transaction market for properties remained stable in the Nordics during the first half of 2022, despite Russia’s invasion of Ukraine, but grew more passive in the latter half of the year. High inflation and hawkish central bank guidance pushed market interest rates higher, credit spreads on the bond market widened and market sentiment deteriorated. In comparison to record-low yields in 2022, valuations across all Nordic segments are currently under pressure and deal activity on the transaction market has remained on a low level in early 2023. Increasing yield requirements are though to some extent offset by inflation-linked clauses in many leases, pushing rental incomes higher in the near term.¹⁾

Although economic growth being projected to weaken in 2023 with elevated risks of a recession, the Nordics remain a region characterised by low risk for political conflicts, strong public finances- and economic fundamentals. The fundamentals suggest that the Nordic real estate market is expected to remain attractive among international investors in the coming years, continuing a trend of high cross-border activity on the capital market. A number of well-capitalised real estate funds and institutions actively seek to allocate capital into real estate, in a market likely to offer attractive investment opportunities.²⁾

An already strong focus on ESG factors in the Nordics will most certainly remain high amongst investors as well as tenants.³⁾

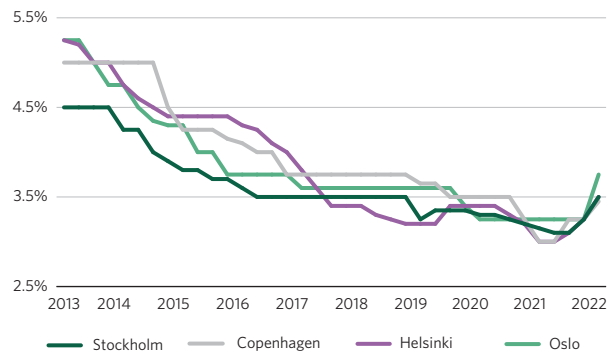
The rental market is believed to be affected as economic activity slows down in 2023, having a dampening effect on rental growth prospects as well as risks of increasing vacancies. Yields in general are expected to increase in the near term, as buyers and sellers can agree on valuations more easily. In the near-term, focus among investors is likely to be towards real estate with lower risk, due to the continuous uncertainties on inflation, monetary policy, and the state of the real economy.⁴⁾

PRIME OFFICE RENT (2014 = 100)



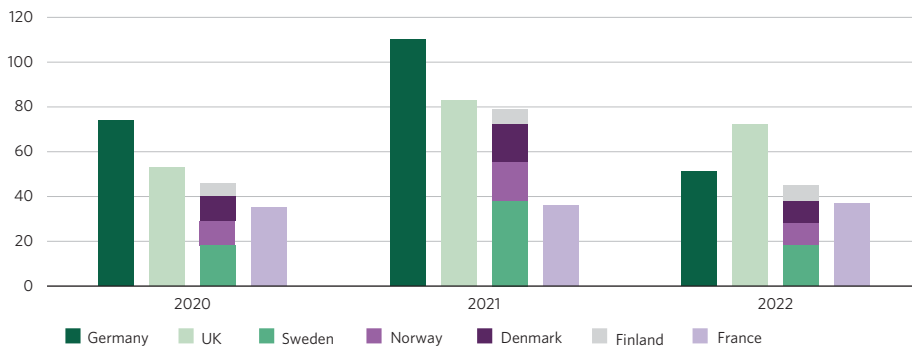
Source: Cushman & Wakefield, Outlook Nordics (February 2023).

PRIME OFFICE YIELDS



Source: Cushman & Wakefield, Outlook Nordics (February 2023).

TRANSACTION VOLUME (EUR BILLION)



Source: Cushman & Wakefield, Outlook Nordics (February 2023).

1) Cushman & Wakefield, Outlook Nordics (February 2023).
 2) Cushman & Wakefield, Outlook Nordics (February 2023).

3) Cushman & Wakefield, Outlook Nordics (February 2023).
 4) Cushman & Wakefield, Outlook Nordics (February 2023).

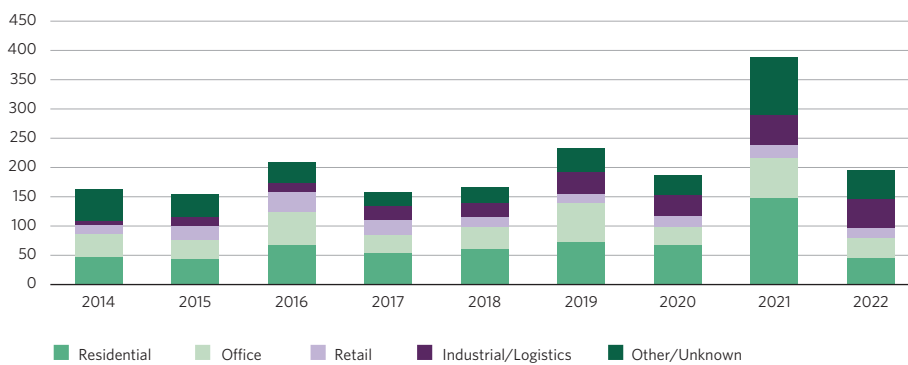
The Swedish real estate market

Investment market

Coming from a record-breaking year in 2021 with transaction volumes at an all-time high and compressed yields, 2022 was a more normalised year as the market had to adapt to shifting market conditions. The investment market became increasingly passive in the third quarter of 2022 as sentiment worsened. The total transaction volume in 2022 summed up to SEK 196 billion, a strong year in historical terms, but a fading figure compared to 2021, a year in which large takeovers contributed to the investment volume.¹⁾

Many companies with previously stated growth targets, supported by favourable financing opportunities, are primarily focusing on strengthening their balance sheet through divestments and equity financing due to concerns over bond maturities and credit ratings. Many completed deals in the latter of 2022 show evidence of rising yields, a trend projected to continue in the near term, due to a continued restrictive monetary policy and the Swedish economy showing signs of weakening.²⁾

TRANSACTION VOLUME (SWEDEN, SEK BILLION)



Source: Cushman & Wakefield, Outlook Nordics (February 2023).

Stockholm office market

The office market in Stockholm Central Business District (“CBD”) has for years been characterised by strong rental growth, low yields and a high institutional demand for prime assets. The institutional demand, being less dependent on debt financing and thus lower exposure to rising interest rates, is still assessed to be strong.³⁾

Demand for high-quality office spaces in central locations is stable, and the vacancy rate in Stockholm CBD is approximately 4 per cent. In the near-term, both demand and rental levels in the inner city of Stockholm are expected to remain stable. Modern office premises in decentralised submarkets with good means of public transport have also experienced strong tenant demand in recent years. Vacancies vary a lot in non-central submarkets, with higher figures being noted in the older stock as tenants demand modern premises with attractive amenities.⁴⁾

OFFICE MARKET, 2022, STOCKHOLM

➡➡➡ = Short term outlook

	CBD	City centre (excl. CBD)	Hagastaden	Gärdet	Kungsholmen, West	Solna Strand	Kista
Prime rent (SEK/sq.m)	8,500	5,800	4,800	4,400	4,100	3,200	2,700
	➡	➡	➡	➡	➡	➡	➡
Prime yield	3.50 %	3.75 %	3.75 %	4.00 %	4.10 %	4.40 %	5.50 %
	➡	➡	➡	➡	➡	➡	➡

Source: Cushman & Wakefield, Outlook Nordics (February 2023).

1) Cushman & Wakefield, Outlook Nordics (February 2023).
 2) Cushman & Wakefield, Outlook Nordics (February 2023).
 3) Cushman & Wakefield, Outlook Nordics (February 2023).
 4) Cushman & Wakefield, Outlook Nordics (February 2023).

Gothenburg office market

Rent levels for high-quality office space in prime Gothenburg have been steadily increasing in the past years, driven by good demand and limited supply. The supply has however picked up, with new office developments taking place in a large number of attractive submarkets.¹⁾

As a result, rising vacancies have been noted in secondary submarkets, a trend that is expected to continue. The vacancy rate in Gothenburg CBD is currently estimated at 7 per cent, and the demand has slowed down in recent quarters. Prime rents are considered to have levelled off in 2022 and are expected to remain stable in the coming year.²⁾

OFFICE MARKET, 2022, GOTHENBURG

➡➡➡ = Short term outlook

	CBD	City centre (excl. CBD)	Gårda, Heden & Stampen	Norra Älvstranden	Mölnalövsvägen
Prime rent (SEK/sq.m)	3,700 ➡	3,400 ➡	3,100 ➡	2,700 ➡	2,550 ➡
Prime yield	3.50 % ➡	4.05 % ➡	4.15 % ➡	4.60 % ➡	4.60 % ➡

Source: Cushman & Wakefield, Outlook Nordics (February 2023).

Malmö and Lund office market

The Öresund region is one of the most expansive regions in Europe, recognised for its strong business community and urbanisation trend. Malmö has experienced a significant increase in commercial development over the past decade, supported by good economic growth and strong demographics. Growing districts such as Hyllie have blossomed, and the central parts of Malmö will be subject to major developments in the coming decade.³⁾

Office properties in the region are expected to remain attractive in terms of investments, but a challenging market during the second half of 2022 is assessed to have driven higher yields, however, only a few transactions have been announced since the summer. The rental market has slowed down towards the end of 2022, but prime rents in the region are projected to remain stable and have historically been less volatile in comparison to the Stockholm and Gothenburg markets.⁴⁾

OFFICE MARKET, 2022, MALMÖ AND LUND

➡➡➡ = Short term outlook

	Malmö New CBD	Malmö Old CBD	Hyllie	Western Harbour	Lund
Prime rent (SEK/sq.m)	3,100 ➡	2,600 ➡	3,000 ➡	2,600 ➡	2,250 ➡
Prime yield	4.10 % ➡	4.50 % ➡	4.25 % ➡	4.75 % ➡	5.00 % ➡

Source: Cushman & Wakefield, Outlook Nordics (February 2023).

Industrial and logistics market

2021 was a strong year for the industrial and logistics segment on the Swedish market. A strong interest among investors and great fundamentals within the sectors pushed yields to all-time-low levels, and vacancies remained low despite the largest ever new supply of logistics space entering the market over the year. Rental levels on the logistics market have been stable in the recent decade, with some increasing levels in metropolitan regions due to higher costs of production but to some extent also due to rising land prices.⁵⁾

Rents in the logistics segment are expected to remain at a stable level in 2023 and the access to supply of new developed logistics space is expected to correspond to approximately 1.5 million square metres in 2022. Despite worse market conditions and large uncertainties, 2022 continued to be a strong year within the segment. The total transaction volume within the segment amounted to approximately SEK 49 billion, just below the 2021 figure of SEK 52 billion. However, the transaction volume corresponds to 25 per cent of the total transaction volume on the Swedish real estate market, a record figure compared to previous years.⁶⁾

1) Cushman & Wakefield, Outlook Nordics (February 2023).
 2) Cushman & Wakefield, Outlook Nordics (February 2023).
 3) Cushman & Wakefield, Outlook Nordics (February 2023).
 4) Cushman & Wakefield, Outlook Nordics (February 2023).
 5) Cushman & Wakefield, Outlook Nordics (February 2023).
 6) Cushman & Wakefield, Outlook Nordics (February 2023).

The Finnish real estate market

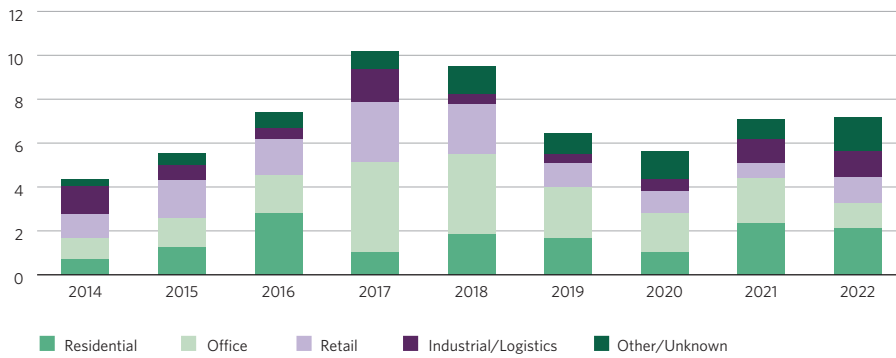
Investment market

The Finnish real estate market has seen large inflows of foreign capital in recent years, with non-domestic entities representing about 50 per cent of the annual transaction volume since 2017. The total transaction volume for 2021 summed up to approximately EUR 7.0 billion, with high levels of activity mainly in the second half of the year. The increased activity continued into the first half of 2022 with continuous

investor demand and deals worth a total of approximately EUR 4.4 billion being completed in the first two quarters.¹⁾

Relatively few real estate transactions have been communicated after the summer of 2022 as many sales processes have either been cancelled or paused due to the deteriorated market conditions. Following debt financing being more expensive, prime yields across all of the real estate segments are assessed to have increased during the end of the year's last quarter.²⁾

TRANSACTION VOLUME (FINLAND, EUR BILLION)



Source: Cushman & Wakefield, Outlook Nordics (February 2023).



1) Cushman & Wakefield, Outlook Nordics (February 2023).
 2) Cushman & Wakefield, Outlook Nordics (February 2023).

Helsinki office market

A limited supply of office space in the traditional Helsinki CBD has led to a stretch of the submarket’s borders over the years. The overall vacancy rate in the Helsinki metropolitan area is approximately 13 per cent, the figure being 10 per cent in the Helsinki CBD. Demand for prime offices with strong amenities have remained stable following the pandemic, whilst demand for secondary assets have slowed down. Most of the vacant premises are in areas of an older stock while new office buildings have continued to sustain high levels of occupancy.¹⁾

After a decline in rent levels during the pandemic, a strong demand has pushed prime rents in different submarkets to surpass pre-pandemic levels. However, an increase in occupiers cancelling their current leases due to cost savings have been noted in recent time, with high inflation and a weakening overall sentiment being the main drivers, but also low utilisation of the premises. Inflation indexed rental leases will lead to higher rents in the near term, but could put pressure on occupiers and might accelerate the trend of downscaling when leases come due.²⁾

OFFICE MARKET, 2022, HELSINKI

➡➡➡ = Short term outlook

	CBD	Ruoholahti, Helsinki	Keilaniemi, Espoo	Aviapolis, Vantaa
Prime rent (EUR/sq.m)	480 ➡	327 ➡	315 ➡	264 ➡
Prime yield	3.50 % ➡	4.50 % ➡	4.75 % ➡	5.80 % ➡

Source: Cushman & Wakefield, Outlook Nordics (February 2023).

Industrial and logistics market

The occupier market in the industrial and logistics sectors was stable during 2020, later gaining momentum in 2021 and 2022. An increase in rent levels have been noted as a strong demand towards premises have pushed prime rents higher across multiple segments and submarkets. The occupier demand is expected to further improve in selected logistics segments as the growing e-commerce trend is likely to continue.³⁾

An increase in transportation costs can also be seen as a possible driving factor to further emphasise the micro location of the industrial premises for the occupier. Strong underlying economic factors have led to an increasing interest among investors. The transaction volume within the segment has increased for four consecutive years, continuously increasing its share of the total transaction volume in the Finnish real estate market.⁴⁾



1) Cushman & Wakefield, Outlook Nordics (February 2023).
 2) Cushman & Wakefield, Outlook Nordics (February 2023).
 3) Cushman & Wakefield, Outlook Nordics (February 2023).
 4) Cushman & Wakefield, Outlook Nordics (February 2023).

The Norwegian real estate market

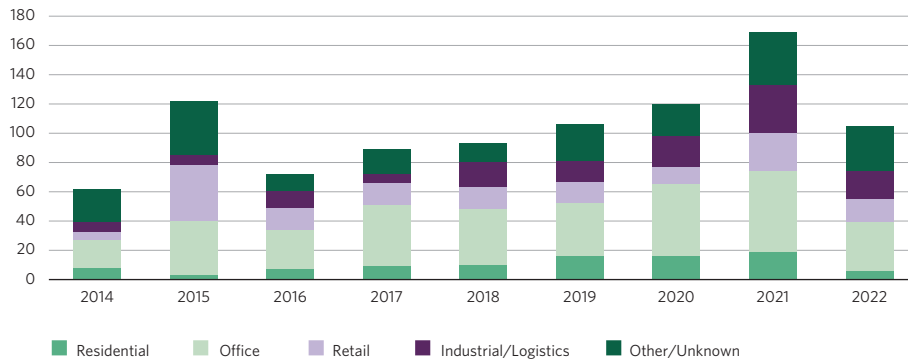
Investment market

The deal activity on the Norwegian real estate market slowed down in the second half year of 2022, but the annual deal volume was still in line with previous years' figures, with 2021 as an exception due to large takeovers. The number of transactions is projected to pick up going forward with market sentiment gradually improving as uncertainty on inflation and interest rates decrease. Moreover, the Norwegian economy is not expected to slow down to the same extent as the rest of

the Nordics, with unemployment remaining at low levels during 2023 and having a limited effect on demand in occupier markets.¹⁾

Yield requirements are expected to increase in the near term, especially in the most interest rate sensitive segments, laying the foundation for which buyers and sellers can meet to a greater extent. The transaction volume for 2023 can reach NOK 100 billion as companies seek to maintain credit ratings or lowering LTV ratios, the figure could, however, likely be dependent on a small number of larger deals.²⁾

TRANSACTION VOLUME (NORWAY, NOK BILLION)



Source: Cushman & Wakefield, Outlook Nordics (February 2023).

Oslo office market

As with previous years, office properties represented the largest share of transaction volume across the Norwegian market in 2022. Prime office yields in early 2022 were estimated to 3.25 per cent, although, when the interest rates were at their lowest level, known offers indicated even lower yields. However, given how market conditions have developed it is unlikely that transactions will be completed at yields lower than 3.75 per cent in the near term. On the occupier market,

both lease signings and rental growth were at record high levels in the last quarter of 2022. Office vacancies in Oslo trended lower during the second half of 2022, with the vacancy rate being 5.75 per cent going into 2023.³⁾

A growing office sector and limited new supply of offices in the coming years is expected to continue to push rents higher. However, a slight increase in vacancies may be expected in the near term as the economy and demand for office space decreases.⁴⁾

OFFICE MARKET, 2022, OSLO

➡➡➡ = Short term outlook

	CBD	City centre (excl. CBD)	Decentralized, West	Decentralized, East/North/South
Prime rent (NOK/sq.m)	6,000 ➡	5,000 ➡	4,150 ➡	2,900 ➡
Prime yield	3.75 % ➡	3.85 % ➡	4.10 % ➡	4.50 % ➡

Source: Cushman & Wakefield, Outlook Nordics (February 2023).

1) Cushman & Wakefield, Outlook Nordics (February 2023).
 2) Cushman & Wakefield, Outlook Nordics (February 2023).
 3) Cushman & Wakefield, Outlook Nordics (February 2023).
 4) Cushman & Wakefield, Outlook Nordics (February 2023).

The Danish real estate market

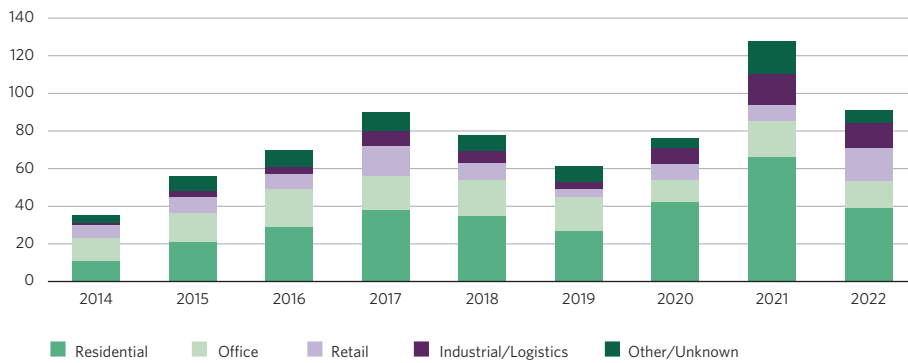
Investment market

The year of 2022 started out strong with record high activity on the Danish investment market, but market uncertainties caused by the war in Ukraine, significant interest rate increases, and double-digit inflation rates slowed down activity in the second half of the year. Despite the macroeconomic uncertainties, the total transaction volume reached DKK 94.5 billion, only surpassed by the record year in 2021. Investments in residential properties reached DKK 41 billion in 2022, corresponding to nearly half of the total transaction volume, continuing to be the most preferred segment among Danish investors. The investment volume in the office segment amounted to slightly below DKK 14 billion.¹⁾

The transaction volume in the logistics segment decreased slightly in 2022 compared to 2021, but interest in the segment remains strong, with foreign investors playing an important role in the market.²⁾

Yields across low risk segments have for several years been compressed, and although there is still demand among investors, higher interest rates have put upward pressure on yields by the end of the year. At what level yield requirements will stabilise greatly depends on interest rates. However, confidence in the Danish real estate market is expected to remain strong among investors. There is a lot of capital seeking investment opportunities in the real estate market and activity is expected to increase in 2023 as market conditions are expected to stabilise.³⁾

TRANSACTION VOLUME (DENMARK, DKK BILLION)



Source: Cushman & Wakefield, Outlook Nordics (February 2023).



1) Cushman & Wakefield, Outlook Nordics (February 2023).
 2) Cushman & Wakefield, Outlook Nordics (February 2023).
 3) Cushman & Wakefield, Outlook Nordics (February 2023).

Copenhagen office market

The segment for the most attractive office properties in Copenhagen has undergone a significant yield compression in recent years, which has been driven by high demand and limited supply. The yield compression was caused by several factors, including favourable financing conditions and a significant investor appetite, where capital sought the safest asset classes.¹⁾

Since the pandemic, high activity in the rental market combined with historically low vacancies have pushed prime rents up as tenants demand more social spaces in the offices. However, during the fall 2022, expectations of an upcoming recession were embedded among the tenants and letting activity slightly decreased in the last months of the year, particularly among foreign companies that became more cautious.²⁾

OFFICE MARKET, 2022, COPENHAGEN

→ → → = Short term outlook

	CBD	North Harbour & Amerika Plads	Copenhagen West & Carlsberg Byen	Ørestad	Kalvebod Brygge
Prime rent (DKK/sq.m)	2,100 →	2,000 →	1,900 →	1,900 →	1,500 →
Prime yield	3.65 % →	3.65 % →	3.85 % →	4.25 % →	4.25 % →

Source: Cushman & Wakefield, Outlook Nordics (February 2023).

Industrial and logistics market

In recent years, a strong demand for modern well-located logistics properties have been noted in Denmark. The demand has largely been driven by investors' positive expectations for the occupier market and the yield spread to the other segments on the real estate market. The market is characterised by mostly new built logistics properties being built-to-suit, with properties already let before project completion and low levels of speculative construction. In 2022, significant increases in construction prices, labour shortages and interest rates resulted in several projects being cancelled. This has led to vacancy rates in the segment being at all-time lows, just above 1 per cent.³⁾

Rents have been stable in recent years, but prime rental levels for modern logistics properties is expected to increase, particularly in Greater Copenhagen and Aarhus due to shortages in land available for development. Denmark is a strong logistics hub with access to Continental Europe and has been characterised by low rent levels and high yields. The underlying factors make Danish logistics properties attractive for investors and prime yields decreased some 250 basis points from 2012 to early 2022, where yields were at their lowest level.⁴⁾



1) Cushman & Wakefield, Outlook Nordics (February 2023).
 2) Cushman & Wakefield, Outlook Nordics (February 2023).
 3) Cushman & Wakefield, Outlook Nordics (February 2023).
 4) Cushman & Wakefield, Outlook Nordics (February 2023).

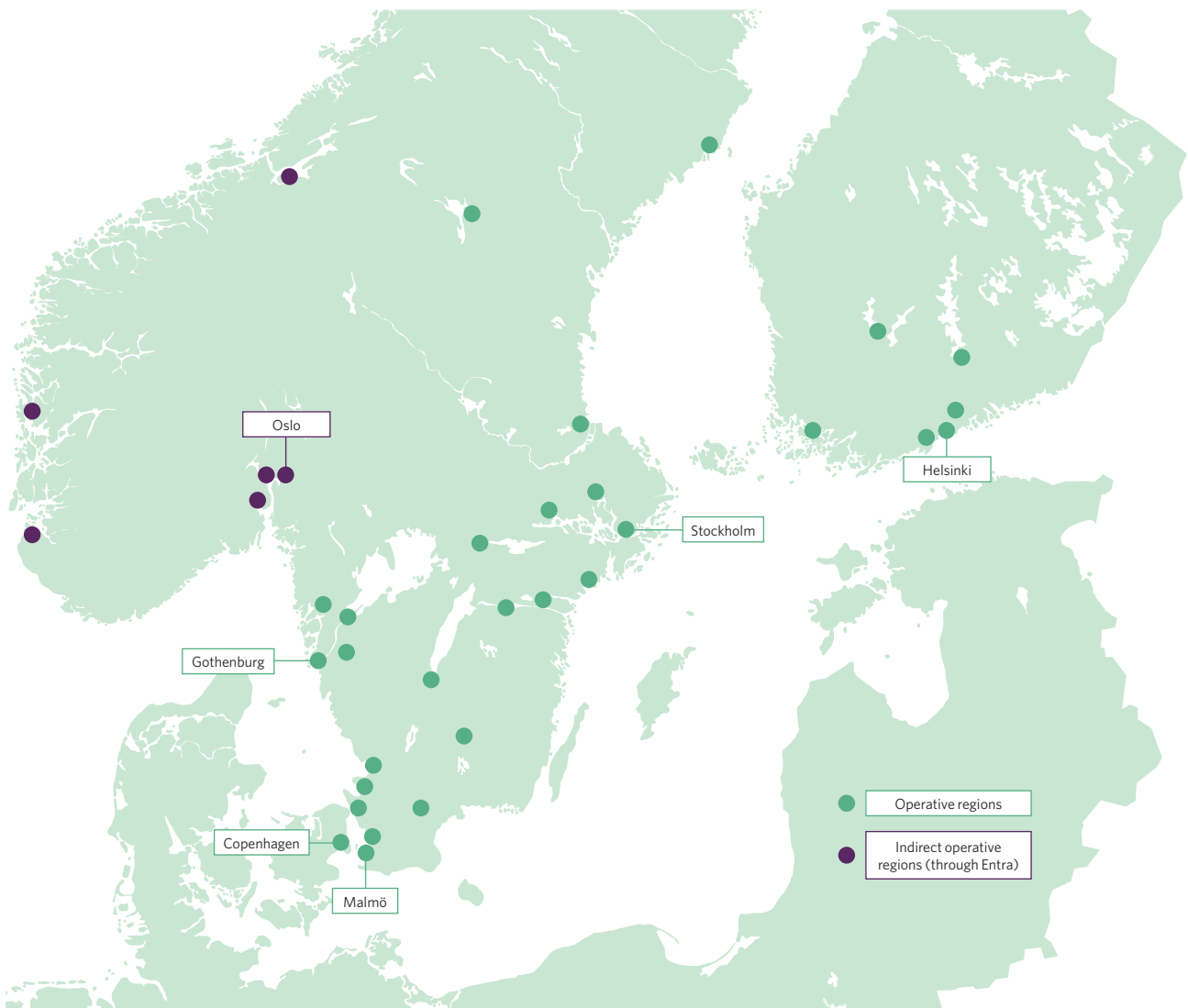


Business description

Castellum in brief

Castellum is one of the largest listed property companies in the Nordic region that owns, develops and manages commercial properties. The Company operates in attractive growth regions in Sweden, Denmark and Finland as well as in Norway through the associated company Entra listed on the Oslo Stock Exchange. Castellum's property portfolio is divided into five segments: *offices, warehouse/light industry, public sector properties, retail and developments and land*. As of 31 March 2023, the property portfolio included 741 properties with a

consolidated property value of approximately SEK 148 billion and a total lettable area of 5,646 thousand square metres (excluding the ownership in Entra). Including the ownership in Entra, Sweden, Norway, Finland and Denmark accounted for 77 per cent, 15 per cent, 4 per cent and 4 per cent of the total property value, respectively.¹⁾ Offices amounted to 60 per cent, public sector properties to 15 per cent, warehouse/light industry to 14 per cent, retail to 6 per cent and project and land to 5 per cent of the total property value. The Castellum share is listed on Nasdaq Stockholm, Large Cap.



1) As of 31 March 2023.

History

The following timeline includes important events for Castellum's operations since the Company was founded.

1993	Castellum is founded.
1997	Castellum is listed on the Nasdaq Stockholm Stock Exchange.
2015	Castellum acquires 50 per cent of the shares in CORHEI, and thereby obtains a property portfolio in central Sweden. The property holding in Copenhagen doubles.
2016	Castellum brings the entire Group together under the joint Castellum brand and creates a new structure for the business. The six former subsidiaries become four regions: West, Stockholm, Central and Öresund. Castellum acquires Norrporten AB and the remaining 50 per cent of the shares in CORHEI. Castellum divests property portfolios in Norrland and Malmö to increase the concentration of properties in more central locations.
2018	Castellum receives a Baa3 credit investment grade rating from Moody's. Castellum expands to Helsinki. Castellum issues its first international bond.
2021	Castellum acquires a Finnish property portfolio through the acquisition of the real estate company Kielo. Castellum increases its stake in Entra after which Entra becomes an associated company of Castellum. Castellum acquires Kungsleden through a public offer.
2022	Castellum becomes the first large property company in the Nordics whose share is approved and classified as Green Designation Equity by Nasdaq.



Key strengths

Castellum's management believes that the Company will be able to realise its strategy and achieve its long-term objectives through the strengths and competitive advantages as described in the following.

Leading real estate company active in the stable Nordic region

Castellum is the largest property company in the Nordics in the commercial properties space¹⁾ and the second largest property company in the warehouse and light industry segment. As of 31 March 2023, the Company's property value amounted to approximately SEK 174 billion, including the shareholding in the Norwegian company Entra.²⁾

Since the IPO in 1997, Castellum has increased its property value by SEK 165 billion. During the same period, the annual income from property management has increased from SEK 310 million to SEK 4,371³⁾ million, as of 31 March 2023. The growth in annual income from property management corresponds to a compounded annual growth rate ("CAGR") of 11 per cent, driven by both organic growth and acquisitions including the latest acquisition of Kungsleden in 2021. According to the Company, Castellum's growth is the result of a clear and long-term strategy through which Castellum has strengthened its competitive position through the development of a diversified property portfolio. The Company has achieved economies of scale such as operational and administrative synergies in property management, transactions, and project development, with further opportunities to increase efficiency through exchange of know-how and efficiency enhancements.

Castellum owns 33.3 per cent of Entra as of 31 March 2023, through share purchases in 2020 and in 2021. Entra is a leading owner, developer and manager of commercial properties in Norway. Castellum's holding in Entra provides exposure to the Norwegian property market, which is in line with the Company's strategy of being present in the Nordic growth regions.

Stable Nordic property market with strong economic fundamentals

The Nordic property market is considered to be economically stable as a result of low risk of political conflicts and strong public finances⁴⁾. In addition, the Nordic real estate market is expected to continue to attract international investors with significant cross border activity in the capital markets⁵⁾. Furthermore, Sweden, Denmark and Norway have also been awarded AAA credit ratings and Finland is rated AA+ by the credit rating agency S&P, indicating strong economic conditions in all of these countries.

Castellum is active in regions where the supply of high-quality office spaces in urban areas is supported by stable demand and where there is a low vacancy rate of four per cent in Stockholm CBD⁶⁾ and six per cent in Oslo CBD⁷⁾. The short-term demand and rental levels are expected to remain stable in Stockholm and increase in Oslo.⁸⁾ Outside of capitals, Castellum operates in growth regions such as Gothenburg and the Öresund region, where the demand for high-quality office space has steadily increased in recent years. Rental levels in these regions are expected to remain relative stable for the foreseeable future.⁹⁾

Castellum's exposure to the logistics, warehouse and light industry segment is almost exclusively in Sweden, where rental levels are expected to remain stable in 2023 with increased demand of newly developed logistics / warehouses properties.¹⁰⁾ Castellum has been able to diversify its exposure to an attractive segment, and cities such as Malmö and Gothenburg have become central to logistics demand.

Quality property portfolio

As of 31 March 2023, Castellum owned 741 properties corresponding to approximately 5.6 million square metre of lettable area in Sweden, Denmark and Finland. Castellum develops and manages its property portfolio to support growth in the Company's income from property management. Castellum's property portfolio is primarily spread across growth regions with good means of public transportation. Castellum regularly maintains its portfolio with long-term capex planning, in order to limit maintenance cost over time, as well as increase the property value and thereby securing cash flow for the future.

Proven business model anchored to a quality portfolio and diversified tenant base

Since the Company was founded in 1993, Castellum has built a stable and diversified tenant base with a large portion of exposure to the public sector as well as companies in several different industries. Castellum has low operational risk associated with customer dependency since the ten largest tenants together represent 14 per cent of the rental value and none of the tenants represent more than 3 per cent of the total rental value. Moreover, the risk of bankruptcy for the largest tenants is considered limited as five of Castellum's ten largest tenants are active in the public sector and Castellum's five largest private tenants are either larger global corporations with credit ratings of A- or A by S&P or have major shareholders with ratings of A by S&P.

1) Based on property value excluding development projects and land for the financial year 2022. Compared to Fabege AB, Corem Property Group AB and Wihlborgs Fastigheter AB for commercial properties.

2) Based on property value excluding development projects and land for the financial year 2022. Compared to AB Sagax, Corem Property Group AB, Nyfosa AB and Wallenstam AB for light industrial and warehouse properties.

3) Cushman & Wakefield, market report 2023.

4) Cushman & Wakefield, market report 2023.

5) Cushman & Wakefield, market report 2023.

6) Cushman & Wakefield, market report 2023.

7) Cushman & Wakefield, market report 2023.

8) Cushman & Wakefield, market report 2023.

9) Cushman & Wakefield, market report 2023.

10) Cushman & Wakefield, market report 2023.

Long track-record of organic growth, acquisitions and project development

Castellum manages and develops a property portfolio with good organic growth, where rent levels in comparable portfolios have increased by an average of 4.2 per cent over the period 2018–2022. The Company aims to be a leading company in urban development, and the preferred choice of both municipalities and tenants when looking for a partner to develop new projects. Castellum assists its customers to develop their workplaces in accordance with their requests, while the Company also offers customised and traditional property management services. By actively managing its properties and monitoring new trends and demands among tenants, Castellum has achieved a customer satisfaction index of 75 / 100 for the financial year 2022 in its CSI survey.

In order to promote long-term and sustainable growth, Castellum aims to continuously refine and develop its real estate portfolio by investing in new developments, extensions, and redevelopments, as well as making transactions in the Nordics. The total investments amount to SEK 82 billion over the last five years (2018–2022), which corresponds to an average of SEK 16 billion per year. During the same period Castellum's divestments recorded approximately SEK 28 billion in asset sales. Despite Castellum's long-term strategy in respect of its project portfolio remains unchanged, the Company has decided to reduce its project investments for 2023 and 2024. Instead, Castellum has chosen to focus on the already ongoing and most profitable property projects in order to strengthen the Company's balance sheet during the current volatile market environment.

Castellum conducts an active and ongoing risk assessment of the Company's project portfolio, prioritising presence in attractive Nordic growth regions and a diversified tenant base to maintain a stable portfolio and offer an attractive property exposure for Castellum's shareholders. As of 31 March 2023, the Company's ongoing larger projects amounted to SEK 3.6 billion, with an average economic occupancy rate of approximately 75 per cent.¹⁾

Diversified lending

Castellum's overarching goal is to maintain a low level of financial risk, which is reflected in a target of a long-term LTV ratio²⁾ not exceeding 40 per cent and an interest coverage ratio³⁾ of at least 3.0x in accordance with Castellum's financial policy adopted on 15 November 2022. As of 31 March 2023, the LTV ratio was 44 per cent and the interest coverage ratio was 3.4x.⁴⁾

Castellum's funding strategy includes diversification among funding sources, currencies and maturities ranging from unsecured bonds to secured debt primarily through local bank loans and access to unexercised credit facilities, which contribute to financial flexibility. Castellum monitors future funding needs based on assumptions of annual earnings, net investment volume, growth in property value, maturity profile of the existing debt portfolio, covenants in loan agreements as well as currency and interest rate risk exposure. The Group manages financial risk through close control and monitoring of the Company's financing structure. Foreign currency funding is normally matched with foreign currency assets or hedged through derivative instruments.

Sustainability work

Over time, Castellum aims to be one of the most sustainable real estate companies in Europe and actively works to promote and drive sustainable development. Castellum's sustainability work aims to contribute to limiting global climate change, reduce the risks in the property portfolio in the event of climate disasters and to offer a safe workplace for the Company's employees. The Company's sustainability focus has resulted in Castellum being the only Nordic real estate company included in the Dow Jones Sustainability Index⁵⁾. Furthermore, Castellum was the highest ranked Nordic real estate company in sustainability according to the sustainability benchmark CDP⁶⁾ in 2022. Additionally, for the seventh year in a row Castellum retained its position as the only Nordic company in the property and construction sector included in the Sustainability Yearbook⁷⁾. Castellum's inclusion in the Sustainability Yearbook is motivated by the Company's 2030 net-zero carbon emission target, the target of zero workplace injuries and the aim for all projects starting 2023 having reduced climate impact by 30 per cent. Castellum has also received several external awards, including the Company being ranked AAA by an MSCI ESG rating⁸⁾, ranked first in the office and industrial premises sector by GRESB⁹⁾ among 1,820 other property companies and funds, receiving "Industry Top-rated" ranking from Sustainalytics¹⁰⁾ and won the Gold Award from EPRA¹¹⁾ in being transparent and credible in its sustainability reporting.

1) Based on figures as of April 2023.

2) Interest-bearing liabilities after deduction for cash and cash equivalents as a percentage of total assets.

3) Income from property management after reversal of net financial items as a percentage of net interest items.

4) Refers to the period 1 April 2022 - 31 March 2023.

5) Dow Jones Sustainability Index (DJSI) includes companies in all industries that are the best performers in the field of sustainability.

6) CDP (Carbon Disclosure Project) is an independent non-profit organisation with the world's largest collection of information on companies' climate impacts.

7) The Yearbook is produced by S&P Global and ranks the top 15 per cent highest performers in terms of sustainability in respective industry.

8) MSCI (Morgan Stanley Capital International) ESG ratings aims to measure a company's management of financially relevant sustainability risks and opportunities.

9) GRESB (Global Real Estate Sustainability Benchmark) is an independent organisation providing validated ESG performance data and peer benchmarks.

10) Sustainalytics is a Morningstar Company that rates sustainability of listed companies.

11) EPRA (The European Real Estate Association) works to improve standards and transparency in the property industry to strengthen credibility for and facilitate investors.



Castellum's operational targets and strategy

Castellum's business idea is to create successful and sustainable workplaces in Nordic growth regions by keeping close to customers, innovation and expertise. The Company's focus is on further strengthening relations with priority customer segments, developing the service offering and improving the property and project development portfolios.

Operational targets

Castellum has an overall target of 10 per cent annual growth in income from property management in SEK per share.

Furthermore, Castellum has three operational targets that the Company is to be:

1. The preferred commercial choice for the private and public sector by developing and offering sustainable meeting and workplaces of the future, where organisations can grow and be attractive employers.
2. The Nordic leading property manager that makes everyday life easier for customers through local presence, sustainable property management and digital solutions at the forefront.
3. An attractive and leading employer by focusing on the employees and having a strong culture with clear values.

Castellum's strategy

Castellum's strategy describes the Company's strategic orientation, priorities and goals. The purpose of the strategy is to optimise the preconditions for Castellum to deliver on the Company's growth targets, create shareholder value and ensure Castellum is the most sustainable property company in Europe. Castellum's strategy is based on three perspectives: the company, the tenants and the society.

Asset and development portfolio

Castellum will develop and manage an asset portfolio that supports targets set for growth in income from property management, thus creating shareholder value over time. In addition, Castellum's portfolio shift is continuously towards greater quality and density through new construction, extensions and reconstructions as well as acquisitions and sales in the Nordic growth markets. The portfolio will constitute a property exposure alternative for Castellum's shareholders and the portfolio turnover should be actively managed, with a net investment volume of approximately 5 per cent per year. Moreover, Castellum will be a leading company in urban development, and the preferred choice of both municipalities and tenants when they are looking for a partner to develop new projects.

Strategic objective

- Long-term strategy to invest at least 5 per cent of the property value per year, which may deviate due to turbulent market conditions.
- Due to significantly changed market conditions, Castellum decided in the second half of 2022 to reduce project investments in favour of strengthened liquidity and cost control in connection with increasing inflation.

Financing

Castellum should maintain a low level of financial risk; the chosen key ratios for risk are loan-to-value ratio and interest coverage ratio. Castellum's financing strategy will support the business operations and manage the Group's financial risks while working for an open and transparent climate. The strategy will be reflected in the financial policy in order to ensure risk management through close internal monitoring.

Strategic objective

- Long-term loan-to-value ratio not exceeding 40 per cent.
- Interest coverage ratio of at least 3.0x.



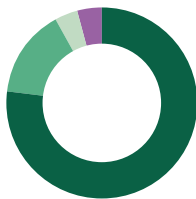
Property portfolio

Castellum's geographical markets combined with stable tenants, largely comprised of tenants with operations within the public sector, provide favourable conditions for stability and long-term growth, according to the Company. Castellum's portfolio consists primarily of offices (60 per cent of property value), public sector properties (15 per cent of property value), warehouses/light industry (14 per cent of property value) and retail (6 per cent of property value). The properties are all located in or near central urban areas with good means of public transportation and supplementary service. The remaining 5 per cent consists of project developments and land.

As of 31 March 2023, Castellum's property portfolio comprised of 741 properties with a total rental value of SEK 2,659 million and an aggregate lettable area of 5,646 thousand square metres. The net operating income after property administration expenses amounted to SEK 5,968 million on an annual basis for properties owned, as of 31 March 2023. The remaining average contract length as of 31 March 2023 was 3.9 years.

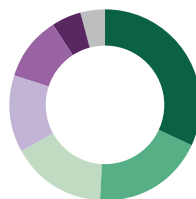
The diagrams below show an overview of Castellum's property portfolio as of 31 March 2023.

PROPERTY VALUE BY COUNTRY¹⁾



- Sweden **77%**
- Norway **15%**
- Finland **4%**
- Denmark **4%**

PROPERTY VALUE BY REGION



- Stockholm **32%**
- West **19%**
- Central **16%**
- Öresund **13%**
- Mälardalen **11%**
- Finland **5%**
- Denmark **4%**

PROPERTY VALUE BY CATEGORY



- Office **60%**
- Warehouse/Light industry **14%**
- Public sector properties **15%**
- Retail **6%**
- Developments and land **5%**



1) Including shareholding in Entra in Norway.

Overview of property portfolio as of 31 March 2023

The table below is an overview of Castellum's property portfolio as of 31 March 2023.

Category	31 March 2023				January-March 2023						
	Number	Area thousand sq. M.	Property value, MSEK	NOI SEK/sq. M.	Rental value, MSEK	NOI SEK/sq. M.	Economic occupancy rate, %	Income, MSEK	Property costs, MSEK	NOI SEK/sq. M.	Net operating income, MSEK
OFFICES											
Stockholm	53	659	31,563	47,885	474	2,874	92.2	427	103	623	324
West	78	466	13,733	29,484	232	1,994	92.8	212	70	598	142
Central	74	532	10,908	20,514	238	1,790	91.9	215	72	542	143
Mälardalen	29	381	10,085	26,460	196	2,060	92.5	180	58	608	122
Öresund	43	322	10,662	33,163	190	2,359	92.7	172	45	560	127
Denmark	14	142	5,322	37,577	93	2,619	93.0	85	22	631	62
Finland	18	203	7,055	34,694	182	3,573	92.0	163	66	1,304	97
Total Offices	309	2,705	89,328	33,032	1,605	2,373	92.4	1,454	436	645	1,017
PUBLIC SECTOR PROPERTIES											
Stockholm	7	126	4,947	39,190	72	2,297	97.5	70	14	455	55
West	19	146	3,138	21,499	59	1,609	96.5	56	17	458	40
Central	29	297	8,750	29,456	155	2,086	94.7	146	41	559	104
Mälardalen	7	37	1,012	27,293	17	1,884	98.7	17	4	401	13
Öresund	7	71	2,983	41,947	44	2,483	96.0	42	10	560	32
Denmark	1	12	671	55,537	10	3,151	94.2	9	2	549	7
Total Public sector properties	70	689	21,501	31,182	357	2,072	95.9	340	88	510	251
WAREHOUSE/LIGHT INDUSTRY											
Stockholm	36	197	3,917	19,903	68	1,382	93.1	67	16	317	52
West	83	592	8,462	14,305	158	1,069	95.0	146	52	353	94
Central	21	109	1,168	10,691	26	938	91.9	23	7	248	17
Mälardalen	27	323	3,725	11,546	91	1,133	96.6	86	39	485	47
Öresund	42	266	3,023	11,344	62	935	92.1	70	17	254	53
Denmark	1	17	162	9,297	3	775	94.0	3	1	342	2
Total Warehouse/Light industry	210	1,504	20,457	13,601	408	1,087	94.4	395	132	351	265
RETAIL											
Stockholm	21	118	3,110	26,440	54	1,826	98.6	52	7	235	45
West	13	64	1,377	21,504	25	1,558	92.2	23	8	492	15
Central	19	130	2,239	17,272	49	1,504	95.5	46	11	353	34
Mälardalen	12	48	776	16,293	16	1,358	96.3	15	4	328	11
Öresund	15	70	1,407	20,029	30	1,681	95.8	27	8	445	20
Total Retail	80	430	8,909	20,758	174	1,613	96.1	163	38	354	125
Total investment properties	669	5,328	140,194	26,317	2,544	1,909	93.4	2,352	694	521	1,658
Lettings and property administration expenses	—	—	—	—	—	—	—	—	133	100	133
Total after lettings and property administration expenses	669	5,328	140,194	26,317	2,544	1,909	93.4	2,352	827	621	1,525
Project	53	218	5,792	—	79	—	—	49	24	—	25
Undeveloped land	19	100	2,227	—	36	—	—	14	8	—	6
Total	741	5,646	148,214	—	2,659	—	—	2,414	858	—	1,556

Castellum's property portfolio is distributed across 6 regions: *Stockholm* (26 per cent of rental value), *West* (19 per cent of rental value), *Central* (18 per cent of rental value), *Mälardalen* (13 per cent of rental value), *Öresund*, including *Denmark*, (17 per cent of rental value) and *Finland* (7 per cent of rental value). Selected financial information for each region can be found below.

REGION STOCKHOLM

	Q1-2023	2022	2021
Proportion of property value, %	32	32	35
Number of properties	117	137	140
Area, thousand sq.m.	1,100	1,221	1,178
Property value, MSEK	43,537	49,611	49,443
Rental value, MSEK	668	2,683	2,561
Net operating income, MSEK	476	1,859	1,871
Net investments, MSEK	n/a	-1,227	22,359
Net lettings, MSEK	-51	-3	14
Employees	n/a	90	52

REGION MÄLARDALEN¹⁾

	Q1-2023	2022
Proportion of property value, %	11	11
Number of properties	75	85
Area, thousand sq.m.	789	835
Property value, MSEK	15,598	17,192
Rental value, MSEK	320	1,250
Net operating income, MSEK	193	809
Net investments, MSEK	n/a	740
Net lettings, MSEK	-5	38
Employees	n/a	19

REGION WEST

	Q1-2023	2022	2021
Proportion of property value, %	19	19	19
Number of properties	193	214	200
Area, thousand sq.m.	1,268	1,322	1,311
Property value, MSEK	26,710	28,421	27,052
Rental value, MSEK	474	1,832	1,671
Net operating income, MSEK	291	1,277	1,199
Net investments, MSEK	n/a	517	3,730
Net lettings, MSEK	16	90	53
Employees	n/a	77	71

REGION ÖRESUND

	Q1-2023	2022	2021
Proportion of property value, %	17	17	14
Number of properties	123	139	115
Area, thousand sq.m.	900	956	772
Property value, MSEK	24,230	25,615	19,842
Rental value, MSEK	432	1,474	1,283
Net operating income, MSEK	303	991	890
Net investments, MSEK	n/a	1,488	441
Net lettings, MSEK	11	23	35
Employees	n/a	63	58

REGION CENTRAL

	Q1-2023	2022	2021
Proportion of property value, %	16	17	24
Number of properties	143	154	193
Area, thousand sq.m.	1,068	1,142	1,635
Property value, MSEK	23,065	25,293	33,855
Rental value, MSEK	468	1,831	2,415
Net operating income, MSEK	298	1,196	1,676
Net investments, MSEK	n/a	1,103	11,764
Net lettings, MSEK	-15	10	53
Employees	n/a	98	96

REGION FINLAND

	Q1-2023	2022	2021
Proportion of property value, %	5	5	5
Number of properties	18	20	18
Area, thousand sq.m.	203	221	208
Property value, MSEK	7,055	7,432	7,006
Rental value, MSEK	182	687	529
Net operating income, MSEK	97	358	332
Net investments, MSEK	n/a	225	4,424
Net lettings, MSEK	-8	3	6
Employees	n/a	10	10

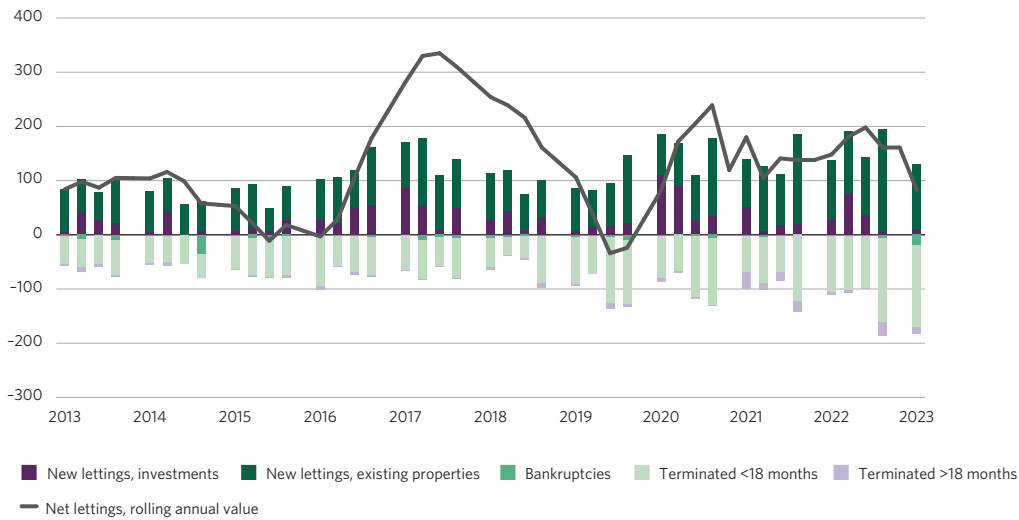
1) Region Mälardalen is a new region as of 2022, which means that no data for the time before 2022 is available.

Customers

According to Castellum a customer-centred model is achieved through building long-term relationships, maintaining a local presence and providing customised service levels in order to meet each customer's different expectations. The Company's

client satisfaction has proven strong portfolio resilience with double digit revenue growth of 12.7 per cent per year between 2018 and 2022 as well as a stable occupancy¹⁾ of more than 90 per cent, even during 2020 that was affected by the Covid-19 pandemic.

NET LETTINGS 2012-2023 (MSEK)



Castellum also benefits from the Company's lease agreements with multiple types of index clauses that provide a steady growth in rental income and hedging towards increased cost levels. The Company's leases usually include a base rent - i.e. the rent agreed upon when signing the contract - and an index clause that provides an annual adjustment of the rent, either as a certain percentage of the previous year's inflation or as a minimum upward adjustment of a set percentage. Commercial leases include an index clause, and the majority of the Company's lease agreements include an index clause (calculated both in number of leases and total lease value).

Castellum's exposure to individual tenants is low, with a lease portfolio that has a large spread across many different tenants, customer sizes and industries, which in turn diversifies the exposure to rent losses and vacancies. Castellum's portfolio consists of approximately 8,000 lease agreements, which diversifies the Company's business risk as well as promotes the stability and predictability of the cash flow. The single largest lease accounts for 1.2 per cent of the Group's total rental income, while the corresponding figure for the single largest customer is 2.3 per cent. Castellum's 10 largest tenants represent a rental value of SEK 1,339 million which corresponds to 14 per cent of Castellum's total lease value. As of 31 March 2023, the remaining average length of contract was 3.9 years. The table on the right illustrates Castellum's largest tenants as of 31 March 2023.

LARGEST TENANTS

Largest tenants	Lease value, MSEK	Proportion of lease value, %	S&P rating ¹⁾
AFRY Group	210	2.2 %	n/a
The Swedish Police Authority	190	2.0 %	AAA
ABB	183	1.9 %	A-
The Swedish National Courts Administration	171	1.8 %	AAA
Handelsbanken	147	1.5 %	AA-
The Swedish Social Insurance Agency	104	1.1 %	AAA
The Swedish Migration Agency	86	0.9 %	AAA
E.ON	86	0.9 %	BBB
Axis Communications	81	0.8 %	A
Region Stockholm	81	0.8 %	AAA
Total largest tenants	1,339	14.0 %	
Other tenants	8,249	86.0 %	
Total lease value	9,588	100 %	

1) Country rating for public sector tenants.

1) Calculated excluding project properties.

The tables below show Castellum's lease maturity structure and lease size as of 31 March 2023.

LEASE MATURITY STRUCTURE

	Number of leases	Lease value, MSEK	Proportion of rental value, %
Commercial, term			
2023	2,412	1,147	12
2024	2,070	1,932	20
2025	1,473	1,682	17
2026	1,216	1,539	16
2027	323	746	8
2028+	490	2,281	24
Total commercial	7,984	9,327	97
Residential	519	51	1
Parking spaces and other	6,594	210	2
Total	15,097	9,588	100

LEASE SIZE

	Number of leases	Share, %	Lease value, MSEK	Proportion of rental value, %
Commercial				
<0.25	3,518	23	245	3
0.25-0.5	1,171	8	434	4
0.5-1.0	1,287	8	914	9
1.0-3.0	1,317	9	2,273	24
>3.0	691	5	5,461	57
Total	7,984	53	9,327	97
Residential	519	3	51	1
Parking spaces and other	6,594	44	210	2
Total	15,097	100	9,588	100

Diversified customer base

Castellum's tenants operate in various industries and represent a cross-section of Swedish businesses. A large and growing customer segment for Castellum is the public sector, which provides a stable and secure base for earnings and have long lease maturities. Castellum's exposure towards the segment of retail trade experiencing significant structural changes as a result of changing consumption patterns due to digitalisation is low, and amounted to 6 per cent of Castellum's total property value, as of 31 March 2023.



Development portfolio and investments

Castellum has an overall objective of 10 per cent annual growth in income from property management in SEK per share. One of the strategies to achieve this objective is to invest in and develop its own project portfolio, which takes place through property acquisitions, land allocation agreements and the acquisition of building rights for new construction, as well as through reconstructions and extensions of existing properties.

As of 31 March 2023, Castellum had a portfolio of larger ongoing projects totalling investments of SEK 3.6 billion, of which SEK 1.6 billion remains to be invested. Average economic occupancy rate for Castellum's larger ongoing projects as of 31 March 2023 amounted to 75 per cent.

Two larger projects were completed during the first quarter of the year; Sjustjärnan 1 and Godsfinkan 1, both office properties located in Malmö.

During the period 1 January 2023 – 31 March 2023, Castellum invested SEK 714 million in the property portfolio, of which SEK 6 million relates to acquisitions and SEK 708 million relates to new construction, extensions and reconstructions. The current investments are financed through own available funds and borrowed capital.

Set out below is a description of material investments that are ongoing and/or for which firm commitments have already been made as of 31 March 2023.

Property	Category	Investment type	Location	Completed	Area, sq. M.	Rental value, MSEK	Occupancy rate, %	Total investment, MSEK	Of which invested, MSEK	Remaining to invest, MSEK
Backa 20:5	P	N	Gothenburg	Q1 2025	9,000	40	100	490	45	445
Effekten 13	O	N	Västerås	Q3 2023	15,400	31	100	445	329	116
Tusenskönan 2	P	N	Mölnadal	Q3 2024	10,600	29	100	443	121	322
Götaland 9 ¹⁾	P	N	Jönköping	Q2 2023	9,200	23	100	323	283	40
Kungsängen-Tibble 1:648	W	N	Stockholm	Q2 2023	15,200	20	48	301	215	86
Werket	O	R	Jönköping	Q1 2026	25,500	47	37	300	129	171
Åseby 1:5	O/I	N	Gothenburg	Q3 2023	14,800	21	100	283	218	65
Hornsberg 10	O	R	Stockholm	Q3 2023	8,700	32	82	268	172	96
Finnslätten 1 (part)	O/I	R	Västerås	Q4 2024	21,000	28	39	250	143	107
Tistlarna 9	Lo	N	Malmö	Q1 2024	11,300	13	97	195	115	80
Borgarfjord 5	O	R	Stockholm	Q4 2024	9,300	28	45	182	130	52
Bollbro 15	P	R	Helsingborg	Q3 2023	3,800	7	92	125	84	41
Total larger ongoing projects					153,800	319	75	3,605	1,984	1,621

1) The property was divested and vacated at the conclusion of the project.

Developments completed or fully/partly occupied

Sjustjärnan 1	O	N	Malmö	Q1 2023	31,500	83	99	1,362	1,206	156
Godsfinkan 1	O/P	N	Malmö	Q1 2023	26,500	85	97	1,350	1,296	54
Total projects >SEK 100 M					211,649	486	83	6,317	4,486	1,831
Smaller ongoing projects, SEK 10–100 M								2,053	1,368	685

Category: O=Office, W=Warehouse, Lo=Logistics, P=Public sector, I=Industry

Investment type: N=New construction, R=Reconstruction

Larger completed projects

During the first quarter of the year two larger projects have been completed: Godsfinkan 1 and Sjustjärnan 1.

**GODSFINKAN 1, COURT BUILDING, MALMÖ**

Location	Malmö	Occupancy	Q1 2023
Area	26,500 sq.m.	Investment	SEK 1,350 million
Occupancy rate	97 per cent	Rental value	SEK 85.3 million

Castellum has constructed new court offices for the District Court, Administrative Court, and Rent and Tenancy Tribunal in Malmö. The court building is located in the new Nyhamnen district of Malmö. The building contains approximately 40 courtrooms and is one of northern Europe's largest court buildings.

**SJUSTJÄRNAN 1, OFFICE, MALMÖ**

Location	Malmö	Occupancy	Q1 2023
Area	31,500 sq.m.	Investment	SEK 1,362 million
Occupancy rate	99 per cent	Rental value	SEK 83 million

Castellum has constructed a new Nordic head office for E.ON for approximately 1,500 employees, in the Nyhamnen district near Malmö Central Station. The office has been designed to meet a number of different requirements and needs that are imposed on a trendsetting building with attractive architecture that must meet certain sustainability requirements.

Larger ongoing projects

Among other ongoing projects that are expected to be completed over the next years, there is an animal hospital in Gothenburg, Tusenskönan 2, which is expected to generate an annual income of approximately SEK 29 million and a police building in Gothenburg, Backa, which is expected to generate an annual income of approximately SEK 40 million.

**TUSENSKÖNAN 2, SPECIALIST ANIMAL HOSPITAL, GOTHENBURG**

Location	Gothenburg	Occupancy	Q3 2024
Area	10,600 sq.m.	Investment	SEK 443 million
Occupancy rate	100 per cent	Rental value	SEK 29 million

Castellum and the foundation-owned Blå Stjärnans Animal Hospital are together developing a new specialist animal hospital in Mölndal, Gothenburg. The hospital will become one of Sweden's largest clinics for smaller animals and will contain an advanced medical practice. The property is being developed with high ambitions regarding sustainability and is classified Environmental Building Silver.

**BACKA 20:5, POLICE BUILDING, GOTHENBURG**

Location	Gothenburg	Occupancy	Q1 2025
Area	9,000 sq.m.	Investment	SEK 490 million
Occupancy rate	100 per cent	Rental value	SEK 40 million

The construction of the new police building in Hisingen, Gothenburg, started in the fourth quarter of 2022 and is expected to be ready for occupancy during the second quarter of 2025. Castellum is creating 9,000 square metres of suitable premises on the site where the old printing office for the Swedish daily Göteborgs-Posten once was located.

Building rights and planned developments

Castellum continuously evaluates future development opportunities in existing and new market areas. Castellum has a broad portfolio of building rights with a total planned lettable area of approximately 487 thousand square metres.¹⁾ In light of the current market conditions, Castellum has decided to postpone some project starts until more stable market conditions have emerged, thus resulting in a probable decrease in volume of estimated project starts over the next five years.

Castellum continues to have good potential in its project portfolio and currently estimates that projects corresponding to approximately 695,000 square metres can be initiated over the next five years, subject to improved market conditions, an improved rental rate as well as progress of detailed development plans. Of the total project portfolio, approximately 300,000 square metre consists of logistics and the remainder is mainly offices.

POTENTIAL CONSTRUCTION STARTS, 20 LARGEST PROJECTS

Developments	Location	Type	Category	Detailed development plan	Lettable area, sq. M.
Säve Stage 1	Gothenburg	N	Lo	Ongoing	51,500
Halvors äng Stage III ^{*)}	Gothenburg	N	Lo	In effect	50,500
Läkaren 10	Stockholm	R	O	In effect	38,000
Part of Västerås 3:69 ^{**)}	Västerås	N	Lo	Ongoing	32,000
Halvors äng Stage II ^{*)}	Gothenburg	N	Lo	In effect	32,000
Finnslätten 1	Västerås	N	Oth	In effect	32,000
Halvors äng Stage I ^{*)}	Gothenburg	N	Lo	In effect	28,000
Charkuteristerna 1-8	Stockholm	R	O	Ongoing	25,000
Norr om Nordstaden ^{**)}	Gothenburg	N	O	Ongoing	25,000
Infinity	Stockholm	N	O	In effect	19,800
Q3	Helsinki	O	K	In effect	17,200
Flabohult	Jönköping	N	Lo	In effect	15,000
Smärgelskivan	Helsingborg	N	Lo	In effect	15,000
Halvorsäng Stage V ^{*)}	Gothenburg	N	Lo	In effect	14,000
Halvorsäng Stage IV ^{*)}	Gothenburg	N	Lo	In effect	13,000
Sunnanå 8:51	Malmö	N	Lo	In effect	13,000
Brunna Örnäs 1:28	Stockholm	N	Lo	In effect	12,700
Brunna Örnäs 1:29	Stockholm	N	Lo	In effect	12,700
Gladan 5,6,7	Stockholm	R	O	In effect	11,000
Forskaren	Lund	N	O	In effect	10,000
Total					467,400

Category: O=Office, W=Warehouse, Lo=Logistics, P=Public sector, I=Industry

Investment type: N=New construction, R=Reconstruction

^{*)} The projects are being run in the form of a joint venture in which Castellum's share is 50 per cent.

^{**)} Land allocation agreement.

1) 130 thousand square metres pertain to projects being carried out by JV, where Castellum's share is 50 per cent.

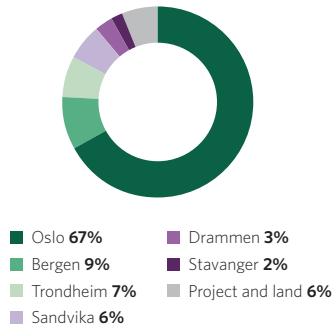
Associated companies

As of 31 March 2023, Castellum owned 60,710,624 shares in Entra, corresponding to 33.3 per cent of the votes and capital. Entra owns and manages modern office properties in central locations in Norway’s largest cities close to public transportation and has as of 31 March 2023 a property portfolio with a property value of NOK 78 billion and a total lettable area of

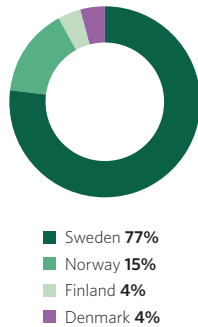
1,591 thousand square metres. Castellum recognises its holdings in Entra as an associated company in accordance with the equity method.

The diagrams below show an overview of Entra’s property value by region, Castellum’s property value by country including Entra as well as Castellum’s lettable area by country including Entra as of 31 March 2023.

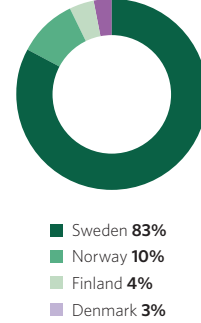
ENTRA'S PROPERTY VALUE BY REGION



CASTELLUM'S PROPERTY VALUE BY COUNTRY INCL. ENTRA



CASTELLUM'S LETTABLE AREA BY COUNTRY INCL. ENTRA



Organisation

On 31 December 2023, Castellum’s organisation consisted of 560 employees, of which 42 per cent were women. The Executive Management includes the CEO, COO, CFO, Head of People & Culture, Head of Legal, Director of Communication, Chief Investment Officer and regional CEOs. The Executive Management has joint responsibility for delivering on Group-wide goals and strategies.

Number of employees	2022	2021	2020
Average number of employees	534	443	413
of which women	233	189	162
of which Sweden (of which women)	512 (226)	423 (182)	399 (158)
of which Finland (of which women)	10 (5)	8 (4)	2 (1)
of which Denmark (of which women)	12 (2)	12 (3)	12 (3)

Code of Conduct

The Code of Conduct is based on Castellum’s values; *Business-minded, Committed and Brave*, the ten principles on human rights, labour law, environment and anti-corruption of the UN business network Global Compact as well as the OECD Guidelines for multinational enterprises. Castellum’s Code of Conduct clarifies the Company’s position on human rights, working conditions, business ethics, equality, and providing information. All employees of Castellum must undergo the Company’s mandatory training concerning the content of the Code of Conduct.

Whistleblowing

Castellum has a whistle-blower function, independent of the Company, that can be accessed on the Group’s website and Intranet. This function is intended to help both employees and external parties to report incidents and actions that are not

line with Castellum’s values or Code of Conduct, or otherwise have a negative impact on the Company or people’s health and safety.

Castellum’s sustainability work

Sustainability is an integrated part of Castellum’s operations and of all the Company’s investments. The Company implements initiatives both to reduce the environmental impact of the properties and to develop ecosystem services to contribute to surrounding biodiversity. Almost half of the Company’s properties are sustainability-certified¹⁾ and the energy efficiency is continuously improved. In addition to reducing the environmental impact from the properties, the Company installs solar cells and charging points.

As of 31 March 2023, 91 per cent of the portfolio had been environmentally inventoried and 46 per cent of the investment properties in the portfolio were sustainability certified. The Company’s aim is that 50 per cent of the portfolio shall be sustainability certified by 2025 at the latest. Additionally, Castellum has adopted a target of reducing energy use by 11 per cent between 2021 and 2025 with an efficiency improvement of at least 2.5 per cent in the comparable portfolio.

Castellum works on increasing the share of renewable energy by, among other things, installing solar cell plants. The 100 on solar project means that Castellum will build 100 solar cell installations up through 2025. As of 31 March 2023, the Company had installed 80 solar cells plants, corresponding to approximately 12 per cent of the Company’s total energy use.

Green Financing Framework

Since 2022, Castellum has an updated framework for green financing, which can be used to issue green bonds through the Company’s Medium Term Note Programme (“MTN”) and Euro Medium Term Note Programme (“EMTN”) (together the

1) As Leed, Breeam, Miljöbyggnad or EU Green Building.

“Green Bonds”¹⁾) which provides investors with an opportunity to partially finance Castellum’s sustainable projects and properties while providing Castellum with a highly attractive source of funding. The Company is the first large real estate company in the Nordics which share has been approved and classified the Green Equity Designation on Nasdaq Stockholm.²⁾ In addition, the research firm Cicero Shades of Green awarded Castellum Cicero’s Medium Green.

Sustainability targets and strategy

Castellum’s sustainability targets are ambitious and the Company’s goal is to be completely climate neutral in 2030, at the latest. The Company’s sustainability strategy is an integrated part of the Company’s business strategy and consists of 23 measurable targets. The majority of the targets are revised quarterly and reported both internally and externally. A minority of the targets are only revised yearly by the Company. The climate related targets are scientifically based and approved by Science Based Targets initiative (“SBTi”).

Preventing global warming, by reducing the operations’ environmental and climate impact, is one of the Company’s most important focus areas. In 2022, 28 energy efficiency projects were conducted with a total investment of SEK 124 million. From 2019 to 2022, 100 per cent of electricity in Castellum’s own operations were from renewable sources and 63 per cent of Castellum’s properties had an energy performance lower than 100kWh/m² for the year 2022, targeting 70 per cent by 2025 at the latest. Castellum’s

environment and climate work is about improving the efficiency of energy usage, using natural resources and efficiently and responsibly, reducing carbon dioxide emissions and amounts of waste as well as the use of water.

Castellum’s carbon dioxide emissions are mainly generated in the management of properties and in connection with new constructions and reconstructions. Castellum has adopted two road maps in order to reduce emissions, one road map that aims to reduce the carbon dioxide emissions within management (related to Scope 1 and 2), and one roadmap that targets the annual reduction of emissions generated in connection with project development (related to Scope 3).

1 per cent of Castellum’s carbon dioxide emissions are Scope 1 emissions that arise from, for example, property management and travel with company cars. The Company works systemically with energy savings and energy efficiency in order to reduce these emissions. The focus is on optimising the operation of the management portfolio and investing in energy-efficient solutions. In Scope 2, the remaining 10 per cent of carbon dioxide emissions occur. To reduce these, the Company has introduced targets for material selection and architectural design that reduce emissions by at least 40 per cent compared with the industry average, and has introduced requirements for the reuse of materials in all projects.



1) As defined by ICMA Green Bond Principles and EU Taxonomy.

2) According to press release by Nasdaq as of 12 September 2022.



Selected financial information

The selected financial information presented below has been derived from Castellum's financial statements in the audited annual report for the financial year 2022 and from the interim report for the period 1 January – 31 March 2023, which have been incorporated by reference in the Prospectus, see the section "Documents incorporated by reference".

Castellum's financial statements have been prepared in accordance with the IFRS standards as adopted by the EU. The consolidated statements have been prepared in accordance with Swedish law by applying the Swedish Financial Reporting Board's recommendation RFR 1 (Supplementary Accounting Rules for Corporate Groups). The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim report for the period 1 January – 31 March 2023 has been reviewed by the Company's auditors. The auditors' review report has been incorporated by reference in the Prospectus, see section "Documents incorporated by reference".

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

MSEK	1 January – 31 December		1 January – 31 March	
	2022	2021	2023	2022
Rental income	7,803	5,723	2,167	2,043
Service income	960	461	236	100
Coworking income	232	169	67	50
Income	8,996	6,353	2,470	2,193
Operating costs	-1,490	-840	-506	-407
Maintenance expenses	-286	-155	-74	-52
Property tax	-580	-401	-149	-129
Coworking expenses	-280	-194	-72	-65
Lettings and property administration expenses	-522	-417	-133	-135
Net operating income	5,838	4,346	1,536	1,406
Central administrative expenses	-270	-174	-70	-67
Acquisition costs	-7	-76	—	-2
Income from participations in associated companies	-373	1,142	-17	938
<i>Net financial items</i>				
Interest income	0	2	-	-
Interest costs	-1,531	-847	-	-
Net interest items ¹⁾	-	-	-568	-314
Financing fees, etc. for acquisitions	-	-27	-	-
Dividend	-	61	-	-
Letting cost/Site leasehold fee	-76	-27	-17	-17
Income including associated companies	3,581	4,400	864	1,943
Of which income from property management²⁾	4,510	3,522	1,014	1,151
Change in goodwill	-440	-194	-131	-151
<i>Changes in value</i>				
Properties	-3,537	7,185	-5,968	442
Financial holdings	-57	42	-	171
Revaluation of earnings due to stepwise acquisition	-	111	-	-
Derivatives	2,690	325	-87	1,366
Income before tax	2,237	11,869	-5,322	3,771
Current tax	-15	-173	-25	-97
Deferred tax	-472	132	1,044	-62
Net income for the period³⁾	1,750	11,828	-4,304	3,612
Other comprehensive income				
<i>Items that will be reclassified to net income for the period</i>				
Translation difference of currencies, etc.	530	629	-495	863
Change in values on derivatives, currency hedge	-694	-508	534	-513
Comprehensive income for the period²⁾	1,586	11,949	-4,264	3,962
Data per share (since there are no potential shares, there is no dilution effect)				
Average number of shares, thousand	330,854	282,917	328,401	338,434
Earnings per share, SEK	5.29	41.81	-13.10	10.67

1) This item is not reported separately in the annual report for 2022 and 2021 and therefore not reported in the table.

2) Including Castellum's share of Entra's income from property management.

3) Of net income for the financial year 2022, SEK 1,750 million (11,828) is attributable to the parent company's shareholders. Of comprehensive income for the year 2022, SEK 1,586 million (11,949) is attributable to the parent company's shareholders.

CONSOLIDATED BALANCE SHEET IN SUMMARY

MSEK	31 December		31 March	
	2022	2021	2023	2022
Assets				
Investment properties	153,563	153,146	148,214	152,666
Goodwill	4,969	5,544	4,839	5,392
Derivatives	3,214	-	3,475	1,569
Other assets ¹⁾	17,127	17,745	-	-
Leases, right-of-use ²⁾	-	-	1,557	1,800
Associated companies ²⁾	-	-	12,493	15,334
Other fixed assets ²⁾	-	-	308	496
Current receivables ²⁾	-	-	1,952	2,186
Cash and cash equivalents	858	1,197	1,757	1,505
Total assets	179,731	177,632	174,595	180,947
Equity and liabilities				
Equity	78,983	83,637	74,369	81,845
Deferred tax liability	17,754	17,351	16,690	17,449
Derivatives	468	563	21	456
Interest-bearing liabilities	76,849	70,829	360	73,088
Non-interest bearing liabilities	5,677	5,252	3,668	6,277
Other provisions ²⁾	-	-	21	34
Lease liability ²⁾	-	-	1,557	1,800
Total equity and liabilities	179,731	177,632	174,595	180,947

1) This item is not reported separately in the interim report for the period 1 January - 31 March 2023 and therefore not included in the table.

2) This item is not reported separately in the annual report for 2022 and 2021 and therefore not reported in the table.

THE GROUP'S CASH FLOW IN SUMMARY

MSEK	1 January - 31 December		1 January - 31 March	
	2022	2021	2023	2022
Cash flow from operating activities before change in working capital	4,113	3,277	959	1,208
Cash flow from operating activities	4,300	2,603	1,092	1,139
Cash flow from investment activities	-2,526	-13,972	-463	1,016
Cash flow from financing activities	-2,162	12,405	253	-1,860
Cash flow for the period	-388	1,036	882	294
Cash and cash equivalents opening balance	1,197	161	858	1,197
Exchange-rate difference in cash and cash equivalents	49	-	17	14
Cash and cash equivalents, closing balance	858	1,197	1,757	1,505

ALTERNATIVE KEY PERFORMANCE INDICATORS AND DATA PER SHARE

Amount in MSEK unless otherwise stated	1 January - 31 December		1 January - 31 March ¹⁾	
	2022	2021	2023	2022
NOI SEK / sq. m.	1,758	1,648	1,909	1,699
Income from property management	4,510	3,522	1,014	1,151
Loan-to-value ratio, total assets (%)	42.3	39.2	43.6	39.6
Loan-to-value ratio, property (%)	50	45	51.4	46.9
Interest coverage ratio, multiple	3.9	5.2	2.8	4.7
EPRA NRV per share	242	251	222	259
EPRA NTA per share	230	241	211	248
EPRA NDV per share	196	197	181	209
Net debt to EBITDA	13.6	16.7	13.0	13.4

1) In the interim reports, key metrics have been recalculated on an annual basis, disregarding seasonal variations normally occurring in operations.

Definitions

Rental value	Rental income plus estimated market rent for vacant premises.
Income from property management	Income before tax following add-back of acquisition and restructuring costs, revaluation of results due to step-wise acquisitions, income from associated companies excl. income from property management and changes in value of properties, financial holdings, derivatives, and goodwill.
Loan-to-value ratio	Interest-bearing liabilities after deduction for cash and cash equivalents as a percentage of total assets.
Loan-to-value ratio, property	Interest-bearing liabilities after deduction for cash and cash equivalents as a percentage of the properties' fair value with deduction for acquired properties not taken into possession, and with addition for divested properties still in Castellum's possession.
Interest coverage ratio	Income from property management after reversal of net interest items as a percentage of net interest items.
EPRA NRV	Equity as recognised in the balance sheet less non-controlling interests and hybrid bonds and adjusted for derivatives, goodwill relating to deferred tax, and deferred tax in its entirety.
EPRA NTA	Equity as recognised in the balance sheet less non-controlling interests and hybrid bonds and adjusted for derivatives, goodwill relating to deferred tax, and deferred tax in its entirety, adjusted for fair value of the total deferred tax instead of nominal deferred tax.
EPRA NDV	Equity as recognised in the balance sheet, less non-controlling interests and hybrid bonds and adjusted for goodwill that does not constitute deferred tax.
Net debt to EBITDA	Interest-bearing liabilities after deduction for cash and cash equivalents in relation to net operating income less central administrative expenses. In the interim accounts, net operating income less central administrative expenses have been recalculated on an annual basis, disregarding seasonal variations normally occurring in operations.
Number of shares	Registered number of shares – the number of shares registered at a given point in time. Number of shares outstanding – the number of shares registered with a deduction for the company's own repurchased shares at a given point in time. Average number of shares – the weighted average number of shares outstanding during a given period.
Data per share	Calculation of income and cash flow per share uses the average number of shares, and calculation of assets, equity and net asset value per share uses the number of shares outstanding.

Reconciliation of alternative key performance indicators

This section contains certain financial measures that are not defined or recognised in accordance with IFRS. These financial measures have been included because Castellum believes that these key metrics provide valuable supplementary information to investors.

Since not all companies calculate financial key metrics in the same way, these are not always comparable with key metrics used by other companies. The financial key metrics should therefore not be seen as a substitute for measures defined under IFRS. Below are reconciliation tables for such financial key metrics not presented in accordance with IFRS. In the interim reports, key metrics have been recalculated on an annual basis, disregarding seasonal variations normally occurring in operations.

RENTAL VALUE, SEK/SQ. M.

	1 January - 31 December		1 January - 31 March	
	2022	2021	2023	2022
(A) Rental value, MSEK	9,312	8,733	2,544	2,335
(B) Area, thousand sq. m	5,296	5,298	5,328	5,747
(A) / (B) = Rental value, SEK/sq. m.	1,758	1,648	1,909	1,699

INCOME FROM PROPERTY MANAGEMENT

MSEK	1 January - 31 December		1 January - 31 March	
	2022	2021	2023	2022
Income before tax	2,237	11,869	-5,322	3,771
Reversed:				
Acquisition costs	7	76	-	2
Financing fees, etc. for acquisitions	-	27	-	-
Revaluation of earnings due to stepwise acquisition	-	-111	-	-
Income from associated companies excluding income from property management	922	-981	150	-794
Change in values on properties	3,537	-7,185	5,968	-442
Change in values on financial holdings	57	-42	-	-171
Change in values on derivatives	-2,690	-325	87	-1,366
Impairment of goodwill	440	194	131	151
= Income from property management	4,510	3,522	1,014	1,151

LOAN-TO-VALUE RATIO

Values in MSEK unless otherwise stated	1 January - 31 December		1 January - 31 March	
	2022	2021	2023	2022
Interest-bearing liabilities	76,849	70,829	77,930	73,088
- Cash and cash equivalents	858	1,197	1,757	1,505
= (A) Net interest-bearing liabilities	75,991	69,632	76,173	71,583
(B) Total assets	179,731	177,632	174,595	180,947
(A) / (B) = Loan-to-value ratio, total assets (%)	42.3	39.2	43.6	39.6

LOAN-TO-VALUE RATIO, PROPERTY

Values in MSEK unless otherwise stated	1 January - 31 December		1 January - 31 March	
	2022	2021	2023	2022
Interest-bearing liabilities	76,849	70,829	77,930	73,088
- Cash and cash equivalents	858	1,197	1,757	1,505
= (A) Net interest-bearing liabilities	75,991	69,632	76,173	71,583
Investment properties	153,563	153,146	148,214	152,666
- Acquired properties not taken into possession	45	187	39	142
Divested properties still in Castellum's possession	97	88	98	0
= (B) Net investment properties	153,615	153,047	148,273	152,524
(A) / (B) = Loan-to-value ratio, property (%)	50	45	51.4	46.9

INTEREST COVERAGE RATIO

Values in MSEK unless otherwise stated	1 January - 31 December		1 January - 31 March	
	2022	2021	2023	2022
Income from property management	4,510	3,522	1,014	1,151
Reversed:				
Net interest items	1,531	845	568	314
(A) Income from property management excluding net interest	6,041	4,367	1,582	1,465
(B) Net interest items	1,531	845	568	314
(A) / (B) = Interest coverage ratio, multiple	3.9	5.2	2.8	4.7

SELECTED FINANCIAL INFORMATION

NET ASSET VALUE

MSEK	1 January - 31 December		1 January - 31 March	
	2022	2021	2023	2022
Equity according to the balance sheet	78,983	83,637	74,369	81,845
Reversed:				
Hybrid bonds	-10,169	-10,164	-10,169	-9,997
Non-controlling interest	-	-693	-	-407
Declared, undistributed dividend	624	-	-	2,496
Derivatives according to the balance sheet	-2,747	563	-3,115	-1,113
Goodwill attributable to deferred tax	-4,944	-5,351	-4,839	-5,199
Deferred tax according to the balance sheet	17,754	17,351	16,690	17,449
= (A) Net reinstatement value (EPRA NRV)	79,501	85,343	72,936	85,074
Deduction:				
Goodwill due to acquisition of United Spaces	-25	-193	-	-193
Estimated real deferred tax, 4%	-3,860	-3,160	-3,659	-3,292
= (B) Net tangible assets (EPRA NTA)	75,616	81,990	69,277	81,589
Reversed:				
Derivatives according to above	2,747	-563	3,115	1,113
Deferred tax	-13,894	-14,191	-13,031	-14,157
= (C) Net disposal value (EPRA NDV)	64,467	67,236	59,361	68,545
(N) Number of shares outstanding, thousand	328,401	340,544	328,401	328,401
(A) / (N) = EPRA NRV per share	242	251	222	259
(B) / (N) = EPRA NTA per share	230	241	211	248
(C) / (N) = EPRA NDV per share	196	197	181	209

NET DEBT TO EBITDA

Values in MSEK unless otherwise stated	1 January - 31 December		1 January - 31 March	
	2022	2021	2023	2022
Interest-bearing liabilities	76,849	70,829	77,930	73,088
Cash and cash equivalents	-858	-1,197	1,757	1,505
(A) Net interest-bearing liabilities	75,991	69,632	76,173	71,583
Net operating income	5,838	4,346	1,537	5,624
Central administration expenses	-270	-174	-70	-268
(B) Operating income	5,568	4,172	1,467	5,356
(A) / (B) = Net debt to EBITDA	13.6	16.7	13.0	13.4

INCOME FROM ASSOCIATED COMPANIES

MSEK	1 January - 31 December		1 January - 31 March	
	2022	2021	2023	2022
Income from property management	550	161	133	144
Changes in values on property	-863	935	-143	946
Tax	-35	-234	6	-256
Other	154	17	-13	104
Castellum's share of associated company earnings	-195	879	-17	938
Impairment of associated companies	-178	-246	-	-
Revaluation of participations in associated companies	-	509	-	171
Total impact on net income for the period	-373	1,142	-17	1,109
Currency translation (Other Comprehensive Income)	420	398	-776	653
Earnings from associated companies in other comprehensive income	47	1,540	-793	1,762

Operating and financial review

The following operation and financial review of the financial years ended on 31 December 2022 and 2021 should be read in conjunction with the Company's audited financial statements and the corresponding notes (which have been incorporated by reference in the Prospectus, see the section "*Documents incorporated by reference*"), as well as the information presented under the section "*Selected financial information*" and "*Capitalisation, indebtedness and other financial information*".

The operating and financial review contains forward-looking statements that reflect the Company's current expectations, estimates, assumptions and projections about the Company's industry, business, strategy and future financial results. These forward-looking statements are not guarantees of future performance, and the Company's actual results could differ from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in the Prospectus, particularly in the section "*Risk Factors*".

General information

Castellum Aktiebolag, reg. no. 556475-5550 is the parent company of the Group. Castellum is domiciled in Gothenburg, Sweden. The Company's annual report and consolidated financial statements for the financial year 2022 were approved by the Board of Directors and the CEO on 27 February 2023 and adopted at the Annual General Meeting held on 23 March 2023. The Company's business is described in the section "*Business description*".

Important factors affecting the Company's results and operations

Castellum works continually, in a structured manner, to identify and actively monitor financial and other factors that the Company encounter or are faced with, based on careful analyses and documentation for decisions, for the purpose of limiting uncertainties and risks as well as creating growth and shareholder value.

Castellum's results have been, and will continue to be, affected by a number of factors, some of which are beyond Castellum's control. The key factors that Castellum considers to have affected the results of Castellum's operations during the periods covered in this section, which can be expected to affect Castellum's results in the future, are described below. For further information regarding important factors affecting the Company's results and operations, see "*Risk factors*", "*Market overview*" and "*Business description*".

Macroeconomic factors

Castellum's operations and results are affected by several macroeconomic and demographic factors that are beyond the Company's control. An economic slowdown with higher unemployment rates, less growth, lower profitability for companies and difficulties in securing financing, as a consequence, may result in reduced demand for office, logistic and warehouse premises, declining market rents, higher vacancy rates and higher financing costs. Important metrics to measure

this development, in that respect, are GDP, employment rates, inflation as well as the interest rate environment. These factors affect Castellum's operations, the value of the Company's properties as well as the Company's costs. In order to remain resilient in the face of a changing market, Castellum works on maintaining a strong balance sheet and keeping the Company's loan-to-value ratio low. Combined with active asset management, the Company reduce the risk for increased cost of capital. On the operational side, the Company works with a carefully composed tenant portfolio with a spread across notice periods, industries, tenant size and geographic location concentrated in growth markets.

Financing

Castellum's operations are mainly financed through equity and interest-bearing debt. External borrowing constitutes a large part of the Company's supply of capital and the external borrowing constitute by far the Group's largest financial risk. Castellum's financing is dependent on bank and capital market conditions, which are affected by, among other things, fluctuations in interest rates and inflation, fulfilment of financial commitments and Castellum's financial position at the time of financing. Interest expenses represent one of Castellum's single largest cost item. As a consequence, Castellum is exposed to the risk of changes in market interest rates and loan margins. Increased interest expenses may have a material adverse impact on Castellum's operations, earnings and financial position.

Rental income

Castellum's income primarily comprises of rental income. Castellum owns properties primarily in growth markets, a contract portfolio with a large number of contracts, and a maturity structure with a broad spread. Castellum endeavours to maintain a contract portfolio with relatively lengthy contracts. The risk of loss of rent is further minimised by the Company carrying out detailed risk assessments in conjunction with signing a new lease.

Operation and maintenance costs

The conditions of Castellum's properties and sudden unpredictable events comprise a risk of increased costs for repairs and maintenance. There is a risk of increased operating costs and of a rise in planned repair and maintenance expenses based on market conditions; and there are few suppliers in the market for certain solutions and services.

The Company's administrators monitor the properties through self-checks, risk inspections, electricity audits and incident reporting. The Company's properties are also becoming increasingly connected, and the possibility of detecting any dysfunctions as regards the operation and maintenance of properties means that unforeseeable costs are reduced. The Company's properties are routinely analysed in order to adapt them to physical climate risks that in turn could cause damage and impact operation and maintenance. Castellum works with long-term, planned maintenance in order to reduce the risk of increased media costs. Moreover, Castellum works with a thoroughly developed electricity trading strategy, which is designed to minimise risk and obtain a smoother cost performance, as well as minimise uncontrolled changes in the price of electricity for Castellum and its tenants.

Changes in values on properties

The value of Castellum's properties is impacted by – and an assessment is carried out in light of – a number of factors such as market offering, vacancy rate, rental level and operating costs, residual value, yield requirement, general business cycle developments, interest rates, and inflation. If interest rates continue to rise, this will put pressure on yield requirements, which means that there is a risk that the market values will fall and in turn affect the financial position and earnings of the Group. There is also a risk that the valuation of some of Castellum's properties could be incorrect or fall over time. There is no guarantee that there will be a liquid market for Castellum's properties going forward.

In conjunction with Castellum's quarterly reports, the Company conducts an internal valuation of its property portfolio. Additionally, parts of the property portfolio are valued externally and compared with the internal valuation. In connection with preparing the Prospectus, Castellum has also commissioned independent appraisers to value 100 per cent of Castellum's property portfolio, see the section "Valuation certificates". Market assessments of properties always contain a certain measure of uncertainty in the assumptions and estimates made. Castellum works to be as accurate as possible, where the Company's experienced valuation specialists routinely monitor the market. For further information, refer to the sensitivity analysis in Note 11, Investment properties in the annual report for 2022, which has been incorporated by reference in the Prospectus, see the section "Documents incorporated by reference".

Projects

There are several types of projects at Castellum, and identified risks that are linked to these are macroeconomic risks such as increased industry and environmental requirements, increased costs, inflation, delays and limitations to supplies.

Factors affecting the comparability of results

On 2 August 2021, Castellum announced a recommended public offer to the shareholders of Kungsleden to acquire all shares in Kungsleden with the intention to combine the two companies. On 10 November 2021, Kungsleden was consolidated in Castellum's accounts at an acquisition cost of SEK 23,868 million, corresponding to 91.9 per cent of the shares in Kungsleden, divided into SEK 8,975 million in cash and 65 million newly issued shares, corresponding to a value of SEK 14,893 million. Castellum's financial information presented for 2021 is thus impacted by the acquisition of Kungsleden.

The Acquisition is classified as a business combination under IFRS 3. This means that the assets, liabilities and contingent liabilities acquired were measured at fair value on the acquisition date. All items acquired have a carrying amount corresponding to the fair value, except for deferred tax liability which has been revalued in connection with the Acquisition.

As a result of the Acquisition, a goodwill item has emerged consisting of deferred tax and expected synergies of SEK 3.8 billion as of 31 December 2022, and SEK 4.1 billion as of 31 December 2021. The Acquisition has also led to acquisition costs of SEK 7 million for the financial year 2022, and SEK 76 million for the financial year 2021.

The following tables are derived from Castellum's annual report for the financial year 2021 and summarise the income statement and balance sheet of Kungsleden for the financial year 2021, alongside acquisition analysis for the Acquisition. For historical financial information for Kungsleden regarding the financial years 2021 and 2020, see the section "Historical financial information".

INCOME STATEMENT FOR KUNGSLEDEN

MSEK	10 November - 31 December	
	2021	2021
Income	2,593	370
Property costs	-803	-126
Central administrative expenses	-95	-20
Net financial items	-373	-48
Income from property management	1,322	176
Change in values on properties	5,458	-275
Change in values on derivatives	239	32
Tax	-1,389	85
Net income for the year	5,630	18

BALANCE SHEET FOR KUNGSLEDEN

MSEK	31 December	10 November
	2021	2021
Assets		
Investment properties	47,258	47,258
Other fixed assets	750	712
Current receivables	373	382
Cash and cash equivalents	473	392
Total assets	48,854	48,744
Equity and liabilities		
Equity	23,286	23,268
Deferred tax liability	4,288	4,374
Interest-bearing liabilities	19,641	19,449
Non-interest bearing liabilities	1,639	1,653
Total equity and liabilities	48,854	48,744

ACQUISITION ANALYSIS

Net assets acquired on acquisition date (MSEK)	
Investment properties	47,258
Other assets	1,486
Deferred tax liability	-6,104
Interest-bearing liabilities	-19,449
Other liabilities	-1,653
Net assets acquired	21,539
Goodwill	4,064
Non-controlling interest	-1,735
Total purchase price	23,868
Shares	14,893
Cash	8,975
Total purchase price	23,868

Description of key line items in the Company's consolidated income statement and accounting and valuation principles

For a more detailed description of items from the Company's consolidated income statement and accounting and valuation principles, see the notes in Castellum's audited annual report for the financial year 2022, which has been incorporated by reference in the Prospectus, see the section "Documents incorporated by reference".

Financial development, the financial year 2022 compared with the financial year 2021**Income from property management**

Income from property management corresponds to net income following add-back of acquisition and restructuring costs, revaluation of results due to stepwise acquisitions, impairment of goodwill and changes in value, as well as tax for both the Group and for associated companies / joint ventures. Income from property management is calculated before tax paid, as well as after the theoretical tax that Castellum would have paid on income from property management had there been no loss carry forwards.

The acquisition of Kungsleden 2021 enabled a 9.5 per cent increase in income from property management per share despite a temporary increase in administrative costs, sharp price increases for electricity and heating, and substantially increased financing costs in 2022. Income from property management for 2022 totalled SEK 4,510 million (3,522), corresponding to SEK 13.63 per share (12.45).

SEGMENT INFORMATION, 2022 AND 2021

MSEK	2022 January- December	2021 January- December
Stockholm	2,409	1,483
West	1,685	1,272
Central	1,632	911
Mälardalen	1,123	1,014
Öresund	1,305	1,168
Finland	609	336
Coworking income	232	169
Total income per segment	8,996	6,353

Income

During 2022, the total income increased by SEK 2,643 million to SEK 8,996 million (6,353). In the like-for-like portfolio¹⁾ of the investment properties, rental income increased by 7.2 per cent. This increase is attributable to continued robustness in new lettings, successful renegotiation and indexation. After the combination with Kungsleden, Kungsleden's investment properties are included in the Company's definition of the like-for-like portfolio for investment properties. The average economic occupancy rate for 2022 totalled 93.4 per cent (93.2).

Gross lettings during 2022 amounted to SEK 666 million (720). Notices of termination amounted to SEK 505 million (558), of which bankruptcies were SEK 8 million (8) and SEK 43 million (81) were notices of termination with more than 18 months left of contact. Net lettings for the period thus totalled SEK 161 million (162).

DEVELOPMENT OF INCOME, 2022 AND 2021

MSEK	2022 January- December	2021 January- December	2021 January- December (incl. Kungsleden)	Change in combined company, %
Like-for-like portfolio	7,689	5,152	7,176	7.2
Development portfolio	463	152	331	
Transactions	612	897	879	
Coworking income	232	169	169	
Total income per segment	8,996	6,353	8,555	5.2

Property costs

This item includes both direct property costs, such as operating expenses, maintenance, site leasehold fees and property tax, as well as indirect property costs in the form of lettings and property administration.

Direct property costs totalled SEK 2,356 million (1,396), corresponding to SEK 412 per square metre (346). The property costs for the like-for-like portfolio of investment properties have increased 20.1 per cent, primarily as a result of the sharp price increase for electricity and heating but also due to increased costs for property tax following new tax assessments.

The acquisition of Kungsleden means that Kungsleden's investment properties are included in the Company's definition of the like-for-like portfolio for investment properties. Property administration amounted to SEK 522 million (417), corresponding to SEK 99 per square metre (103). Central administrative expenses amounted to SEK 270 million (174). A portion of the cost increase was deemed to be temporary, as a result of the acquisition of Kungsleden.

1) Properties that have been included in the portfolio for at least 24 months, excluding development properties, are included in the like-for-like portfolio, under EPRA's definition.

DEVELOPMENT OF PROPERTY COSTS, 2022 AND 2021

MSEK	2022 January-December	2021 January-December	2021 January-December (incl. Kungsleden)	Change in combined company, %
Like-for-like portfolio	1,958	1,102	1,631	20.1
Development portfolio	162	60	118	
Transactions	236	234	207	
Direct property costs	2,356	1,396	1,957	20.4
Coworking	280	194	194	
Property administration	522	417	531	
Central administration	278	174	269	
Total costs	3,436	2,181	2,951	16.4

PROPERTY COSTS PER SEGMENT, 2022, SEK / SQUARE METER

	Offices		Public sector properties		Warehouse / light industry		Retail		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Operating costs	327	259	258	205	175	128	188	139	263	213
Maintenance expenses	62	50	42	37	28	23	36	34	47	40
Property tax	149	133	102	89	26	27	77	78	102	93
Property costs	537	443	402	331	229	178	301	252	412	346
Letting and property administration									99	79
Total	537	443	402	331	229	178	301	252	511	425

Income from associated companies

Income from associated companies consists of Castellum's share of Entra's earnings. The income includes income from property management, tax and changes in value of Entra's property portfolio. It is only Castellum's share of the associated company's income from property management that is included in the item "Income from property management" in the consolidated statement of comprehensive income, which totalled SEK 550 million for the year 2022. This means that changes in value, tax, and other items (pertaining primarily to changes in value of financial instruments) have been excluded. During each quarter, Castellum carries out an impairment test on the share, and an impairment for 2022 totalled SEK 178 million.

INCOME FROM ASSOCIATED COMPANIES, 2022 AND 2021

MSEK	2022 January-December	2021 January-December
Income from property management	550	161
Changes in values on property	-863	935
Tax	-35	-234
Other	154	17
Castellum's share of associated company earnings	-195	879
Impairment of associated companies	-178	-246
Revaluation of participations in associated companies	-	509
Total impact on net income for the year	-373	1,142
Currency translation (Other Comprehensive Income)	420	398
Earnings from associated companies in other comprehensive income	47	1,540

Net financial items

Net financial items totalled SEK -1,607 million (-838). The change is attributable primarily to a larger loan portfolio after the acquisition of Kungsleden as well as to an increase in the average interest rate, which as of 31 December 2022 totalled 2.6 per cent (1.8).

NET FINANCIAL ITEMS, 2022 AND 2021

MSEK	2022 January-December	2021 January-December
Financial income	0	2
Interest costs	-1,593	-880
Financing fees, etc., for acquisitions	-	-27
Less: capitalised interest	101	50
Dividend, associated companies	-	61
Site leasehold fees	-76	-27
Other financial costs	-39	-17
Total net financial items	-1,607	-838

Changes in value**Properties**

There were only a few transactions in the property market at the end of 2022, and the required market yield was impacted by rising interest rates and increased credit margins. Improved cash flow, linked primarily to inflation, is offsetting the higher required yield to some extent. Castellum reported SEK -3,563 million (6,307) in unrealised changes in value for 2022, attributable primarily to a 31-point increase in the average required yield, compared to 4.70 per cent at the start of the same year. Moreover, realised changes in value of SEK 26 million (878) were recognised, attributable primarily to the divestment of twelve properties in Gävle as well as divestments in the Kungsleden portfolio during the fourth quarter.

CHANGE IN VALUES ON PROPERTIES, 2022 AND 2021

MSEK	2022		2021	
	January–December	January–December	January–December	January–December
Cash flow	6,380		589	
Project gains / building rights	582		1,162	
Required yield	-10,529		4,489	
Acquisitions	4		67	
Unrealised changes in value	-3,563		6,307	
Net Operating Income (%)	-2.3		4.3	
Sales	26		878	
Total	-3,537		7,185	
Net Operating Income (%)	-2.3		4.9	

Financial instruments

Castellum holds both interest rate and currency derivatives, which are impacted primarily by long-term market interest rates and exchange rate fluctuations. Total change in value on derivatives during 2022 totalled SEK 3,309 million, of which SEK 2,690 million (325) was recognised in profit or loss and the remainder in other comprehensive income. The positive changes in value are attributable to the rise in interest rates on longer maturities during 2022 as well as changes in currency exchange rates.

Goodwill

In 2022, goodwill was impaired by a total of SEK 440 million. This is a result of primarily divestments of SEK 200 million. Goodwill attributable to United Spaces has been impaired by SEK 168 million as a result of increased yield requirements. Other impairments are attributable to negative value changes on properties linked to goodwill.

Tax

Total tax expenses for 2022 amounted to SEK 487 million (41), of which SEK 15 million (173) pertained to current tax. Applying the tax rate of 20.6 per cent, the total theoretical tax expense is SEK 461 million. The difference of SEK -26 million at a 20.6 per cent tax rate on income before tax pertains primarily to the add-back of deferred tax of SEK 373 million for properties divested, non-deductible interest of SEK -252 million and SEK -91 million attributable to impairment of goodwill, which had no effect on tax.

TAX CALCULATION JANUARY–DECEMBER 2022

MSEK	Basis current tax	Basis deferred tax
Income from property management	4,510	-
In associated holdings	-550	-
Deductions for tax purposes		
Depreciation	-2,486	2,486
Reconstructions	-835	835
Capitalised interests	-101	101
Non-deductible interest	1,224	-
Currency translation	-970	367
Other tax items	-108	110
Taxable income from property management	684	3,899
Current tax if tax loss carry forwards not utilised	-141	
Divestment of properties	0	-1,809
Change in values on properties	-	-3,563
Change in values on derivatives	-11	3,162
Taxable income before tax loss carry forwards	673	1,690
Tax loss carry forwards, opening balance	-2,236	2,236
Tax loss carry forwards, closing balance	1,635	-1,635
Taxable income	72	2,291
Tax according to the income statement for the period	-15	-472

NET DEFERRED TAX LIABILITY, 31 DECEMBER 2022

MSEK	Basis	Nominal tax liability	Real tax liability
Tax loss carry forwards	1,635	337	337
Derivatives	-3,114	-641	-641
Untaxed reserves	-764	-157	-157
Properties	-94,357	-19,438	-3,399
Total	-96,600	-19,899	-3,860
Properties, asset acquisitions	10,415	2,145	
Closing balance	-86,185	-17,754	-3,860

Investment properties

As of 31 December 2022, after the acquisition of twelve properties and the divestment of 25 properties during 2022, Castellum owned a total of 749 properties at a carrying amount of SEK 154 billion. The property portfolio is located in growth areas in Sweden as well as Copenhagen and Finland. The properties are located in city centre locations and well-situated business districts and has good connections to public transportation and services. Castellum's ownership is characterised by sustainability and a long-term perspective, and 61 per cent of the value of the asset portfolio is certified for sustainability, as of 31 December 2022. Castellum works continually on developing, refining, modernising and customising the Company's properties.

CHANGES IN THE PROPERTY PORTFOLIO, 2022

MSEK	Carrying amount, MSEK	Number
Property portfolio on 1 Jan. 2022	153,146	762
+ Acquisitions	363	12
+ New construction, extensions and reconstructions	5,548	
- Sales	-3,080	-25
+/- Unrealised changes in value	-3,563	
+/- Currency translation	1,149	
Property portfolio on 31 December 2022	153,563	749

PROPERTY-RELATED KEY METRICS

MSEK	2022		2021
	January-December	January-December	January-December
Rental value, SEK/square metre.	1,758		1,648
Economic occupancy rate, %	93.4		93.2
Property costs, SEK/square metre.	511		425
Net operating income, SEK/square metre.	1,048		1,008
Property value, SEK/square metre.	26,737		26,667
Number of properties	749		762
Lettable area, thousand square metres	5,696		5,853
Average property valuation yield, %	5.0		4.7

Investments

During 2022, investments totalling SEK 5,911 million (59,946) were made in properties, of which SEK 0 million (47,258) were business combinations, SEK 363 million (8,889) pertained to property acquisitions and SEK 5,548 million (3,799) to new construction, extensions and reconstructions. After sales of SEK -3,080 million (-17,228), net investments amounted to SEK 2,831 million (42,718).

Larger ongoing projects

During 2022, Castellum had ongoing projects totalling approximately SEK 8.1 billion, of which SEK 2.8 billion remains to be invested. The average economic occupancy rate for the larger ongoing projects totalled 83 per cent. During the fourth quarter of the year, the new construction of the Drevet 1 logistics facility in Helsingborg and the reconstruction of the County Administrative Board premises on the Götaland 5 property in Jönköping were completed. In 2022, ten major projects with a total annual rental value of SEK 220 million

were thereby completed. The major projects completed includes the GreenHaus office project (Jeppe 1) in Helsingborg and a new office for the Swedish Police Authority (Korsningen 1) in Örebro. A reconstruction of the Swedish Migration Agency in Gothenburg (Sesamfröet 1) has also been finished, as has a reconstruction for the Swedish Defence Conscription and Assessment Agency in Gothenburg (Annedal 21:10). The prevailing market conditions have slowed down the project volumes, but Castellum is putting greater focus on risk management in the ongoing projects and has an attractive development portfolio to start up with once the market conditions are more favourable.

Castellum's project pipeline

In the prevailing market situation, Castellum will postpone certain project starts until more stable conditions have appeared. This means that the volume of estimated project starts over the next five years will decrease. Castellum still has a great deal of potential in its development portfolio, and currently believes that projects corresponding to approximately 650,000 square metres can be started over the next five years given improved market conditions, a healthy pace of lettings, and proper progress in detailed development plans. Out of this volume, around 310,000 square metres are logistics and the rest primarily offices.

Financing

By the end of 2022, interest-bearing liabilities totalled SEK 76,849 million (70,829). The interest-bearing liabilities consist of bond loans of SEK 44,503 million (43,088), loans in banks of SEK 32,137 million (17,391) and commercial paper of SEK 209 million (10,350). Unsecured liabilities correspond to 58 per cent (76) of interest-bearing liabilities. The interest coverage ratio (last 12 months) was a multiple of 3.9 (5.2) and the loan-to-value ratio totalled 42.3 per cent (39.2). The average remaining interest-rate and debt maturity totalled 2.7 years (3.3) and 3.1 years (3.8) respectively. Adjusted for financing that has been arranged but not yet utilised, total debt maturity is 3.6 years. Castellum has a healthy amount of contingency liquidity, and with SEK 16.2 billion in cash and bank balances, unutilised credit facilities, and loans that have been arranged but not yet paid out, it can cover all maturities in the capital market up through 2024.¹⁾

CREDIT MATURITY STRUCTURE, 31 DECEMBER 2022

Credit agreements	Bank balances MSEK	Bonds, MSEK	Commercial paper, MSEK	Total interest-bearing liabilities, MSEK	Share, %	Unutilised credits, MSEK	Available credit facilities, MSEK
0-1 year	860	11,164	209	12,233	16	950	13,183
1-2 years	7,743	3,750	-	11,493	15	5,254	16,747
2-3 years	12,859	10,684	-	23,543	31	6,097	29,640
3-4 years	3,630	6,928	-	10,558	14	-	10,558
4-5 years	1,416	2,698	-	4,114	5	-	4,114
>5 years	5,629	9,279	-	14,908	19	-	14,908
Total	32,137	44,503	209	76,849	100	12,301	89,150

1) Available credit facilities include both utilised and unutilised credits with a maturity date within 1 year.

Credits with a maturity date of 0-1 years as of 31 December 2022 refers to bank loans of SEK 860 million, bonds of SEK 11,164 million, certificates of SEK 209 million and overdrafts of SEK 950 million.

1) As of 31 March 2022.

INTEREST RATE MATURITY STRUCTURE¹⁾, 31 DECEMBER 2022

Maturity date	MSEK	Share, %	Average interest rate, %	Average fixed interest rate term, years
0-1 year	33,408	43	4.4	0.3
1-2 years	7,856	10	0.6	1.6
2-3 years	9,531	12	1.3	2.3
3-4 years	7,665	10	1.5	3.7
4-5 years	348	0	11.9	3.3
>5 years	18,041	23	1.2	7.2
Total	76,849	100	2.6	2.7

1) Refers to the expiry of the fixed interest period.

The Company's loans normally have a variable interest base that is hedged with derivatives. The amount of SEK 33,408 million with a maturity date of 0-1 years refers to liabilities that are not secured by derivatives or run at a fixed interest rate. The difference between total outstanding loans and the amount of SEK 33,408 million is covered by swap contracts (and to some extent loans with fixed interest) with varying maturities.

KEY METRICS INTEREST BEARING FINANCING

	31 December 2022	31 December 2021
Interest-bearing liabilities, MSEK	76,849	70,829
Bonds outstanding, MSEK	44,503	43,088
Commercial paper outstanding, MSEK	209	10,350
Banking credit etc., MSEK	32,137	17,391
Cash and cash equivalents, MSEK	858	1,197
Unutilised credit facilities, MSEK	12,301	26,394
Share of unsecured assets, %	52	55
Share of secured borrowing/property value, %	21	18
The share of secured borrowing/total assets, %	18	9
Share of secured credits utilised, %	42	24
Loan-to-value ratio, %	42.3	39.2
Interest coverage ratio, multiple	3.9	5.2
Net liability/EBITDA, multiple	13.6	16.7
Average debt maturity, years	3.1	3.8
Average fixed interest rate term, years	2.7	3.3
Credit rating	Baa3, Stable Outlook	Baa2, Stable Outlook
Average effective rate excluding pledges, %	2.6	1.7
Average effective rate including pledges, %	2.7	1.8
Market value interest rate derivatives, MSEK	1,899	-98
Market value currency derivatives, MSEK	847	-465

Total return

Total return reflects the development of the share price plus dividends paid during the period. The Castellum share price at year end was SEK 126.25 (243.80), equivalent to a market capitalisation of SEK 41.5 billion (83.0) calculated on the number of shares outstanding. The total return on the share in 2022, including dividend of SEK 7.60, was -45.1 per cent (20.7). During 2022, the Board of Directors of Castellum decided on a tightened financial policy and a savings programme with a decreased investment volume for 2023.

Acquisitions and transfers of own shares

The Annual General Meeting 2022 authorised the Board of Directors of Castellum until the next Annual General Meeting, to resolve on acquisition and transfer of own shares in the Company. Acquisitions may be carried out only to the extent that the Company, after each acquisition, will hold a maximum of ten per cent of all shares issued by the Company. All shares held by the Company may be transferred. During 2022, 12,143,033 shares were repurchased at an average price of SEK 226. On 31 December 2022, the Company's holding of own shares amounted to 17,331,000 shares, corresponding to 5 per cent of the number of shares registered.

Capitalisation, indebtedness and other financial information

The tables in this section set forth the Company's capitalisation and consolidated indebtedness as of 31 March 2023. For additional information regarding Castellum's share capital and shares, see section "Share capital and ownership structure". The tables in this section should be read in conjunction with Castellum's financial information, with associated notes, which has been incorporated by reference in the Prospectus, see the section "Documents incorporated by reference".

Capitalisation

MSEK	31 March 2023
Current debt	
Total current debt (including current portion of non-current debt)	12,460
Guaranteed	0
Secured ¹⁾	1,003
Unguaranteed/unsecured	11,457
Non-current debt	
Total non-current debt (excluding current portion of non-current debt)	67,387
Guaranteed	0
Secured ²⁾	32,865
Unguaranteed/unsecured ³⁾	34,522
Total current and non-current debt	79,847
Shareholder equity	
Share capital	173
Legal reserves	20
Other reserves	78,480
Total capitalisation (excluding total result for the period)	158,520

1) Relates to pledged mortgages in properties.

2) Relates to pledged mortgages in properties.

3) Includes lease liability of SEK 1,557 million.

Contingent liabilities and indirect liabilities

As of 31 March 2023, Castellum's contingent liabilities amounted to SEK 29.4 billion. Contingent liabilities mainly consist of guarantee commitments for group companies. As of the date of the Prospectus, the Company does not have any indirect liabilities.

Working capital statement

It is the Company's assessment that the current working capital (excluding the net proceeds from the Rights Issue) is sufficient for the Company's present requirements for at least the twelve months following the date of the Prospectus. In this context, working capital refers to the Company's possibility to access liquid resources in order to meet its liabilities as they fall due.

Net financial indebtedness

MSEK	31 March 2023
A. Cash and bank	1,757
B. Cash equivalents	0
C. Other financial assets	3,475
D. Liquidity (A) + (B) + (C)	5,232
E. Current financial debt (including debt instrument, but excluding current portion of non-current financial debt)	12,460
F. Current portion of non-current financial debt	0
G. Current financial indebtedness (E) + (F)	12,460
H. Current financial indebtedness net (G) - (D)	7,228
I. Non-current financial debt (excluding current portion and debt instruments) ³⁾	67,387
J. Debt instruments	0
K. Non-current trade and other payables	0
L. Non-current financial indebtedness (I) + (J) + (K)	67,387
M. Total financial indebtedness (H) + (L)	74,615

Significant changes since 31 March 2023

There have been no significant changes in Castellum's financial position or financial performance since 31 March 2023.



Board of Directors, Executive Management and auditor

Board of Directors¹⁾

According to Castellum's Articles of Association, the Board of Directors shall consist of no less than four (4) and no more than eight (8) members. Board members are elected at a General Meeting for a period until the end of the first Annual General Meeting held after the year in which the Board member was elected. Castellum's current Board of Directors have been elected until the end of the Annual General Meeting 2024.

CASTELLUM'S BOARD OF DIRECTORS

Name	Position	Born	Elected
Per Berggren	Chair of the Board of Directors and member of the Audit Committee and People Committee	1959	2007
Anna-Karin Celsing	Board member and Chair of the Audit Committee	1962	2021
Henrik Käll	Board member and member of the Audit Committee	1967	2022
Ann-Louise Lökhölm-Klasson	Board member and member of the People Committee	1971	2023
Louise Richnau	Board member and Chair of the People Committee	1966	2023
Leiv Synnes	Board member and member of the Audit Committee	1970	2022

1) Information regarding shareholding in this section includes, where applicable, personal holdings and holdings of related persons and affiliated companies.

**Per Berggren (Chair)****Anna-Karin Celsing****Henrik Käll**

	Chair of the Board of Directors since 2022 and Board member since 2007. Member of the Audit Committee and the People Committee.	Board member since 2021. Chair of the Audit Committee.	Board member since 2022. Member of the Audit Committee.
Born:	1959	1962	1967
Education:	Master of Science in Engineering from KTH and studies in economics at Stockholm University.	Master of Economics from Stockholm School of Economics.	Master of Economics from Uppsala University and studies at HEC Lausanne.
Assignments outside of the Group:	Chair of the Board of Directors of Podium Fastigheter AB, Fondamentor AB and Fondamentor Norrlandskusten AB. Board member of White arkitekter Aktiebolag, White Intressenter AB, Förvaltnings AB Somsok, Brisas Invest AB, Fasticon AB, Collegio AB, RetailFast Holding AB, Litsby Förvaltning AB, Triad Fastigheter AB, the Mervärde Foundation, Förvaltnings AB Skarpäng and Tingsvalvet Fastighets AB as well as of several of its subsidiaries. Per is also Senior Advisor at Slättö Förvaltning AB.	Board member of AKC Råd AB, Volati AB, Landshypotek Bank Aktiebolag, OX2 AB, Peas Industries AB, Lannebo Holding AB, Lannebo Fonder AB, KLOB i Stockholm AB, Svensk Husproduktion AB, Tim Bergling Foundation, Stiftelsen Orienteatern and Stiftelsen Beckmans Designhögskola.	CEO and Chair of the Board of Directors of FXity AB as well as Board member of Garantum Fondkommission Aktiebolag, Bellmer Capital AB and Nordend AB.
Previous assignments and positions outside of the Group (past five years):	Chair of the Board of Directors of Slättö Förvaltning AB and Board member of several of its subsidiaries. Board member of SSM Holding AB, Termino C 7529 AB, Termino C 4149 AB and Fastighets AB Viperincus.	Chair of the Board of Directors of Sveriges Television Aktiebolag as well as Board member of Carnegie Investment Bank AB, Carnegie Holding AB, SERNEKE Group AB, Lannebo & Partners AB and Kungliga Operan Aktiebolag.	Board member of Hoist Finance AB and member of the Risk Committee of Nordea Bank Abp.
Independence:	Independent in relation to the Company and the Executive Management as well as the Company's larger shareholders.	Independent in relation to the Company and the Executive Management as well as the Company's larger shareholders.	Independent in relation to the Company and the Executive Management as well as the Company's larger shareholders.
Shareholding in Castellum:	15,000 shares.	3,000 shares.	2,000 shares.

**Ann-Louise Lökholm-Klasson****Louise Richnau****Leiv Synnes**

	Board member since 2023. Member of the People Committee.	Board member since 2023. Chair of the People Committee.	Board member since 2022. Member of the Audit Committee.
Born:	1971	1966	1970
Education:	Studies in system science at Gothenburg University, Advanced Strategic Management at IMD and leadership program at Ruter Dam.	Master of Science in Engineering from KTH, Certified European Financial Analyst diploma (CEFA) and Certified Environmental Social and Governance Analyst diploma (CESGA).	Master of Economics from Umeå University.
Assignments outside of the Group:	CEO and Board member in several subsidiaries within the Sweco Group. Board member of Innovationsföretagen, Svenskt Näringsliv, Sweco ÅF Healthcare AB and Bemsig AB. Ann-Louise is also member of the Council of Principals in Svenska Mässan and member of the Nomination Committee in Sweden Green Building Council.	CEO and Board member of Lotsberget AB and Lotsberget II AB as well as Chair of the Board of Directors of Bantaba AB. Board member of Nordanö Partners AB, Nordanö Intressenter AB, Nordanö Holding AB, FRT Jakobsgratan 6 AB, Lepano AB, Propel Capital V AB, Propel Capital VI AB, Nomadic Retail AB, Sunna Group AB, Råsundapokalen AB and J6 Rådgivning AB. Louise is also Board member and Senior Advisor/Partner at Nordanö Partners AB.	CFO and deputy CEO of Akelius Residential Property as well as Board member of several subsidiaries within the Akelius Group.
Previous assignments and positions outside of the Group (past five years):	CEO and Board member in several subsidiaries within the Sweco Group and Board member of Sweden Green Building Council.	CEO and Board member of Brunswick Real Estate Capital Advisory AB, Brunswick Real Estate Capital Holding AB and Niam Credit Advisory AB. Board member of Fågelön AB and Brunswick Property Partners (UK).	CEO or Board member of several subsidiaries within the Akelius Group.
Independence:	Independent in relation to the Company and the Executive Management as well as the Company's larger shareholders.	Independent in relation to the Company and the Executive Management as well as the Company's larger shareholders.	Independent in relation to the Company and the Executive Management, but not in relation to the Company's larger shareholders.
Shareholding in Castellum:	Ann-Louise Lökholm-Klasson does not hold any shares in Castellum.	12,695 shares.	44,022,358 shares (of which 44,021,358 shares held by Akelius Residential Property).

Executive Management¹⁾**CASTELLUM'S EXECUTIVE MANAGEMENT**

Name	Position	Born	Held position since	Member of the Group since
Joacim Sjöberg	President and CEO	1964	2023	2020
Sebastian Schlasberg	Chief Operating Officer (COO)	1982	2023	2023
Jens Andersson	Chief Financial Officer (CFO)	1973	2023	2022
Hanna Brandström	Head of People & Culture	1980	2017	2022 ¹⁾
Mats Eriksson	Managing Director, Region Mälardalen	1963	2015	2022 ¹⁾
Per Gawelin	Managing Director, Region Mitt	1978	2018	2006
Örjan Rystedt	Managing Director, Region Väst	1975	2023	2019
Malin Löveborg	Chief Legal Officer	1978	2022	2022
Anna-Karin Nyman	Communications Director	1983	2018	2018
Ola Orsmark	Managing Director, Region Öresund	1971	2014	2014
Kristina Sawjani	Chief Investment Officer	1975	2020	2020
Sven Stork	Managing Director, Region Stockholm	1967	2014	2022 ¹⁾

1) Previously held the position in Kungsleden and obtained the corresponding position in Castellum 2022 in conjunction with the Acquisition.



	Joacim Sjöberg	Sebastian Schlasberg	Jens Andersson	Hanna Brandström
	President and CEO since 2023.	Employed as COO since 2023.	Employed as CFO since 2023.	Employed as Head of People & Culture since 2022.
Born:	1964	1982	1973	1980
Education:	Master of Laws from Stockholm University.	Bachelor of Science in Economics and Business Administration from Copenhagen Business School.	Master of Economics from Linköping University.	Bachelor's degree in Business Administration from Södertörn University.
Assignments outside of the Group:	CEO and Board member of Valhalla Corporate Advisor AB as well as Board member of KlaraBo Sverige AB and Entra ASA.	Sebastian Schlasberg does not hold any assignments outside of the Group.	Board member of Trummelsberg Förvaltning AB.	Hanna Brandström does not hold any assignments outside of the Group.
Previous assignments and positions outside of the Group (past five years):	Board member of several subsidiaries within the Jones Lang LaSalle group and Chair of the Board of Directors of Beijerinvest Aktiebolag as well as Board member of several of its subsidiaries. Chair of the Board of Directors of Moonlighting Industries AB and Tendium Holding AB.	Previous experience as Head of Asset Management at Scius Partners AB and Regional Director Stockholm at Corem Property Group AB.	Finance Director at Klöver AB (and obtained the corresponding position in Corem Property Group AB after the merger of the companies) as well as Board member or CEO of several of its subsidiaries.	Associate at Swelle Handelsbolag.
Shareholding in Castellum:	3,000 shares.	Sebastian Schlasberg does not hold any shares in Castellum.	10,228 shares.	759 shares.

1) Information regarding shareholding in this section includes, where applicable, own holdings and holdings of related persons and affiliated companies.



	Mats Eriksson	Per Gawelin	Örjan Rystedt	Malin Löveborg
	Employed as Managing Director, Region Mälardalen since 2022.	Employed as Managing Director, Region Mitt since 2018.	Employed as Managing Director, Region Väst since 2023.	Employed as Chief Legal Officer since 2022.
Born:	1963	1978	1975	1978
Education:	High School Engineer, House & Urban Planning from Rudbecksskolan in Örebro.	Graduate of upper secondary economics course from Risbergsskolan in Örebro.	Master of Science in Surveying and Land Management from KTH and completed STEP (Skanska Top Executive Program) at IMD Business School, Lausanne.	Master of Laws from Stockholm University.
Assignments outside of the Group:	Mats Eriksson does not hold any assignments outside of the Group.	Board member of Cleanica AB.	CEO of Halvorsång Fastighets AB and Halvorsång Holding AB.	Malin Löveborg does not hold any assignments outside of the Group.
Previous assignments and positions outside of the Group (past five years):	Board member of Västerås Citysamverkan AB.	Per Gawelin has not held any assignments or other previous positions outside of the Group that have ended in the past five years.	Senior positions at companies including Skanska as well as Board member and CEO of its subsidiaries. Örjan has also been Board member and CEO of GOTHEV Torpavallen AB.	Chief Legal Officer at Klöver AB (and obtained the corresponding position in Corem Property Group AB after the merger of the companies) as well as member of the management of Clovern US Ltd.
Shareholding in Castellum:	6,300 shares.	3,525 shares.	598 shares.	1,500 shares.



	Anna-Karin Nyman	Ola Orsmark	Kristina Sawjani	Sven Stork
	Employed as Communications Director since 2018.	Employed as Managing Director, Region Öresund since 2014.	Employed as Chief Investment Officer since 2020.	Employed as Managing Director, Region Stockholm since 2022.
Born:	1983	1971	1975	1967
Education:	Studies in multimedia journalism and gender studies at Karlstad University as well as leadership at Gällöfsta.	Master of Science in Engineering, Water and Road as well as Construction from Faculty of Engineering, Lund University.	Master of Science in Engineering, Surveying and Land Management from Faculty of Engineering, Lund University.	Master of Science in Surveying and Land Management from KTH.
Assignments outside of the Group:	Board member of Byggherrarna Sverige AB.	Board member of IDEON Open AB and IDEON AB. Ola is also limited partner at Easy Kommanditbolag and Ofcourse Kommanditbolag.	Board member of Cribble AB, M&P Management AB, Sawjani 2019 AB and Sawjani 2022 AB.	Board member of Kista Limitless AB.
Previous assignments and positions outside of the Group (past five years):	Anna-Karin Nyman has not held any assignments or other previous positions outside of the Group that have ended in the past five years.	Ola Orsmark has not held any assignments or other previous positions outside of the Group that have ended in the past five years.	Chair of the Board of Directors of Mengus Twenty AB and Mengus Twentyone AB as well as Board member of Amasten Fastighets AB and Nyfosa AB.	Chair of the Board of Directors of Kista Science City Fastighetsägare and Board member of Vibyskolan as well as limited partner at Niam IV Investment KB.
Shareholding in Castellum	1,132 shares.	9,450 shares.	3,239 shares.	2,521 shares.

Other information regarding the Board of Directors and Executive Management

There are no family relationships between any of the Board members or members of the Executive Management.

Leiv Synnes is employed as CFO and deputy CEO of Akelius Property Group, which partly operates in the same industry as Castellum. Furthermore, Ann-Louise Lökhölm-Klasson is the CEO and Board member of Sweco Sverige, which is both a customer of and a supplier to the Group.

Leiv Synnes has not participated in matters relating to Akelius Residential Property's subscription undertaking or the guarantee commitment between Akelius Residential Property and the Company, or in other matters in relation to the Rights Issue where Leiv Synnes may be considered to have a conflict of interest.

Apart from the above and although it cannot be ruled out that potential conflicts of interest may arise between Leiv Synnes' and/or Ann-Louise Lökhölm Klasson's obligations towards the Company and their private interests and/or other obligations, there are, as far as Castellum is aware, no conflicts of interest or potential conflicts of interest between the Board members' and members of the Executive Management's obligations towards the Company and their private interests and/or other commitments.

Over the past five years, no Board member nor member of the Executive Management has (i) been convicted in relation to any fraudulent offences, (ii) represented a company that has been declared bankrupt or liquidated, or been subject to receivership, (iii) been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or (iv) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

All Board members and members of the Executive Management of Castellum can be reached at the Company's address: Östra Hamngatan 16, SE-403 14 Gothenburg, Sweden.

Auditor

Castellum's auditor since 2017 is the registered audit firm Deloitte AB, which was re-elected as the Company's auditor at the Annual General Meeting held on 23 March 2023 until the end of the next Annual General Meeting. Harald Jagner (born 1971) is the auditor-in-charge. Harald Jagner is an authorised public accountant and member of FAR (the professional institute for authorised public accountants in Sweden).

Share capital and ownership structure

General information

According to the Company's articles of association the Company's share capital shall be no less than SEK 150,000,000 and no more than SEK 600,000,000, and the number of shares shall be no less than 300,000,000 and no more than 1,200,000,000. As of date of the Prospectus, Castellum's registered share capital is SEK 172,865,984 divided into a total of 345,731,968 registered shares, each share with a quota value of SEK 0.5. The Company has only issued one class of shares. Each share entitles the holder to 1 (one) vote at the General Meeting. As of date of the Prospectus, Castellum holds 17,331,000 treasury shares, which do not entitle subscription for shares in the Rights Issue.

The Annual General Meeting held on 23 March 2023 resolved on, in accordance with the proposal from the Board of Director, cancellation of the Company's 17,331,000 treasury shares. The resolution was conditional upon the Board of Directors resolving on the Rights Issue.

All shares in the Company have been issued pursuant to Swedish law. All issued shares are fully paid and freely transferable. The offered shares are not subject to any mandatory offering, redemption right or sell-out obligation.

The Rights Issue

The forthcoming Rights Issue will, if fully subscribed, increase the number of shares in Castellum from 328,400,968 shares to 492,601,452 shares, representing an increase of approximately 50 per cent.¹⁾

Dilution

A shareholder who chooses not to participate in the Rights Issue will be subject to a dilution effect of approximately 29.8 per cent (33.3 per cent excluding treasury shares held by Castellum as of the date of the Prospectus) through the issue of a maximum of 164,200,484 new shares (corresponding to an increase in the number of shares by approximately 50 per cent, approximately 42 per cent including treasury shares held by Castellum). The table below presents the net asset value per share before and after the Rights Issue based on equity as of 31 March 2023 and the maximum number of shares that may be issued in the Rights Issue. The subscription price in the Rights Issue is SEK 62 per new share.

	Before the Rights Issue	After the Rights Issue	Dilution (%)
Number of outstanding shares and votes in Castellum ¹⁾	328,400,968	492,601,452	33.3 ²⁾
Equity	74,369	84,549 ³⁾	N/A
Net asset value ⁴⁾ per share, SEK	222.1 ⁵⁾	168.7	N/A

1) Excluding 17,331,000 treasury shares, corresponding to SEK 8,665,500 in share capital, held by Castellum (which will be cancelled in connection with the Rights Issue, in accordance with the resolution from the Annual General Meeting held on 23 March 2023).

2) Approximately 29.8 per cent including treasury shares held by Castellum.

3) Excluding issue costs.

4) EPRA NRV.

5) As of 31 March 2023.

Information on public takeover bids

The shares in Castellum are not subject to any public takeover bids. There have been no public takeover bids for Castellum's shares during the current or preceding financial year.

According to the Swedish Stock Market (Takeover Bids) Act (2006:451) should a party who (i) hold no shares or holds shares representing less than three-tenths of the voting rights for all shares in a Swedish limited liability company whose shares are admitted to trading on a regulated market ("Target Company"), and (ii) through acquisition of shares in the Target Company, alone or together with another closely related party attains a shareholding representing at least three-tenths of the voting right for all shares in the Target Company, shall immediately make public the extent of his or her shareholding in the company and within four weeks thereafter launch a takeover bid in respect of the remaining shares in the company (mandatory bid). A shareholder who directly, or through a subsidiary, holds more than 90 per cent of the shares in a Swedish limited liability company is entitled to redeem the remaining shares in the company from the other shareholders. Holders of the remaining shares are, correspondingly, entitled to have their shares redeemed by the majority shareholder. The procedure for such redemption of minority shares is regulated in the Swedish Companies Act.

Certain rights attached to the shares

The shares offered are all of the same class. The rights associated with shares issued by the Company, including those described in the articles of association, may only be changed according to the procedures set out in the Swedish Companies Act.

1) Excluding 17,331,000 treasury shares, corresponding to SEK 8,665,500 in share capital, held by Castellum (which will be cancelled in connection with the Rights Issue, in accordance with the resolution from the Annual General Meeting held on 23 March 2023).

Shareholders' meetings

A summons to a General Meeting of shareholders shall be published in the Post- och Inrikes Tidningar and on the Company's website. That a summons has been made shall be published in Dagens Industri. A summons to a General Meeting of shareholders or an Extraordinary General Meeting at which an amendment of the articles of association is to be debated, must be issued no earlier than six weeks and no later than four weeks before the meeting. A summons for any other Extraordinary General Meeting must be issued no earlier than six weeks and no later than three weeks before the meeting.

Shareholders wishing to participate at a General Meeting of shareholders must notify the Company no later than on the day indicated in the summons to the meeting. This day may not be a Sunday, any other public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not occur prior to the fifth weekday before the meeting.

Voting rights

Each share in the Company entitles the holder to one (1) vote at a General Meeting, and each shareholder is entitled to vote for the total number of shares held in the Company.

Preferential rights to new shares

If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue, the shareholders shall as a principal rule have preferential rights to subscribe for such securities in proportion to the number of shares held prior to the issue.

Rights to dividends and surplus in the event of liquidation

All shares in the Company carry equal right to dividends and to the Company's assets and any surplus in the event of liquidation. Resolutions regarding dividends are made at a General Meeting. On the record date determined by the General Meeting or by the Board of Directors, all shareholders recorded in the share register maintained by Euroclear are entitled to receive dividends. Dividends are normally paid to shareholders through Euroclear in a cash amount per share, but the payment may also be exercised in another form than cash. If a shareholder cannot be reached through Euroclear, the shareholder retains its claim on the Company for the dividend amount, subject to a statutory limitation period of 10 years. By the end of the statutory period, the dividend belongs to the Company.

Neither the Swedish Companies Act nor Castellum's articles of association contain any restrictions regarding the right to dividends for shareholders outside Sweden. Other than possible restrictions imposed by banking and clearing systems in relevant jurisdictions, payment will be made to shareholders in the same manner as to shareholders domiciled in Sweden.

Tax laws in both Sweden and the shareholders' home country may affect income from any dividends that are paid out. See section "Terms and conditions – Important information on taxation".

Dividend policy and dividend history

According to the Company's dividend policy, dividends corresponding to at least 50 per cent of the Company's income from property management, before tax, is to be distributed. On 15 November 2022 Castellum announced that the Company's Board of Directors, in order to maintain the Company's credit rating, has resolved to adopt a stricter financial policy and a savings program with a reduced investment scope for 2023 in order to strengthen the Company's balance sheet. Simultaneously, the Board of Directors proposed no dividend for the financial year 2022, which the Annual General Meeting 2023 resolved in accordance with.

The table below shows resolved dividends by Castellum during the financial years 2022, 2021 and 2020.

	2022	2021	2020
Dividend per share, SEK	7.60	6.90	6.50

Shareholders

Castellum's shareholders who as of 31 March 2023 (with known changes thereafter) have a direct or indirect holding in the Company that corresponds to five per cent or more of the outstanding shares or votes in the Company, are set forth in the table below. As of date of the Prospectus and to the extent the Company is aware, the Company is not, directly or indirectly, controlled by a single person.

Shareholder	Number of shares	Share of outstanding shares and votes, per cent
Akelius Residential Property	44,021,358	13.4
Länsförsäkringar Fondförvaltning AB	17,482,299	5.3
Other	266,897,311	81.3
Total number of outstanding shares	328,400,968	100.0
Repurchased treasury shares	17,331,000 ¹⁾	
Total number of registered shares	345,731,968	

1) The Company's treasury shares will be cancelled in connection with the Rights Issue in accordance with the resolution by the Annual General Meeting on 23 March 2023. The treasury shares may not be represented at a General Meeting and do not entitle to participation in the Rights Issue.

Authorisations

Authorisation for the Board of Directors to resolve on the Rights Issue

For the purpose of strengthening the Company's financial position the Annual General Meeting held on 23 March 2023 authorised the Board of Directors of Castellum, during the period up until the Annual General Meeting of 2024, on one or several occasions, resolve upon new issues of shares with preferential rights for the Company's shareholders. The total number of shares that may be issued by virtue of the authorisation shall amount to the number of shares that corresponds to issue proceeds of approximately SEK 10 billion and must not result in the Company's share capital exceeding the limits set out in the Company's Articles of Association. Other terms and conditions for the new share issue shall be determined by the Board of Directors of Castellum.

On 4 May 2023, the Board of Directors of Castellum resolved to issue not more than 164,200,484 new shares in accordance with the authorisation.

Authorisation for the Board of Directors to resolve on issue of new shares, either applying or disapplying shareholders' preferential rights

The Annual General Meeting held on 23 March 2023 authorised the Board of Directors of Castellum to resolve on new issues of shares in the Company with the following conditions: (i) the authorisation may be exercised on one or several occasions up until the Annual General Meeting of 2024, (ii) the maximum number of shares that may be issued shall correspond to at most 10 per cent of the Company's share capital at the time of the first exercise of the authorisation, (iii) an issue may be made with or without deviation from the shareholders' preferential rights, (iv) an issue may be made against cash payment, by set-off or by contribution in kind, (v) shares shall, in case of deviation from the shareholders' preferential rights to subscription, be issued on market terms and the Board of Directors shall be entitled to determine other terms for the share issue and (vi) the Board of Directors, or anyone appointed by the Board of Directors, shall be authorised to make such minor adjustments of the resolution of the Annual General Meeting that may be necessary in connection with registration with the Swedish Companies Registration Office. The purpose of the above authorisation and any deviation from the shareholders' preferential rights is to enable the Company to (i) completely or partially finance any future real property investments and/or acquisitions of real property companies/businesses by issuing new shares as payment in connection with agreements on acquisition of real property, alternatively to raise capital for such investments and/or acquisitions; and/or (ii) strengthen its financial position and/or create a larger liquidity buffer for financing commitments.

Authorisation for the Board of Directors to resolve on the acquisition and transfer of the Company's own shares

The Annual General Meeting held on 23 March 2023 authorised the Board of Directors of Castellum, until the next Annual General Meeting, to resolve on the acquisition of the Company's own shares as follows: (i) acquisitions of shares may be carried out only to the extent that the Company, after each acquisition, will hold a maximum of 10 per cent of all shares issued by the Company, (ii) acquisitions may be carried out on the Nasdaq Stockholm stock exchange (the "**Stock Exchange**"), (iii) acquisitions on the Stock Exchange may only be carried out at a price per share, which is within the registered price level at the time, (iv) payment of the shares shall

be made in cash and (v) acquisitions of shares may be carried out on one or several occasions. Furthermore, the Annual General Meeting authorised the Board of Directors until the next Annual General Meeting, to resolve on the transfer of the Company's own shares as follows: (i) all shares held by the Company may be transferred, (ii) transfer of shares may be carried out on the Stock Exchange or in any other way with deviation from the shareholders' preferential rights, (iii) shares may only be transferred on the Stock Exchange at a price per share which is within the registered price level at the time, (iv) payment for the transferred shares shall be made out in cash, contribution in kind, through set off against a claim on the Company or shall otherwise be made according to set conditions and (v) transfer of shares may be carried out on one or several occasions. The purpose of the above mentioned authorisations is to enable the Company to adapt its capital structure to its capital needs from time to time and thereby contribute to an increased shareholder value, and/or to transfer own shares as payment in order to completely or partially finance any future real property investments and/or acquisitions of real property companies/businesses or by using own shares as payment in connection with agreements on acquisition of real property, alternatively to raise capital for such investments and/or acquisitions. It should be noted that the objective of the authorisation does not allow the Company to trade with its own shares for short-term purpose of making a profit.

Central securities register

The Company's shares are registered in a securities register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479). This register is maintained by Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden. No share certificates have been issued for the Company's shares. The ISIN code for the shares is SE0000379190.

Shareholders' agreements

As far as the Board of Directors is aware, there are no shareholder agreements or other arrangements between the Company's shareholders for the purpose of having a joint influence over the Company. As far as the Board of Directors is aware, there are no other agreements or equivalent arrangements that could result in a change of control over the Company.



Legal considerations and supplementary information

General company and group information

Castellum Aktiebolag, which is the Company's registered name, is a Swedish public limited liability company regulated by the Swedish Companies Act. Castellum's corporate registration number is 556475-5550, and the Board of Director's registered office is in Gothenburg. Castellum was incorporated on 24 September 1993 and registered with the Swedish Companies Registration Office on 27 October 1993. Castellum's LEI code is 549300GU5OHTR1T51Y68. Castellum's registered address is Östra Hamngatan 16, SE-403 14 Gothenburg, Sweden and the telephone number to Castellum's head office in Gothenburg is +46 31 60 74 00 and the telephone number to Castellum's head office in Stockholm is +46 8 503 052 00. Castellum's website is www.castellum.com. The information on the website does not form part of the Prospectus, unless incorporated by reference to the Prospectus.

Approval of the Swedish prospectus

A separate prospectus in Swedish has been approved by the Swedish Financial Supervisory Authority as competent authority pursuant to the Prospectus Regulation. The Swedish Financial Supervisory Authority only approves the Prospectus to the extent that it meets the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. This approval should not be considered as any form or endorsement of the issuer referred to the Prospectus. Nor should this approval be considered as any form of endorsement of the quality of the securities that are subject to the Prospectus and investors should make their own assessment as to the suitability of investing in these securities. The Prospectus has been prepared as a simplified prospectus in accordance with article 14 of the Prospectus Regulation.

The Swedish prospectus was approved by the Swedish Financial Supervisory Authority on 10 May 2023. The Prospectus is valid for up to twelve months after the date of the approval of the Prospectus provided that it is complemented by any supplement required pursuant to Article 23 of the Prospectus Regulation. The obligation to supplement the Prospectus in the event of significant new factors, material factual errors or material inaccuracies does not apply once the subscription period has ended and once trading has commenced in the newly issued shares on Nasdaq Stockholm.

Material agreements

Castellum has not entered into any material agreements (other than agreements entered into in the Company's ordinary course of business) during the last two years.

Subscription undertakings and guarantee commitments

Subscription undertakings

Akelius Residential Property, which is the Company's largest shareholder and represents 13.4 per cent of the shares and votes in Castellum (excluding treasury shares held by Castellum) as of date of the Prospectus, has undertaken to subscribe for new shares corresponding to its pro rata holding in the Company as of the record date for the Rights Issue, representing approximately 13.4 per cent of the Rights Issue based on Akelius Residential Property's shareholding as of the date of the Prospectus (the "**Subscription Undertaking**").

Guarantee commitments

In addition to the undertaking to subscribe for new shares corresponding to its pro rata holding, Akelius Residential Property has entered into a guarantee commitment to subscribe for additional shares corresponding to approximately 28.5 per cent of the Rights Issue. A guarantee fee of 1.9 per cent of the guaranteed amount will be paid to Akelius Residential Property. The guarantee commitment between Akelius Residential Property and the Company was entered into on 13 February 2023. Citigroup Global Markets Europe AG and Nordea Bank Abp, filial i Sverige (the "**Underwriters**") have undertaken to subscribe for the remaining part of the Rights Issue that is not covered by the above-mentioned subscription undertaking and guarantee commitment from Akelius Residential Property, up to an amount of approximately SEK 5,919 million, which represents approximately 58.1 per cent of the Rights Issue (divided equally between Citi and Nordea). For this guarantee commitment, the Company will pay a fee of 1.9 per cent of the guaranteed amount, and in addition thereto reimburse the Underwriters for costs relating to legal advisers and other expenses incurred in connection with the Rights Issue. The underwriting agreement between the Company and the Underwriters was entered into on 4 May 2023. Allotment of shares subscribed for under the guarantee commitments will be made in accordance with the principles described in the section "*Terms and conditions – Subscribing for new shares without subscription rights*".

Non-secured undertakings and guarantee commitments

The above-mentioned subscription undertakings and guarantee commitments are not secured through, for example, bank guarantees. Consequently, there is a risk that one or more of the shareholders concerned will not be able to fulfil their commitments. See also section “Risk factors – Non-secured subscription undertakings and guarantee commitments”.

Total undertakings

Altogether, the Subscription Undertaking and guarantee commitments correspond to 100 per cent of the Rights Issue.

Name	Current holding	Subscription undertaking	Guarantee commitment, SEK	Guarantee commitment, share of the Rights Issue	Total undertaking, share of the Rights Issue
Akelius Residential Property ¹⁾	13.4%	13.4%	2,897,255,970	28.5%	41.9%
Citi	-	-	2,959,255,970	29.1%	29.1%
Nordea	-	-	2,959,255,970	29.1%	29.1%
Total					100%

1) With address Engelbrektsgatan 9-11, Box 5836, SE-102 48, Stockholm, Sweden.

Lock-up-undertakings

In connection with the Rights Issue, the Company has undertaken towards the Joint Global Coordinators, not to issue, sell, transfer or otherwise dispose or enter into any other agreement or arrangement having a similar effect, with regard to shares or other similar securities in the Company, up until and including the date falling 90 days following the date of the announcement of the final outcome of the Rights Issue. These restrictions do not apply (i) if the Company obtains prior written consent from the Joint Global Coordinators, (ii) to issues of shares within the scope of the Rights Issue, (iii) to issues of shares in relation to any equity based incentive plans, and (iv) to issues in kind or through set-off up to in aggregate 10 per cent of the total number of shares in the Company, to satisfy the obligation to pay the purchase price for acquired companies or businesses.

Furthermore, Akelius Residential Property has undertaken towards the Joint Global Coordinators, not to, without the prior written consent, sell, transfer or otherwise dispose or enter into any other agreement or arrangement having a similar effect, with regard to any of its holdings of shares or similar securities in the Company, up to and through the day falling 90 days after the day of announcement of the final outcome of the Rights Issue. The undertaking contains customary exceptions, such as where a disposal is required by law or by any competent authority or by order of a court of competent jurisdiction.

Governmental, legal and arbitration proceedings

The Company has not been party in any governmental, legal or arbitration proceedings (including any pending proceedings or which, to the Company's knowledge, are likely to be initiated) during the last twelve months, which may have, or have had in the recent past, significant effects on the Company's financial position or profitability.

Related-party transactions

There have been no related-party transactions from 31 December 2022 up to the date of the Prospectus that individually or in aggregate are material to Castellum. For further information on related-party transactions, see Note 29 in Castellum's annual report for the financial year 2022 and “Other information” in the interim report for the period January – March 2023.

Regulatory disclosures

Below follows a summary of the information Castellum has disclosed under MAR over the last twelve months which, according to Castellum's assessment are still relevant as of the date of the Prospectus. All disclosed information in their entirety can be found on Castellum's website, www.castellum.com.

Financial reports

- On 15 July 2022, Castellum published its half year report for the period January – June 2022.
- On 20 October 2022, Castellum published its interim report for the period January – September 2022.
- On 13 February 2023, Castellum published its year-end report for 2022.
- On 26 April 2023, Castellum published its interim report for the period January – March 2023.

Changes in Castellum's Executive Management and Board of Directors

- On 17 November 2022, Castellum announced that Maria Strandberg has decided to resign as CFO of the Company and that a recruitment process was initiated to appoint a replacement.
- On 14 December 2022, Castellum announced that Rutger Arnholt has decided to resign as CEO of the Company and that he will also decline re-election to Castellum's Board of Directors and that a recruitment process was initiated to appoint a replacement.
- On 16 December 2022, Castellum announced that Jens Andersson has been appointed as new CFO of Castellum and that he will take office on 14 February 2023.
- On 17 January 2023, Castellum announced that the Board of Directors of Castellum has appointed Joacim Sjöberg as acting CEO of Castellum during the ongoing recruitment process for a new CEO and that resigning CEO Rutger Arnholt thus was exempted from work for the remainder of his notice period.

- On 6 February 2023, Castellum announced that the Board member Rutger Arnhult has announced that he is leaving Castellum's Board of Directors with immediate effect.
- On 22 March 2023, Castellum announced that Joacim Sjöberg was appointed CEO and president of Castellum.

Information regarding the Rights Issue

- On 13 February 2023, Castellum announced that the Company intends to carry out a fully underwritten rights issue of approximately SEK 10 billion to strengthen the Company's financial position.
- On 4 May 2023, Castellum announced that the Company has resolved on a fully underwritten rights issue of approximately SEK 10 billion and the terms of the issue.

Other

- On 6 October 2022, Castellum announced that the Company has resolved to permit M2 Asset Management to proceed with a sale of shares in Castellum during an ongoing closed period.
- On 15 November 2022, Castellum announced that the Board of Directors of the Company has resolved to adopt a stricter financial policy and a savings program with a reduced investment scope for 2023 in order to strengthen the Company's balance sheet and that the Board of Directors of Castellum will not propose that the Annual General Meeting for 2023 resolves to pay any dividends.

Costs for the Rights Issue

Castellum's costs in connection with the Rights Issue are estimated to amount to approximately SEK 228 million. Such costs are mainly related to expenses for fees for the guarantee commitments, fees to the Managers, auditors, legal advisors and preparation of the Prospectus.

Advisors' interest

Citi, Handelsbanken and Nordea are Joint Global Coordinators and Joint Bookrunners. Danske Bank A/S, Danmark, Sverige filial, DNB Markets, part of DNB Bank ASA, filial Sverige, Nykredit Bank A/S, Skandinaviska Enskilda Banken AB (publ) and Swedbank AB (publ) are Joint Bookrunners. The Joint Global Coordinators and the Joint Bookrunners provide financial advice and other services to the Company in relation to the Rights Issue. The Joint Global Coordinators and the Joint Bookrunners have provided, and may in the future provide, various banking, financial, investment, commercial and other services to Castellum for which they have received, and may in the future receive, compensation. Citi and Nordea are also acting as underwriters in relation to the Rights Issue.

In addition, the Joint Global Coordinators and the Joint Bookrunners and their affiliates are lenders to Castellum.

Roschier Advokatbyrå AB is legal advisor to Castellum in connection with the Rights Issue.

Website

The Company's website is www.castellum.com. The information available on the website does not form part of the Prospectus unless the information has been incorporated by reference in the Prospectus.

Documents available for inspection

Copies of (i) the Company's certification of registration, (ii) the Company's articles of association, and (iii) all reports, letters, and statements prepared by any expert and any part of which is included or referred to in the Prospectus, are available for inspection during office hours at Castellum's headquarters at Östra Hamngatan 16, SE-403 14 Gothenburg, Sweden. These documents are also available in electronic form and can be reviewed on Castellum's website, www.castellum.com.

Valuation certificates

The following valuation certificates for Castellum's properties have been issued by independent expert valuers on behalf of Castellum. There have been no significant changes since the valuation certificates were issued.

Forum Fastighetsekonomi AB has issued valuation certificates regarding certain of Castellum's properties in Sweden and Cushman & Wakefield has issued valuation certificates regarding the remainder of Castellum's properties in Sweden and all properties in Denmark and Finland (together the "**Valuation Certificates**"). Forum Fastighetsekonomi AB's address is Kungsgatan 29, SE-111 56 Stockholm, Sweden and Cushman & Wakefield's address is Regeringsgatan 48, SE-111 56 Stockholm, Sweden. All valuers have consented the inclusion of the Valuation Certificates in the Prospectus.

According to the Valuation Certificates, the valuation of Castellum's properties amounted to SEK 145,512 million as of 31 March 2023 (based on the Swedish Central Bank's

(Sw. Riksbanken) exchange rate from local currency to Swedish Currency (Svenska kronor) as of 31 March 2023). The corresponding value according to Castellum's valuation of its properties as of 31 March 2023 amounted to SEK 148,078 million¹⁾, i.e. a deviation of 1.7 per cent in relation to the valuation in the Valuation Certificates. Property valuations are generally subject to an uncertainty range of 5–10 per cent, i.e. the uncertainty that exists in the assumptions and calculations made in connection with the valuations. It is the Company's assessment that this deviation of 1.7 per cent is well within this uncertainty range.

The information in the Valuation Certificates has been obtained from third parties. Such information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.



1) Excluding land preparation work of SEK 136 million relating to property that the Company has not taken possession of and thus does not own.

Valuation report issued by Cushman & Wakefield Sweden AB regarding Sweden



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103 59 Stockholm, Sweden
Tel + 46 (0)8 671 34 00
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VALUATION REPORT

Cushman & Wakefield Sweden AB has been instructed by Castellum Aktiebolag to estimate the market value of 452 valuation objects located in Sweden. The valuation objects are owned by Castellum Aktiebolag and related companies. The objects mainly consist of office and light industry/warehouse properties, but the portfolio also includes commercial, residential, public and hotel properties.

Date of valuation is set at 31 March 2023. The total value of the portfolio refers to the sum of the individual valuations. No consideration has been given to any potential portfolio effects. The total lettable area is 4,281,777 square meters, of which 34,658 square meters is residential and 4,247,119 square meters is commercial premises.

The valuations have been prepared in accordance with suitable sections of Valuation Practice Statements ('VPS'), part of RICS Valuation - Global Standards 2022 ('Red Book') issued by the Royal Institution of Chartered Surveyors (RICS), the International Valuation Standard Committee (IVSC) as well as the standards in European Valuation Standards 2020 (EVS 2020) issued by The European Group of Valuers' Associations ('TEGoVA'). The valuations also meet the requirements set out in the accounting standards IFRS 13 and IAS 40.

We understand that our valuation report is required for inclusion in a prospectus which is to be published by Castellum Aktiebolag. In accordance with the RICS Valuation – Global Standards 2022, we have made certain disclosures in connection with this valuation instruction and our relationship with Castellum Aktiebolag, see below.

All valuation objects have been inspected by representatives from Cushman & Wakefield AB during the past three years. We confirm that we have sufficient current local and national knowledge of the particular property markets involved and have the skills and understanding to undertake the valuation competently. The valuation assessments have been carried out by valuers qualified for the purpose and acting as external valuers.

We have made various assumptions as to tenure, letting, town planning etc. If any information or assumption on which the valuation is based is found to be incorrect, the valuation figures might also be incorrect and should be reconsidered.

The market value for the 452 valuation objects per the value date 31 March 2023 has been estimated to:

Sum market value: SEK 112,240,740,000

(SEK one hundred twelve billion two hundred forty million seven hundred forty thousand)

Of the total estimated market value, the value for the valuation objects granted via title deed amounts to SEK 102,096,110,000 and the value for the valuation objects granted via leasehold amounts to SEK 10,144,630,000.



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Stockholm/Göteborg 2023-04-24
Cushman & Wakefield Sweden AB

A handwritten signature in blue ink, appearing to read 'Anders Elvinsson'.

Anders Elvinsson, MRICS
Authorised Valuer by Samhällsbyggarna

A handwritten signature in blue ink, appearing to read 'Peter W-O Berglin'.

Peter W-O Berglin, MRICS
Authorised Valuer by Samhällsbyggarna

- For the purposes of item 1.2 of Annex 3 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the "Prospectus Regulation"), we are responsible for this valuation report and accept responsibility for the information contained in this valuation report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this valuation report is in accordance with the facts and contains no omissions likely to affect its import. This report complies with paragraphs 128 to 130 of the ESMA update of the CESR recommendations.
- The use of this report is only for the party to whom it is issued for the specific purpose set out herein. No responsibility is accepted to any third parties for the whole or any part of the content of the report.



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Appendix 1 - Property schedule

Valuation object	Municipality
Varla 3:22, part of (B)	Kungsbacka
Årsta 36:2	Uppsala
Årsta 67:1	Uppsala
Årsta 74:3	Uppsala
Boländerna 8:11	Uppsala
Årsta 78:1	Uppsala
Kungsängen 35:3	Uppsala
Boländerna 12:1	Uppsala
Dragarbrunn 21:1	Uppsala
Dragarbrunn 20:4	Uppsala
Dragarbrunn 16:2	Uppsala
Husbyborg 1:100	Uppsala
Kol 13	Västerås
Högspänningen 1	Västerås
Tunbytorp 10	Västerås
Verkstaden 14 (Building 15-17, 18-19, 21, 24-25, 27)	Västerås
Koppartorget 4 & 5 (Verkstaden 14)	Västerås
Koppartorget 3 (Verkstaden 14)	Västerås
Amasonen 3	Linköping
Ambrosia 6	Linköping
Blandaren 18	Linköping
Duvan 18	Linköping
Bågaren 3	Norrköping
Deltat 1	Växjö
Tegnér 15	Växjö
Ödman 14	Växjö
Översikten 6	Jönköping
Översikten 9	Jönköping
Oxelbergen 1:2	Norrköping
Taktpinnen 1	Norrköping
Ribban 5	Nyköping
Dockan 9	Växjö
Spännbucklan 16	Malmö
Tistlarna 9	Malmö
Malte 23	Malmö
Gustav Adolf 13	Malmö
Hälsingland 19	Malmö
Sändaren 1	Malmö
Mässhallen 2	Malmö
Smygmaskan 1	Malmö
Sjustjärnan 1	Malmö
Godsfinkan 1	Malmö
Von Conow 57	Malmö



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Eggegrund 7	Malmö
Rustningen 1	Helsingborg
Mimer 12	Helsingborg
Akvamarinen 1	Helsingborg
Grusbacken 2	Helsingborg
Spjutet 2	Helsingborg
Kulan 3	Helsingborg
Kulan 3, part of (2)	Helsingborg
Jeppe 1	Helsingborg
St Clemens 27	Lund
Stockholmsledet 8	Lund
St Clemens 22	Lund
Forskaren 2:2 (Forskaren 2)	Lund
Jöns Petter Borg 9	Lund
Råbyholm 5	Lund
Forskaren 2:1 (Forskaren 2)	Lund
Vildanden 8	Malmö
Flintan 4	Lund
Marknadsplatsen 8	Malmö
Gefion 3	Malmö
Hästvagnen 3	Malmö
Älvdalen 1	Ängelholm
Dubbelknappen 4	Malmö
Studentkåren 7	Lund
Rödkallen 11	Malmö
Rektangeln 9	Malmö
Julius 1	Malmö
Mässhallen 1	Malmö
Tyfonen 1	Malmö
Löpöglan 2	Malmö
Vagnslidret 1	Malmö
Företaget 8	Lund
Skjutsstallslyckan 23	Malmö
Mården 7	Hässleholm
Tågarp 20:81	Burlöv
Verkstaden 5	Lund
Dubbelknappen 20	Malmö
Ventilen 3	Malmö
Långhuset 1	Malmö
Sunnanå 12:34	Burlöv
Domarringen 1	Malmö
Isotopen 1	Stockholm
Örnäs 1:17	Upplands-Bro
Öskaret 1	Stockholm
Linde Torp 10	Stockholm
Viby 19:45	Upplands-Bro
Herrjärva 2	Solna
Aprikosen 3	Solna
Domnarvet 4	Stockholm
Fredsfors 14	Stockholm



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Betongblandaren 13	Stockholm
Betongblandaren 12	Stockholm
Betongblandaren 10	Stockholm
Linde Torp 8	Stockholm
Spejaren 3	Huddinge
Godståget 1	Stockholm
Tidskriften 2	Sollentuna
Hornsberg 10	Stockholm
Gräslöken 1	Solna
Visiret 3	Huddinge
Varpen 11	Huddinge
Getholmen 1	Stockholm
Elektronen 1	Sollentuna
Vallonsmidet 11	Stockholm
Yrket 4	Solna
Marievik 27	Stockholm
Marievik 30	Stockholm
Domnarvet 27	Stockholm
Elementet 4	Sollentuna
Vallonsmidet 8	Stockholm
Elektra 3	Stockholm
Charkuteristen 5	Stockholm
Charkuteristen 6	Stockholm
Charkuteristen 8	Stockholm
Tjurhornet 15	Stockholm
Charkuteristen 1	Stockholm
Charkuteristen 7	Stockholm
Ugnen 5	Solna
Arken 7	Östersund
Arkivet 1	Östersund
Handelsmannen 6	Östersund
Läkarboken 5	Östersund
Verkstaden 11	Östersund
Bergudden 8	Danderyd
Muttern 3	Danderyd
Trekanten 5	Danderyd
Dagskiftet 3	Stockholm
Dikesrenen 2	Stockholm
Domptören 4	Stockholm
Glasmålningen 4	Stockholm
Nattskiftet 15	Stockholm
Timpenningen 1	Stockholm
Vreten 20	Stockholm
Blästern 14	Stockholm
Furudal 2	Stockholm
Gärdsmygen 4	Sollentuna
Holar 1	Stockholm
Lustgården 11	Stockholm
Päronet 1	Sundbyberg
Torsnäs 1	Stockholm



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Veddesta 2:37	Järfälla
Veddesta 2:65	Järfälla
Veddesta 2:73	Järfälla
Lustgården 12	Stockholm
Rotterdam 1	Stockholm
Stettin 5	Stockholm
Stettin 6	Stockholm
Tegeludden 13	Stockholm
Keflavik 1	Stockholm
Träboken 1	Sollentuna
Jordbromalm 6:14	Haninge
Traktorn 7	Södertälje
Täckeråker 2:273	Haninge
Täckeråker 2:227	Haninge
Enen 10	Södertälje
Kantjärnet 4	Stockholm
Laven 6	Umeå
Karlslund 5:2	Östersund
Färöarna 3	Stockholm
Borgarfjord 5	Stockholm
Reykjavik 2	Stockholm
Godsvagnen 9	Stockholm
Gladan 5	Stockholm
Gladan 6	Stockholm
Gladan 7	Stockholm
Hornafjord 1	Stockholm
Gladan 4	Stockholm
Järnet 6	Tyresö
Svärdet 7	Danderyd
Holar 4	Stockholm
Njursta 1:21	Upplands Väsby
Vakten 11	Jönköping
Atollen 3	Jönköping
Ättehögen 18	Jönköping
Atollen 5	Jönköping
Visionen 3	Jönköping
Visionen 3, part of (formerly 1)	Jönköping
Visionen 3, The Swedish Transport Administration	Jönköping
Vagnmakaren 7	Jönköping
Droskan 12	Jönköping
Örontofsen 5	Jönköping
Varuhuset 1	Jönköping
Hotellet 8	Jönköping
Idémannen 2, Datalinjen	Linköping
Idémannen 2, Collegium	Linköping
Idémannen 2, Teknikringen	Linköping
Idémannen 2, Vita Huset	Linköping
Jägmästaren 1	Linköping
Göotaland 9, The Swedish National Courts Administration	Jönköping
Decimalen 17	Linköping



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Druvan 22	Linköping
Kvarnen 5	Norrköping
Knäppingsborg 7+8	Norrköping
Spetsen 10	Norrköping
Motom 12	Norrköping
Heden 16:5	Göteborg
Inom Vallgraven 34:8	Göteborg
Tingstadsvassen 11:11	Göteborg
Rambergstaden 733:409	Göteborg
Pustervik 3:8	Göteborg
Masthugget 3:6	Göteborg
Lorensberg 48:8	Göteborg
Gamlestaden 26:1	Göteborg
Tingstadsvassen 14:7	Göteborg
Annedal 21:10	Göteborg
Gullbergsvass 1:15, part of, 601280	Göteborg
Lindholmen 28:3	Göteborg
Backa 20:5	Göteborg
Kärra 28:19	Göteborg
Lindholmen 28:4	Göteborg
Lundbyvassen 3:1	Göteborg
Solsten 1:118	Härryda
Lindholmen 28:1	Göteborg
Kålsered 1:108	Göteborg
Kålsered 1:5 & 1:108	Göteborg
Gullbergsvass 1:15 part of (formerly 1:2 601334)	Göteborg
Backa 21:5	Göteborg
Lundbyvassen 4:9	Göteborg
Tingstadsvassen 31:2	Göteborg
Spindeln 12	Borås
Gårda 19:10	Göteborg
Högsbo 13:2	Göteborg
Högsbo 13:4	Göteborg
Högsbo 17:4	Göteborg
Högsbo 17:6	Göteborg
Högsbo 17:8	Göteborg
Högsbo 24:13	Göteborg
Högsbo 36:3	Göteborg
Järnbrott 168:1	Göteborg
Sävenäs 67:3	Göteborg
Arendal 764:385	Göteborg
Ädelgasen 1	Möln dal
Kryptongasen 7	Möln dal
Kryptongasen 4	Möln dal
Osdal 3:2	Borås
Högsbo 10:17	Göteborg
Högsbo 27:9	Göteborg
Högsbo 14:3	Göteborg
Högsbo 27:8	Göteborg
Högsbo 13:6	Göteborg



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Högsbo 11:5	Göteborg
Barken 6	Uddevalla
Midas 14	Borås
Kilsund 3	Borås
Katrinedal 14	Borås
Vallmon 6	Möndal
Kryddpepparn 3	Möndal
Generatom 2 (Generatom 13)	Möndal
Generatom 1 C Ahlsell (Generatom 13)	Möndal
Generatom 1 B Porsche (Generatom 13)	Möndal
Generatom 1 A - Optoscand (Generatom 13)	Möndal
Gaslyktan 11	Möndal
Anisen 3	Möndal
Tjärblomman 2	Möndal
Tusenskönan 2	Möndal
Hede 3:12	Kungsbacka
Högsbo 24:12	Göteborg
Högsbo 36:1	Göteborg
Högsbo 18:1	Göteborg
Apollo 5	Borås
Varla 3:22	Kungsbacka
Trucken 5	Borås
Kusken 3	Möndal
Högsbo 36:7	Göteborg
Katrinedal 2	Borås
Näckrosen 3	Borås
Elledningen 4	Västerås
Kontaktledningen 1	Västerås
Verkstaden 7	Västerås
Västerås 5:9	Västerås
Finnslätten 4	Västerås
Effekten 3	Västerås
Effekten 4	Västerås
Örjan 1	Västerås
Finnslätten 1, Building 326	Västerås
Finnslätten 1, Building 330	Västerås
Finnslätten 1, Building 331	Västerås
Finnslätten 1, Building 332	Västerås
Finnslätten 1, Building 343	Västerås
Finnslätten 1, Building 344	Västerås
Finnslätten 1, Building 346	Västerås
Finnslätten 1, Building 347	Västerås
Finnslätten 1, Building 351	Västerås
Finnslätten 1, Building 357	Västerås
Finnslätten 1, Building 358	Västerås
Finnslätten 1, Building 359	Västerås
Effekten 2, part of, building 391	Västerås
Effekten 2, part of, building 396	Västerås
Effekten 5, part of, building 398	Västerås
Effekten 5, part of, building 399	Västerås



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Öriket 2	Jönköping
Ansvaret 1	Jönköping
Hoven 1	Jönköping
Götaland 5, part 1	Jönköping
Götaland 5, part 2	Jönköping
Blixten 6	Jönköping
Götaland 5, part 3 Werket	Jönköping
Götaland 5, part 4	Jönköping
Växjö 10:54	Växjö
Unaman 9	Växjö
Karl XV 9	Helsingborg
Rådhuset 5	Helsingborg
Kärnan Mellersta 9	Helsingborg
Telegrafan 9	Helsingborg
Kolonien 28	Helsingborg
Läkaren 10	Stockholm
Klassföreståndaren 3	Stockholm
Stora Frösunda 3	Solna
Terminalen 2	Sollentuna
Virkeshandlaren 10	Örebro
Svetsaren 6	Örebro
Inköparen 1	Örebro
Grosshandlaren 2	Örebro
Litografen 1	Örebro
Borgaren 1	Örebro
Stinsen 18	Örebro
Olaus Petri 3:244	Örebro
Hällstugan 28	Örebro
Kontrollanten 12	Örebro
Basen 10	Örebro
Elkraften 6	Västerås
Tunbytorp 7	Västerås
Verkstaden 21	Västerås
Inom Vallgraven 35:14	Göteborg
Inom Vallgraven 35:16	Göteborg
Skår 58:1	Göteborg
Tingstadsvassen 12:9	Göteborg
Masthugget 26:1	Göteborg
Masthugget 26:1, Emigranten	Göteborg
Olskroken 14:2	Göteborg
Inom Vallgraven 57:2	Göteborg
Nordstaden 2:16	Göteborg
Lundbyvassen 8:3	Göteborg
Åseby 1:5, 7:2 and others	Göteborg
Torbjörnsgården 2	Mölnadal
Högsbo 29:2	Göteborg
Kobbegården 172:1	Göteborg
Krokslätt 34:16	Göteborg
Stiernhielm 7	Mölnadal
Lexby 2:29	Partille



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Thorild 12	Uddevalla
Kompaniet 2	Borås
Högsbo 14:7	Göteborg
Högsbo 20:13	Göteborg
Högsbo 20:12	Göteborg
Kallebäck 2:7	Göteborg
Kallebäck 2:11	Göteborg
Kallebäck 2:9	Göteborg
Tynnared 1:13	Göteborg
Läkaren 1	Trollhättan
Tjärblomman 3	Möndal
Högsbo 26:8	Göteborg
Kobbegården 6:360	Göteborg
Högsbo 20:22	Göteborg
Högsbo 27:7	Göteborg
Högsbo 40:1	Göteborg
Kobbegården 6:362	Göteborg
Kobbegården 6:7	Göteborg
Lorens 14	Västerås
Isolatorn 3	Västerås
Mimer 5	Västerås
Ottar 5	Västerås
Ottar 6	Västerås
Lantmäteriet 2	Örebro
Tullen 8	Örebro
Repslagaren 24	Örebro
Hällstugan 8	Örebro
Porten 1	Örebro
Fyren 1	Växjö
Holkynan 6	Malmö
Moränen 3	Malmö
Smörbollen 19	Malmö
Krukskärvan 11	Malmö
Eggegrund 1	Malmö
Sälen 4	Malmö
Flygbasen 4	Malmö
Flygstolen 1	Malmö
Flygbasen 7	Malmö
Lerkärllet 3	Malmö
Sidorodret 3	Malmö
Flygledaren 1	Malmö
Noshjulet 3	Malmö
Atlanten 4	Malmö
Bjurö 9	Malmö
Väderö 18	Malmö
Väderö 14	Malmö
Påskbuketten 6	Malmö
Påskbuketten 8	Malmö
Påskbuketten 9	Malmö
Påskbuketten 5	Malmö



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Påskbuketten 10	Malmö
Höjdpunkten 2	Lund
Aftonen 1	Lund
Måttbandet 8	Täby
Forellen 1	Solna
Räknestickan 2	Täby
Kungsängens-Tibble 1:648	Upplands-Bro
Sandhagen 9	Stockholm
Gulddragaren 24	Stockholm
Tunaberg 4	Stockholm
Effekten 13	Västerås
Tunbytorp 1	Västerås
Krista 1	Västerås
Linblocket 1	Västerås
Mimer 6	Västerås
Vämmedal 2:110	Mölnadal
Tingstadvassen 29:2	Göteborg
Rud 52:2	Göteborg
Tingstadvassen 26:7	Göteborg
Sörred 7:23	Göteborg
Varvet 3	Uddevalla
Arendal 6:1	Göteborg
Arendal 6:2	Göteborg
Arendal 4:4	Göteborg
Tingstadvassen 31:5	Göteborg
Magnetbandet 3	Linköping
Ädelmetallen 15	Jönköping
Prislappen 1	Linköping
Greken 5	Linköping
Glasflaskan 1	Linköping
Isbjörnen 4	Linköping
Grundet 9	Linköping
Gardisten 4	Linköping
Söderhällby 2:1	Uppsala
Librobäck 3:3	Uppsala
Boländerna 11:1	Uppsala
Boländerna 10:11	Uppsala
Part of Aspgården 18	Umeå
Gumsbacken 12	Nyköping
Asken 17	Nyköping
Gumsbacken 15	Nyköping
Lastaren 1	Örebro
Arbetaren 1	Örebro
Hissmontören 4	Örebro
Rörläggaren 4	Örebro
Fotogenen 4	Norrköping
Amerika 5	Norrköping
Sågen 7	Norrköping
Taktpinnen 6	Norrköping
Bolaget 1	Malmö



Regeringsgatan 59
103 59 Stockholm, Sweden
Tel + 46 (0)8 671 34 00
cushmanwakefield.com

Idrotten 7	Malmö
Torshammaren 11	Malmö
Smärgelskivan 1-2	Helsingborg
Kruthornet 1	Helsingborg
Sågen 14	Kungsbacka
Varla 14:1	Kungsbacka
Varla 14:8	Kungsbacka
Varla 2:427	Kungsbacka
Varla 3:34	Kungsbacka

Valuation report issued by Forum Fastighetsekonomi AB regarding Sweden

VALUATION CERTIFICATE

On behalf of the client Castellum Aktiebolag, corporate identity number 556475-5550, Forum Fastighetsekonomi AB has assessed the market value of parts of the company's property portfolio. Value date is 31st March 2023.

The valued portfolio consists of a total of 256 valuation objects. The properties are located in 21 municipalities in Sweden. The properties are mainly used for office, retail, industrial or logistics purposes. The total lettable area amounts to 1,043,459 sq.m. The market value of each valuation object has been assessed separately and the value assessment below constitutes the sum of the market value of all valuation objects. The assignment was performed by the independent and external property appraisers led by authorized property appraisers Jonas Petersson, Olle Winroth, Hans Voksepp and Hans Westin.

Method

The valuation has been prepared in accordance with the RICS client guide for property valuation.

The valuation has been prepared in accordance with paragraphs 128 to 130 of the ESMA update of CESR's recommendation.

The market value is assessed with a market-adapted multi-year cash-flow analysis, i.e., an analysis of expected future payments where all input data (rents, vacancy/letting risk, operating and maintenance costs, property tax, yield requirement, discount rate, etc.) are assigned values that correspond to the assessments the market is likely to make under the current market situation. The basis for assessments of the market's yield requirements, etc., are based on comparative analysis of actual property purchases. Where applicable, various value additions or value deductions are taken into account.

Supporting data

The assignment was performed according to the valuations' conditions given by the client.

The valued properties have been inspected during the period 2016-2023. Properties with changes in structure or technical standard have been inspected in the latter part of the time span. The valuations have been carried out using the above methodology.

Rents for each valuation object has been obtained together with information on ongoing lettings, terminations of contracts and planned maintenance, etc.

In the cash flow calculations, the following assessments and assumptions have been made:

- Start of calculations 1st April 2023.
- Inflation (CPI change) is 5.0 percent in 2023 and 2.0 percent for the remainder of the calculation period.
- The rents follow the terms of each lease. After the end of the lease term a market adjustment of the rent is made (if necessary) and the rent then follows the change in CPI.
- The costs for operation and maintenance follows the change in CPI.



Valuation certificate Castellum AB

Valuation

Upon request, it is hereby certified that the total market value of the properties in question at the value date 31st March 2023 and on the basis of given conditions, has been assessed at **SEK 19,892,800,000** (*SEK nineteen billion eight hundred ninety-two million eight hundred thousand*). Of the total assessed market value, the value for the objects let with freehold amounts to SEK 18,353,400,000 and for the objects that are let with leasehold rights amounts to SEK 1,539,400,000.

- The yield requirement at the end of the calculation has been estimated at 3.46 % - 8.0 % depending on the property type, location and lease structure and with an average of about 5.8%.
- The average market value varies between approximately SEK 3,400 and 71,500 per sq.m, with an unweighted average of approximately SEK 19,000 per sq.m.

Stockholm 2023-03-31

FORUM FASTIGHETSEKONOMI AB


Jonas Petersson
M.Sc. Eng.


Hans Westin
Bach.Sc. Econ.


Hans Voksepp
M.Sc. Eng.


Olle Winroth
M.Sc. Eng.

**AUTHORISED
REAL ESTATE VALUER**



Valuation certificate Castellum AB

Property	Municipality
Algen 2	Jönköping
Anisen 1	Mölnadal
Annedal 21:9	Göteborg
Arendal 764:394	Göteborg
Armringen 2	Malmö
Backa 107:4	Göteborg
Bangården 4	Solna
Banken 8	Linköping
Barkborren 3	Västerås
Bergakungen 1	Helsingborg
Betongblandaren 3	Stockholm
Bodarna 8	Örebro
Boklådan 7	Linköping
Bollbro 15	Helsingborg
Boländerna 11:2 o 11:3	Uppsala
Boländerna 11:5	Uppsala
Boländerna 36:2	Uppsala
Boländerna 5:12	Uppsala
Boländerna 9:1	Uppsala
Borgmästaren 11	Linköping
Borgmästaren 2	Linköping
Bägaren 5	Norrköping
Bägaren 6	Norrköping
Bältespannet 13	Malmö
Cedern 9, 12, 15 & 16	Borås
Dagskiftet 4	Stockholm
Dagslåndan 11	Västerås
Dalkullan 19	Linköping
Danmark 27	Helsingborg
Danmark 31	Helsingborg
Delfinen 15	Helsingborg
Diket 7	Norrköping
Djåknén 7	Linköping
Dolken 4	Helsingborg
Dolken 5	Linköping
Domnarvet 28	Stockholm
Domnarvet 39	Stockholm
Dragarbrunn 16:6	Uppsala
Dragarbrunn 19:1	Uppsala
Dragarbrunn 20:2	Uppsala
Drevet 1	Helsingborg
Ekholma 7	Borås
Elektronen 1	Jönköping



Valuation certificate Castellum AB

Property	Municipality
Elektronen 4	Sollentuna
Elementet 3	Sollentuna
Energien 1	Västerås
Elkraften 4	Västerås
Elkraften 7	Västerås
Elledningen 1	Västerås
Elledningen 3	Västerås
Erik Dahlberg 5 & 9	Helsingborg
Flintkärnan 5	Malmö
Friedningen 13	Västerås
Friedningen 8	Västerås
Friedningen 9	Västerås
Furudal 4	Stockholm
Fältmätaren 29	Västerås
Färjan 4	Helsingborg
Försäljaren 2	Örebro
Gamla Rådstugan 3	Norrköping
Gamla Bron 13	Norrköping
Gamelestaden 22:14	Göteborg
Gasverket 2	Örebro
Generatoren 5	Möndal
Getholmen 2	Stockholm
Giggen 2 (Byggrätt)	Linköping
Gillet 22	Örebro
Gjutaren 10	Borås
Gripen 11	Växjö
Grusbacken 3	Helsingborg
Grusbädden 2	Helsingborg
Grävlingen 5	Borås
Gullbergsvass 1:12	Göteborg
Gården 15	Linköping
Hamnen 22:27	Malmö
Hamnen 22:28	Malmö
Havet 5	Malmö
Hede 3:125	Kungsbacka
Hede 3:131	Kungsbacka
Heliumgasen 11	Möndal
Heliumgasen 4	Möndal
Hinden 2	Borås
Hyveljärnet 3	Helsingborg
Hästholmen 2	Stockholm
Högsbo 13:3	Göteborg



Valuation certificate Castellum AB

Property	Municipality
Högsbo 17:7	Göteborg
Högsbo 20:11	Göteborg
Högsbo 28:3	Göteborg
Högsbo 36:5	Göteborg
Högsbo 36:6	Göteborg
Högsbo 36:9	Göteborg
Högsbo 38:9	Göteborg
Högsbo 39:3	Göteborg
Högsbo 40:2	Göteborg
Högsbo 7:16	Göteborg
Högsbo 8:8	Göteborg
Högsbo 9:3	Göteborg
Högvakten 6	Helsingborg
Idéflödet 1	Linköping
Idékretsen 4	Linköping
Idémannen 1	Linköping
Inom Vallgraven 19:17	Göteborg
Inom Vallgraven 33:9	Göteborg
Inom Vallgraven 35:17	Göteborg
Inom Vallgraven 4:1	Göteborg
Jordgubben 1	Jönköping
Järnåldern 6	Västerås
Katrinehill 8	Borås
Klio 10	Västerås
Kniven 7	Helsingborg
Kobbegården 208:6	Göteborg
Kobbegården 209:1	Göteborg
Kobbegården 6:180	Göteborg
Kobbegården 6:726	Göteborg
Konstruktören 10	Örebro
Konstruktören 11	Örebro
Konstruktören 9	Örebro
Korpen 20	Norrköping
Korsningen 1	Örebro
Kraftfältet 5	Västerås
Krokslätt 102:2	Göteborg
Krokslätt 154:8	Göteborg
Krokslätt 20:6	Göteborg
Kungsängen 14	Västerås
Kungsängen Tibble 1:647	Upplands-Bro
Kvarngärdet 64:3	Uppsala
Kyllared 1:112	Borås
Kärra 80:7	Göteborg



Valuation certificate Castellum AB

Property	Municipality
Köpmannen 1	Västerås
Köpmannen 3	Västerås
Köpmannen 8	Västerås
Lagerchefen 3	Örebro
Lagern 8	Borås
Lantmannen 7	Örebro
Laxöringen 1	Borås
Ledningstråden 1	Västerås
Ledningstråden 6	Västerås
Lindholmen 30:5	Göteborg
Magnus Smek 6	Växjö
Majorna 163:1	Göteborg
Majorna 720:19	Göteborg
Mandelblomman 15	Stockholm
Mandelblomman 16	Stockholm
Manfred 8	Västerås
Markattan 11	Norrköping
Masthugget 9:17	Göteborg
Milen 7	Borås
Motormannen 1	Örebro
Musköten 5	Helsingborg
Muttern 2	Borås
Muttern 3	Borås
Myren 9	Huddinge
Nestor 2	Borås
Nestor 3	Borås
Nide 2	Helsingborg
Niten 6	Borås
Olskroken 35:14	Göteborg
Olskroken 35:7	Göteborg
Olskroken 35:9	Göteborg
Ostmästaren 2	Stockholm
Palissaden 4	Huddinge
Pilgrimen 5	Växjö
Prästgården 12	Örebro
Reuterdahl 15:2	Lund
Reuterdahl 15	Lund
Revolversvarven 10	Malmö
Revolversvarven 9	Malmö
Ringborren 8 & 16	Västerås
Ringspännet 5	Malmö
Riskullaverket 2	Mölnadal
Rosteriet 5	Stockholm



Valuation certificate Castellum AB

Property	Municipality
Rotorn 3	Borås
Råbyholm 4	Lund
Råsten 4	Sundbyberg
Rörläggaren 1	Örebro
Rörläggaren 2	Örebro
Rörmokaren 1	Örebro
Rörmokaren 5	Örebro
Sandhagen 6	Stockholm
Sannegården 28:33	Göteborg
Sannegården 52:1	Göteborg
Sellerin 3	Lund
Sesamfröet 2	Mölnadal
Silverpoppeln 31	Borås
Skrovat 5	Örebro
Snödroppen 8	Borås
Solsten 1:172	Härryda
Solsten 1:173	Härryda
Spejaren 4	Huddinge
Spejaren 5	Huddinge
Spiran 12	Norrköping
Sprutan 6	Norrköping
Stenyxan 21	Malmö
Studsaren 4	Helsingborg
Sunnanå 8:51	Burlöv
Svetsaren 4	Örebro
Svetsaren 5	Örebro
Svetsaren 7	Örebro
Svetsaren 8	Örebro
Svänghjulet 1	Örebro
Syrgasen 8	Mölnadal
Tingstadsvassen 11:5	Göteborg
Tingstadsvassen 12:6	Göteborg
Tingstadsvassen 19:3	Göteborg
Tingstadsvassen 26:5	Göteborg
Tingstadsvassen 31:6	Göteborg
Trucken 6	Borås
Tryckeriet 2	Örebro
Tullen 18	Växjö
Tulpanen 1	Mölnadal
Tunbytorp 19	Västerås
Tunbytorp 2	Västerås
Tunbytorp 8	Västerås
Tusenskönan 4	Mölnadal



Valuation certificate Castellum AB

Property	Municipality
Tågmästaren 25	Örebro
Tågmästaren 27	Örebro
Törnrosen 3	Mölnadal
Uranus 16	Borås
Vallmon 2	Mölnadal
Vallmon 3	Mölnadal
Vallmon 7	Mölnadal
Valutan 11	Jönköping
Vargön 4	Jönköping
Varla 2:380	Kungsbacka
Varla 2:388	Kungsbacka
Varla 2:415	Kungsbacka
Varla 2:416	Kungsbacka
Varpen 10 (Lexus)	Huddinge
Varpen 8 (Fordonsmäklarna)	Huddinge
Vattenpasset 2	Jönköping
Verkstaden 15	Västerås
Viby 19:48	Upplands-Bro
Vikingatiden 9	Västerås
Vilan 7	Jönköping
Vingen 4	Jönköping
Virkeshandlaren 7	Örebro
Visionen 5	Jönköping
Visionen 6	Jönköping
Visiret 2 A (Porsche)	Huddinge
Visiret 4 (Bilprovningen)	Huddinge
Voltmätaren 3	Västerås
Vägmästaren 5	Kungsbacka
Vägporten 5	Jönköping
Vågskålen 3	Jönköping
Årsta 36:7	Uppsala
Årsta 74:1	Uppsala
Ögongloben 5	Jönköping
Ögongloben 6	Jönköping
Ölstånkan 11	Örebro
Ölstånkan 14	Örebro
Ölstånkan 15	Örebro
Örnäs 1:28	Upplands-Bro
Örnäs 1:29	Upplands-Bro
Örnäs 1:30	Upplands-Bro
Överlappen 13	Jönköping
Överstycket 25	Jönköping



Valuation report issued by Cushman & Wakefield | RED regarding Denmark



VALUATION REPORT

VALUATION REPORT

Cushman & Wakefield | RED has been instructed by Castellum Aktiebolag to estimate the market value of 16 valuation objects located in Denmark. The valuation objects are owned by Castellum Aktiebolag and related companies. The objects consist of office and light industry/warehouse properties.

Date of valuation is set at 31 March 2023. The total value of the portfolio refers to the sum of the individual valuations. No consideration has been given to any potential portfolio effects. The total lettable area is 167,262 square meters.

The valuations have been prepared in accordance with suitable sections of Valuation Practice Statements ('VPS'), part of RICS Valuation - Global Standards 2022 ('Red Book') issued by the Royal Institution of Chartered Surveyors (RICS), the International Valuation Standard Committee (IVSC) as well as the standards in European Valuation Standards 2020 (EVS 2020) issued by The European Group of Valuers' Associations ('TEGoVA'). The valuations also meet the requirements set out in the accounting standards IFRS 13 and IAS 40.

We understand that our valuation report is required for inclusion in a prospectus which is to be published by Castellum Aktiebolag. In accordance with the RICS Valuation – Global Standards 2022, we have made certain disclosures in connection with this valuation instruction and our relationship with Castellum Aktiebolag, see below.

All valuation objects have been inspected by representatives from Cushman & Wakefield | RED during the past 18 months. We confirm that we have sufficient current local and national knowledge of the particular property markets involved and have the skills and understanding to undertake the valuation competently. The valuation assessments have been carried out by valuers qualified for the purpose and acting as external valuers.

We have made various assumptions as to tenure, letting, town planning etc. If any information or assumption on which the valuation is based is found to be incorrect, the valuation figures might also be incorrect and should be reconsidered.

The market value for the 16 valuation objects per the value date 31 March 2023 has been estimated to:

Sum market value: SEK 6,177,700,000 (SEK six billion one hundred seventy-seven million seven hundred thousand) respective DKK 4,080,900,000¹ (DKK four billion eighty million nine hundred thousand)


Of the total estimated market value, the value for the valuation objects granted via title deed amounts to SEK 6,177,700,000 respective DKK 4,080,900,000.

¹ Riksbanken.se, official rate 2023-03-31: 1.513804 SEK/DKK

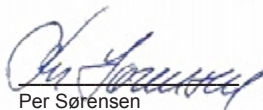


VALUATION REPORT

Copenhagen 24th April, 2023
Cushman & Wakefield | RED



Jesper Anderson
Partner, Head of Valuation, MRICS


Per Sørensen
Manager

- For the purposes of item 1.2 of Annex 3 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the "Prospectus Regulation"), we are responsible for this valuation report and accept responsibility for the information contained in this valuation report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this valuation report is in accordance with the facts and contains no omissions likely to affect its import. This Report complies with paragraphs 128 to 130 of the ESMA update of the CESR recommendations.
- The use of this report is only for the party to whom it is issued for the specific purpose set out herein. No responsibility is accepted to any third parties for the whole or any part of the content of the report.



VALUATION REPORT

APPENDIX 1 - Property Schedule

Property	City
Abildager 26	Brøndby
Generatorvej 6-8	Søborg
Havneholmen Atrium	Copenhagen W
Havneholmen Tower	Copenhagen W
Helgeshøj Allé 38	Taastrup
Hovedvejen 1-7	Glostrup
Kalvebod Brygge 39-41	Copenhagen W
Kalvebod Brygge 43	Copenhagen W
Kalvebod Brygge 45	Copenhagen W
Marielundvej 10	Herlev
Park Allé 373	Brøndby
Nansensgade 19, Peblingehus	Copenhagen K
Roholmsvej 19-21	Albertslund
Roskildevej 22	Albertslund
Støberigade	Copenhagen SW
Vibeholms Allé 15	Brøndby

Valuation report issued by Renium Advisors Oy regarding Finland



Keskuskatu 1 A
00100 Helsinki, Finland
Tel. +358 (0)10 836 8400
cushmanwakefield.fi

VALUATION REPORT

REnium Advisors Oy (REnium Advisors Oy is an independently owned and operated affiliate of Cushman & Wakefield) has been instructed by Castellum Aktiebolag to estimate the market value of 20 valuation objects located in Finland. The valuation objects are owned by Castellum Aktiebolag and related companies. The objects mainly consist of office properties, but the portfolio also includes a commercial/public property.

Date of valuation is set at 31 March 2023. The total value of the portfolio refers to the sum of the individual valuations. No consideration has been given to any potential portfolio effects. The total lettable area is 222,599 square meters, of which 0 square meters is residential and 222,599 square meters is commercial premises.

The valuations have been prepared in accordance with suitable sections of Valuation Practice Statements ('VPS'), part of RICS Valuation - Global Standards 2022 ('Red Book') issued by the Royal Institution of Chartered Surveyors (RICS), the International Valuation Standard Committee (IVSC) as well as the standards in European Valuation Standards 2020 (EVS 2020) issued by The European Group of Valuers' Associations ('TEGoVA'). The valuations also meet the requirements set out in the accounting standards IFRS 13 and IAS 40.

We understand that our valuation report is required for inclusion in a prospectus which is to be published by Castellum Aktiebolag. In accordance with the RICS Valuation – Global Standards 2022, we have made certain disclosures in connection with this valuation instruction and our relationship with Castellum Aktiebolag, see below.

All valuation objects have been inspected by representatives from Renium Advisors Oy during the past two years. We confirm that we have sufficient current local and national knowledge of the particular property markets involved and have the skills and understanding to undertake the valuation competently. The valuation assessments have been carried out by valuers qualified for the purpose and acting as external valuers.

We have made various assumptions as to tenure, letting, town planning etc. If any information or assumption on which the valuation is based is found to be incorrect, the valuation figures might also be incorrect and should be reconsidered.

The market value for the 20 valuation objects per the value date 31 March 2023 has been estimated to:

Sum market value: SEK 7,200,900,000¹ (SEK seven billion two hundred million nine hundred thousand) respective EUR 638,600,000 (EUR six hundred thirty-eight million six hundred thousand)

Of the total estimated market value, the value for the valuation objects granted via title deed amounts to SEK 7,003,500,000 respective EUR 621,100,000 and the value for the valuation objects granted via leasehold amounts to SEK 197,300,000 respective EUR 17,500,000.

Helsinki 2023-04-20

REnium Advisors Oy

Juha Mäki-Lohiluoma, MRICS
Authorized Property Valuer
approved by Finland Chamber of Commerce

Ville Suominen, MRICS
Authorized Property Valuer
approved by Finland Chamber of Commerce

¹ Riksbanken.se, official rate 2023-03-31: 11.276 SEK/EUR



Keskuskatu 1 A
00100 Helsinki, Finland
Tel. +358 (0)10 836 8400
cushmanwakefield.fi

- For the purposes of item 1.2 of Annex 3 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the "Prospectus Regulation"), we are responsible for this valuation report and accept responsibility for the information contained in this valuation report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this valuation report is in accordance with the facts and contains no omissions likely to affect its import. This report complies with paragraphs 128 to 130 of the ESMA update of the CESR recommendations.

- The use of this report is only for the party to whom it is issued for the specific purpose set out herein. No responsibility is accepted to any third parties for the whole or any part of the content of the report.



Keskuskatu 1 A
00100 Helsinki, Finland
Tel. +358 (0)10 836 8400
cushmanwakefield.fi

PROPERTY SCHEDULE

Valuation object	Municipality
Salmisaarenaukio 1	Helsinki
Rantatien Original	Helsinki
Rantatien Kasvu	Helsinki
Rantatien Loikka	Helsinki
Lindström Talo	Helsinki
Hämeentie 15	Helsinki
Opus 3	Helsinki
Kirjurinkatu 3	Helsinki
Derby	Espoo
Piispankalliontie 13-15	Espoo
Quartetto Intermezzo	Espoo
Säterinkatu 6	Espoo
Malski	Lahti
Vapaudenkatu 22	Lahti
HVT 30	Tampere
Puolalankatu 5	Turku
Puutarhakuu 1	Turku
Jaakonkatu 2	Vantaa
Jaakonkatu 3	Vantaa
Martinparkki	Vantaa

Documents incorporated by reference

The following documents are incorporated by reference, forms part of the Prospectus and shall be read as part of the Prospectus. Non-incorporated parts of the documents are either not relevant for the investor or are presented elsewhere in the Prospectus.

Source	Information
Annual report for 2022 https://annualreport.castellum.se/2022/wp-content/uploads/sites/2/2023/03/Castellum_AHR_2022_EN_16_9.pdf	Consolidated statement of comprehensive income (page 143) Consolidated balance sheet (page 144) Change in equity (page 147) Cash flow statement (page 148) Accounting policies and Notes (pages 149-174) Auditor's report (pages 175-178)
Interim report for the period 1 January – 31 March 2023 https://storage.mfn.se/db6d8219-12a8-4ba2-a9bc-37e8a4271aa0/castellum-interim-report-january-march-2023.pdf	Condensed consolidated statement of comprehensive income (page 5) Condensed consolidated balance sheet (page 8) Condensed changes in equity (page 8) Condensed consolidated cash flow statement (page 17) Other information (pages 20-21) Auditor's report on the review (page 22)

The annual report for 2022 has been audited by Castellum's auditor and the auditor's report is attached to the annual report. Castellum's interim report for the period 1 January – 31 March 2023 have been reviewed by Castellum's Auditor 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 has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. Therefore, a conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

In addition to the information referred to above, no information in the Prospectus has been audited or reviewed by the Company's auditor.

Selling and transfer restrictions

General

No action has been or will be taken in any country or jurisdiction by the Company or the Managers that would permit a public offering of the Securities, or possession or distribution of the Prospectus or any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required, other than Sweden, Denmark, Finland and Norway. Persons into whose hands the Prospectus comes are required by the Company and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver the Securities or have in their possession or distribute the Prospectus or such other offering material, in all cases at their own expense.

United States

The Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States. The Securities will be offered and sold only outside the United States in accordance with Rule 903 of Regulation S under the Securities Act. Notwithstanding the foregoing, independently from and without the participation of the Managers, the Company may allow existing shareholders in the United States who are existing shareholders in Castellum on the record date and on the date of subscription and who are qualified institutional buyers as defined in Rule 144A under the Securities Act to exercise their subscription rights in reliance on exemptions provided for private placements under Section 4(a)(2) of the Securities Act.

Up until 40 days after the first date upon which the Securities were offered to the public, an offer or a transfer of Securities within the United States made by a broker-dealer (regardless of whether such broker-dealer participates in the Rights Issue or not) may constitute a breach of the registration requirements of the Securities Act.

Selling and transfer restrictions

Each holder of Securities, by accepting delivery of the Prospectus, will be deemed to have represented, agreed and acknowledged that, among other things (terms used in this paragraph that are defined under Regulation S under the Securities Act ("**Regulation S**") are used herein as defined therein):

1. It is, and at the time of any exercise by it of subscription rights or at the time of acquiring Securities will be, outside the United States and is exercising such subscription rights or acquiring such Securities in an "offshore transaction" (and not in a pre-arranged transaction resulting in the resale of Securities into the United States).
2. It understands and acknowledges that the Securities have been or will be registered under the Securities Act, and that they may not be offered, sold or exercised, directly or indirectly, in the United States, other than in accordance with paragraph 5 below.
3. It understands that the Securities may only be transferred, assigned or resold outside the United States in reliance on Regulation S under the Securities Act.
4. It is acquiring the Securities as principal for its own account or for the account of one or more other persons who are outside the United States and exercising subscription rights or acquiring Securities in an "offshore transaction" for which it is acting as duly authorised fiduciary or agent with sole investment discretion with respect to each such account and with full authority to make the acknowledgments, representations and agreements herein with respect to each such account, in each case for investment and not with a view to distribute and resell such Securities.
5. It understands and agrees that if in the future it decides to offer, sell, deliver, hypothecate or otherwise transfer any Securities, it and such other persons will do so only (i) pursuant to an effective registration statement under the Securities Act, (ii) outside the United States pursuant to Rule 904 under Regulation S under the Securities Act in an "offshore transaction" (and not in a pre-arranged transaction resulting in the resale of Securities into the United States) or (iii) in accordance with Rule 144 or another available exemption under the Securities Act or any other securities laws and, in each case, in accordance with any applicable securities laws of any state or territory of the United States and of any other jurisdiction. It understands that no representation can be made as to the availability of any exemption under the Securities Act or any other securities laws for the resale of the Securities.
6. It understands that an investment in the Securities involves certain risks, including the risk of loss of all or a substantial part of its investment. It has received a copy of the Prospectus and has had access to such financial and other information concerning the Company as it has deemed necessary in connection with making its own investment decision to purchase the Securities or exercise subscription rights. It acknowledges that neither the Company nor the Managers nor any person representing the Company or the Managers has made any representation to it with respect to the Company or the offering or sale of the Securities or exercise of any subscription rights other than as set forth in

the Prospectus which has been delivered to it, and upon which it is relying solely in making its investment decision with respect to the Securities. It has held and will hold any offering materials, including the Prospectus, it receives directly or indirectly from the Company or the Managers in confidence, and it understands that any such information received by it is solely for it and not to be redistributed or duplicated by it. It acknowledges that it has read and agreed to the matters stated in the section entitled "*Selling and transfer restrictions*" in the Prospectus.

7. It, and each other person, if any, for whose account it is acquiring Securities, in the normal course of business, invests in or purchases securities similar to the Securities, has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of purchasing any of the Securities and is aware that it must bear the economic risk of an investment in the Securities for an indefinite period of time and is able to bear such risk for an indefinite period.
8. It understands and acknowledges that the Company, the Managers and each of their respective affiliates and agents, and others, will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

In addition, each person acquiring Securities, exercising subscription rights or otherwise subscribing for new shares offered hereby will be deemed to have acknowledged and agreed that:

- (a) it is relying on the Prospectus in conducting its examination of the Company and the terms of the Rights Issue, including the merits and risks involved, and in making an investment decision regarding the Securities; and
- (b) no person is authorized to give any information or make any representations other than those contained in the Prospectus and, if given or made, such information or representations will not be relied upon as having been authorized by the Company or the Managers, nor will the Company or the Managers have any liability or responsibility therefore.

Certain U.S. Federal Income Tax Considerations

The following is a summary of certain U.S. federal income tax considerations that are likely to be relevant to the receipt, exercise (or expiration) and disposition of the subscription rights, and the ownership and disposition of the Company's shares received upon exercise of the subscription rights, by a U.S. Holder (as defined below).

This summary is based on provisions of the Internal Revenue Code of 1986, as amended (the "**Code**"), and regulations, rulings and judicial interpretations thereof, in force as of the date hereof, and the Convention between the Government of the United States of America and the Government of the Sweden for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income dated September 1, 1994 (as amended by the protocol of September 30, 2005) (the "**Treaty**"). Those authorities may be changed at any time, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those summarized below.

This summary deals only with subscription rights acquired through the Rights Issue, and shares acquired upon exercise of the subscription rights and assumes that the subscription rights or shares issued upon exercise of the subscription rights will be held as capital assets within the meaning of Section 1221 of the Code. This summary is not a comprehensive discussion of all of the tax considerations that may be relevant to a particular investor's circumstances. In particular, this summary does not address tax consequences to U.S. Holders who may be subject to special tax rules, such as banks, brokers or dealers in securities or currencies, traders in securities electing to mark to market, financial institutions, life insurance companies, tax exempt entities, entities that are treated as partnerships for U.S. federal income tax purposes (or partners therein), holders that own or are treated as owning 10% or more of the Company's shares by vote or value, persons holding shares as part of a hedging or conversion transaction or a straddle, or persons whose functional currency is not the U.S. dollar. Moreover, this summary does not address state, local or foreign taxes, the U.S. federal estate and gift taxes, the Medicare contribution tax applicable to net investment income of certain non-corporate U.S. Holders, or alternative minimum tax consequences of acquiring, holding or disposing of shares and the subscription rights.

For purposes of this summary, a "**U.S. Holder**" is a beneficial owner of shares or the subscription rights that is a citizen or resident of the United States or a U.S. domestic corporation or that otherwise is subject to U.S. federal income taxation on a net income basis in respect of such shares and that is fully eligible for benefits under the Treaty.

U.S. Holders should consult their own tax advisors about the consequences of the acquisition, ownership, and disposition of the Company's shares and the subscription rights, including the relevance to the holder's particular situation of the considerations discussed below and any consequences arising under foreign, state, local or other tax laws.

Receipt of Subscription Rights in the Rights Issue

The Company believes a U.S. Holder's receipt of subscription rights pursuant to the Rights Issue with respect to the U.S. Holder's existing shares should be treated as a nontaxable distribution with respect to such shares for U.S. federal income tax purposes.

The remainder of this discussion assumes that the receipt of subscription rights in the Rights Issue is a nontaxable distribution.

If the fair market value of the subscription rights a U.S. Holder receives is less than 15% of the fair market value of the U.S. Holder's existing shares on the date of the distribution of the subscription rights, the subscription rights will be allocated a zero basis for U.S. federal income tax purposes, unless the U.S. Holder elects to allocate the U.S. Holder's basis in the U.S. Holder's existing shares between the U.S. Holder's existing shares and the subscription rights in proportion to the relative fair market values of the existing shares and the subscription rights determined on the date of distribution of the subscription rights. If the U.S. Holder chooses to allocate basis between the U.S. Holder's existing shares and the subscription rights, the U.S. Holder must make this election on a statement included with the U.S. Holder's timely filed tax return (including extensions) for the taxable year in which the U.S. Holder receives the subscription rights. Such an election is irrevocable.

On the other hand, if the fair market value of the subscription rights the U.S. Holder receives is 15% or more of the fair market value of the U.S. Holder's existing shares on the date of the distribution of the subscription rights, then the U.S. Holder must allocate the U.S. Holder's basis in the U.S. Holder's existing shares between the U.S. Holder's existing shares and the subscription rights the U.S. Holder receives in proportion to their fair market values determined on the date of the distribution of the subscription rights.

The fair market value of the subscription rights on the date that the subscription rights are distributed is uncertain, and the Company has not obtained, and does not intend to obtain, an appraisal of the fair market value of the subscription rights on that date.

A U.S. Holder's holding period of the subscription rights received in the Rights Issue will include the U.S. Holder's holding period of the existing shares with respect to which the subscription rights were distributed.

Exercise of Subscription Rights

U.S. Holders generally will not recognize gain or loss on the exercise of the subscription rights.

A U.S. Holder's tax basis in shares acquired through exercise of the subscription rights will equal the sum of (1) the subscription price and (2) the U.S. Holder's tax basis, if any, in subscription rights as determined above under "*Receipt of Subscription Rights in the Rights Issue.*"

The holding period of shares acquired through exercise of subscription rights will begin on the date the subscription rights are exercised.

If a U.S. Holder exercises subscription rights received in the Rights Issue after disposing of the existing shares with respect to which such subscription rights were received in the Rights Issue, then certain aspects of the tax treatment of the exercise of the subscription rights are unclear, including (1) the allocation of tax basis between the existing shares previously sold and the subscription rights, (2) the impact of such allocation on the amount and timing of gain or loss recognized with respect to the existing shares previously sold, and (3) the impact of such allocation on the tax basis of shares acquired through exercise of the subscription rights. If a U.S. Holder exercises subscription rights received in the Rights Issue after disposing of the existing shares with respect to which the subscription rights were received, the U.S. Holder should consult with the U.S. Holder's tax advisor.

Expiration of Subscription Rights

If a U.S. Holder allows subscription rights received in the Rights Issue with respect to the U.S. Holder's existing shares to expire, the U.S. Holder should not recognize any gain or loss for U.S. federal income tax purposes and any portion of the tax basis in the U.S. Holder's existing shares previously allocated to the subscription rights that have expired will be reallocated to the existing shares.

Taxation of Dividends with Respect to Shares

Subject to the discussion below under "Passive Foreign Investment Company Status", the gross amount of any distribution of cash or property with respect to the shares that is paid out of the Company's current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) will generally be includible in a U.S. Holder's taxable income as ordinary dividend income on the day on which the U.S. Holder receives the dividend and will not be eligible for the dividends-received deduction allowed to corporations under the Code.

The Company does not expect to maintain calculations of its earnings and profits in accordance with U.S. federal income tax principles. U.S. Holders therefore should expect that distributions generally will be treated as dividends for U.S. federal income tax purposes.

Dividends paid in a currency other than U.S. dollars generally will be includible in a U.S. Holder's income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the U.S. Holder receives the dividends.

U.S. Holders should consult their own tax advisors regarding the treatment of foreign currency gain or loss, if any, on any foreign currency received that is converted into U.S. dollars after it is received.

The U.S. dollar amount of dividends received by an individual with respect to the shares will be subject to taxation at a preferential rate if the dividends are "qualified dividends." Subject to certain exceptions for short-term positions, dividends paid on the shares will be treated as qualified dividends if:

- the shares are readily tradable on an established securities market in the United States or the issuer is eligible for the benefits of a comprehensive tax treaty with the United States that the U.S. Treasury determines is satisfactory for purposes of this provision and that includes an exchange of information program; and
- the issuer was not, in the year prior to the year in which the dividend was paid, and is not, in the year in which the dividend is paid, a passive foreign investment company (a "PFIC").

The U.S. Treasury has determined that the Treaty meets the requirements for reduced rates of taxation. Based on the Company's audited financial statements and relevant market and shareholder data, the Company believes that it was not treated as a PFIC for U.S. federal income tax purposes with respect to its 2022 taxable year. In addition, based on its audited financial statements and its current expectations regarding the value and nature of its assets, the sources and nature of its income, and relevant market and shareholder data, the Company does not anticipate being a PFIC for its 2023 taxable year. U.S. Holders should consult their own tax advisors regarding the availability of the reduced dividend tax rate in light of your own particular circumstances.

Subject to generally applicable limitations and conditions, Swedish dividend withholding tax paid at the appropriate rate applicable to you may be eligible for a credit against your U.S. federal income tax liability. These generally applicable limitations and conditions include new requirements recently adopted by the IRS and any Swedish tax will need to satisfy these requirements in order to be eligible to be a creditable tax for a U.S. Holder. In the case of a U.S. Holder that is eligible for, and properly elects, the benefits of the Treaty, the Swedish tax on dividends will be treated as meeting the new requirements and therefore as a creditable tax. In the case of all other U.S. Holders, the application of these requirements to the Swedish tax on dividends is uncertain and we have not determined whether these requirements have been met. If the Swedish dividend tax is not a creditable tax for a U.S. Holder or the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes, the U.S. Holder may be able to deduct the Swedish tax in computing such U.S. Holder's taxable income for U.S. federal income tax purposes. Dividend distributions will constitute income from sources without the

United States and, for U.S. Holders that elect to claim foreign tax credits, generally will constitute “passive category income” for foreign tax credit purposes. The availability and calculation of foreign tax credits and deductions for foreign taxes depend on a U.S. Holder’s particular circumstances and involve the application of complex rules to those circumstances. U.S. Holders should consult their own tax advisors regarding the application of these rules to their particular situations.

A U.S. Holder that receives distributions of additional shares or rights to subscribe for the shares as part of a pro rata distribution to all Company shareholders generally will not be subject to U.S. federal income tax in respect of the distributions, unless the U.S. Holder has the right to receive cash or property, in which case the U.S. Holder will be treated as if it received cash equal to the fair market value of the distribution.

Taxation of Dispositions of Subscription Rights and Shares

Subject to the discussion below under “*Passive Foreign Investment Company Status*”, if a U.S. Holder realizes gain or loss on the sale, exchange or other disposition of subscription rights or shares, that gain or loss will be capital gain or loss and generally will be long-term capital gain or loss if the subscription rights or shares have been held for more than one year (as determined above under “*Tax Basis and Holding Period of Subscription Rights*” and “*Exercise of Subscription Rights*”). Long-term capital gain realized by a U.S. Holder that is an individual generally is subject to taxation at a preferential rate. The deductibility of capital losses is subject to limitations.

Gain, if any, realized by a U.S. Holder on the sale or other disposition of subscription rights or shares generally will be treated as U.S. source income for U.S. foreign tax credit purposes.

If a U.S. Holder sells or otherwise disposes of subscription rights or shares in exchange for currency other than U.S. dollars, the amount realized generally will be the U.S. dollar value of the currency received at the spot rate on the date of sale or other disposition (or, if the subscription rights or shares are traded on an established securities market at such time, in the case of cash basis and electing accrual basis U.S. holders, the settlement date). An accrual basis U.S. Holder that does not elect to determine the amount realized using the spot exchange rate on the settlement date will recognize foreign currency gain or loss equal to the difference between the U.S. dollar value of the amount received based on the spot exchange rates in effect on the date of the sale or other disposition and the settlement date. A U.S. Holder will have a tax basis in the currency received equal to the U.S. dollar value of the currency received at the spot rate on the settlement date. Any currency gain or loss realized on the settlement date or the subsequent sale, conversion, or other disposition of the non-U.S. currency received for a different U.S. dollar amount generally will be U.S.-source ordinary income or loss, and will not be eligible for the reduced tax rate applicable to long-term capital gains. If an accrual basis U.S. Holder makes the election described in the first sentence of this paragraph, it must be applied consistently from year to year and cannot be

revoked without the consent of the IRS. U.S. Holders should consult their own tax advisors regarding the treatment of any foreign currency gain or loss realized with respect to any currency received in a sale or other disposition of subscription rights or shares.

Passive Foreign Investment Company Status

Special U.S. tax rules apply to companies that are considered to be PFICs. The Company will be classified as a PFIC in a particular taxable year if, taking into account its proportionate share of the income and assets of its subsidiaries under applicable “look-through” rules, either:

75 per cent or more of its gross income for the taxable year is passive income; or

50 per cent or more of the value of its assets (generally determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income.

For these purposes, passive income generally includes rents, interest, dividends, royalties and gains from the disposition of assets that produce passive income. Cash generally is treated as a passive asset for these purposes. Although rental income generally is considered passive income, a special rule allows a lessor of real estate to treat rental income as non-passive to the extent the lessor, through its own officers or employees, regularly performs active and substantial management functions (the “**Active Rents Rule**”). For purposes of the Active Rents Rule, the activities of officers and employees of certain affiliates of the lessor can be taken into account.

Based on the Company’s financial statements and the Company’s expectations about the nature and amount of its income, assets and activities, and the market value of its equity, the Company believes that it was not a PFIC with respect to its 2022 taxable year, and it does not anticipate being a PFIC for its 2023 taxable year. However, the determination whether we are a PFIC must be made annually after the close of each taxable year and based on the facts and circumstances at that time, and therefore subject to change. Additionally, the Company’s possible status as a PFIC will also depend on the application of complex statutory and regulatory rules that are subject to potential varying or changing interpretations. Accordingly, there can be no assurance that the Company will not be a PFIC for any year in which a U.S. Holder holds subscription rights or shares.

If contrary to the foregoing, the Company were classified as a PFIC for any taxable year during which a U.S. Holder owns subscription rights or shares, the U.S. Holder would be subject to a special tax at ordinary income tax rates on “excess distributions,” including certain distributions by the Company and gain that the U.S. Holder recognizes on the sale of subscription rights or shares. The amount of income tax on any gains or excess distributions would be increased by an interest charge to compensate for tax deferral. If the Company is a PFIC for any taxable year during which a U.S. Holder holds subscription rights or shares, the Company would generally continue to be treated as a PFIC with respect to such U.S. Holder for all

succeeding years during which such holder owns subscription rights or shares, even if the Company ceases to meet the threshold requirements for PFIC status.

If the Company is a PFIC for any taxable year and any its subsidiaries are also PFICs, U.S. Holders should consult their tax advisors regarding the application of the PFIC rules to their ownership of the shares as well as their indirect ownership of equity interests in such lower-tier PFICs.

If the Company is a PFIC in a taxable year and its shares constitute "marketable stock" in such year, a U.S. Holder may make a mark-to-market election with respect to its shares. A U.S. Holder who makes such election generally will not be subject to the PFIC rules described above (except possibly with respect to such holder's indirect ownership of equity interests in lower-tier PFICs). Instead, in general, the U.S. Holder will include for each of its taxable years as ordinary income the excess, if any, of the fair market value of its shares at the end of such year over its adjusted basis in its shares. These amounts of ordinary income would not be eligible for the reduced tax rates applicable to qualified dividend income or long-term capital gains. The U.S. Holder also will recognize an ordinary loss in respect of the excess, if any, of its adjusted basis of its shares over the fair market value of its shares at the end of its taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). A U.S. Holder's basis in its shares will be adjusted to reflect any such income or loss amounts. Mark-to-market inclusions and deductions will be suspended during taxable years in which the Company is not a PFIC, but would resume if the Company subsequently becomes a PFIC. Any gain recognized by a U.S. Holder on a sale or other taxable disposition of its shares in a year in which the Company is a PFIC will be treated as ordinary income, and any loss recognized by a U.S. Holder on a sale or other taxable disposition of its shares in such a year will be treated as ordinary loss (but only to the extent of the net amount of previously included income as a result of the mark-to-market election), and thereafter as capital loss. A mark-to-market election cannot be made for any lower-tier PFICs. U.S. Holders should consult their tax advisors regarding the availability and tax consequences of a mark-to-market election with respect to their Shares under their particular circumstances.

A U.S. Holder who owns, or is treated as owning, PFIC stock during any taxable year in which the Company is classified as a PFIC may be required to file an IRS Form 8621.

The rules dealing with PFICs are very complex and are affected by various factors in addition to those described above. Accordingly, U.S. Holders should consult their own tax advisors concerning the application of the PFIC rules to their investment in the Company.

Foreign Financial Asset Reporting

Certain U.S. Holders that own "specified foreign financial assets" with an aggregate value in excess of \$50,000 on the last day of the taxable year or \$75,000 at any time during the taxable year are generally required to file an information statement along with their tax returns, currently on IRS Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer that are not held in accounts maintained by financial institutions. The understatement of income attributable to "specified foreign financial assets" in excess of U.S.\$5,000 extends the statute of limitations with respect to the tax return to six years after the return was filed. U.S. Holders who fail to report the required information could be subject to substantial penalties. U.S. Holders are encouraged to consult with their own tax advisors regarding the possible application of these rules, including the application of the rules to their particular circumstances.

Backup Withholding and Information Reporting

Dividends paid on shares, and proceeds from the sale or other disposition of, shares and subscription rights to a U.S. Holder generally may be subject to the information reporting requirements of the Code and may be subject to backup withholding unless the U.S. Holder provides an accurate taxpayer identification number and makes any other required certification or otherwise establishes an exemption. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a refund or credit against the U.S. Holder's U.S. federal income tax liability, provided the required information is furnished to the IRS in a timely manner.

A holder that is not a United States person may be required to comply with certification and identification procedures in order to establish its exemption from information reporting and backup withholding.

Certain Swedish Tax Considerations

The following is a general description of certain Swedish income tax considerations relating to the receipt, exercise (or expiration) and disposition of the subscription rights, and the ownership and disposition of the Company's shares received upon exercise of the subscription rights, by non-resident individuals and non-Swedish corporations that do not hold shares through a permanent establishment in Sweden for tax purposes, to which the ownership of, and income under, the shares are attributable ("Non-Resident Holders"). It does not purport to be a complete analysis of all the Swedish tax considerations. The tax treatment of each individual shareholder depends on the shareholder's particular circumstances and the tax laws in the country where the shareholder is resident for tax purposes. Each shareholder should therefore consult its own tax adviser with regard to the specific tax consequences that may arise in the individual case. This summary is based upon the laws and regulations of Sweden in effect as of the date of the Prospectus and does not consider changes in laws or regulations effective, sometimes with retroactive effect, after such date.

Receipt of rights and exercise of rights

The receipt of and exercise of rights is a non-taxable event in Sweden. Thus, Non-Resident Holders will not be subject to Swedish taxation on the receipt or exercise of the rights.

Sale of rights, lapse of rights and disposition of shares

A sale of subscription rights, lapse of rights and the disposition of shares constitutes a taxable event in Sweden. However, a gain or loss on the sale, exchange or other disposition of subscription rights or shares held by a Non-Resident Holder, is normally not liable for capital gains taxation in Sweden upon disposal of rights and shares.

According to a special rule, private individuals not resident in Sweden for tax purposes are, however, subject to Swedish capital gains taxation upon disposals of shares and subscription rights, if they have been residents of Sweden or have had a habitual abode in Sweden at any time during the calendar year of disposal or ten calendar years preceding the year of disposal. In several cases though, the applicability of this rule is limited by tax treaties for the avoidance of double taxation.

Dividends on shares

For Non-Resident Holders that receive dividends on shares, Swedish withholding tax is normally withheld. The same withholding tax applies to certain other payments made by a Swedish limited liability company, such as payments as a result of redemption of shares and repurchase of shares through an offer directed to all shareholders or all holders of shares of a certain class. The tax rate is 30%. The tax rate is, however, generally reduced through tax treaties for the avoidance of double taxation. Under the Treaty (defined above in "Certain U.S. Federal Income Tax Considerations"), the tax rate on dividends paid to U.S. Holders (defined above in "Certain U.S. Federal Income Tax Considerations") entitled to the benefits of the Treaty should not exceed 15%. In Sweden, withholding tax deductions are normally carried out by Euroclear Sweden or, in respect of nominee-registered shares, by the nominee. The tax treaties that Sweden has entered into, generally enable the withholding tax deduction to be made in accordance with the tax rate stipulated in the treaty, provided that Euroclear Sweden or the nominee, as applicable, has received the required information concerning the tax residency of the investor entitled to the dividend (this applies also under the Treaty). Further, investors entitled to reduced tax rates under applicable tax treaties may seek a refund from the Swedish Tax Agency if the full withholding tax rate at 30 % has been withheld. Application for repayment shall be made prior to the end of the fifth calendar year following the year of the dividend payment.



Addresses

THE COMPANY

Castellum Aktiebolag
Östra Hamngatan 16
Box 2269
SE-403 14 Gothenburg
Sweden

JOINT GLOBAL COORDINATORS

Handelsbanken Capital Markets
Blasieholmstorg 11
SE-106 70 Stockholm
Sweden

**Nordea Bank Abp,
filial i Sverige**
Smålandsgatan 17
SE-105 71 Stockholm
Sweden

Citigroup Global Markets Europe AG
Reuterweg 16 (Frankfurter Welle)
GE-60323 Frankfurt-Main
Germany

JOINT BOOKRUNNERS

**Danske Bank A/S,
Danmark, Sverige filial**
Norrholmstorg 1
SE-111 46 Stockholm
Sweden

**DNB Markets, part of
DNB Bank ASA,
filial Sverige**
Regeringsgatan 59
SE-111 56 Stockholm
Sweden

Nykredit Bank A/S
Kalvebod Brygge 1-3
DK-1780 Copenhagen
Denmark

**Skandinaviska
Enskilda Banken AB
(publ)**
Kungsträdgårdsgatan 8
SE-106 40 Stockholm
Sweden

**Swedbank AB
(publ)**
Malmskillnadsgatan 23
SE-105 34 Stockholm
Sweden

LEGAL ADVISOR TO THE COMPANY

As to Swedish law
Roschier Advokatbyrå AB
Brunkebergstorg 2
111 51 Stockholm
Sweden

As to US law
Cleary Gottlieb Steen & Hamilton LLP
2 London Wall Place
London EC2Y 5AU
England

LEGAL ADVISOR TO THE MANAGERS

As to Swedish law
White & Case Advokataktiebolag
Biblioteksgatan 12
114 85 Stockholm
Sweden

As to US law
White & Case LLP
Aleksanterinkatu 44
FI-00100 Helsinki
Finland

INDEPENDENT AUDITOR

Deloitte AB
Kyrkogatan 48
SE-411 08 Gothenburg
Sweden

Historical financial information regarding Kungsleden

Historical financial information regarding Kungsleden is presented below. The historical financial information presented below has been derived from Kungsleden's audited annual report for the financial years 2021 and 2020. The annual reports have been audited by Kungsleden's auditor Ernst & Young Aktiebolag. The information has not been audited by Castellum's auditor.

Kungsleden's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations from the International Financial Reporting Interpretations Committee (IFRIC) that have been approved by the EU. Furthermore, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has been applied.

CONSOLIDATED INCOME STATEMENT

MSEK	2021	2020
Rental revenue	2,563	2,501
Other income	30	29
Property costs	-803	-787
Operating net	1,790	1,743
Selling and administration costs	-95	-102
Net financial items		
Financial revenues and financial costs	-340	-355
Costs of right of use	-33	-29
	-373	-384
Profit from property management	1,322	1,257
Changes in value		
Properties ¹⁾	5,458	960
Interest rate derivatives	239	-157
	5,698	803
Profit before tax	7,019	2,060
Tax		
Current tax	-2	-
Deferred tax	-1,387	-424
	-1,389	-424
Net profit for the year²⁾	5,630	1,636
Earnings per share before and after dilution	26.12	7.50

1) For 2021, change in value of properties in the income statement of SEK 5,458 million consists of unrealised changes in value of SEK 5,441 million and profit from property sales of SEK 17 million. For 2020, unrealised changes in value on properties were SEK 948 million (1,762), and the profit/loss from divestment was SEK 11 million (-5).

2) All of the profit for the year is attributable to the parent company's shareholders.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	2021	2020
Net profit for the year	5,630	1,636
Other comprehensive income		
Translation gains/losses for the year, on consolidation of foreign operations net profit for the year	0	0
NET PROFIT FOR THE YEAR	5,630	1,636

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MSEK	2021	2020
ASSETS		
Non-current assets		
Intangible assets	11	12
Investment properties	47,258	40,718
Assets of right of use	625	828
Equipment	3	3
Other long-term receivables	2	2
Total non current assets	47,898	41,564
Current assets		
Accounts receivable	39	14
Other receivables	56	18
Prepaid expenses and accrued revenues	278	249
Derivatives	110	8
Cash and bank	474	685
Total current assets	956	974
TOTAL ASSETS	48,854	42,538
EQUITY AND LIABILITIES		
Equity		
Share capital	91	91
Other contributed capital	4,506	4,506
Other reserves	4	4
Retained earnings (including net profit for the year)	18,685	13,899
Total equity	23,287	18,500
Long-term liabilities		
Liabilities to credit institutions	9,276	9,013
Other interest-bearing liabilities	6,006	8,346
Liabilities of right of use	618	819
Derivatives	53	258
Deferred tax liability	4,288	2,910
Provisions	3	9
Total long-term liabilities	20,245	21,355
Short-term liabilities		
Liabilities to credit institutions	-	-
Other interest-bearing liabilities	4,359	1,670
Liabilities of right of use	7	9
Accounts payable	209	189
Tax liabilities	0	0
Other liabilities	142	249
Accrued expenses and deferred income	607	566
Total short-term liabilities	5,323	2,684
TOTAL EQUITY AND LIABILITIES	48,854	42,538

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MSEK	Share capital	Other contributed capital	Translation difference	Accumulated profit or loss	Total equity
Opening equity 2020-01-01	91	4,506	4	12,887	17,488
Net profit for the year	-	-	-	1,636	1,636
Repurchase of treasury shares	-	-	-	-57	-57
Dividend	-	-	-	-567	-567
Closing equity 2020-12-31	91	4,506	4	13,899	18,500
Opening equity 2021-01-01	91	4,506	4	13,899	18,500
Net profit for the year	-	-	-	5,630	5,630
Repurchase of treasury shares	-	-	-	-241	-241
Dividend	-	-	-	-602	-602
Closing equity 2021-12-31	91	4,506	4	18,686	23,287

CONSOLIDATED CASH FLOW STATEMENT

MSEK	2021	2020
OPERATING ACTIVITIES		
Profit from property management	1,322	1,257
Other adjustments not included in cash flow from operating activities	-16	17
Tax paid	-	-
Cash flow from operating activities	1,306	1,274
Changes in working capital		
Operating receivables	-74	-58
Operating liabilities	80	-91
	6	-148
Cash flow from operating activities after change in working capital	1,312	1,125
INVESTING ACTIVITIES		
Investments in existing properties	-1,307	-1,395
Acquisition of properties	-4	-82
Divestment of properties	219	32
Purchase of equipment	-	-2
Purchase of intangible assets	-	-2
Investments in other financial assets	-67	-12
Cash flow from investing activities	-1,160	-1,460
FINANCING ACTIVITIES		
New loans	3,721	3,000
Repayment of loans	-3,109	-1,860
Dividend	-735	-415
Repurchase of treasury shares	-242	-57
Cash flow from financing activities	-364	667
CASH FLOW FOR THE YEAR	-212	332
Cash equivalents at beginning of year	685	353
Exchange rate differences on cash equivalents	-	-
Cash equivalents at end of year	474	685



CASTELLUM

Castellum Aktiebolag

Gothenburg

Postal address: Box 2269,
SE-403 14 Gothenburg, Sweden
Phone: +46 (0)31-60 74 00
Office address: Östra Hamngatan 16

Stockholm

Postal address: Box 70414,
SE-107 25 Stockholm, Sweden
Phone: +46 (0)8-503 052 00
Office address: Hangövägen 20, 4th Floor

Castellum.com

Registered office: Gothenburg

Corporate ID No.: 556475-5550