



CASTELLUM

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Press release
Gothenburg, 13 February 2023

Castellum intends to carry out a fully underwritten rights issue of approximately SEK 10 billion to strengthen its financial position

The Board of Directors of Castellum Aktiebolag ("Castellum" or the "Company") has resolved to propose that the Annual General Meeting 2023 authorises the Board of Directors to resolve upon a new share issue with preferential rights for existing shareholders.

In order to strengthen the Company's financial position, the Board of Directors of Castellum will propose that the Annual General Meeting authorises the Board of Directors to resolve on a rights issue of approximately SEK 10 billion. The rights issue is fully underwritten through subscription undertakings and guarantee commitments. A detailed time plan and the terms and conditions for the rights issue will be announced at a later stage. However, it is expected that the rights issue will be carried out during the second quarter of 2023. The proposal for the Board of Directors' authorisation will be included in the notice to the Annual General Meeting, which will be published separately.

"The current market environment presents both challenges and opportunities for the commercial real estate sector. Through the proposed rights issue, Castellum will consolidate its position as one of the leading commercial real estate companies in the Nordic region with continued ability to capitalise on value-creation opportunities whilst continuing to be an attractive investment for shareholders as well as a solid counterparty to banks and debt investors", says Joacim Sjöberg, acting CEO of Castellum.

Background and reasons

Castellum believes that the rights issue enables 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.

The Company's business model with stable and predictable cash flows is further strengthened by the rights issue, which is considered to increase the Company's attractiveness as an investment. Investors are hereby given access to one of the Nordic region's leading commercial property companies – with a property value of approximately



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SEK 181¹ billion – largest among Nordic listed companies in the office space and second largest in the logistics segment.

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 strong macroeconomic fundamentals and an attractive underlying real estate market.

Cash and unutilised credit facilities amounted to SEK 26.2¹ billion at the end of 2022, adjusted for the rights issue. Moreover, Castellum's LTV² will decrease from 42.3%¹ to 36.7% and the net debt to EBITDA³ from 13.6x¹ to 11.9x (excluding any potential further positive impact deriving from the assets disposal already announced and not yet closed). The proposed rights issue is expected to validate the Company's current Baa3 Moody's credit rating and create the conditions to strengthen the Company's credit rating over time, which is the Company's ambition.

Subscription undertakings, guarantee commitments and voting commitments

Akelius Residential Property AB (publ), the Company's largest shareholder, representing 12.8 per cent of the shares and votes in Castellum (excluding treasury shares), has undertaken to vote for the Board of Directors' proposal at the Annual General Meeting and to subscribe for its pro rata share (12.8 per cent) of the rights issue. In addition, Akelius Residential Property AB (publ) has entered into a guarantee undertaking to subscribe, subject to certain terms, for an additional 29.1 per cent of the rights issue without subscription rights.

Citigroup Global Markets Europe AG and Nordea Bank Abp, filial i Sverige have entered into a so-called standby underwriting agreement, subject to customary terms, for the remaining part of the rights issue, which commitment is envisaged to be replaced by an underwriting agreement upon launch of the rights issue. Hence, the rights issue is fully covered by subscription undertakings and guarantee commitments.

Advisors

Citigroup Global Markets Europe AG, Handelsbanken Capital Markets and Nordea Bank Abp, filial i Sverige are acting as Joint Global Coordinators and Joint Bookrunners. Danske Bank A/S, Danmark, Sverige filial, DNB Markets, a part of DNB Bank ASA, Sweden branch, Nykredit Bank A/S, Skandinaviska Enskilda Banken AB and Swedbank AB (publ) are acting as Joint Bookrunners. Roschier Advokatbyrå AB is legal adviser to Castellum. White & Case

¹ As of 31 December 2022 in accordance with the Castellum year-end report 2022, which will be published on 13 February 2023 at 08:00 am CET.

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

³ 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.



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is legal advisor to the Joint Global Coordinators and Joint Bookrunners as to Swedish and U.S. law.

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This disclosure contains information that Castellum is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication through the agency of the contact persons set out below on 13 February 2023 at 07:45 am CET.

About Castellum

Castellum is one of the largest listed property companies in the Nordic region that develops flexible workplaces and smart logistics solutions. As of 31 December 2022, the property value totalled approximately SEK 181⁴ billion, including the ownership share of the Norwegian company Entra ASA. We are active in attractive Nordic growth regions. One of our sustainability goals is to become entirely climate neutral by 2030 at the latest. Castellum is the only Nordic property and construction company elected to the Dow Jones Sustainability Index (DJSI). The Castellum share is listed on Nasdaq Stockholm Large Cap.

Beyond expectations.

www.castellum.se

IMPORTANT INFORMATION

None of the securities referred to herein 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 in the United States, and may not be offered, pledged, sold, delivered or otherwise transferred, directly or indirectly, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable other securities laws. There will not be any public offering of any of the securities in the United States.

In the United Kingdom, this press release is directed only at, and communicated only to, persons who are qualified investors within the meaning of article 2(e) of the Prospectus Regulation (2017/1129) of the European Parliament and of the Council of 14 June 2017 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 who are (i) persons who fall within the definition of "investment professional" in article 19(5) of the Financial Services and Markets Act 2000 (Financial

⁴ As of 31 December 2022 in accordance with the Castellum year-end report 2022, which will be published on 13 February 2023 at 08:00 am CET.



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This press release contains forward-looking statements that reflect Castellum’s current view of future events as well as financial and operational development. Words such as “intend”, “assess”, “expect”, “may”, “plan”, “estimate” and other expressions involving indications or predictions regarding future development or trends, not based on historical facts, identify forward-looking statements and reflect Castellum’s beliefs and expectations and involve a number of risks, uncertainties and assumptions which could cause actual events and performance to differ materially from any expected future events or performance expressed or implied by the forward-looking statement. The information contained in this press release is subject to change without notice and, except as required by applicable law, Castellum does not assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained in it and nor does it intend to. You should not place undue reliance on forward-looking statements, which speak only as of the date of this press release. As a result of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements as a prediction of actual future events or otherwise.



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In the EEA Member States, with the exception of Sweden, (each such EEA Member State, a **“Relevant State”**), this press release and the information contained herein are intended only for and directed to qualified investors as defined in Article 2 (e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the **“Prospectus Regulation”**). The securities mentioned in this press release are not intended to be offered to the public in any Relevant State and are only available to qualified investors except in accordance with exceptions in the Prospectus Regulation. Persons in any Relevant State who are not qualified investors should not take any actions based on this press release, nor rely on it.