

Solidify the position as the commercial property champion in the Nordics

Castellum investor presentation, 1 October 2021



CASTELLUM

kungsleden

Disclaimer

Castellum Aktiebolag's recommended public offer to the shareholders in Kungsleden Aktiebolag (the "**Offer**") is not capable of being accepted by persons who are located or resident in the United States unless they are qualified institutional buyers ("**QIBs**") (as defined in Rule 144A under the U.S. Securities Act of 1933, as amended). Any purported acceptance of the Offer by persons located or resident in the United States other than QIBs or which, at the sole discretion of Castellum, appear to be made in respect of Kungsleden shares beneficially held by persons located or resident in the United States other than QIBs will not be accepted. By accepting the Offer, Kungsleden shareholders, unless participating pursuant to the exception for QIBs referred to above, will be deemed to represent and warrant, on behalf of themselves and any person on whose behalf they beneficially hold Kungsleden shares, that they are not located or resident in the United States. (See "Notice to investors in the United States" and "Offer restrictions – United States of America" in the offer document registered with the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) and published on 29 September 2021).

The Offer is not being made and this presentation and any other documentation related to the Offer (including copies thereof) must not be mailed or otherwise distributed, forwarded or sent in or into, nor will any tender of share be accepted from or on behalf of holders in any jurisdiction (including, without limitation, Australia, Hong Kong, Japan, New Zealand, South Africa or the United States) in which the distribution of this presentation and any other documentation related to the Offer would require additional measures to be taken or would be in conflict with any law or regulation in any such jurisdiction. Persons who receive this presentation (including without limitation banks, brokers, dealers, nominees, trustees and custodians) and are subject to the laws and regulations of any such jurisdiction will need to inform themselves about, and observe, any applicable restrictions and requirements. Any failure to do so may constitute a violation of the securities laws or regulations of any such jurisdiction.

Persons who receive this presentation (including without limitation banks, brokers, dealers, nominees, trustees and custodians) and are subject to the laws and regulations of any such jurisdiction will need to inform themselves about, and observe, any applicable restrictions and requirements. Any failure to do so may constitute a violation of the securities laws or regulations of any such jurisdiction. To the extent permitted by applicable law, Castellum disclaims any responsibility or liability for any violations of any such restrictions and Castellum reserves the right to disregard any purported acceptance of the Offer resulting directly or indirectly from a violation of any of these restrictions.

The Offer, the information and documents contained in this presentation are not being made and have not been approved by an authorized person for the purposes of section 21 of the UK Financial Services and Markets Act 2000 (the "**FSMA**"). Accordingly, the information and documents contained in this presentation are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of the information and documents contained in this presentation is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is a communication by or on behalf of a body corporate which relates to a transaction to acquire day to day control of the affairs of a body corporate; or to acquire 50 percent or more of the voting shares in a body corporate, within article 62 of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

Statements in this presentation relating to future status or circumstances, including statements regarding future performance, growth and other trend projections and other benefits of the Offer, are forward-looking statements. These statements may generally, but not always, be identified by the use of words such as "anticipates", "intends", "expects", "believes", or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of Castellum. Any such forward-looking statements speak only as of the date on which they are made and Castellum has no obligation (and undertakes no such obligation) to update or revise any of them, whether as a result of new information, future events or otherwise, except for in accordance with applicable laws and regulations.

Agenda and presenters



Rutger Arnhult
Chairman of the Board

Joined the Board of Directors as Chairman in 2021

Extensive experience within the real estate industry

Ownership in Castellum 21.4%¹

Agenda


- A. Introduction and transaction overview
- B. Castellum at a glance
- C. Kungsleden at a glance
- D. Castellum and Kungsleden: Strategic rationale
- E. Attraction of the Offer
- F. Q&A
- G. Appendix

Offer structure and key terms

Transaction and terms	<ul style="list-style-type: none"> On 2 August 2021, Castellum Aktiebolag (“Castellum”) announced a recommended public offer to the shareholders of Kungsleden Aktiebolag (“Kungsleden”) to acquire all shares with the intent to combine the two companies (the “Offer”) The Offer valued each Kungsleden share to SEK 124.90 and the Offer’s total value amounted to approximately SEK 26,860m¹ The consideration consists of a combination of shares in Castellum and cash for each share in Kungsleden. Castellum offers each shareholder in Kungsleden the following: <ul style="list-style-type: none"> In respect of 70% of the number of Kungsleden shares tendered by such shareholder: 0.525 shares in Castellum per Kungsleden share, and in respect of the remaining 30% of the number of Kungsleden shares tendered by such shareholder: SEK 121.00 in cash per Kungsleden share The Offer represents a 18.0% premium to Kungsleden’s EPRA NRV as of June 30, 2021, a 21.2% premium to Kungsleden’s EPRA NTA as of June 30, 2021, a 7.5% premium to latest close², a 12.5% and 19.8% premium to Kungsleden’s VWAP during the last 30 and 90 trading days, respectively²
Recommendation	<ul style="list-style-type: none"> The Board of Directors of Kungsleden³ have unanimously recommended Kungsleden’s shareholders to accept the Offer, supported by a fairness opinion from Svenska Handelsbanken AB
Deal certainty	<ul style="list-style-type: none"> Gösta Welandson, Ilija Batljan and Olle Florén, who together own approximately 26.0% of the outstanding capital and votes in Kungsleden, have irrevocably undertaken to accept the Offer At the Extraordinary General Meeting held on 27 August 2021, the shareholders of Castellum, authorised the Board of Directors with required majority to issue new shares, which Castellum will pay as consideration in the Offer, in accordance with above terms On 10 September 2021, Castellum received competition clearance from the Swedish Competition Authority Castellum has, after the announcement of the Offer, acquired 21,300,000 shares in Kungsleden, corresponding to approximately 9.9% of the outstanding shares and votes
Financing	<ul style="list-style-type: none"> The Offer is not subject to any financing condition: <ul style="list-style-type: none"> The Offer is on 29 September 2021, in regard to the total cash consideration payable under the Offer, fully financed by Castellum’s available funds As part of the consideration in the Offer, Castellum may issue up to a total of 71.2 million new shares in Castellum to the shareholders of Kungsleden for the payment of the total share consideration under the Offer⁴
Value creation	<ul style="list-style-type: none"> Unlocking shareholder value through scale, best practice, and combined focus on growth markets Creating the largest listed commercial property company in the Nordic region with a strong balance sheet and maintained rating enabling attractive financing terms and enhanced competitiveness In total, annual synergies with effect on profit for property management, are estimated to approximately SEK 285m
Governance	<ul style="list-style-type: none"> Commitment from Castellum’s board to continue to retain the financial policy approach embedded in Castellum and Kungsleden Following the completion of the Offer, the Board of Directors in Castellum will offer Biljana Pehrsson, CEO of Kungsleden, and Ylva Sarby Westman, deputy CEO and CFO of Kungsleden, to lead the combined company as CEO and deputy CEO and CFO

Notes: (1): The total value of the Offer is based on the closing price of Castellum’s shares of SEK 241.10 per share on Nasdaq Stockholm on 30 July 2021, and 215,042,296 shares in Kungsleden. Shares held by Kungsleden have not been included when calculating the value of the Offer; (2): Based on closing price of Kungsleden’s share on Nasdaq Stockholm on 30 July 2021, the last trading day prior to the announcement of the Offer; (3): Charlotta Wikström has not participated in the handling of or the decision in matters related to the Offer; (4): Based on full acceptance in the Offer, excluding any treasury shares held by Kungsleden, currently 3,361,006 shares, as well as excluding Castellum’s shareholding in Kungsleden, currently 21,300,000 shares

The Offer entails value creation for all shareholders

<p>Attractive Offer</p>	<ul style="list-style-type: none"> The Offer valued each Kungsliden share to SEK 124.90¹ The Offer's total value amounted to approx. SEK 26,860m¹ 	<p>18.0% / 21.2% premium to Kungsliden's EPRA NRV² / EPRA NTA³</p>	<p>12.5% / 19.8% premium to Kungsliden's VWAP of 30td / 90td⁴</p>	<p>7.5% premium to the last close⁴</p>
<p>Combining two complementary portfolios</p>	<ul style="list-style-type: none"> Castellum's approx. SEK 122bn⁵ portfolio and Kungsliden's approx. SEK 43bn portfolio complements each other - creating a growth market champion 	<p>SEK 165bn combined property value⁵</p>	<p>5.8 million sqm lettable area⁶</p>	<p>#1 Nordic's largest listed commercial property company</p>
<p>Attractive financial and dividend policy</p>	<ul style="list-style-type: none"> Continue to create shareholder value through a stable and sustainable growth while maintaining a focus on cash flow and to operate with low financial risk 	<p>MOODY'S Affirm current Baa2 issuer rating with stable outlook</p>	<p><50% (38% Q2'21) LTV threshold >2.0x (5.3x Q2'21) ICR threshold</p>	<p>10% annual growth in IFPM⁷ per share Dividend of at least 50% of IFPM⁷ per share</p>
<p>Unlocking shareholder value through the combination</p>	<ul style="list-style-type: none"> The combination of Castellum and Kungsliden unlocks shareholder value through scale, best practice, and combined focus on growth markets 	<p>Strong balance sheet and maintained rating enabling attractive financing terms and enhanced competitiveness</p>	<p>MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM</p> 	<p>SEK 285m estimated total annual synergies</p>

Indicative time plan

Date	Event
27/8	Extraordinary General Meeting in Castellum ✓
30/9	Acceptance period starts
19/10	Castellum – Interim Report Jan-Sep 2021
19/10	Kungsleden – Interim Report Jan-Sep 2021
29/10	Acceptance period ends
1/11	Final results from acceptance period published
4/11	Expected start of settlement

The shareholders of Castellum authorised the Board of Directors with required majority to issue new shares in Castellum in connection with the Offer





CASTELLUM

kungsleden

B. Castellum at a glance

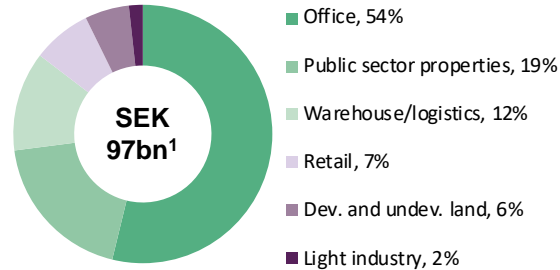
Castellum at a glance – Nordic platform in office and logistics

At a glance – Q2 2021

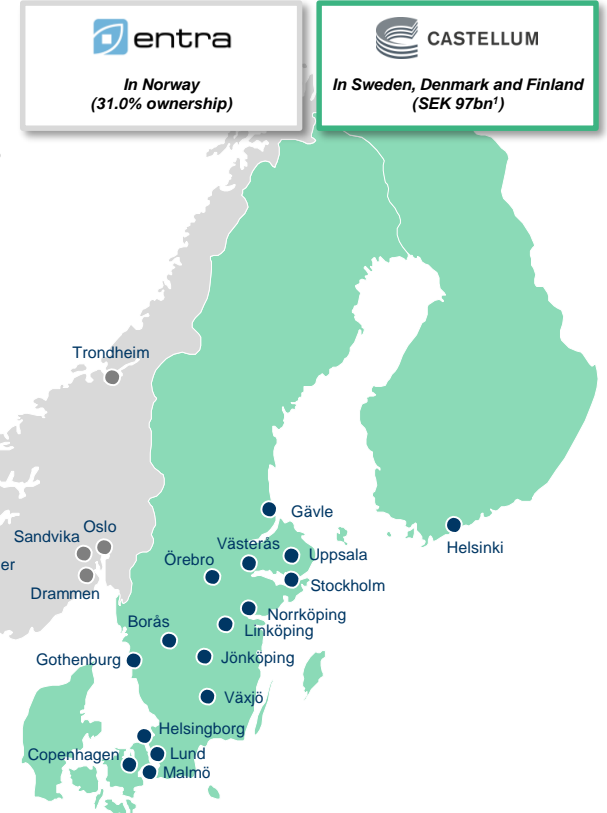
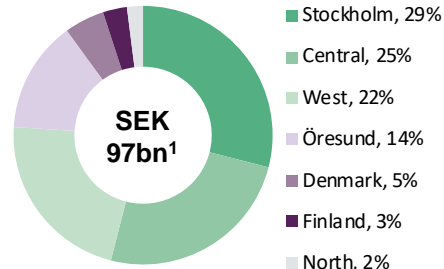


Nordic platform in office and logistics – Q2 2021

Property value by category



Property value by region



Castellum key transactions in 2021

Kungsleden	Entra investment	Kielo acquisition	Solna acquisition	Copenhagen divestment	Blackstone divestment
Aug 21 – Sep 21	Feb 21 – Sep 21	July 2021	July 2021	April 2021	Dec 20 – Feb 21
<ul style="list-style-type: none"> 29/9 – Castellum's ownership in Kungsleden amounts to 9.9% 	<ul style="list-style-type: none"> 8/2 – Decided to withdraw the offer and not prolong the bid period 23/2 – Acquired approx. 10.0% of the shares 14/6 – Acquired another 8.2% of the shares 27/8 – Acquired another 11.8% of the shares 29/9 – Castellum holds 31.0% of the shares and votes in Entra ASA 	<ul style="list-style-type: none"> Acquired Finnish property company Kielo with a portfolio of SEK 6.5bn Later sold SEK 2.1bn of the portfolio to Nyfosa 	<ul style="list-style-type: none"> Acquired office property in Solna Strand from Humlegården for approx. SEK 950m Acquired office property from NCC for approx. SEK 1bn 	<ul style="list-style-type: none"> Castellum divests property in Copenhagen to Genesta for DKK 778m 	<ul style="list-style-type: none"> Sold SEK 10bn of mainly logistics assets in two phases 20% and 27% surplus to booked value in Q3 2020
9.9% ownership ¹	31.0% ownership ¹				



CASTELLUM

kungsleden

C. Kungsleden at a glance

Kungsleden at a glance – Commercial properties in Sweden’s growth regions

Kungsleden at a glance – Q2 2021

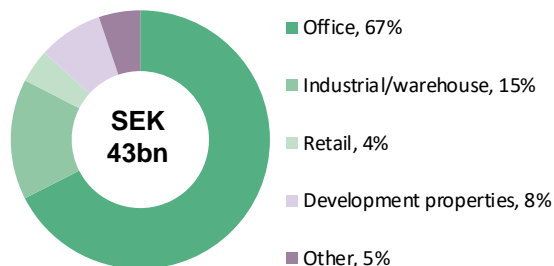
approx. 133 employees	approx. 2.0 million sq.m.	207 properties
SEK 43bn Property value	approx. 90% of the portfolio in priority growth regions ¹	approx. 18% of the rental value from public sector tenants

Strong market position

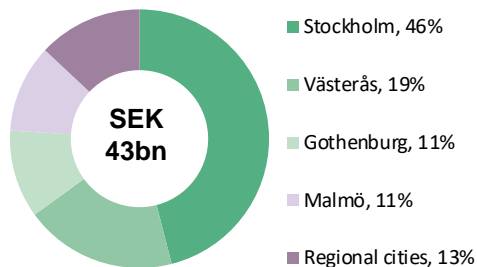
- **Mainly focused on commercial properties in Swedish growth centres**
- **High quality property portfolio in prime locations**
- **Stable and diversified tenant base and long-term leases**

Focus on commercial properties in Sweden’s growth regions – Q2 2021

Property value by category



Property value by region



Examples of Kungsleden's high quality property portfolio

Arbetaren 1, Örebro



Kallebäck 2:7, Gothenburg



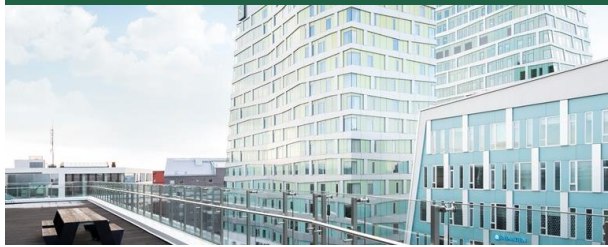
Trekanten 5, Danderyd



Stettin 6, Stockholm



Vagnslidret 1, Malmö



Lustgården 11, Stockholm



Mimer 5, Västerås



Lustgården 12, Stockholm



Kista One, Kista





CASTELLUM

kungsleden

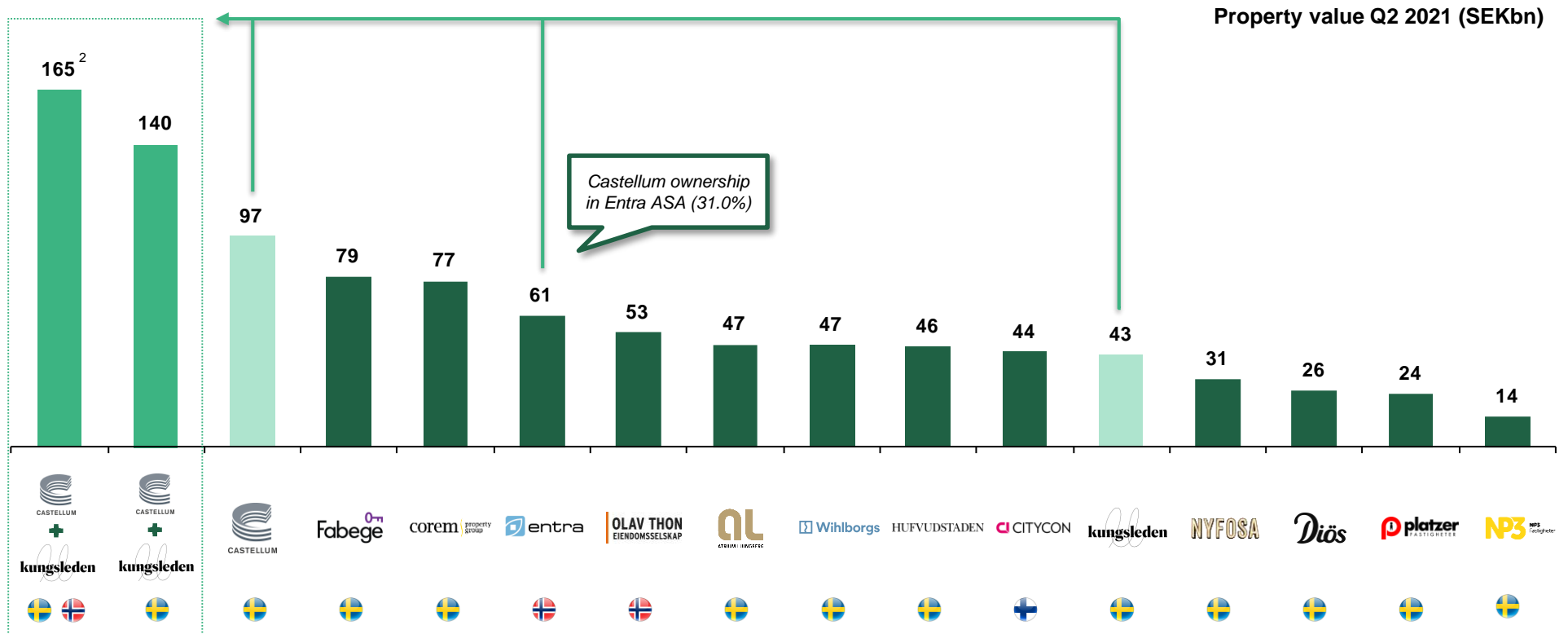
D. Castellum and Kungsleden: Strategic rationale

Solidify the position as the commercial property champion in the Nordics



The combined property value will become more than two times larger than #2

Nordic's largest listed commercial property company to benefit from scale advantages¹

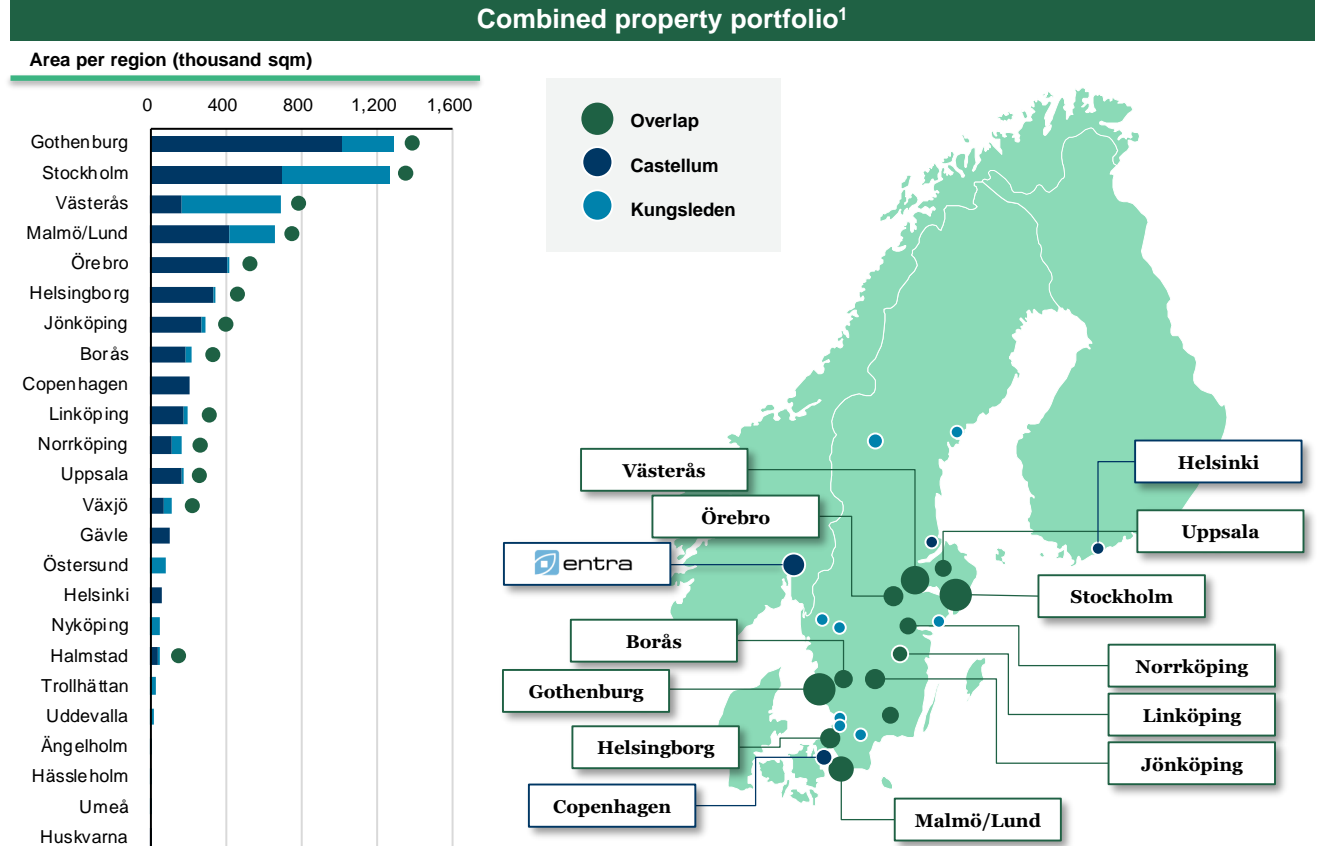


Significant share of complementarity in locations unlocking operational synergies

Intention to divest non-focus area portfolio to further improve efficiency in core markets

Strengthened customer offering in core markets

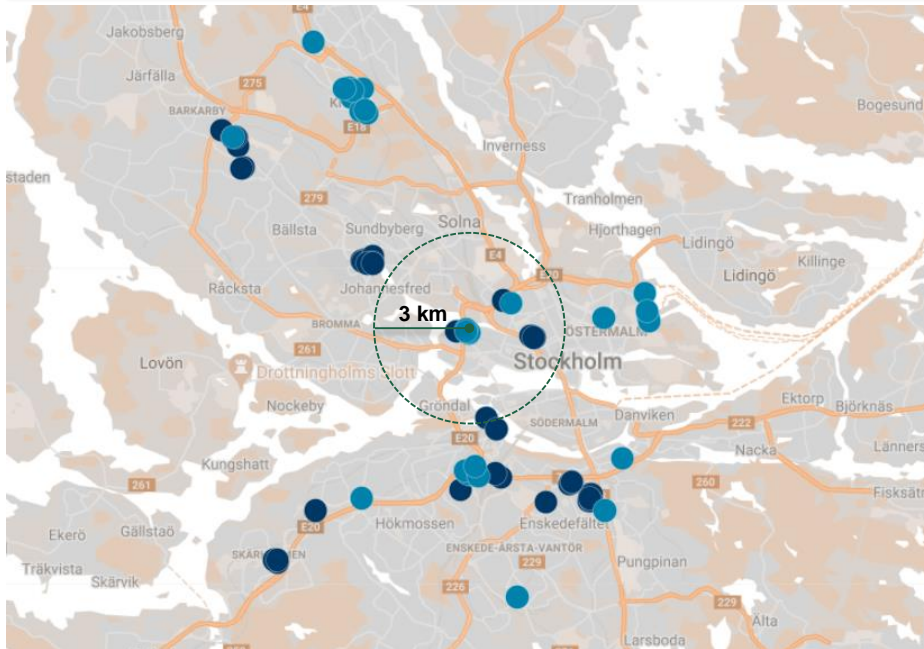
~90% portfolio complementarity in locations providing operational synergies through clustering and combined property management



Significant share of complementarity in locations unlocking operational synergies

Attractive micro-locations around Stockholm¹

Municipality of Stockholm



- Well situated micro-locations complement each other

● Castellum
● Kungsleden

High quality properties

Examples of Kungsleden's Stockholm Portfolio

Stettin 6



Lustgården 11



Rotterdam 1



Gladan 4



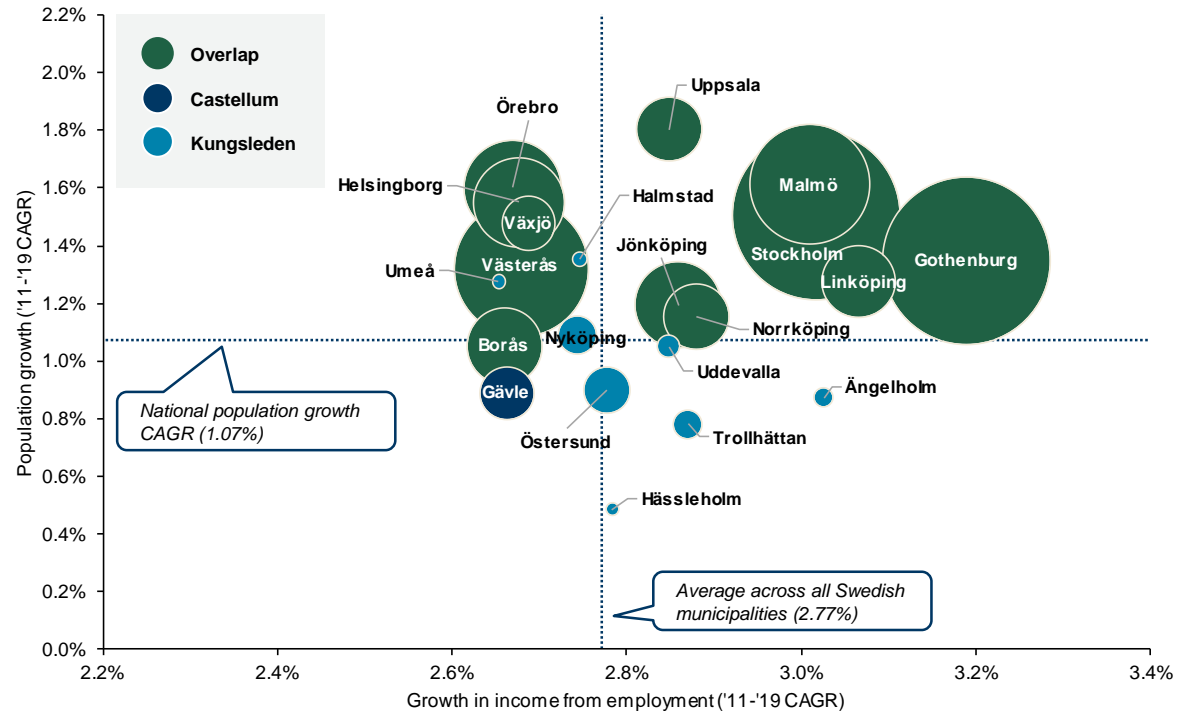
Growth market champion through combined property holdings

Increased focus on growth markets such as Stockholm, Gothenburg and Malmö

>90% of combined Swedish portfolio located in regions with population growth above the national average

Two thirds of combined Swedish portfolio located in regions with income growth above the national average

Combined Swedish portfolio in relation to growth in income and population

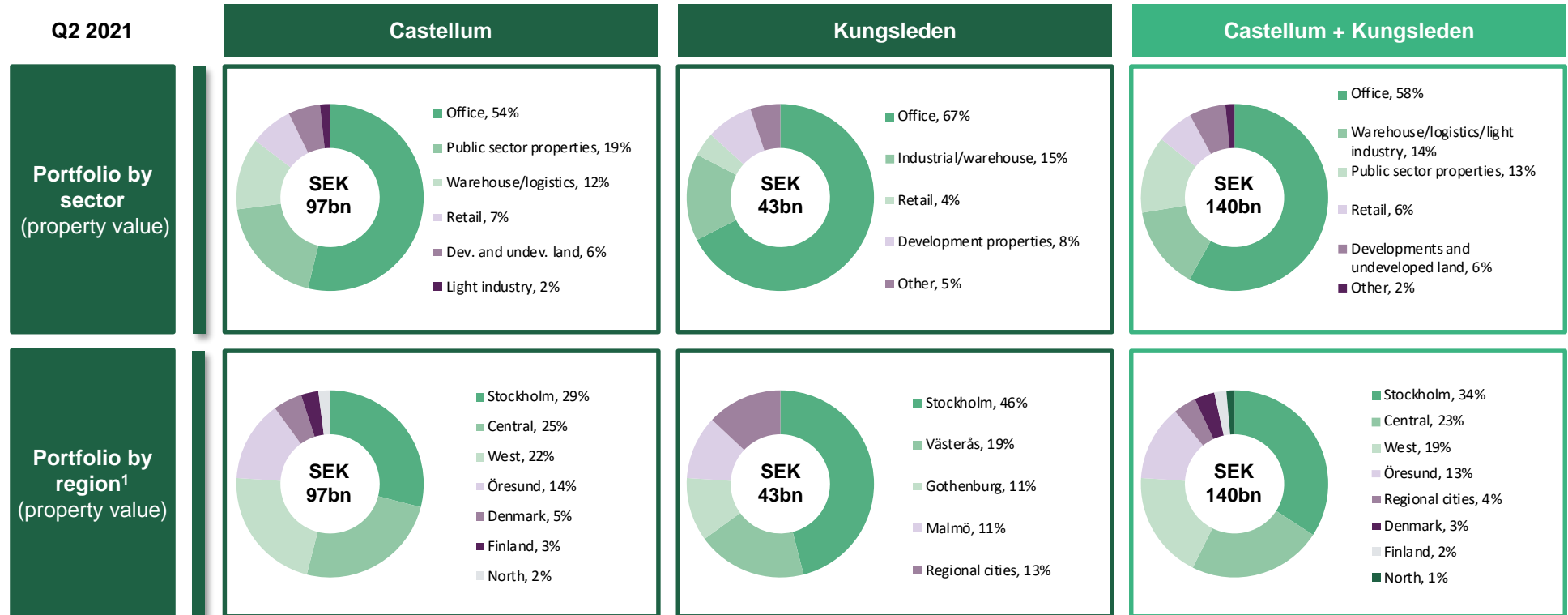


Combined company







Bubble size based on area per region

Castellum's and Kungsliden's combined portfolio structure



Combined industry experiences unlock full potential from project development

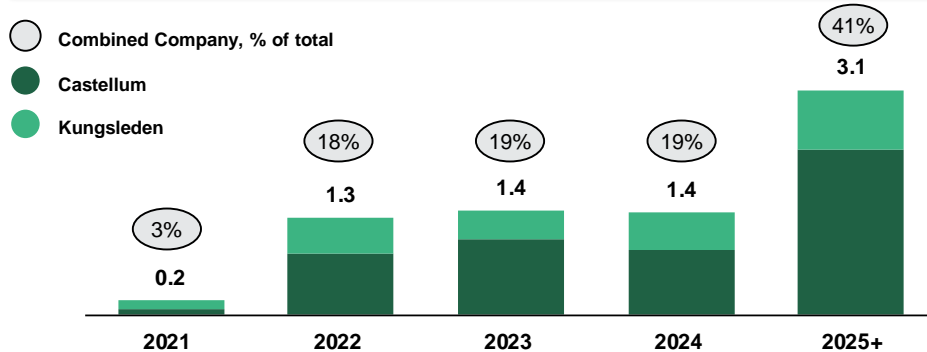
Selected ongoing projects			Investment and project summary			
Castellum	 <p>E.ON., Malmö Offices Area: 31.5 t. sq.m. Sched. completion: Q1 2023</p>	 <p>Godsfinkan 1, Malmö Public sector property Area: 26.5 t. sq.m. Sched. completion: Q1 2023</p>	 <p>Säve, Gothenburg Logistics and mobility centre Area: 800 - 900 t. sq.m. Sched. completion: 2030</p>	<p>17 major investment projects in construction phase with scheduled completion 2021–2025</p> <p>Total investment volume: SEK 7.4bn – of which built up: SEK 2.8bn</p>		
	Kungsleden	 <p>Stettin 6, Stockholm Offices Area: 25.0 t. sq.m. Sched. completion: 2021</p>	 <p>The Rotterdam Dist., Stockholm Offices Area: 21.3 t. sq.m. Sched. completion: 2022</p>		 <p>Part of Finnslätten 1, Västerås Offices / Industrial Area: 21.0 t. sq.m. Sched. completion: 2024</p>	<p>Six major investment projects in construction phase with scheduled completion 2021–2024</p> <p>Total investment volume: SEK 1.4bn – of which built up: SEK 0.9bn</p>

The Combined Company will have a substantial volume of building rights which adds further value potential

Diversified base of stable and attractive tenants securing strong cash flows

Stable and well-renowned tenants

Rental value (SEKbn)



Kungsleden's top 10 tenants

ABB

ICA

Försäkringskassan

HITACHI

BIZ
APT
HOTEL JAZZHOTELBLIQUE
BY NOBIS

FÖRSVARSMAKTEN

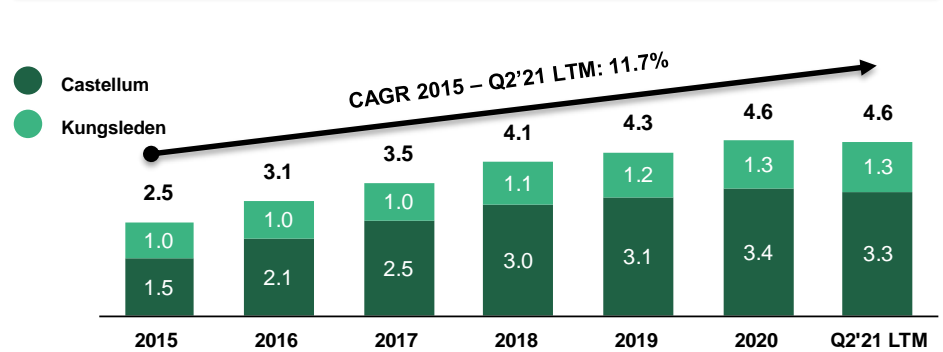
northvolt®

Stockholms
stad

- No single tenant assessed to constitute >4% of combined rental value
- >20% of rental income from 'AAA' public sector tenants
- Significant share of rental income from blue chip corporates
- Combined remaining average length of contract ~4 years

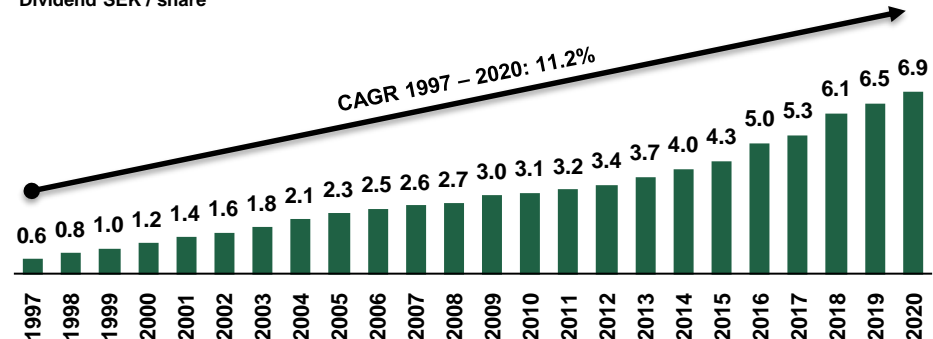
Strong cash flows and dividends capacity

Income from property management¹ (SEKbn)







Castellum superior dividend evolution (1997 – 2020)

Dividend SEK / share



Aligned agenda to remain as one of Europe's most sustainable property companies

	Castellum	Kungsleden
Sustainability focus and adopted SDGs	<ul style="list-style-type: none"> The planet Future-proofing Well-being Social responsibility 	<ul style="list-style-type: none"> Health and well-being Environment and climate Foster a positive culture 
Green financing	<ul style="list-style-type: none"> Green bond framework was introduced in 2016 SEK 1bn of green bonds outstanding 	<ul style="list-style-type: none"> SEK 7bn of green bonds outstanding Share of green financing represents 42% of loan portfolio
Ratings	<ul style="list-style-type: none"> Only Nordic property and construction company in Dow Jones Sustainability Index (DJSI) Carbon Disclosure Project: A rating (2020) Global Real Estate Sustainability Benchmark: Sector leader 91 (2020) 	<ul style="list-style-type: none"> Global Real Estate Sustainability Benchmark: 77 (2020)
Sustainability targets	<ul style="list-style-type: none"> Climate neutral 2030 ✓ 1.2 kg CO₂/sqm (Q2 2021) 50% environmental certification ✓ 44% of sqm (Q2 2021) 40-60% women and men ✓ 42% / 58% (Q2 2021) 	<ul style="list-style-type: none"> 25% energy reduction 2020-2025 ✓ 1.4% (H1 2021) 50% environmental certification ✓ 45% (H1 2021) 120 green leases signed 2021 ✓ 73 (H1 2021)
 	<ul style="list-style-type: none"> Aligned determination for climate neutrality by building sustainable cities Collective sustainability frameworks and innovation to accelerate environmental initiatives and aligning financing with, among other things, the EU taxonomy All new productions and major reconstructions to be sustainably certified Collectively foster an engaging and inclusive work environment and strive for best-in-class work environment 	

Significant and value creating synergies

Operational and administrative synergies

- Annual operational and administrative synergies are expected to amount to approximately SEK 185m
- Scalable platform deemed to allow for significant efficiency gains
- Embracing best practice point of view to establish efficient operating cost structure
- Administration costs are deemed to be significantly lowered by the proposed combination through unification of dual systems and functions
- The operational and administrative synergies are expected to reach full effect within two to three years

SEK 185m

Financial synergies

- Annual financial synergies are expected to amount to approximately SEK 100m
- The financial synergies are achieved through Kungsleden's outstanding loans successively being refinanced based on Castellum's higher rating

SEK 100m

Total annual synergies with an effect on profit from property management are estimated to approximately SEK 285m

Further potential

- Unquantified revenue synergies through improved customer offering and enhanced local presence
- Stronger combined ability to extract further value from existing sites and land plots, and accelerate new pipeline

1

2

3

4

5

6






7

8

Attractive financial profile with a sustained financial policy and increased access to capital

Strong combined earnings capacity

Key figures¹

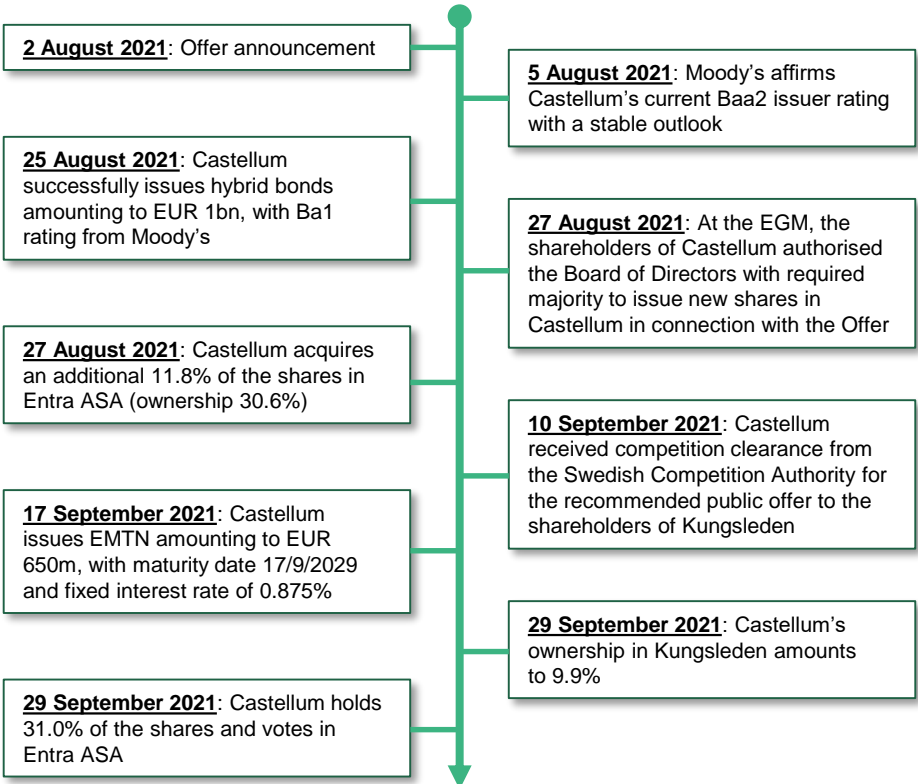
	 CASTELLUM	 kungsleden	 CASTELLUM		 kungsleden
Operational²	No. of properties (#)	558	207		765
	Lettable area ⁴ (t. sq.m.)	3,801	1,998		5,799
	Property value ⁵ (SEKm)	97,250	42,539		139,789
	Rental value ⁶ (SEKm)	5,892	2,828		8,720
Result-oriented³	Income (SEKm)	5,941	2,554		8,495
	Net operating income (SEKm)	4,199	1,774		5,973
	IFPM ⁷ (SEKm)	3,306	1,296		4,602
	Net income for the period (SEKm)	9,631	2,774		12,405
Financial²	EPRA NRV (SEKm)	61,895	23,221		85,116

Notes: (1): The financial measures have been derived from Castellum's and Kungsleden's interim reports, respectively, without taking into account the acquisition and synergy effects; (2): As of 30 June 2021; (3): For the period 1 July 2020 – 30 June 2021; (4): Includes lettable area of project development; (5): Taking into account Castellum's shareholding Entra ASA (31.0%) and acquisitions carried out in July 2021, the property value amounts to approximately SEK 122 billion and the Combined Company's property value amounts to approximately SEK 165 billion; (6): Information as of 30 June 2021, rental value for the period January – June 2021 recalculated on an annual basis for the properties held at the end of the period; (7): Income from property management
Source: Company information as of 30 June 2021

Attractive growth target and dividend policy with conservative financial risk limits

Growth target	<ul style="list-style-type: none"> 10% annual growth in income from property management on a SEK per share basis
Financial risk limits	<ul style="list-style-type: none"> The loan-to-value ratio shall not permanently exceed 50% (38% Q2'21) Maintain an interest coverage ratio of at least 2.0x (5.3x Q2'21)
Dividend policy	<ul style="list-style-type: none"> Distribute at least 50% of income from property management on a SEK per share basis
Improved business profile	<ul style="list-style-type: none"> Improved business profile through enhanced scale, geographic concentration and tenant diversification Increased capital market funding access from both domestic and international equity and debt markets
Post-combination LTV ¹ :	Post-combination ICR ¹ :
42%	4.7x

Timeline since offer announcement



1

2

3

4

5

6

7

8

Strong and experienced management enables continuity in the combined company

Best-in-class management with strong base of well-renowned long-term owners



Rutger Arnhult
Chairman of the Board

Joined the Board of Directors as Chairman in 2021

Extensive experience within the real estate industry



Biljana Pehrsson
CEO

Extensive experience from management roles and board positions

Employed at Kungsleden since 2013



Ylva Sarby Westman
Deputy CEO / CFO

Long time real estate professional with extensive management experience

Employed at Kungsleden since 2009



CASTELLUM

kungsleden

E. Attraction of the Offer

Overview of the Offer

Valuation of SEK 124.90 per Kungsleden share

The Offer's total value amounted to approx. SEK 26,860m¹

Implied premiums

18.0% / 21.2%
premium to
Kungsledens's
EPRA NRV² / EPRA NTA³

12.5% / 19.8%
premium to
Kungsledens's
VWAP of 30td / 90td⁴

7.5%
premium to the last close⁴

Share consideration

70% of the number of
Kungsleden shares tendered by
such shareholder

0.525 shares in Castellum per
Kungsleden share

Cash consideration

30% of the number of
Kungsleden shares tendered by
such shareholder

SEK 121.00 in cash
per Kungsleden share

- I. *Gösta Welandson, Ilija Batljan and Olle Florén, who together own approximately 26.0% of the outstanding capital and votes in Kungsleden, have irrevocably undertaken to accept the Offer*
- II. *Castellum has after the announcement of the Offer on 2 August 2021, acquired 21,300,000 shares in Kungsleden, corresponding to approximately 9.9% of the outstanding shares and votes*
- III. *At the EGM held on 27 August 2021, the shareholders of Castellum, authorised the Board of Directors with required majority to issue new shares in Castellum in connection with the Offer*
- IV. *On 10 September 2021, Castellum received competition clearance from the Swedish Competition Authority*

Irrevocable undertakings together with Castellum's ownership in Kungsleden amounts to approximately 35.9% of the outstanding shares in Kungsleden

With mix & match facility

The completion of the Offer is conditional upon e.g. that Castellum becomes the owner of more than 90% of the shares in Kungsleden



CASTELLUM

kungsleden

F. Q&A



CASTELLUM

kungsleden

G. Appendix

Illustrative shareholder structure

Current shareholder structure¹

Castellum	Shares (000's)	%
Rutger Arnhult	58,278	21.4%
APG Asset Management	15,991	5.9%
BlackRock	13,592	5.0%
Vanguard	9,420	3.5%
Handelsbanken Fonder	9,280	3.4%
Sum of 5 largest shareholders	106,561	39.2%
Sum of other shareholders	165,514	60.8%
Outstanding shares	272,075	100.0%

Kungsleden ²	Shares (000's)	%
Gösta Welandson through companies	33,727	15.7%
Ilija Batljan	15,369	7.1%
BlackRock	10,705	5.0%
APG Asset Management	8,532	4.0%
Vanguard	7,031	3.3%
Sum of 5 largest shareholders	75,365	35.0%
Sum of other shareholders	139,678	65.0%
Outstanding shares	215,042	100.0%

Assumptions

Exchange ratio
0.525

Shares vs cash
70/30

No. of shares issued
71.2 million³

*Assumes all shareholders accept
70 / 30 consideration
(no mix & match)*

Combined illustrative outcome⁴

Combined	Shares (000's)	%
Rutger Arnhult	58,278	17.0%
APG Asset Management	19,127	5.6%
BlackRock	17,526	5.1%
Other	248,344	72.3%
Total outstanding shares	343,275	100.0%

Highly illustrative outcome
The above may differ from actual outcome

Castellum's rating and outlook affirmed by Moody's following the offer

MOODY'S

"Moody's has affirmed Swedish real estate company Castellum AB's long-term issuer rating of Baa2. Concurrently, Moody's has affirmed the ratings on the Euro Medium Term Note Programme of Baa2 and the senior unsecured bond Baa2. The outlook remains stable.

RATINGS RATIONALE

- The temporary increase in leverage will be balanced by the company's strong commitment to its current Baa2 rating and the targeted reduction of leverage towards a level of below 45% by year-end 2021 to be supported by disposals of non-core assets, additional refinancing measures including the issuance of hybrid capital, among others.
- The targeted disposals of non-core assets will also likely improve the overall portfolio composition and strategic focus in terms of locations and asset classes
- More positively the transaction takes advantage of consolidation opportunities within the Swedish real estate market, by potentially creating a combined company with a notable scale of around SEK140 billion pro forma end of June 2021 or SEK 157 billion, if considering recent acquisitions and Castellum's share in Entra ASA (currently at 18%).
- The combined entity will benefit from a strong overlap in terms of cities and asset classes that will likely offer operational and financial synergies along the integration process.

OUTLOOK

- The stable view incorporates our expectation that value and earnings-based leverage metrics will return to levels commensurate with the company's Baa2 rating guidance, in line as well with historical levels.
- We also expect the company to maintain an unchanged solid liquidity, accessing capital markets and securing sufficient liquidity in the context of the transaction, including any imminent refinancing needs triggered by the potential change of control at Kungsleden at the end of October 2021.
- Finally, the stable outlook also incorporates the expectation that Castellum's business strategy, development and other investment activities remain commensurate with a conservative financial policy and business management.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONSIDERATIONS

- The intended onboarding of the existing Kungsleden's Management into Castellum's top management structure can be regarded as a credit positive, also considering the solid track record of Kungsleden's CEO and CFO. As a listed company, Castellum's financial policy is to keep its reported LTV below 50%. However, the company has sustainably kept its effective leverage below the 45% level, consistent with the requirements for its Baa2 rating.
- Company's commitment to financial policies that support its current rating have been confirmed in the context of the aimed merger."