



CASTELLUM

## ANNUAL REPORT 2015

---

TEN WORDS ABOUT TWO THOUSAND FIFTEEN:

High investment, strong finances,  
rewarded sustainability, stable  
growth, increased dividend.



# Content



## A strategy that creates value

Castellum invests in and develops a real estate portfolio managed by six local companies. All operations occur at low financial and operational risk.

PAGE **5**

Castellum is one of Sweden's largest listed real estate owners; our real estate portfolio is valued at SEK 42 billion. PAGE 14



## A continuously enhanced real estate portfolio

PAGE **20**

Sound corporate governance is the foundation for a trusting relationship with shareholders and other key stakeholders. PAGE 78



## Responsible growth – a matter of course

For a long-term owner like Castellum, it's a prerequisite to operate the business with a sustainability focus.

PAGE **30**

The audited legal Annual Report, which comprises Director's report and Financial reports, covers pages 4-116. Comparisons shown in brackets are made for corresponding amounts, previous year. EPRA's key ratios (European Public Real Estate Association) can be found under the section The Castellum Share. In the event of conflict in interpretation or differences between this report and the Swedish version, the latter will have priority.

Castellum 2015	1
CEO's comments	2
<b>OPERATIONS</b>	
Business Concept, Objectives and Strategies	4
Real Estate Portfolio	
Market comments	11
Castellum's markets	13
Castellum's real estate portfolio and result 2015	14
Joint venture	19
Investments	20
Sustainable business	30
Castellum's role in society	34
Customers	35
Organization and employees	38
Environment	40
Castellum's regions	
Greater Gothenburg	42
The Öresund Region	44
Greater Stockholm	46
Mälardalen	48
Eastern Götaland	50
Financing	52
The Castellum share	58
Property valuation	64
Tax	68
Risks and risk management	70
Corporate Governance Report	78
Board of Directors	85
Executive Group Management	88
Quarterly and Multi Year Summary	92
<b>FINANCIAL REPORTS</b>	
Consolidated Statement of Comprehensive Income	95
Consolidated Balance Sheet	96
Income Statement for the Parent Company	97
Comprehensive Income for the Parent Company	97
Balance Sheet for the Parent Company	98
Change in Equity	99
Cash Flow Statement	100
Accounting Principles and Notes	101
Proposed Distribution of Profits Statement Regarding Proposed Distribution of Profits	114
Signing of the Annual Report	116
Auditor's Report	117
<b>CASTELLUM'S REAL ESTATE SCHEDULE</b>	
Definitions	141
GRI	142

## Introducing Castellum

# Castellum

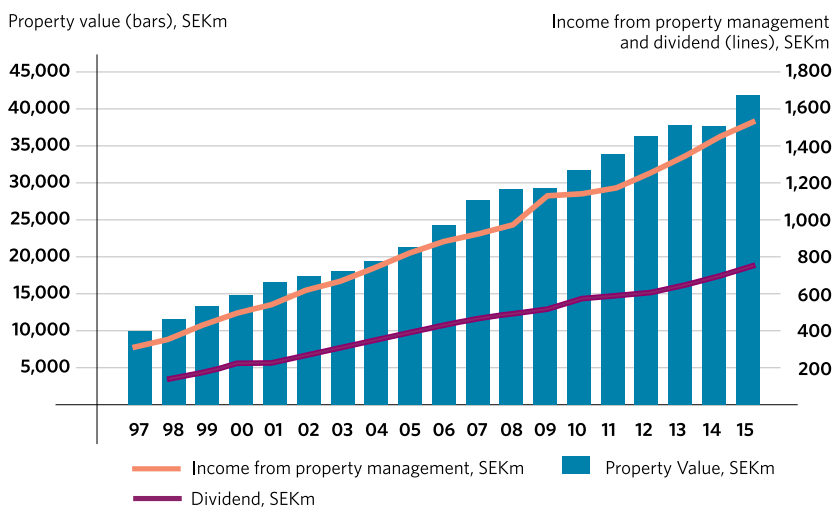
With a real estate portfolio valued at SEK 42 billion, Castellum is one of Sweden's largest real estate companies. Castellum has been listed on the Stockholm Stock Exchange since 1997, and currently has over 19,000 shareholders.

Castellum has chosen to work with commercial real estate and the company enjoys local presence in five selected growth areas in Sweden and Denmark. Castellum has 300 employees in all, helping 4,500 Swedish companies to prosper and grow by providing the best possible local premises and operating conditions.



Castellum works with commercial premises on strong growth markets. We maintain a strong customer focus while sustaining and pursuing stable economic growth.

### CASTELLUM'S PROPERTY VALUE AND INCOME OF PROPERTY MANAGEMENT SINCE THE IPO, 1997



#### CHARACTERISTICS OF CASTELLUM

- Service and property management through personnel employed by us
- Serving our customers at close range
- Development of the real estate portfolio by yearly net investments of 5% of property value
- Strong balance sheet and low financial risk
- Economic, social and environmental sustainability

# Castellum 2015

- RENTAL INCOME** 2015 amounted to SEKm 3,299 (SEKm 3,318 previous year).
- INCOME FROM PROPERTY MANAGEMENT** totalled SEKm 1,533 (1,450), corresponding to SEK 9.35 (8.84) per share, an increase of 6%.
- CHANGES IN VALUE ON PROPERTIES** reached SEKm 1,837 (344) and on derivatives to SEKm 216 (-660).
- NET INCOME AFTER TAX** amounted to SEKm 2,881 (1,211), corresponding to SEK 17.57 (7.38) per share.
- NET INVESTMENTS** amounted to SEKm 2,413 (- 529) of which SEKm 1,232 (1,378) were new constructions, extensions and reconstructions, SEKm 2,321 (1,147) acquisitions and SEKm 1,140 (3,054) sales. Furthermore, 50% of the shares in CORHEI Fastighets AB (former Ståhls), were acquired, with an underlying property value of SEK 2 billion, for SEKm 505.
- THE BOARD PROPOSES A DIVIDEND** of SEK 4.90 (4.60) per share, equivalent to an increase of 7%.

Two awards  
in 2015.



Castellum has been awarded the World Green Building Council's top distinction, Business Leadership in Sustainability.



Castellum has reached the highest level in GRESB's (Global Real Estate Sustainability Benchmark) survey: Green Star 2015.

## KEY FIGURES 2015

	Jan-March 15	April-June 15	July-Sept 15	Oct-Dec 15	Jan-Dec 15
Rental income, SEKm	801	816	832	850	3,299
Net operating income, SEKm	518	560	597	550	2,225
Income from property management, SEKm	338	378	436	381	1,533
<i>D:o SEK/share</i>	2.06	2.30	2.66	2.32	9.35
<i>D:o growth</i>	+5%	0%	+7%	+13%	+6%
Net income after tax, SEKm	451	948	222	1,260	2,881
Net investments, SEKm	1,039	691	682	1	2,413
Dividend, SEK/share (proposed)	-	-	-	-	4.90
<i>D:o growth</i>	-	-	-	-	+7%
Net leasing, SEKm	21	16	- 30	11	18
Loan to value ratio	50%	51%	50%	49%	49%
Interest coverage ratio	324%	349%	379%	353%	351%
Long term net asset value, (EPRA NAV) SEK/share	113	118	121	129	129
Actual net asset value, (EPRA NNNAV) SEK/share	99	105	107	116	116
Number of customers	4,400	4,500	4,500	4,500	4,500
Number of shareholders	17,600	17,530	18,200	19,100	19,100

For more detailed information about Castellum see [www.castellum.se](http://www.castellum.se).



## Castellum – on the offense 2015!

2015 was a particularly proactive year for Castellum. The process of change comprised several parallel processes:

- Geographic concentration of the real estate portfolio
- Several properties with higher development potential
- The initiation of a cost efficiency program
- Stronger-than-ever sustainability focus
- A reinforced and more efficient organization

### High investment rate

Rather many real estate transactions were completed, and it can be complex to overview them as a whole. Let me therefore briefly summarize the significance of the strategic shifts implemented over the last fifteen months. Sales amounted to SEK 4 billion and acquisitions – our own important projects excluded – totalled SEK 4.6 billion.

Contributing to these figures, we're counting divestments in two regions of Eastern Götaland (Värnamo/Växjö) and an investment-consuming mall in Malmö, as well as an area with high vacancy rates in northern Stockholm. Properties with weaker development potential were replaced by properties in strong growth areas: Hornsberg, Kungsholmen and Hagastaden in Stockholm; city-centre dominance in Norrköping and Linköping; a bridgehead location in the fast-growing Hyllie district of Malmö and property increases in Copenhagen, as well as a more consolidated presence in Gothenburg's Lindholmen. A number of the transactions were complex, and

some will be determined in several stages. For example, the acquisition of 50% of the shares in Ståhls in Norrköping and Linköping includes an option to acquire the remaining portion in 2016. Current sales figures are reported for the sale of future residential building rights in Stockholm. However, these transactions often contain an earn-out that will considerably raise the buyer's final purchase price when local zoning plans become finalized.

### Strong finances

In 2015, total net investments amounted to SEKm 2,413 – including our own projects – and properties totalling SEKm 1,140 were sold. We managed this large-scale shift with only a slight decline in growth during the first three quarters, due to the large sales toward the end of 2014. However, strong growth resumed (+13%) in the last quarter. Moreover, the loan-to-value ratio remained at an unchanged low level, 49%.

Great demand in the real estate market facilitated Castellum's portfolio restructuring and led to value adjustments during the year, totalling SEKm 1,837. Of this, SEKm 1,019 referred to the fourth quarter, and contributed to an increase in the long-term net asset value of 13% – to SEK 129.

During the past year, we've extended existing loan commitments, including securing interest margins, for a total SEK 18 billion. On the bond market SEK 3.5 billion were issued, and the outstanding total volume at year end was SEK 6.5 billion.



#### **Increased cost efficiency**

The efficiency program initiated in 2015 gives results. In its first year, the program has already reduced costs by SEKm 10, primarily through increased coordination of purchases, a changed billing basis and common follow-up procedures. This ongoing program will continue through 2016 and is estimated to save approx. SEKm 30, thanks to measures already taken, as well as further cost savings and efficiency improvements.

#### **Sustainability efforts rewarded**

During the past year, Castellum was awarded the World Green Building Council's top distinction European Leadership award. The Business Leadership prize is awarded annually to the construction and real estate company that leads sustainable development in Europe. In 2015, Castellum was also presented with GRESB's highest Green Star rating and ranks among the best real estate companies in the world for the CDP's (Carbon Disclosure Program) annual rankings.

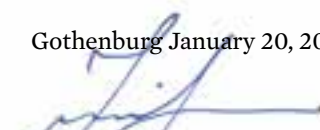
These are important international recognitions of Castellum's long-term sustainability efforts. The path taken toward ambitious sustainability goals will continue to include a strong commitment to everyday quality-of-life issues. During the year for example, 75 adolescents and young adults – from diverse cultural backgrounds – worked as apprentices or held other trainee positions at Castellum, for an introduction to working life.

#### **A changed world - changed approaches and processes**

The world has changed. Previous self-evident "truths" about business processes, or the infrastructure and design of premises have had to be reassessed. It's a challenge for a real estate company that every building has to be designed for long-term existence, while keeping in harmony with prevailing customer requirements. In order for Castellum to continue to be an up-to-date and agile corporation, continuous adaptation to new internal and external conditions is required. Together, we will seize opportunities to work even more efficiently, flexibly and locally through shared resources. Closer than ever to our customers.

Castellum looks ahead: Tomorrow's challenges and opportunities will be met through changed work procedures, organizational adjustments and new support processes. After all of the major transactions, I anticipate that Castellum's real estate projects will increase and net investments will remain high. It's my personal belief and expectation that property management income growth in 2016 will be in line with our objective of 10% – with a continued focus on cash flow, at low financial risk. Thus, the prospects for continued competitive dividend growth are favourable.

Gothenburg January 20, 2016



Henrik Saxborn  
CEO

# Castellum's business opportunities are created by providing our customers with enhanced business opportunities

---

Castellum focuses on properties with commercial space. Our business model is about creating economic growth by increasing the business value of the premises for our customers.

The Group works with office, retail, warehouse, logistics and industrial facilities, centrally located downtown or in commercially attractive areas outside the city centre. What matters is that they accommodate business opportunities – for us as well as for our customers.



## Castellum's strategy

### Investment

#### *Geography*

Castellum's real estate portfolio is located in the five growth regions Greater Gothenburg, Greater Stockholm, Öresund Region, Mälardalen and Eastern Götaland. This, together with rational property management and a strong presence in the market, provides for good business opportunities.

#### *Property category*

The real estate portfolio will consist of commercial properties with general and flexible premises for office, retail and warehouse, logistics and industry purposes. The distribution among the different categories is determined by business opportunities, cash flow, risk exposure and asset growth.

#### *Property portfolio development*

The real estate portfolio will be continuously enhanced and developed in order to improve cash flow. Castellum will continue to grow with customer demand, mainly through new constructions, extensions and reconstructions but also through acquisitions of buildings and land with building rights for future development.

In order to achieve the overall objective of 10% growth, annual net investments of at least 5% of the property value will be made. This is currently equivalent to approx. SEK 2 billion. All investments will contribute to the objective of growth in income from property management within 1-2 years and have a potential asset growth of at least 10%. Sales of properties will take place when justified from a business standpoint.

### Leasing and property management

#### *Customers*

Castellum will be perceived as a customer focused company. This is achieved by developing long-term relations and supplying premises and services meeting customer demands.

#### *Management and employees*

Castellum will deliver service and property management by a decentralized organization with wholly owned subsidiaries with strong local presence. Property management will be carried

out mainly by our own employed personnel. Castellum shall have skilled and committed employees, which is achieved by being an attractive workplace with good development possibilities. In order to develop the customer relations the customers' and employees' level of satisfaction shall be measured regularly and be on a high level.

Operations will contribute to sustainable development, touching on ecological, social and economic perspectives. Sustainability efforts will form a seamlessly integrated and natural element of all business undertakings. Castellum's strong company culture is characterized by honesty, transparency, professionalism, commitment, expertise and innovation.

### Funding and risk

Castellum will have low financial risk. The chosen risk key ratios are loan to value ratio not permanently exceeding 55% and interest coverage ratio of at least 200%. Purchase or transfer of own shares will be available as a method for adjusting the company's capital structure to the company's capital need and as payment or funding of real estate investments. Company owned shares may not be traded for short term purpose of capital gain.

Castellum will work for a competitive total return on the company's share relative to risk and also strive for high liquidity. At least 50% of pre-tax property management income will be distributed. Investment plans, consolidation needs, liquidity and financial position in general will be taken into account.

Castellum will be one of the largest listed real estate companies in Sweden. All actions will be made from a long-term perspective and the company will hold frequent, open and fair reports to shareholders, the capital and credit markets and the media, without disclosing any individual business relationship.

Castellum's real estate portfolio has a geographical distribution covering five growth regions and will consist of various types of commercial premises. The risk within in the customer portfolio will be kept low.

## Mission and vision

One of the largest real estate companies, while remaining equipped to act as close to the market as the smallest.

## Business concept

To develop and add value to the real estate portfolio, focusing on the best possible earnings and asset growth, by offering customized commercial properties, through a strong and clear presence in growth regions.

## Business model

Investments and development of commercial premises managed in a decentralized and customer-focused organization. Castellum focus on cash-flow and operates with low financial risk.

## Sustainable business

Castellum has a dedicated focus on long-term efforts and strategies, and this goes hand-in-hand with all sustainability perspectives. Business operations are to contribute to sustainable development taking ecological, social and economic aspects into account. It's crucial for the long-term success of the company that operations are conducted in a responsible manner, wherein all actions should be characterized by high skills levels, high ethical standards and a high, hands-on sense of responsibility.

By being locally present and engaged in the cities where the company operates, prosperous environments can be built, developed and managed. Castellum is to be financially strong, as this enables us to act wisely, with a long-term perspective.

Sustainability efforts are focused on:

- taking responsibility for, and contributing to, the development of the communities wherein we operate,
- utilizing resources efficiently and effectively,
- maintaining a sustainable real estate portfolio,
- cooperating with other stakeholders to promote development.

## STRATEGY

### Development of commercial properties in growth regions

Castellum's real estate portfolio is located in the growth regions Greater Gothenburg, Greater Stockholm, Öresund Region, Mälardalen and Eastern Götaland. This, together with rational property management and a strong presence in the market, provides for good business opportunities.

The real estate portfolio will consist of commercial properties with general and flexible premises for office, retail, warehouse, logistics and industry purposes.

The real estate portfolio will be continuously enhanced and developed in order to improve cash flow. Castellum will continue to grow with customer demand, mainly through new constructions, extensions and reconstructions but also through acquisitions.

All investments will contribute to the objective of growth in income from property management within 1-2 years and have a potential asset growth of at least 10%. Sales of properties will take place when justified from a business standpoint.

### Customer focus through local organizations

Castellum will be perceived as a customer focused company. This is achieved by developing long-term relations and supplying premises and services meeting customer demands.

Service and property management will be delivered by a decentralized organization with wholly owned subsidiaries with strong local presence. Property management will be carried out mainly by our own employed personnel.

Castellum shall have skilled and committed employees, which is achieved by being an attractive workplace with good development possibilities.

### Strong balance sheet with low financial risk

Castellum will have low financial risk. The chosen risk key ratios are loan to value and interest coverage ratio.

Castellum will work for a competitive total return on the company's share relative to risk and also strive for high liquidity. All actions will be made from a long-term perspective and the company will hold frequent, open and fair reports to shareholders, the capital and credit markets and the media, without disclosing any individual business relationship.

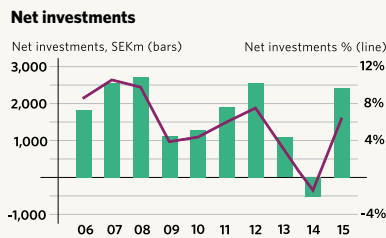
Purchase or transfer of own shares will be available as a method for adjusting the company's capital structure to the company's capital need and as payment or funding of real estate investments. Company owned shares may not be traded for short term purpose of capital gain.

Castellum's real estate portfolio has a geographical distribution covering five growth regions and will consist of various types of commercial premises. The risk within in the customer portfolio will be well balanced.

STRATEGIC TOOLS

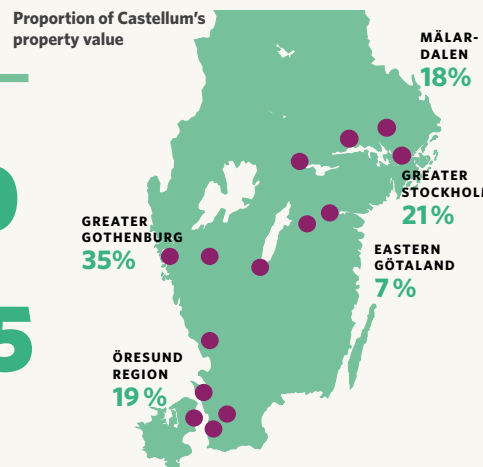
- In order to achieve the overall objective of 10% cash-flow growth, i. e. income from property management per share, annual net investments of at least 5% of the property value will be made. This is currently equivalent to approx. SEK 2 billion.
- Castellum will be one of the three largest real estate owners in each local market.

OUTCOME



**SEK 2,413**

Net investments 2015



**NKI 80**

Satisfied Customer Index 2015

**NMI 85**

Satisfied Employees Index 2014

- In order to develop the Group as well as customer relations, the customers' and employees' level of satisfaction will be measured regularly and sustain a high level.

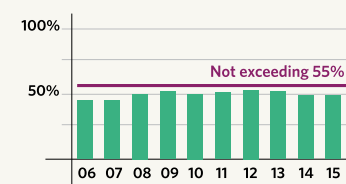
**Objective 10%**

Castellum's overall objective is an annual growth in cash flow, i.e. income from property management per share, of at least 10%

**Growth 2015 6%**

- Loan to value ratio not permanently exceeding 55%. Interest coverage ratio of at least 200%.
- At least 50% of pre-tax property management income will be distributed. Investment plans, consolidation needs, liquidity and financial position in general will be taken into account.
- Castellum will be one of the largest listed real estate companies in Sweden.
- Risk within the customer portfolio will be kept low using diversification over many fields of business, length and size of contracts.

Loan to value ratio



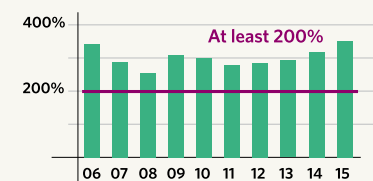
**49%**

Loan-to-value ratio 2015

**52%**

Dividend ratio 2015 (proposed)

Interest coverage ratio



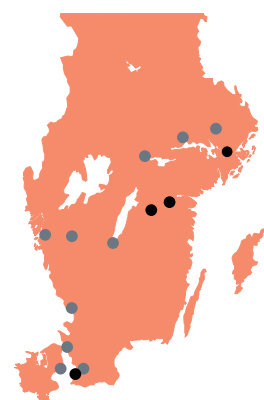
**4,500**

commercial contracts where the single largest contract accounts for approx 2%



Norrköping

## During 2015, Castellum has had a high portfolio turnover in order to increase the quality and density of the portfolio



A major restructuring transformation began in the autumn of 2014. Castellum's largest major revamp of the portfolio since the IPO in 1997.



Castellum's new portfolio disposition, which has taken place over slightly more than a year, can be summarized in numbers as follows:

- Castellum sold properties for SEK 4 billion.
- Castellum acquired properties for SEK 4.6 billion, excluding CORHEI Fastighets AB (previously Ståhls).

In October 2014, the Hansa mall in central Malmö was sold for just over SEKm 600. This was the first of several major transactions that took place in the following 15 months. A month later, the entire real estate portfolio in Värnamo and Växjö was sold in a transaction of over SEK 1.9 billion.

In late January, Castellum's real estate portfolio in Copenhagen was doubled in a transaction totaling SEKm 700, which also included a property in Marievik near downtown Stockholm.

#### Presence in Sweden's ten largest cities

In mid-April, Castellum announced entry into a new market, Norrköping, through the acquisition of 50% of the shares in CORHEI Fastighets AB, with an underlying property value of approx. SEK 2 billion. The transaction included both an establishment in central Linköping and four centrally located corner properties in Örebro.

Norrköping and Linköping, collectively hosting approx. 285,000 inhabitants, are being referred to as the fourth big-city region. The region is undergoing significant change, as traditional industries take up increasingly less space, and service industries take over. Growth prospects will increase as the SEK 30 billion project Ostlänken – the 150 km

long railway for high-speed trains between Linköping and Stockholm – will start in 2017. Eleven years later, when it is completed, people will be able to travel from Linköping to Stockholm in an hour, a time saving of 40 minutes, and Linköping/Norrköping will become part of Stockholm's labour-market region. The enlarged labour-market region will provide more skilled jobs in an increasingly creative environment that attracts talent, both for work and higher education. The region will simply become more attractive and the conditions for economic growth will improve.

Moreover, Castellum's first establishment in the Hyllie city district of southern Malmö in the autumn of 2015 means that the company will come into possession of an upscale office building in April, 2016. The investment amounted to just over SEKm 300.

#### Concentration in Stockholm

In Stockholm, there is ongoing concentration on selected market segments. In late September, Castellum acquired a property on Kungsholmen for just over SEKm 400, and in November, the entire portfolio in Kista and Akalla was sold for more than SEKm 800. On December 10, Castellum acquired an office property in Hagastaden – the emerging area around the Nya Karolinska university hospital in Solna, where research and business meet. The purchase price amounts to SEK 1.6 billion, with access in the first quarter of 2017 – and virtually all units are already leased. In connection with this acquisition, an office property in Solna was sold for SEKm 280.

#### LARGE TRANSACTIONS SINCE FALL 2014

##### OCTOBER 2014

Sale of Hansa shopping mall in central Malmö, a total area of approx. 40,000 sq.m., including office and retail. Net sales price: just over SEKm 600.

##### NOVEMBER 2014

Sale of the entire property portfolio in Värnamo and Växjö, a total of 53 properties. Sales price: just over SEK 1.9 billion.

##### JANUARY 2015

Doubling of real estate assets in Copenhagen and acquisition of a central building in Stockholm. Total investment: approx. SEKm 700.

##### APRIL 2015

Implementation of purchasing agreement, comprising a total of 27 properties. Twelve properties in Norrköping, nine in Linköping, are the first step in a further optional deal, involving areas of Örebro and Solna. Underlying property value: SEK 2 billion.

##### SEPTEMBER 2015

Castellum enters the Kungsholmen district in central Stockholm. Investment: just over SEKm 400.

##### NOVEMBER 2015

Castellum sells its entire holding in Kista and Akalla – comprising eleven properties, a sale just over SEKm 800.

##### DECEMBER 2015

Castellum acquired an office building under construction near Nya Karolinska Solna in the emerging area Hagastaden in Stockholm. Investment: SEK 1.6 billion.

# Market share is important. But choice of market is even more important.

---

Financially, Castellum is one of Sweden's largest real estate companies and an important part of our business model is to focus on selected markets. The Group operates in five strong growth regions in Sweden; from Mälardalen and Greater Stockholm, down via Eastern Götaland to Greater Gothenburg and the Öresund Region. Together, these five markets represent 65% of the Swedish population.

# Market comments

## Swedish economy

Sweden, with over 9.8 million inhabitants, is a country with an open and strong economy. This is primarily due to a stable and transparent business climate, high education levels, healthy public finances and high productivity. Sweden has long and extensive experience in international trade and international relations. This is evident from its relatively large share of world-leading corporations. The high export dependency of Swedish industry contributes to the fact that, historically, Sweden has shown the strong adaptability required to restructure the economy during economic changes.

The Swedish economy continued to perform well with a strong GDP growth that is expected to continue in 2016. Growth is mainly driven by investments and domestic private consumption. Higher public spending, as a result of the increase in asylum seekers, is also expected to contribute to GDP growth. The export of services has developed rapidly, while the recovery for the export of goods continues to go slowly. Geopolitical turmoil continues to dampen the growth rate – especially for industry. However, levels for construction and infrastructure investments in Sweden demonstrate high activity, whereas investments in the industrial sector have dampened.

The labour market has been positively affected by the stronger economy. Labour shortages are expected for several groups, primarily within the construction and public sectors. However, despite the increase in employment, the unemployment rate is expected to be only marginally affected. Inflation is expected to remain low due to lower commodity prices and low inflation in the outside world, coupled with limited wage growth. Development of the krona exchange rate plays a key role for inflation in Sweden, where a stronger krona will dampen inflation.

## Interest and credit markets

In 2015, the Riksbank focused on an inflation target of 2%, pursued an expansionary monetary policy and made historic decisions. The repo

rate has remained unchanged since July, when it was lowered to -0.35%, even if the repo-rate path has been revised downwards. During the year, the Riksbank purchased government bonds and announced further purchases during the first half of 2016. The repo-rate path indicates that a slight lowering of the repo rate is possible in the near future, and the tone hardened somewhat concerning whether or not to take other measures in December (when the repo rate was left unchanged). The repo rate is not expected to begin rising slowly until 2017. The 3-month STIBOR rate moved quickly downward in the spring, but proceeded more stably, albeit slightly downward, for the rest of the year. This lasted until year-end, when the STIBOR rate rapidly returned to summer levels.

The spread between short- and long-term interest rates increased during the year, but long-term interest rates remained historically low. Development was primarily driven by falling short-term interest rates, but also by slightly higher long-term interest rates.

Availability of bank financing and financing in the capital market is considered favourable. During early 2015, credit margins dropped in the capital market but turned upward considerably in the second half of the year. Credit margins for bank financing are also considered to have increased during the autumn, albeit to a lesser extent.

## European real estate market

The transaction volume for the European real estate market totalled approx. EUR 263 billion (223), which is an increase of 18% compared with the previous year. In 2015, Great Britain accounted for the highest transaction volume, corresponding to EUR 88 billion (79), followed by Germany's EUR 53 billion (40).

The Swedish transaction market represented approx. 5% (7%) of the European volume, and this translated into the fourth largest turnover in Europe. At year end, Castellum was the 20nd largest listed real estate company in the European real estate market in terms of market capitalization.

# 20<sup>th</sup>

At year end, Castellum was the 20<sup>th</sup> largest listed real estate company in the European real estate market in terms of market capitalization.

“The Swedish economy continued to perform well with strong GDP growth.”

# 5%

The transaction volume for the Swedish real estate market represented approx. 5% of the European volume and this translated into the fourth largest turnover in Europe.

## SWEDEN'S FOREIGN TRADE JAN-OCT 2015 (10 MONTHS)

Export	Total SEKbn 981
Germany	102
Norway	101
USA	74
Great Britain	73
Denmark	67
Finland	65
Import	Total SEKbn 963
Germany	172
Norway	80
The Netherlands	78
Denmark	73
Great Britain	53
China	50

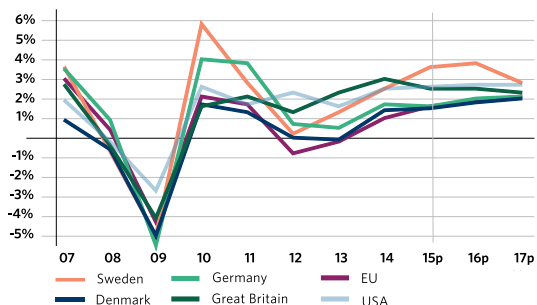
Source: SCB

## MACRO INDICATORS

<b>Unemployment</b> (Nov 2015)	6.2%
<b>Inflation rate</b> (Dec 2015 compared to Dec 2014)	0.1%
<b>GDP growth</b> (Q3 2015 compared to Q3 2014)	0.8%

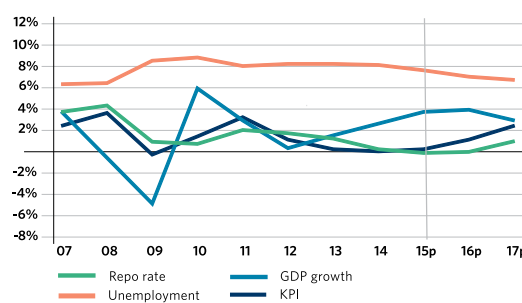
Source: SCB

## GDP growth per year



Source: National Institute of Economic Research in Sweden

## Macro indicators Sweden



Source: National Institute of Economic Research in Sweden

“The Swedish property market continued to be attractive, with historically high transaction volumes.”

**Swedish real estate market**

The Swedish real estate market comprises apartment buildings and industrial properties for a total tax assessment value of around SEK 2,900 billion. This corresponds to a market value of approx. SEK 3,900 billion. However, the real estate portfolio also includes properties that are not quite part of the commercial real estate portfolio. This includes certain customized buildings for industrial operations, as well as apartment buildings owned by housing cooperatives. Castellum is considered one of Sweden’s largest real estate owners of commercial properties and owns 1-2% of Sweden’s commercial real estate portfolio. In all, Swedish listed real estate companies own about 11% of the commercial real estate portfolio in Sweden.

In addition to the listed companies, the largest real estate owners in Sweden are public corporations as well as both Swedish and foreign institutional investors. Furthermore, Sweden contains a vast number of smaller real estate owners such as real-estate and construction companies, users and individuals.

The Swedish property market continued during 2015 to be attractive all over the country and for all segments – both for domestic and international players. During the year, the strong demand resulted in lower required yield – with higher property prices as a consequence. Transaction volumes for

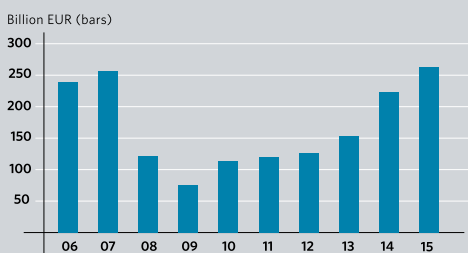
2015 amounted to SEK 145 billion – a historically high level – even if turnover for 2014 reached SEK 160 billion. There was a strong interest for office and retail properties as well as for warehouse and logistics properties, and commercial properties accounted for approx. 77% (76%) of the total transaction volume.

Foreign buyers accounted for 27% (17%) of the purchase volume, which could be observed in several major transactions regarding office, commercial and logistics facilities.

**Swedish rental market**

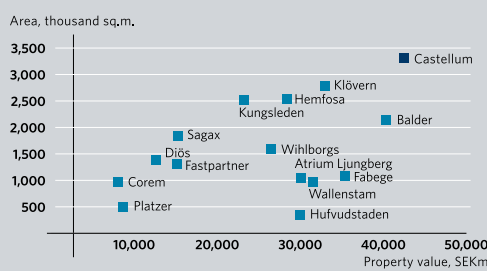
During the year, the rental market continued to strengthen, due to high demand and low new construction volumes. The strongest office markets are in central locations, showing low volumes of new construction and low vacancy rates – thus creating conditions for rent increases. The Öresund region continued to have a higher proportion of newly built office space than the rest of Sweden, and this affected both rental development and vacancies. The logistics market was distinctly variable, and demand depended on location as well as design. The strongest logistics locations became stronger, and customer requirements changed, based on technological development and increasing e-commerce. Properly designed buildings in sought-after locations became very attractive.

**Transaction volumes/year European property market**



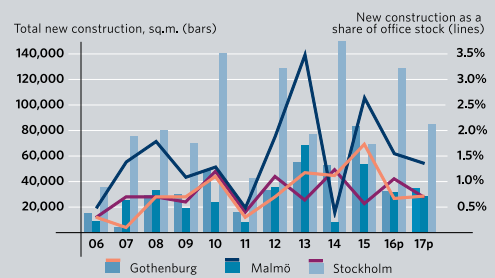
Source: CBRE

**Property portfolio listed real estate companies**



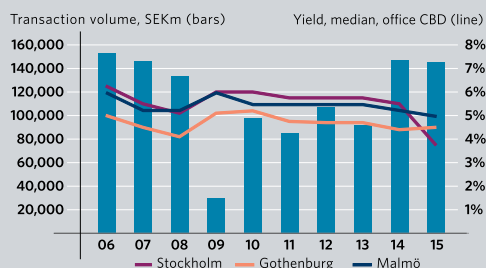
Source: Each company’s interim report Q3 2015. Companies with real estate value > SEKm 3,000

**New construction office**



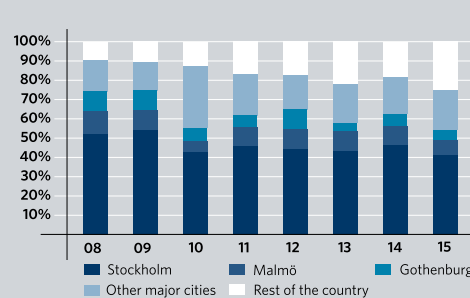
Source: Newsec

**Annual transaction volume Sweden and yield major cities**



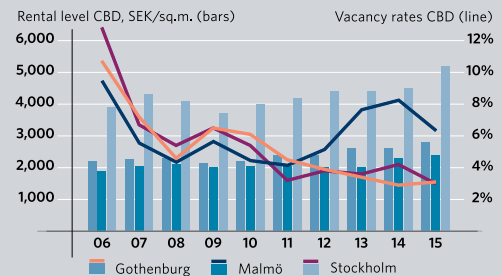
Source: Newsec and Forum  
Transaction volume intends transactions >SEKm 100

**Transaction volume by geography**



Source: Newsec

**Rents and vacancy levels, major cities**



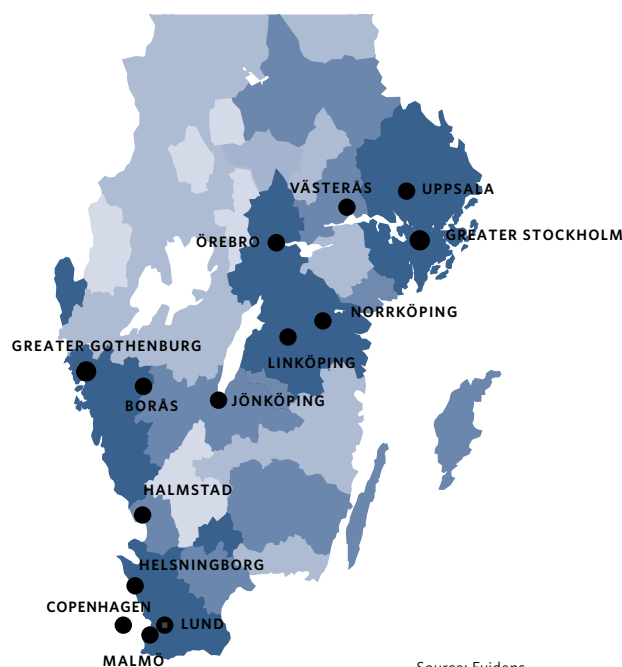
Source: JLL



## Castellum's markets

Sweden can be divided into a number of local labor markets where each market has different development strength. A local labor market is characterized by that it can function independently concerning work and commuting. Some markets are due to their size and business structure less dependent to changes in the world around than others and have their own inherent power to grow, where the size provides economies of scale. Sweden is currently in an strong urbanization trend where growth is concentrated in the long-term to medium-sized and larger regions, while the number of regions is reduced.

The three major urban regions in Sweden have the greatest development potential, primarily explained by a larger population, relative to other parts of the country. This in turn creates a larger labor market, a diversified industrial structure, research opportunities and greater variety of shopping, entertainment and culture. Successful regions are also characterized by tolerance. The most attractive cities offer opportunities for quality education in universities and colleges. They embrace diversity and openness. Cities grow and jobs are created where talents are developed and thrive.



Source: Evidens

The map shows the Swedish local labour markets, where dark blue indicates the local labour markets showing the highest increase of total wages during 2006-2015 in absolute figures, and light blue the lowest. The local labour markets where Castellum operates are indicated.

### DATA PER REGION

	Population	Population growth 2006-2015/year	Population growth 2006-2015 average/year	Population growth 2015	Students at university/collage	Growth employment 2006-2015/year	Unemployment 2015	Growth total wages 2006-2015/year	Growth wages total 2015
The nation	9,900,000	0.9%	85,100	1.3%	404,000	1.0%	7.8%	2.9%	4.4%
<b>GREATER GOTHENBURG</b>									
Greater Gothenburg	1,151,000	1.1%	12,000	1.5%	47,000	1.3%	6.2%	3.3%	5.4%
Borås	172,000	0.7%	1,100	1.2%	8,000	0.8%	6.8%	2.7%	4.3%
Halmstad	121,000	0.8%	1,000	1.3%	8,000	0.8%	8.4%	2.4%	0.2%
<b>ÖRESUND REGION</b>									
Malmö	1,135,000	1.2%	12,800	1.6%	56,000	1.2%	9.9%	2.9%	3.2%
of which Lund	118,000	1.5%	1,600	1.8%	37,000	1.0%	5.8%	2.7%	3.7%
of which Helsingborg	137,000	1.2%	1,600	1.5%	-*	1.1%	10.7%	2.6%	1.0%
Copenhagen	1,788,000	1.0%	16,800	1.1%	n a	0.4%	n a	n a	n a
<b>GREATER STOCKHOLM</b>									
Greater Stockholm	2,623,000	1.7%	40,300	2.0%	91,000	1.9%	6.3%	3.6%	4.6%
<b>MÄLARDALEN</b>									
Örebro	240,000	0.9%	2,000	1.4%	13,000	0.9%	8.0%	2.8%	4.2%
Uppsala	325,000	1.2%	3,600	1.7%	44,000	1.4%	5.4%	3.3%	5.3%
Västerås	241,000	0.7%	1,700	1.2%	11,000	0.8%	9.1%	2.6%	2.8%
<b>EASTERN GÖTALAND</b>									
Jönköping	219,000	0.8%	1,600	1.2%	11,000	0.8%	6.3%	2.5%	3.9%
Linköping	263,000	0.8%	1,900	1.2%	23,000	1.0%	7.4%	2.8%	3.7%
Norrköping	180,000	0.8%	1,300	1.2%	-**	0.9%	11.5%	3.0%	5.3%

Source: Evidens and SCB \* Campus Helsingborg is part of Lund University.  
\*\* Campus Norrköping is part of Linköping University.

# Castellum's real estate portfolio and result 2015

## 65%

Approx. 65% of Sweden's 9.8 million inhabitants live within Castellum's regional market areas.

Castellum's properties are located from inner city sites to well situated working areas with good means of communication and services.

## SEK 42 bn

On December 31, 2015 Castellum's real estate portfolio comprised 597 properties with a total rental value of SEK 42 billion.

## SEK 3.6 bn

During 2015 investments totalled SEK 3,553 of which SEK 1,232 were new constructions, extensions, and reconstructions and SEK 2,321 were acquisitions.

Castellum is present in the nation's major growth regions and approx. 65% of Sweden's 9.8 million inhabitants live within Castellum's regional market areas. Castellum's real estate portfolio is concentrated to a few selected sub-markets where the local subsidiaries have a strong position. The objective is to be one of the three largest real estate owners in each local market. Castellum's geographical submarkets can be characterized as stable, with good prospects for long-term positive development. The real estate portfolio is found in 14 locations in five growth regions: Greater Gothenburg, Greater Stockholm, the Öresund region, Mälardalen and Eastern Götaland. The main part with 75% of the portfolio is located in the three major urban regions.

The commercial portfolio consists of 67% office and retail properties as well as 29% warehouse and industrial properties. The properties are located from inner city sites (except in Greater Stockholm from inner suburbs) to well situated working areas with good means of communication and services. The remaining 4% consists of project and undeveloped land. Castellum owns approx. 788 sq.m. unutilized building rights.

On December 31, 2015 Castellum's real estate portfolio comprised 597 properties (583) with a total rental value of SEK 3,690 (3,527) and a total lettable area of 3,392 sq.m. (3,329). For properties owned at year-end the net operating income over the year was SEK 2,240 (2,098).

### Investments

During the year investments totalled SEK 3,553 (2,525) of which SEK 1,232 (1,378) were new constructions, extensions, and reconstructions and SEK 2,321 (1,147) were acquisitions. Of the total investments SEK 1,077 related to Greater Stockholm, SEK 847 to Greater Gothenburg, SEK 811 Mälardalen, SEK 533 the Öresund

regionen and SEK 285 Eastern Götaland. After sales of SEK 1,140 (3,054) net investments amounted to SEK 2,413 Mkr (-529).

Castellum has ongoing projects with remaining investments of approx SEK 1,300.

During year Castellum acquired 50% of the shares in CORHEI Fastighets AB (former Ståhls) for SEK 505. The company owns and manage properties in Norrköping and Linköping totalling approx. SEK 2 billion. See page 19 for more information. Agreements have also been concluded for the acquisition of two office properties under construction, one in Hyllie in Malmö for SEK 327 with change of possession scheduled to April 2016, and one in Haga-staden, Stockholm for SEK 1.6 billion with change of possession scheduled to February 2017. The properties will be accounted for when the change of possession has taken place due to the agreements which is conditional upon i.e. completion.

During 2015 the real estate portfolio has changed according to the table below.

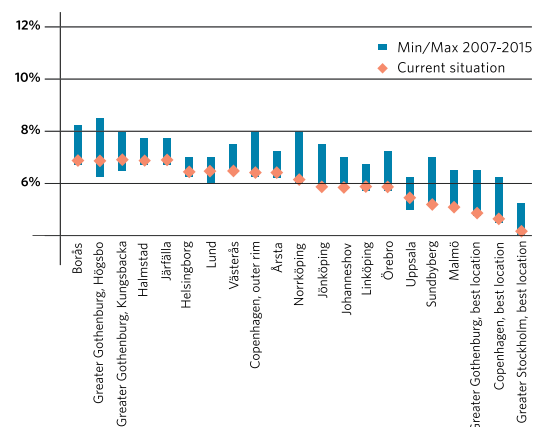
	Value SEKm	Number
Real estate portfolio January 1, 2015	37,599	583
+ Acquisitions	2,321	23
+ New constructions, extensions and reconstructions	1,232	8*
- Sales	- 1,092	- 17
+/- Unrealized changes in value	1,789	-
+/- Currency translation	- 31	-
<b>Real estate portfolio December 31, 2015</b>	<b>41,818</b>	<b>597</b>

\* Parcelling / regulation

### Property value and changes in value

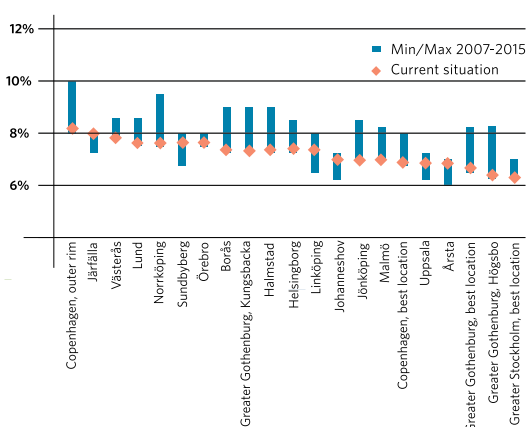
The fair value of the properties at the year-end amounted to SEK 41,818 (37,599), corresponding to SEK 12,282 per sq.m (11,118). The average valuation yield over time for Castellum's real estate portfolio, excluding development projects, undeveloped land and building rights, can be calculated to 6.5% (6.9%). Of the total property value 93% represents freehold properties and 7% is site leasehold.

### Market yield - office



Yield 2007 - 2015 (bars) respectively present situation (dots) according to Newsec (Swedish regions) and DTZ (Copenhagen) for a number of different geographical markets and segments in Castellum's property portfolio

### Market yield - Warehouse/industrial



Source: Newsec, DTZ

Castellum's regions



MÄLARDALEN	2015	2014
No. of properties	126	117
Area, thousand sq.m.	656	617
Property value, SEKm	7,689	6,521
Rental value, SEKm	691	639
Net operating income, SEKm	404	377
Net investments, SEKm	811	393
Net leasing, SEKm	22	25
Employees	57	53

**18%**

Proportion of Castellum's property value



GREATER STOCKHOLM	2015	2014
No. of properties	106	106
Area, thousand sq.m.	594	649
Property value, SEKm	8,607	7,805
Rental value, SEKm	736	777
Net operating income, SEKm	453	445
Net investments, SEKm	71	253
Net leasing, SEKm	27	19
Employees	47	56

**21%**

Proportion of Castellum's property value



**35%**

Proportion of Castellum's property value



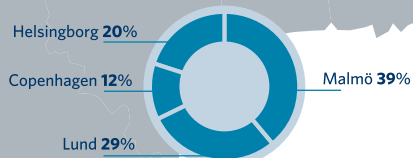
GREATER GOTHENBURG	2015	2014
No. of properties	212	209
Area, thousand sq.m.	1,198	1,157
Property value, SEKm	14,661	13,412
Rental value, SEKm	1,220	1,165
Net operating income, SEKm	806	772
Net investments, SEKm	760	1,034
Net leasing, SEKm	2	- 24
Employees	88	81



EASTERN GÖTALAND	2015	2014
No. of properties	40	40
Area, thousand sq.m.	248	260
Property value, SEKm	3,055	2,681
Rental value, SEKm	286	250
Net operating income, SEKm	173	134
Net investments, SEKm	250	- 1,446
Net leasing, SEKm	1	33
Employees	25	25

**7%**

Proportion of Castellum's property value



ÖRESUND REGION	2015	2014
No. of properties	113	111
Area, thousand sq.m.	696	646
Property value, SEKm	7,806	7,180
Rental value, SEKm	757	696
Net operating income, SEKm	404	370
Net investments, SEKm	521	- 763
Net leasing, SEKm	- 34	5
Employees	58	57

**19%**

Proportion of Castellum's property value

“The average valuation yield over time for Castellum’s real estate portfolio, excluding development projects, undeveloped land and building rights, can be calculated to 6.5%.”

The change in value during the year amounted to SEKm 1,837 (344), corresponding to 4.6%. The increase in value consisted mainly of SEKm 255 attributable to acquisitions, SEKm 203 attributable to project profits and SEKm 1,331 primarily due to reduced yield requirements. In addition, property sales resulted in a value change of SEKm 48. Net sales price amounted to SEKm 1,140 after deduction for assessed deferred tax and transaction costs totalling SEKm 57. Hence the underlying property value, which amounted to SEKm 1,197, exceeded the last valuation of SEKm 1,092 by SEKm 105.

Average valuation yield, SEKm (excl. project/land and building rights)		
	2015	2014
Net operating income properties	2,443	2,286
+ Index adjustment 2016, 1% (1%)	35	25
+ Real occupancy rate 94% at the lowest	216	251
- Property administration, 30 SEK/sq.m.	- 100	- 99
<b>Normalized net operating income</b>	<b>2,594</b>	<b>2,463</b>
Valuation (excl. building rights of 469 SEKm)	39,824	35,506
<b>Average valuation yield</b>	<b>6.5%</b>	<b>6.9%</b>

#### Rental income

Group’s rental income amounted to SEKm 3,299 (3,318). For office and retail properties, the average contracted rental level, including charged heating, cooling and property tax, amounted to SEK 1,332 per sq.m. (1,295), whereas for warehouse and industrial properties, it amounted to SEK 804 per sq.m. (791). Rental levels, which are considered to be in line with the market, have in a comparable portfolio increased by 1% compared with previous year, which mainly is an effect from indexation and can be compared with the usual industry index clause (October to October), which was -0.1% in 2015. Castellum’s higher indexation is due to the Groups focus on index clauses with

minimum upward adjustment in the contract portfolio, which offers protection against low inflation and deflation. The average economic occupancy rate was 90.3% (88,7%). The total rental value for vacant premises on yearly basis amounted to approx. SEKm 392 (417).

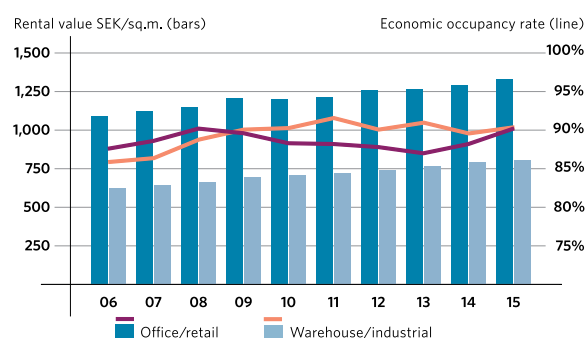
The rental income for the period includes a lump sum of SEKm 8 (10) as a result of early termination of leases.

Gross leasing (i.e. the annual value of total leasing) during the year was SEKm 316 (304), of which SEKm 55 (55) were leasing of new constructions, extensions and reconstructions. Notices of termination amounted to SEKm 298 (246), of which bankruptcies were SEKm 11 Mkr (12) and 18 Mkr (36) were notice of termination with more than 18 months remaining length of contract. Hence net leasing for the year was SEKm 18 (58). The time difference between reported net leasing and the effect in income thereof is estimated to be between 9-18 months. Net leasing has been different in Castellum’s various regions, as shown below.

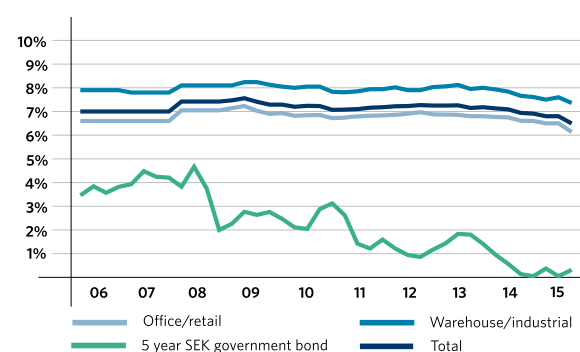
#### Net leasing

SEKm	Greater Gothenburg	Öresund region	Greater Stockholm	Mälardalen	Eastern Götaland	Total
<b>New leases</b>						
Existing properties	72	53	56	73	7	261
Investments	11	15	14	10	5	55
<b>Total</b>	<b>83</b>	<b>68</b>	<b>70</b>	<b>83</b>	<b>12</b>	<b>316</b>
<b>Notice of termination</b>						
Notices of termination	- 79	- 98	- 43	- 56	- 11	-287
Bankruptcies	- 2	- 4	0	- 5	0	- 11
<b>Total</b>	<b>- 81</b>	<b>- 102</b>	<b>- 43</b>	<b>- 61</b>	<b>- 11</b>	<b>-298</b>
<b>Net leasing</b>	<b>2</b>	<b>- 34</b>	<b>27</b>	<b>22</b>	<b>1</b>	<b>18</b>

Rental value and economic occupancy rate



Average valuation yield over time



**Property costs**

Property costs amounted to SEKm 1,074 (1,096), corresponding to SEK 316 per sq.m. (307).

The costs includes SEKm 5 in transaction cost related to the acquisition of 50% of the shares of CORHEI Fastighets AB (former Ståhls). Consumption for heating during the year has been calculated to 88% (86%) of a normal year according to the degree day statistics.

Rental losses, i.e. charged not paid rents with the risk of loss, amounted to SEKm 6 (9), corresponding to 0.2% (0.3%) of rental income.

Property costs SEK/sq.m.	Office/ retail	Warehouse/ industrial	2015 Total	2014 Total
Operating expenses	181	109	149	146
Maintenance	49	27	39	37
Ground net	5	7	6	8
Property tax	72	23	50	48
Direct property costs	307	166	244	239
Leasing and property administration (indirect)	-	-	72	68
<b>Total</b>	<b>307</b>	<b>166</b>	<b>316</b>	<b>307</b>
<i>Previous year</i>	<i>299</i>	<i>167</i>	<i>307</i>	

**Central administrative expenses**

Central administrative expenses totalled SEKm 113 (108). This includes costs for a profit-and-share-price related incentive plan for 10 persons in executive management of SEKm 11 (15).

**Income from joint venture**

Income from joint venture amounted to SEKm 21 (-) and refers to Castellum's 50% share of the income in CORHEI Fastighets AB (former Ståhls). For more information, see the section Joint venture on page 19.

Of this income, SEKm 23 refers to income from property management, SEKm 3 to unrealized changes in property value and SEKm -5 to tax.

**Net interest**

Net interest items were SEKm -602 (-664). The average interest rate level was 3.0% (3.3%). Net financial income was positively affected by approx. SEKm 70 due to the average interest rate level decrease by 0.3%-units.

**Tax**

The nominal corporate tax rate in Sweden is 22%. Due to the possibility to deduct depreciation and reconstructions for tax purposes, and to utilize tax loss carry forwards, the paid tax is low. Paid tax occurs since a few subsidiaries have no possibilities to group contributions for tax purpose.

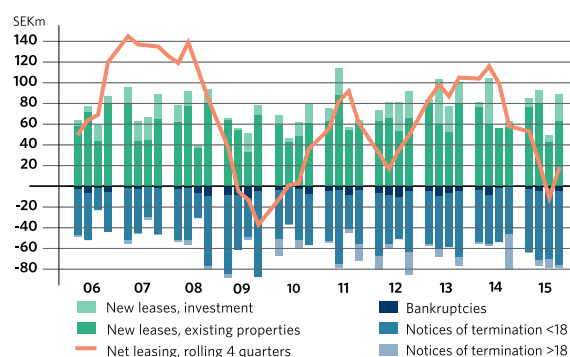
Remaining tax loss carryforwards can be calculated to SEKm 809 (1,193). Fair values for the properties exceed their fiscal value by SEKm 22,239 (18,602) of which SEKm 1,893 (991) relates to the acquisition of properties accounted for as asset acquisitions. As deferred tax liability, a full nominal 22% tax of the net difference is reported, reduced by the deferred tax relating to asset acquisitions, i.e., SEKm 4,299 (3,612). Castellum has no current tax disputes.

**Income over time**

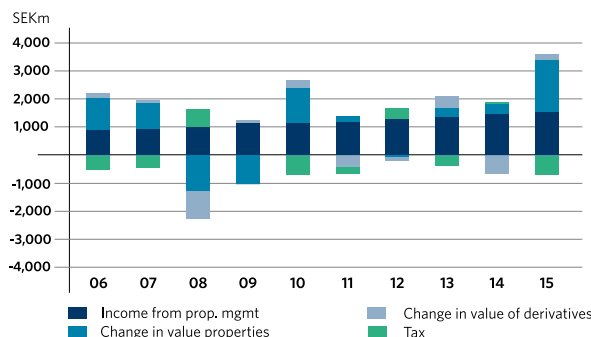
Income from property management over the past 10 years shows stable development and has grown by an average of 6% per year. Property values have been volatile over the past 10 years with average growth of 1.1% per year which is in line with inflation.

“Castellum’s income from property management over the past 10 years shows stable development and has grown by an average of 6% per year.”

**Nettouthyrning per kvartal**



**Income over time**



## Castellum's real estate portfolio 31-12-2015

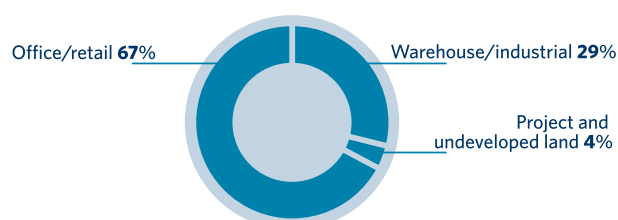
	31-12-2015				January-December 2015							
	No of properties	Area thousand sq.m.	Property value SEKm	Property value SEK/sq.m.	Rental-value SEKm	Rental value SEK/sq.m.	Economic occupancy rate	Rental income SEKm	Property costs SEKm	Property costs SEK/sq.m.	Net-operating Income SEKm	
<b>Office/retail</b>												
Greater Gothenburg	85	476	8,624	18,102	662	1,388	93.1%	616	138	289	478	
Öresund region	65	412	5,899	14,313	542	1,316	84.3%	457	129	314	328	
Greater Stockholm	43	284	4,833	17,034	412	1,453	89.7%	370	84	296	286	
Mälardalen	78	437	5,975	13,685	533	1,220	90.8%	484	138	316	346	
Eastern Götaland	27	198	2,803	14,124	258	1,302	94.6%	244	66	333	178	
<b>Total office/retail</b>	<b>298</b>	<b>1,807</b>	<b>28,134</b>	<b>15,566</b>	<b>2,407</b>	<b>1,332</b>	<b>90.2%</b>	<b>2,171</b>	<b>555</b>	<b>307</b>	<b>1,616</b>	
<b>Warehouse/industrial</b>												
Greater Gothenburg	105	667	5,580	8,363	506	759	91.5%	463	95	143	368	
Öresund region	42	282	1,863	6,614	213	757	88.3%	188	47	168	141	
Greater Stockholm	51	287	3,187	11,129	295	1,029	91.7%	270	60	208	210	
Mälardalen	39	188	1,319	7,032	144	767	88.7%	128	36	193	92	
Eastern Götaland	9	50	210	4,166	27	528	85.1%	22	6	111	16	
<b>Total warehouse/industrial</b>	<b>246</b>	<b>1,474</b>	<b>12,159</b>	<b>8,253</b>	<b>1,185</b>	<b>804</b>	<b>90.5%</b>	<b>1,071</b>	<b>244</b>	<b>166</b>	<b>827</b>	
<b>Total</b>	<b>544</b>	<b>3,281</b>	<b>40,293</b>	<b>12,282</b>	<b>3,592</b>	<b>1,095</b>	<b>90.3%</b>	<b>3,242</b>	<b>799</b>	<b>244</b>	<b>2,443</b>	
Leasing and property administration									235	72	- 235	
<b>Total after leasing and property administration</b>									<b>1,034</b>	<b>316</b>	<b>2,208</b>	
Project	23	111	1,105	-	98	-	-	56	24	-	32	
Undeveloped land	30	-	420	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>597</b>	<b>3,392</b>	<b>41,818</b>	<b>-</b>	<b>3,690</b>	<b>-</b>	<b>-</b>	<b>3,298</b>	<b>1,058</b>	<b>-</b>	<b>2,240</b>	

The table above relates to the properties owned by Castellum at the end of the year and reflects the income and costs of the properties as if they had been owned during the whole year. The discrepancy between the net operating income of SEKm 2,240 accounted for above and the net operating income of SEKm 2,225 in the income statement is explained by the deduction of the net operating income of SEKm 55 on properties sold during the year, as well as the adjustment of the net operating income of SEKm 70 on properties acquired/completed during the year, which are recalculated as if they had been owned or completed during the whole year.

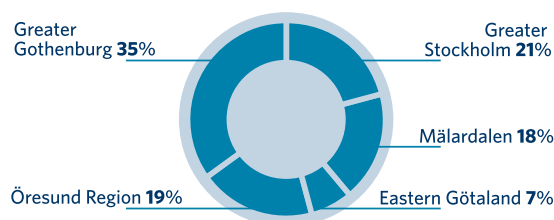
### Property related key ratio

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Rental value, SEK/sq.m.	1,095	1,064	1,036	1,015	995	974	969	921	896	864
Economic occupancy rate	90.3%	88.7%	88.4%	88.6%	89.3%	89.0%	89.8%	89.7%	87.9%	87.1%
Property costs, SEK/sq.m.	316	307	307	298	300	298	300	268	262	259
Net operating income, SEK/sq.m.	673	637	608	601	589	569	571	559	527	494
Property value, SEK/sq.m.	12,282	11,118	10,285	9,916	9,835	9,499	9,036	8,984	9,098	8,466
Number of properties	597	583	626	635	617	598	590	587	549	515
Lettable area, thousand sq.m.	3,392	3,329	3,623	3,621	3,411	3,311	3,199	3,172	3,003	2,787

#### Property value by property type



#### Property value by region



## Joint venture

In the second quarter of 2015, Castellum AB (publ) closed a deal with Heimstaden AB (publ) which meant that Castellum, through the subsidiary Corallen, acquired 50% of the shares in CORHEI Fastighets AB (former Ståhls), corresponding to an investment of SEKm 505. Access was gained at month-end, May/June 2015. The agreement gives Castellum an option to purchase the remaining 50% to market value, no earlier than 18 months after the access.

The investment has contributed SEKm 21 to Castellum's results during this period. The carrying value of this investment thus totalled SEKm 526 as of December 31, 2015 and is accounted for according to the equity method.

The real estate portfolio amounted to SEKm

### Balance sheet per 31-12-2015

SEKm	Dec 31 2015
<b>Assets</b>	
Investment properties	2,030
Other fixed assets	5
Current receivables	10
Liquid assets	137
<b>Total assets</b>	<b>2,182</b>
<b>Shareholders' equity and liabilities</b>	
Shareholders' equity	933
Deferred tax liability	129
Interest-bearing liabilities	1,069
Non interest-bearing liabilities	51
<b>Total shareholders' equity and liabilities</b>	<b>2,182</b>

2,030 as of December 31 and the loan-to-value ratio at that date was 46%. The interest-bearing financing consists of loans in some of the largest Nordic banks of which 60% has floating interest rate and the remaining part fixed interest rate of approx 1%. Furthermore, the Group has tax loss carryforwards and is not expected to pay income tax next year.

Heimstaden owns the remaining 50% and has assigned property management as well as financial management of CORHEI Fastighets AB to Castellum. To elucidate on Castellum holdings, the Group's real estate portfolio, consolidated balance sheet and income statement as of December, 2015, will be accounted for below.

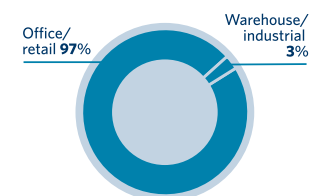
### Income statement 2015

SEKm	June - Dec 2015
Rental income	96
Property costs	- 42
Central administrative expenses	- 1
Net interest income/expense	- 7
<b>Income from property management</b>	<b>46</b>
Change in value properties	6
Current tax	-
Deferred tax	- 10
<b>Net income</b>	<b>42</b>
- of which Castellum's part of the joint venture (50%)	21

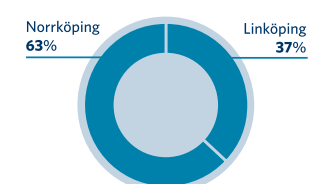
### Value of the portion of the joint venture accounted for 31-12-2015

SEKm	Castellum's part 50%
Shareholders' equity accounted for	467
Net adjustment for goodwill and deferred tax consolidation	59
<b>Part of the joint venture</b>	<b>526</b>

### Property value by property type



### Property value distributed per location



### Property portfolio per 31-12-2015

Property type	31-12-2015							January - December 2015			Net operating income SEKm	
	No. of properties	Area thousand sq.m	Property value SEKm	Property value SEK/sq.m	Rental value SEKm	Rental value SEK/sq.m	Economic occupancy rate	Rental income SEKm	Property costs SEKm	Property costs SEK/sq.m		
<b>Distributed by city</b>												
Norrköping	Office/retail	12	92	1,228	13,346	115	1,247	87.3%	103	38	406	65
Norrköping	Warehouse/industrial	1	19	51	2,642	7	382	18.8%	1	1	67	0
Linköping	Office/retail	9	51	751	14,717	68	1,332	86.5%	60	25	495	35
<b>Total</b>		<b>22</b>	<b>162</b>	<b>2,030</b>	<b>12,496</b>	<b>190</b>	<b>1,170</b>	<b>84.3%</b>	<b>164</b>	<b>64</b>	<b>394</b>	<b>100</b>
Leasing and property administration										8	53	- 8
<b>Total after leasing and property administration</b>										<b>72</b>	<b>447</b>	<b>92</b>

# Active property development requires investments

Castellum operates on a long-term basis and the strategy for growth includes constant improvement and development of the real estate portfolio through new constructions, reconstructions and extensions – as well as acquisitions.

These investments are made in order to improve cash flow and increase the value of the properties. New development projects are added on an ongoing basis through the acquisition of properties with development potential and unutilized building rights.

In order to achieve the overall growth objective of 10%, Castellum needs to invest. In 2015, Castellum had a high level of activity in the portfolio and built and acquired properties for SEK 3.5 billion and sold for SEK 1.1 billion.



# Castellum's project development

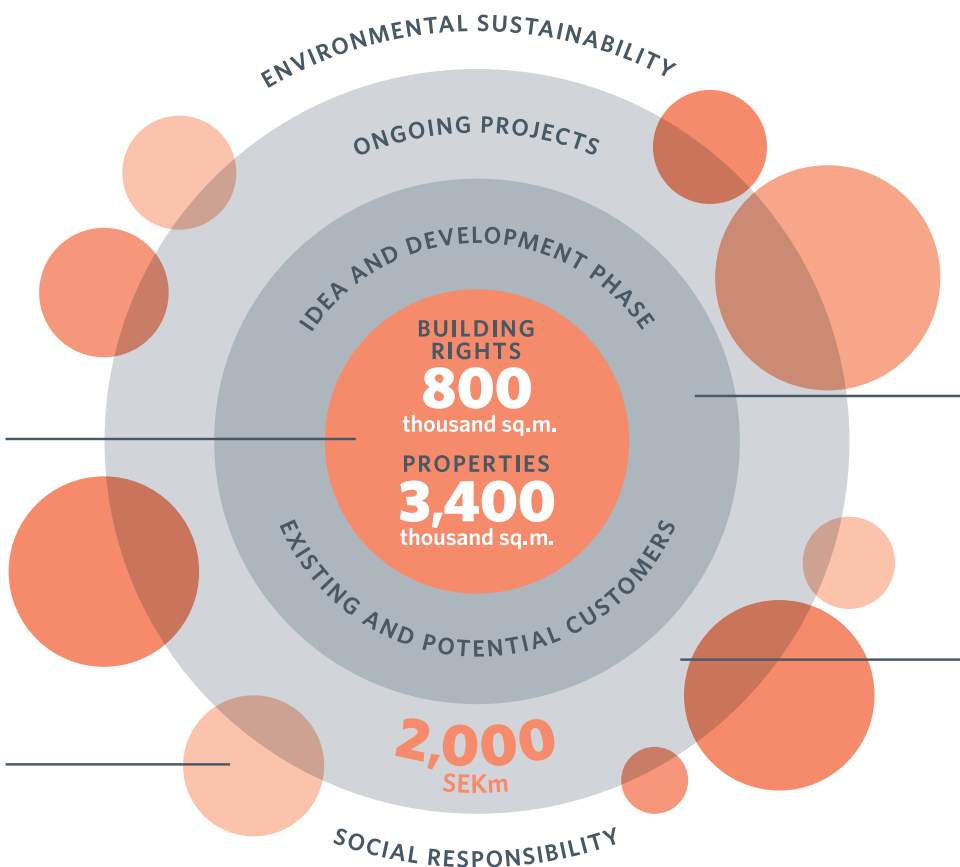
## 1. BUILDING RIGHTS

Castellum manages 597 properties totalling 3.4 million sq. m. There are ongoing investments in existing properties for new as well as existing customers.

Through acquisitions during 2015, Castellum has added another 56,000 sq. m. of building rights. Castellum's unutilized building rights comprise approx. 800,000 sq. m.

## 4. SOCIAL RESPONSIBILITY

Castellum takes social responsibility by investing in and creating favourable work environments, and contributing to the development of communities hosting our operations. All new constructions are environmentally certified.



## 2. IDEAS AND DEVELOPMENT

Solid market knowledge and understanding of customer needs provide the basis for analysis of new- project potential. A review is made of market conditions, investment volume, risk inventory, yield level etc. In the idea-and-development phase, information and knowledge about the projects deepen. Final design and contract terms are decided.

## 3. ONGOING PROJECTS

Castellum is currently engaged in projects totalling approx. SEKm 2,000. Upon completion, newly acquired competence is transferred to future projects.

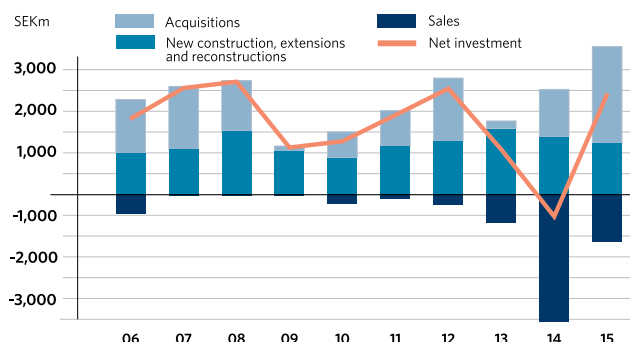
In the last 10 years, Castellum has invested SEK 23 billion, which means SEK 2.3 billion on average per year. During 2015 investments totaled SEKm 3,553 (2, 525) of which SEKm 1,232 (1,378) were new constructions, extensions and reconstructions and SEKm 2,321 (1,147) were acquisitions. Of the total investments SEKm 1,077 refers to Greater Stockholm, SEKm 847 to Greater Gothenburg, SEKm 811 to Mälardalen, SEKm 533 to Öresund Region and SEKm 285 to Eastern Götaland.

After sales of SEKm 1,140 (3,054), net investments amounted to SEKm 2,413 (-529).

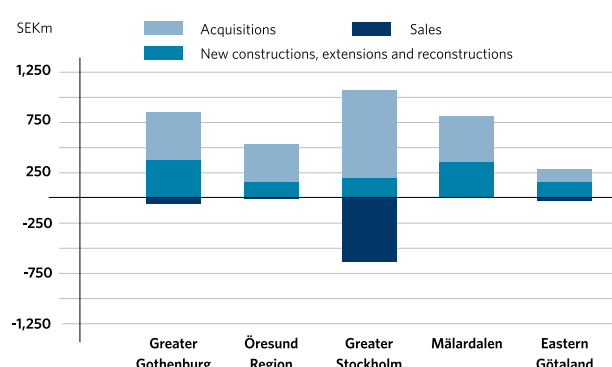
During year Castellum acquired 50% of the shares in CORHEI Fastighets AB (former Ståhls)

for SEKm 505. The company owns and manage properties in Norrköping and Linköping totalling approx. SEK 2 billion. See page 16 for more information. Agreements have also been concluded for the acquisition of two office properties under construction, one in Hyllie in Malmö for SEK 327 with change of possession scheduled to April 2016, and one in Hagastaden, Stockholm for SEK 1.6 billion with change of possession scheduled to February 2017. The properties will be accounted for when the change of possession has taken place due to the agreements which is conditional upon i.e. completion.

Investments and sales per year



Investments and sales per region 2015



## Larger ongoing projects



### Lindholmen 30:5 in Gothenburg

In December 2014, Castellum acquired one of the last buildable plots for commercial properties on Lindholmsspiren in Gothenburg. On this site, located in the middle of the international engineering cluster at Lindholmen Science Park, Castellum began construction on Blenda – a 9,243 sq. m. high-quality office property – in May, 2015. Blenda is being built to comply with the BREEAM environmental certification system, with the goal of attaining the top rating level: excellent. Through Eklandia, Castellum is the largest private owner of commercial properties at Lindholmen. After Blenda's completion, the company will own office space totalling over 53,000 sq. m. in the area.

The investment is estimated at SEKm 265, including the value of the building plot, totalling SEKm 53. The new building is expected to be completed during the first quarter of 2017, and the economic occupancy rate is 22%.

**LOCATION:** Lindholmen Science Park in Gothenburg  
**AREA:** 9,243 sq.m.  
**TIME PLAN:** Completed Q1, 2017  
**CERTIFICATION:** BREEAM level excellent  
**INVESTMENT:** SEKm 265



### Varpen 10 in Huddinge

**LOCATION:** Smista area in Huddinge  
**AREA:** 2,520 sq.m.  
**TIME PLAN:** Completed Q4, 2016  
**CERTIFICATION:** Miljöbyggnad level silver  
**INVESTMENT:** SEKm 66

In Smista, Stockholm region's leading cluster for car sales, Castellum has started a fully let new construction of 2,520 sq.m. for car sales. In the area Castellum has developed approx. 49,000 sq.m. since the millennium shift.



### Verkstaden 14 in Västerås

**LOCATION:** Kopparlunden in central Västerås  
**AREA:** 6,100 sq.m.  
**TIME PLAN:** Completed Q1, 2016  
**CERTIFICATION:** –  
**INVESTMENT:** SEKm 84

Kopparlunden is an area in central Västerås with a mix of modern technology and a century of industrial tradition. Castellum owns approx. 12,000 sq.m. of building rights in the area. In 2015, the Company started an extension of 3,800 sq.m. and a reconstruction of 2,300 sq.m. The investment is calculated at SEKm 84 and is fully let.



### Drottningparken in Örebro

**LOCATION:** South entrance of Örebro  
**AREA:** 4,280 sq.m.  
**TIME PLAN:** Completed Q3, 2016  
**CERTIFICATION:** Miljöbyggnad level silver  
**INVESTMENT:** SEKm 100

In Örebro at the end of 2014, Castellum started a new construction of 4,280 sq.m. flexible office premises. The new building is well situated at the south entrance of Örebro and will be completed in accordance with the environmental system Miljöbyggnad, level silver.

The investment is calculated to SEKm 100. The new building is fully let and scheduled to be completed during the third quarter 2016.



### Majorna 163:1 in Gothenburg

**LOCATION:** South Shore in Gothenburg  
**AREA:** 5,867 sq.m.  
**TIME PLAN:** Completed Q4, 2016  
**CERTIFICATION:** Miljöbyggnad level silver  
**INVESTMENT:** SEKm 88

In the Klippan area, on the South Shore of Gothenburg, a reconstruction of 5,867 sq.m. office- and warehouse premises was started at the end of 2015. The project will be completed in accordance with Miljöbyggnad, level silver.

The investment is calculated at SEKm 88. The building will be completed during fourth quarter, 2016 and has an occupancy rate of 75%.

#### LARGER ONGOING PROJECTS 2015

Name of property	Area, sq.m.	Rental value		Econ. occup. January 2016	Investment, SEKm			Commet
		SEKm	SEK/sq.m.		Total	Remaining	Completed	
Lindholmen 30:5, Gothenburg	9,243	23	2,500	22%	265	170	Q1 2017	New construction office
Drottningparken, Örebro	4,280	9	2,050	100%	100	40	Q3 2016	New construction office
Majorna 163:1, Gothenburg	5,867	9	1,500	75%	88	77	Q4 2016	Reconstruction office and warehouse
Verkstaden 14, Västerås	6,100	9	1,400	100%	84	17	Q1 2016	Extension and reconstruction education facilities
Varpen 10, Huddinge	2,520	5	2,050	100%	66	55	Q4 2016	New construction car retail
Tjurhornet 15, Stockholm	5,786	1	250	-	56	53	Q3 2016	Parking facilities
Ringspännat 5, Malmö	3,333	5	1,350	100%	52	44	Q4 2016	New construction car retail/garage
Verkstaden 14, Västerås	1,844	4	2,000	46%	45	44	Q2 2017	New construction office
Sändaren 1, Malmö	2,771	4	1,550	100%	44	41	Q2 2017	Reconstruction office

**BREEAM** evaluates and rates the overall environmental impact of buildings.

**Miljöbyggnad** is a certification system that aims to create environmentally sustainable buildings. It takes into account energy, indoor environment and building materials.

**Green Building** means that energy consumption is 25% lower than the energy requirements in Boverkets building regulations.

## Larger completed projects



### Varla 3:22 in Kungälv

**LOCATION:** Varla in Kungälv  
**AREA:** 5,000 sq.m.  
**COMPLETED:** Q1, 2015  
**CERTIFICATION:** Greenbuilding  
**INVESTMENT:** SEKm 42

In Varla, Kungälv, Castellum has completed a fully let reconstruction of 1,000 sq.m. and an extension of 4,000 sq.m. flexible warehouse premises.



### Boländerna 35:1 in Uppsala

**LOCATION:** Boländerna in Uppsala  
**AREA:** 8,716 sq.m.  
**COMPLETED:** Q1, 2015  
**CERTIFICATION:** -  
**INVESTMENT:** SEKm 38

In Uppsala Castellum has completed a reconstruction of a retail building of 8,716 sq.m. The property is located near the company's existing portfolio and has an occupancy rate of 98%.



### Lundbyvassen 8:1 in Gothenburg

Castellum completed a fully let office building of 8,990 sq. m. in central Gothenburg. The property is located close to Castellum's existing portfolio, in close conjunction with the Frihamnen area, where Gothenburg is planning to increase the density of the city centre. 15,000 people will reside in the area, and as many jobs will be created. The building was built according to the Green Building standards.

Total investment amounted to SEKm 217.

**LOCATION:** Lindholmen, Gothenburg  
**AREA:** 8,990 sq.m.  
**COMPLETED:** Q1, 2015  
**CERTIFYING:** Green Building  
**INVESTMENT:** SEKm 217



### Algen 1 in Jönköping

**LOCATION:** By Munksjön i central Jönköping  
**AREA:** 4,398 sq.m.  
**COMPLETED:** Q3, 2015  
**CERTIFICATION:** Miljöbyggnad level silver  
**INVESTMENT:** SEKm 140

In central Jönköping Castellum completed the second phase in the development of the Atollen-area, which has been carried out together with several partners. The new construction 4,398 sq.m. office, retail and restaurant premises and will be completed in accordance with Miljöbyggnad, level silver.

The investment amounted to SEKm 140 and the occupancy rate is 83%.



### Jägmästaren 1 in Linköping

**LOCATION:** Djurgården, Linköping  
**AREA:** 8,774 sq.m.  
**COMPLETED:** Q1, 2015  
**CERTIFICATION:** Miljöbyggnad, level silver  
**INVESTMENT:** SEKm 109

In 2013, Castellum initiated an investment in the Djurgården area, Linköping, which is an urban development project of a new city district. Castellum has now completed a retail building of 8,774 sq.m., in accordance with the Miljöbyggnad environmental system, silver level.

The investment amounted to SEKm 109 and is 97% leased.



### Visionen 3 in Jönköping

**LOCATION:** A6-area in Jönköping  
**AREA:** 2,472 sq.m.  
**COMPLETED:** Q3, 2015  
**CERTIFICATION:** Miljöbyggnad, level silver  
**INVESTMENT:** SEKm 60

In connection with Castellum's existing portfolio in the A6 area in Jönköping, Castellum started a new construction of 2,472 sq.m. office premises 2014, which are now completed. The new construction complies with Miljöbyggnad, level silver.

The investment amounted to SEKm 60 and the building is fully let.

#### LARGER COMPLETED PROJECTS 2015

Name of property	Area, sq.m.	Rental value		Econ. occup.- rate January 2016	Total investment land incl., SEKm	Completed	Comment
		SEKm	SEK/sq.m.				
Lundbyvassen 8:1, Gothenburg	8,990	18	2,000	100%	217	Q1 2015	New construction office
Algen 1, Jönköping	4,398	11	2,550	83%	140	Q3 2015	New construction retail/office/restaurant
Jägmästaren 1, Linköping	8,774	10	1,100	97%	109	Q1 2015	New construction retail
Visionen 3, Jönköping	2,472	6	2,400	100%	60	Q3 2015	New construction office
Varla 3:22, Kungsbacka	5,000	4	700	100%	42	Q1 2015	Extension and reconstruction warehouse
Boländerna 35:1, Uppsala	8,716	2	1,350	98%	38	Q1 2015	Reconstruction retail
Godståget 1, Stockholm	6,568	4	1,450	100%	31	Q2 2015	Extension and reconstruction warehouse

**BREEAM** evaluates and rates the overall environmental impact of buildings.

**Miljöbyggnad** is a certification system that aims to create environmentally sustainable buildings. It takes into account energy, indoor environment and building materials.

**Green Building** means that energy consumption is 25% lower than the energy requirements in Boverkets building regulations.

# Major acquisitions in 2015



## Bolsheden 1:4 in Kungsbäcka

**LOCATION:** Along Säröleden between Gothenburg and Kungsbäcka  
**AREA:** 17,804 sq.m.  
**ACCESS:** October 2015  
**INVESTMENT:** SEKm 153

Castellum acquired the Bolsheden 1:4 property, by the Säröleden road in Kungsbäcka, with an area of 17,804 sq.m. The investment totalled SEKm 153 and the company took possession in October, 2015.

The property – known in the area as Kungsporten – is well-situated, with transport communication to both Gothenburg and Kungsbäcka. Kungsporten was built in 1991 and consists of seven buildings comprising office and retail space.

Occupancy rate is 91%.



## Hornsberg 10 in Stockholm

Castellum acquired a fully let property of 14,952 sq.m. on western Kungsholmen in Stockholm. The property comprises three interconnected buildings, with approx. area distribution: 9,500 sq.m. of office space; 2,000 sq.m. of retail space; and 1,400 sq.m. of laboratory space. The remaining space comprises a restaurant and storage. The Hornsberg area is in a development process, expected to last for many years, and several companies have chosen to locate their headquarters in the area.

The investment totalled SEKm 421.

**LOCATION:** Western Kungsholmen, Stockholm  
**AREA:** 14,952 sq.m.  
**ACCESS:** September 2015  
**INVESTMENT:** SEKm 421



## Kärra 75:2 and 75:4 in Gothenburg

**LOCATION:** Parallel to the E6 in the Tagene area, Gothenburg  
**AREA:** 15,943 sq.m.  
**ACCESS:** June 2015  
**INVESTMENT:** SEKm 127

Castellum has acquired two warehouse and retail properties totalling 15,943 sq.m. in the Tagene area along highway E6. On the property, there is an unutilized building right of approx. 3,000 sq.m. The properties are situated adjacent to the company's existing portfolio.

The investment amounted to SEKm 127. Occupancy rate is 98%.



## Park Allé 373, Roholmsvej 19-21 and Generatorvej 6-8, Köpenhamn, Denmark

**LOCATION:** Albertslund, Brøndby and Søborg in northwestern Greater Copenhagen, Denmark  
**AREA:** 51,525 sq.m.  
**ACCESS:** January 2015  
**INVESTMENT:** SEKm 377

In Denmark, Castellum has acquired three office and warehouse properties in Albertslund, Brøndby and Søborg, northwest of Greater Copenhagen. Infrastructure development is ongoing in the area. The investment amounted to SEKm 377 and the buildings have an occupancy rate of 82%.



### **Bromsgården 1, Gillet 22, Hållstugan 28 and Prästgården 12 in Örebro**

**LOCATION:** Central Örebro  
**AREA:** 22,887 sq.m.  
**ACCESS:** May 2015  
**INVESTMENT:** SEKm 343

In central Örebro, Castellum acquired four office and retail properties totalling 22,887 sq.m. The acquisition doubled Castellum's central-city portfolio in Örebro.

The investment amounted to SEKm 343, and the properties have an occupancy rate of 92%.



### **Marievik 27 and 30 in Stockholm**

**LOCATION:** Marievik, Stockholm  
**AREA:** 13,087 sq.m.  
**ACCESS:** January 2015  
**INVESTMENT:** SEKm 319

In Stockholm, Castellum acquired an office building of 13,087 sq.m., as well as a parking garage in Marievik, which has recently developed into one of southern Stockholm's largest office districts. The area is adjacent to Essingeleden and Södra Länken, and is conveniently located for public transportation.

The investment totalled SEKm 319, and the occupancy rate of the property amounts to 73%.



### **Gasklockan 2 in Mölndal**

**LOCATION:** Åbro area  
**AREA:** 4,876 sq.m.  
**ACCESS:** December 2015  
**INVESTMENT:** SEKm 64

Castellum acquired a fully leased industrial property in Mölndal. The investment amounted to SEKm 64.



### **Vakten 11 in Jönköping**

**LOCATION:** A6-area in Jönköping  
**AREA:** 6,933 sq.m.  
**ACCESS:** October 2015  
**INVESTMENT:** SEKm 128

In the A6-area in Jönköping, Castellum acquired a fully leased office property of 6,933 sq.m., featuring modern and versatile space for keep-fit activities, healthcare, offices and retail. After closing down the regiment in the mid-1980s, the A6-area developed into the region's largest retail area, as well as the second largest business campus after Jönköping's city centre.

The investment totalled SEKm 128.



### Lindholmen 28:1 in Gothenburg

**LOCATION:** Lindholmen, Gothenburg

**AREA:** 3,898 sq.m.

**ACCESS:** February 2015

**INVESTMENT:** SEKm 115

In the area of Lindholmen in Gothenburg, Castellum acquired a office building of 3,898 sq.m. Location is by Lindholmsbassängen, connected to a property that the company already owns.

Over the past 15 years, the Lindholmen Science Park has developed into an international innovation environment, where more than 20,000 people a day come to work or conduct research - or to pursue studies in IT, Transportation or Media. Future expansion is anticipated and planned: By 2020, it is estimated that as many as 30,000 people will base their employment or studies in Lindholmen.

This investment amounted to SEKm 115 and the occupancy rate of the property amounts to 90%.

#### LARGER ACQUISITIONS DURING 2015

Name of property	Area, sq.m.	Rental value		Econ. occup.-rate January 2016	Acquisitions-price SEKm	Access	Category
		SEKm	SEK/sq.m.				
Hornsberg 10, Stockholm	14,952	31	2,050	100%	421	Sept 2015	Office
Park Allé 373, Roholmsvej 19-21 and Generatorvej 6-8, Copenhagen	51,525	53	1,050	82%	377	Jan 2015	Office/warehouse
Bromsgården 1, Gillet 22, Hållstugan 28 and Prästgården 12, Örebro	22,887	31	1,350	92%	343	May 2015	Office/retail
Marievik 27 and 30, Stockholm	13,087	31	2,350	73%	319	Jan 2015	Office, retail and parking facilities
Bolsheden 1:4, Kungsbacka	17,804	19	1,100	91%	153	Oct 2015	Office and retail
Vakten 11, Jönköping	6,933	10	1,500	100%	128	Oct 2015	Office
Kärra 75:2 and 75:4, Gothenburg	15,943	12	700	98%	127	June 2015	Warehouse, office and retail
Lindholmen 28:1, Gothenburg	3,898	9	2,450	90%	115	Feb 2015	Office
Gasklockan 2, Mölndal	4,876	7	1,350	100%	64	Dec 2015	Workshop space and office
Bangården 4, Solna	5,765	8	1,350	24%	63	May 2015	Project
Bleckslagaren 7, Örebro	5,810	4	650	55%	38	Dec 2015	Project
Rosersberg 11:130, Sigtuna	-	-	-	-	34	Dec 2015	Land

#### LARGER SALES DURING 2015

Name of property	Area, sq.m.	Rental value		Underlying prop. price, SEKm	Transaction costs and deferred tax, SEKm	Net sales price, SEKm	Access	Category
		SEKm	SEK/sq.m.					
Ekenäs 1-4, Karis 3 and 4 and Sätedalén 2 in Stockholm, Hammarby-Smedby 1:454 and 1:461 i Upplands-Väsby and Ringpärmen 4 and Sjöstugan 1 in Sollentuna	88,563	127	1,450	836	- 36	800	Dec 2015	Office
Rankan 3 & 4, Sollentuna	-	-	-	198	- 15	183	July 2015	Land
Inom Vallgraven 22:3, Gothenburg	1,568	5	3,100	69	- 4	65	Feb 2015	Office/retail



## Building Rights and Potential Development Projects

Part of Castellum's strategy is to build new premises. In order to offer the customer new premises with the shortest possible time for moving in, it is a competitive advantage to own building rights in attractive locations with approved plans.

Castellum has approx. 788,000 sq.m. unutilized building rights. For a number of the unutilized building rights there are finalized project plans which can be started relatively promptly.

Unutilized building rights are valued at SEKm 1,352 (1,184) corresponding to approx. SEK 1,700 (1,500) per sq.m. on average. Of the building rights approx. 360,000 sq.m. corresponding to approx. SEKm 883 (625) are reported as development projects and undeveloped land. The remaining are reported among office/retail and warehouse/industrial properties since they are additions to already developed properties.

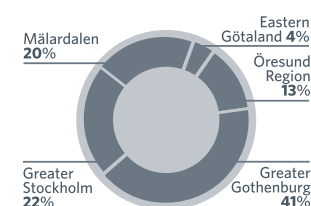
The strong urbanization trend in Sweden is leading to strong population growth in major city regions. This, in combination with a lack of housing, imposes the need for new constructions and, hence, for the conversion of primarily older office and industrial areas into residential space. This process is especially prevalent in Stockholm,

where population growth and demand are strong and the housing shortage is substantial, but also occurs in Gothenburg. Moreover, the conversion from commercial activities to residential space reflects an overall urban development towards higher density urban construction and a more highly diversified city mix.

In submarkets where conversions are underway or are expected to occur, a leased commercial property can have a higher value as a residential building-right than as a commercial property. This affects property value. The size of the value impact depends on several factors. The most significant of these is the zoning development plan, i.e. the probability for future development, the permitted building-rights volume and the development timeframe.

In Castellum submarkets, mainly Bromma/Mariehäll and Johanneshov in Stockholm, there is an ongoing process of plan changes which will lead to gradual conversion of older office and industrial premises into residential space. However, as the city grows, new areas are being added to the list of areas subject to conversion.

Building rights by region and sq.m.



### Eklandia Logistics Park in Gothenburg

Eklandia and four other players plan to jointly create a new logistics park in close proximity to the Port of Gothenburg: the Port of Gothenburg Logistics Park. The initiative is one of the largest of its kind in Sweden. The location near Scandinavia's largest port, featuring key industries and access to good infrastructure, is perfectly suited for efficient warehouse and logistics operations. The allocated land allows for new constructions of up to 70,000 sq.m.



### Kungspassagen in Uppsala

Aspholmen Fastigheter is constructing the Kungspassagen office building in one of the city's best locations, close to both the travel centre and the city's entire range of restaurants, services and shopping.

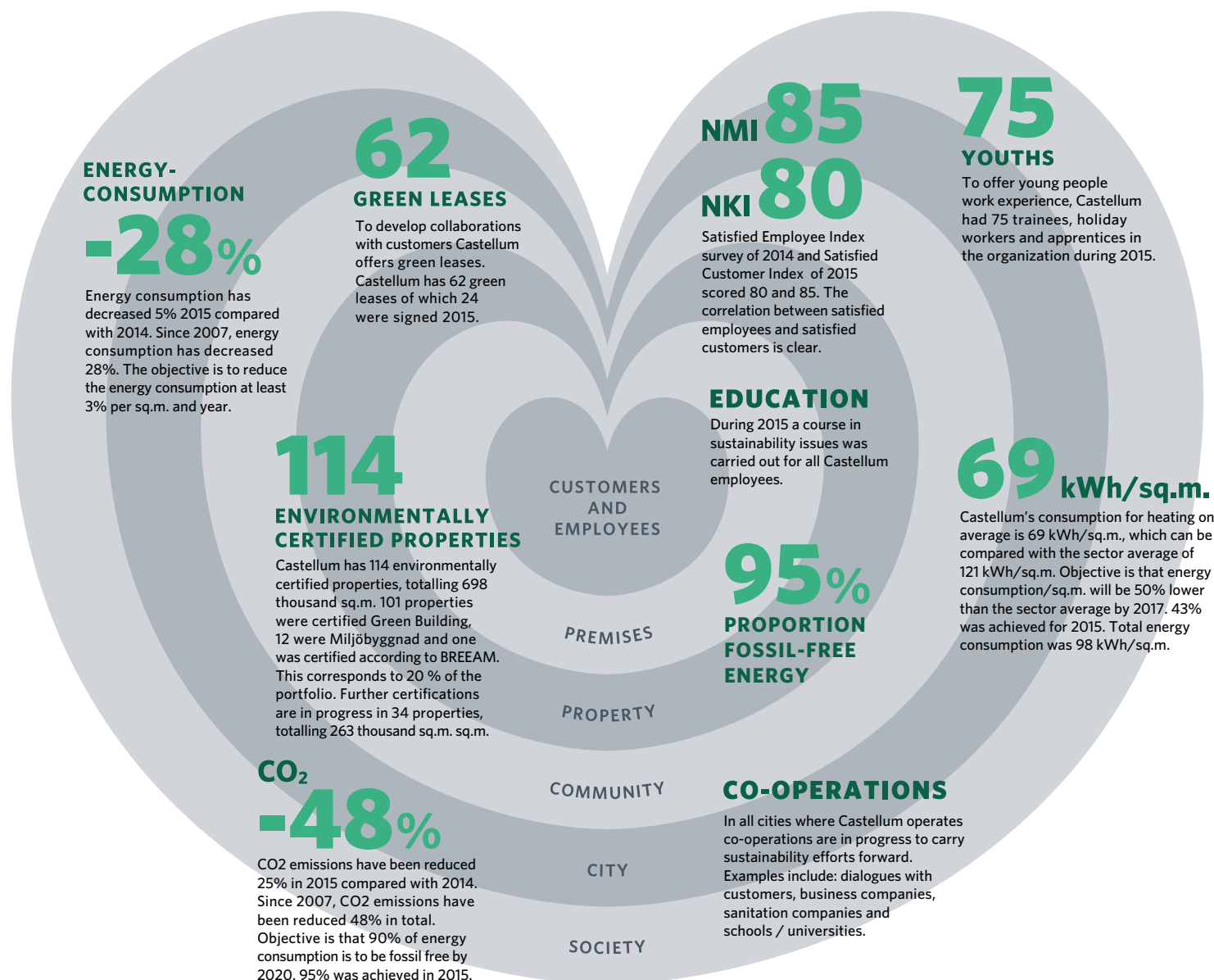
The new office building will be built according to the Miljöbyggnad environmental classification system (silver level, minimum), and feature solar cells, green electricity and carbon-neutral district heating.

# Sustainability is a requirement for economic growth

---

Castellum is one of the largest players in the industry, but survivability is based on continuous development of the company. Sustainability activities are about conducting business in a responsible manner and creating sustainable solutions from economic and ecological, as well as social perspectives.

# Highlights - Castellum sustainability performance in 2015



## AWARDS AND ASSESSMENTS



In 2015, Castellum was awarded the World Green Building Council's highest distinction Business Leadership in Sustainability. The prize is awarded to encourage leading companies in their pursuit of sustainability and to inspire "best practice" in sustainable construction, corporate engagement and sustainable projects.



In the GRESB's (Global Real Estate Sustainability Benchmark) survey, Castellum earned the highest level for the sustainability work: Green Star 2015. This award means that Castellum is one of the world's highest-rated companies in sustainability within the real estate sector.



Castellum achieved a high score in the CDP sustainability index: 93 B of 100 A-E. This rates Castellum among the most sustainable companies in the world.



Castellum has signed the United Nations Global Compact and thus stands behind the UN's ten principles on human rights, labour, the environment and anti-corruption.

# Sustainability efforts at Castellum

## CONTROL DOCUMENTS REGARDING THE SUSTAINABILITY ACTIVITIES

Regulations that control Castellum's sustainability efforts:

### External regulations

- Global Compact
- Swedish Companies Act
- The Swedish environmental Code
- Work environment Act
- Environmental classifications - Green Building, Miljöbyggnad, BREEAM
- Other applicable laws and regulations

### Important internal regulations

- Sustainability policy
- Code of Conduct
- Code of Conduct for suppliers and partners
- Internal environmental management system
- Internal control processes
- Other instruction

### Global Compact

Castellum has signed FN Global Compact, which is an initiative to coordinate matters of human rights, labor conditions, environment and anti-corruption. Global Compact includes 10 principles:

1. Support and respect the protection of internationally proclaimed human rights.
2. Make sure that they are not complicit in human rights abuses.
3. Uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. Effective abolition of child labour.
5. Elimination of all forms of forced and compulsory labour.
6. Elimination of discrimination in respect of employment and occupation.
7. Businesses should support a precautionary approach to environmental challenges.
8. Undertake initiatives to promote greater environmental responsibility.
9. Encourage the development and diffusion of environmentally friendly technologies.
10. Work against corruption in all its forms, including extortion and bribery.

Sustainability efforts have always been a natural part of Castellum operations. As a long-term player and community builder, it has been natural to contribute in various ways to the development of a sustainable society. Sustainability is usually divided into three different dimensions: ecological, social and economic sustainability.

For Castellum, ecological sustainability means utilizing resources such as energy and water as wisely and efficiently as possible. For our core business activities, it also means that new constructions as well as extensions and reconstructions are built according to high environmental standards.

Social sustainability means Castellum is actively committed to the communities and regions in which we operate, as well as cooperating with customers, municipalities and other partners. This also means that Castellum collaborates with schools and universities and offers young people apprenticeships and summer jobs. And, naturally, we look out for – and care for – Castellum employees.

Castellum's sense of responsibility also extends to customers and shareholders, and the long-term sustainability strategy provides a natural foundation for financially sustainable growth.

### Organization and governance of sustainability efforts

Our sustainability efforts permeate all operations and they are controlled via a management system comprising a common policy, guidelines, overall measurable objectives and detailed action plans. The aim of this work is to monitor, document, evaluate and improve Castellum's sustainability activities. Activities are conducted locally by each subsidiary, followed up annually and regularly reported to Executive Group Management. Castellum has designated a Sustainability Coordinator, who works for the Group as a whole. Castellum's Board of Directors annually adopts the sustainability policy and Code of Conducts as well as continuously

### A SUMMARY OF CASTELLUM'S SUSTAINABILITY EFFORTS SINCE 1995

Castellum started the sustainability efforts in the mid 90's when the company was founded, with focus on energy- and material issues. To be at a close range in the communities where Castellum is active and contribute to positive development has always been an important part of Castellum's strategy.

<p><b>Policies, guidelines and overall targets are established</b></p> <p><b>Environmental management system established</b></p> <p><b>Robur classes Castellum's environmental work as "a model for the industry"</b></p> <p><b>A group-wide environmental task force is formed</b></p> <p><b>Green electricity for the group</b></p> <p><b>Web-based surveillance of operations commences</b></p> <p><b>Code of conduct adopted</b></p>	<p><b>Brostaden becomes the first "Green Building Corporate Partner" in Europa</b></p> <p><b>Eklandia complete Sweden's first BREEAM-certified property</b></p> <p><b>Harry Sjögren is appointed as "Green Building Corporate Partner" in Europa</b></p> <p><b>Brostaden is appointed as "Green Building Corporate Partner of the year" in Europa</b></p> <p><b>Sustainability course for all employees</b></p>	<p><b>Policy that all new constructions should be environmentally classified at least Miljöbyggnad Silver</b></p> <p><b>FN Global Compact is signed</b></p> <p><b>Eklandia gets awarded for a long term cooperation with youths in school</b></p> <p><b>Briggen won Sweden Green Building Award in the class "Miljöbyggnad i new construction" and Eklandia in "BREEAM post constructions"</b></p> <p><b>Whistleblower-function offered employees and external parties.</b></p> <p><b>Aspholmen wins UNT's Urban development award for the "block" Svalan in Uppsala</b></p> <p><b>Castellum was awarded GRESB "Green star" and Business leadership in sustainability World Green Building Council</b></p> <p><b>Adhere to the government's initiative "Fossilfree Sweden"</b></p>	<p><b>By 2017, Energy consumption is to be 30% lower than 2007 and CO<sub>2</sub> emissions 70% lower</b></p> <p><b>90% of the energy will come from fossil free energy before 2020</b></p> <p><b>Sustainable urban development</b></p> <p><b>Low impact on the climate</b></p> <p><b>Effective use of resources</b></p> <p><b>Equality in all aspects</b></p>
<p><b>Year 1995</b></p>			<p><b>FUTURE</b></p>

discussing and following up various efforts. Castellum's CEO is ultimately responsible for the entire sustainability file.

Further, our sustainability efforts are regularly audited by an external party: For example, through audits in compliance with the Environmental Diploma, based on the environmental management systems ISO 14001 and EMAS. A joint sustainability group develops activities, shares experiences and monitors relevant changes in the global environment.

Castellum's sustainability efforts require committed and skilled employees; further training in sustainability issues is therefore offered on a regular basis. In 2015, a joint sustainability course was conducted for all Group employees, and training for new employees is held on an ongoing basis.

### Presentation of Castellum's sustainability efforts

Castellum is now presenting sustainability activities in accordance with GRI guidelines for the third year in a row. It has been based on GRI G4, Core level, since 2014, and the GRI index can be found on page 142.

### Stakeholder dialogue

To develop and improve operations, Castellum has identified and analyzed stakeholder expectations of our business. In 2014, stakeholder dialogues were conducted with customers, Executive Group Management, employees and the Board of Directors to discuss which sustainability issues they considered most important for Castellum.

Results from these stakeholder dialogues, combined with the company's own evaluation of operations, mean that Castellum focuses on the following areas:

- Efficient use of resources
- Sustainable real estate portfolio
- Sustainable collaboration
- Social commitment and responsibility



### The school project that won a collaboration prize

A long-term cooperation, important for both parties. This best describes Eklandia's twelve-year long relationship with the Brunnsboskolan lower secondary school on the island of Hisingen in Gothenburg. The idea is that both the school and the business community benefit from working together. The project has received the Utmärkelsen collaboration prize.

"We want to give pupils an insight into how the workplace works. As one of Gothenburg's largest real estate companies, it's natural for us to take social responsibility", says Cecilia Buttwill, Communications Manager at Eklandia. "We see that both parties benefit from this".



### From apprentice to a permanent job

Waleed Mahdi, now Facility Manager at Harry Sjögren AB, Gothenburg, applied for and landed an apprenticeship position in 2013 - in competition with 35 other candidates. After three months, he took on a probationary position, and has now been a permanent employee for almost two years.

"I have a fun job, and we're a great gang helping each other out", says Waleed. "No one day is like another: It's about being available, providing quick service and solving problems. In my job, there's lots of room for taking responsibility and coming up with resourceful solutions that make our customers happy."



### The sunny shop window in Mölndal

A shop window that attracts interest as it demonstrates how to produce - as well as how to conduct research on - sustainable electricity. This is an important part of Swerea IVF's Mölndal operations. Here, the energy utilized in the building is generated by solar cells on the roof, while Swerea IVF continues to further advance their photovoltaic technology. Mölndal Energi joins Castellum via Harry Sjögren AB, to participate in this collaboration project. "One purpose is to stimulate existing and new tenants to integrate environmental priorities into their daily operations - and view this as a competitive advantage", says Jens Wallén, Sustainability Manager at Harry Sjögren.



### The first real estate company in Fossil-Free Sweden

Castellum is the first real estate company to join Fossil-Free Sweden - the government initiative launched in connection with the UN climate change conference in Paris in December, 2015. A primary aim is to highlight the ambitious environmental activities carried out in Swedish companies with the goal of making Sweden one of the world's first fossil-free countries. "This initiative is in line with Castellum's ambitions in the area of sustainability", says Filip Elland, the Group's Sustainability Coordinator. "One of our goals is that 90% of all the energy used in the Group should be renewable by 2017; another that our vehicle fleet should be independent of fossil fuels by 2020."



### Everyday skimping generates energy gains

Since the mid-1990s, Castellum has worked with energy efficiency. It is continuous and systematic work - regular monitoring and action-taking.

"We can summarize this as everyday skimping - constantly thinking about these issues and carrying them with us", says Filip Elland, Sustainability Manager at Castellum. "It leads to improved performance on the properties as well as a healthy indoor climate for our customers."

Castellum has had a common Group goal since 2007, and since then, energy consumption has decreased by 28%.

## Castellum's role in society



**HELENA AGBLAD**  
HR APPRENTICE AT  
CASTELLUM AB, 2015

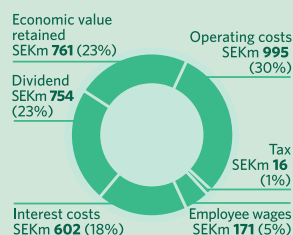
"I came to Castellum straight after my three-year studies program in Human Resource Management and Labour Relations. While studying, I longed to see and understand how a company works in reality.

Apart from what I'd learned in a number of summer jobs, it felt important to finally get this first longer experience of a company organization and how the business is constructed. I received an overview that stretched over both the parent company and its subsidiaries, and obtained valuable experiences that I'll benefit from far into the future.

The reason I chose this education was my interest in organizational issues, combined with my basic values: a belief that people's attitudes and actions make a difference. During my time at the company, I received great support from my mentor at Castellum - which I appreciated."

### Generated and distributed economic value

Value generated according to GRI-indicator G4-EC1



### Creating long-term value

As a real estate owner, Castellum is a long-term player focusing on profitability at low risk and financial strength. Castellum contributes to urban development in the communities wherein the Group operates and provides efficient property management. This creates value for both customers and employees and reduces costs as well as environmental impact.

Castellum's strategy for developing and adding value to its real estate portfolio at low financial risk provides the basis for distributing a competitive dividend to shareholders.

Taxes constitute an important issue for the real estate industry and include income tax as well as VAT, property taxes, withholding taxes, payroll taxes etc. Castellum's main approach is that accurate taxes are to be paid in accordance with current legislation.

A compliance officer monitors that laws and regulations are complied with, and reports directly to the Board of Directors' Audit and Finance Committee.

### Development of our growth regions

Castellum collaborates through over 60 networks and business associations to develop all regions that host our operations.

We also cooperate continuously with other parties to push development, share knowledge about new technologies and exchange experiences. Examples of networking partners include the EPRA Sustainability Committee, The Energy Agency's Beställargrupp för lokaler (BELOK), Sweden Green Building Council, energy companies, local sanitation companies and Chalmers. Harry Sjögren collaborates with Swerea in Mölndal to develop photovoltaic plants.

During 2015, Castellum's premises in several locations were used as meeting places, work-places or storage to help with the refugee crisis.

Castellum's sponsorship and support are focused on promoting young people's education and health. For example, Castellum sponsors the Science Festival, the Ung Företagsamhet organization, Vårstafetten and local sports clubs. Further, Castellum contributes directly to the City Mission, Rescue Mission, Polstjärna and the Childhood Cancer Foundation.

### Youth support

Castellum works proactively through direct employee involvement in various social issues to offer young people work experience. In 2015, a total of 75 young people worked at Castellum as vacation workers, apprentices, trainees, and

through mentorship and/or thesis writing. Eleven of the young people were apprentices.

We participated in ongoing collaborations with universities, colleges and elementary schools at several locations regarding thesis writing and mentorship - including the supervision of three Master's theses.

There is also direct collaboration through Eklandia, which follows a lower-secondary school class during a prolonged period, and collaboration via CMB (Centre for Management of the Built Environment) at Chalmers in Gothenburg.

### Our suppliers

There are clear sustainability requirements for new constructions and extensions, as well as for the purchase of goods and services. For the most part, Castellum hires local suppliers - where heating, cooling, water and electricity suppliers account for a large share of the hired suppliers.

For larger purchases and procurements, suppliers and contractors are audited for such sustainability factors as: material-content, quality and work environment. Although requirements are not identical for all procurements, there are general, overall demands regarding the Environmental Management System, Environmental manager and choice of sustainable building materials, as well as for environmental and waste-management plans.

Requirements for new constructions and major reconstructions follow the regulations of one of the environmental classification systems such as Miljöbyggnad, EU Green Building or BREEAM. For each major procurement, there are specific administrative regulations as well as work environment requirements.

During 2015, a Group-wide Code of Conduct for suppliers and partners was drawn up.

### Work environment

Castellum protects and supports both employees and suppliers, and it is our responsibility to see that no one is hurt, either physically or mentally, due to workplace activities.

In 2015, all management teams of the Group underwent detailed health and safety training.

Legal requirements are firmly established within the Castellum Group, and work-environment efforts form a continuous process with constant potential for improvement.

## Customers

Key success factors include the organization's knowledge and feel for local markets. With six independent subsidiaries, Castellum makes business decisions directly, within local markets. We can thus offer customers shorter decision-making processes, quicker responses and smoother-running business activities. In addition, customers can enjoy the increased security provided by a large national corporation.

High-quality and long-term customer relations are a prerequisite for creating growth at Castellum and the work is regularly followed up in customer questionnaires. A high proportion of the respondents, nearly 9 of 10, reply that they are willing to lease from Castellum again and gladly recommend Castellum as a landlord to others.

### Being close to the customer

Castellum's organization, comprised of locally based subsidiaries, provides a close relationship to the customer and a short decision-making process. Castellum employees work close to the market, which means natural access to fresh information about customers' current and future operations. Customers can thereby be offered premises suited to their needs and benefit from optimal personal service and quick answers.

Castellum, as one of the largest real estate owners on local markets co-operate with municipalities and local networks, such as corporate associations, to be an active urban developer that creates attractive work environments for the customers.

### Satisfied customers

It is vital that Castellum meets customer expectations. To evaluate and follow up on our efforts, an external customer survey is carried out annually: the Satisfied Customer Index. The survey shows general customer opinion about Castellum as well as how well Castellum performs in the areas of: service, business relationships, indoor premises, property condition, environmental questions and information.

The survey carried out in 2015 – which included offices, retail, warehouses and industry – comprised a majority of Castellum's major customers. The survey continues to show consistently high marks for Castellum, with a weighted index of 80 out of 100. This is higher than the industry



**BJÖRN PELLNOR**  
FACILITY MANAGER AT  
CORALLEN IN  
JÖNKÖPING

"It's my job to represent the company's image to the outside world every day. It means I have to build and nurture relationships. I try to look at the job from a customer perspective, to be there for them, and be able to help – quickly. A satisfied customer is also a loyal customer, and in Jönköping we increased our Customer Satisfaction Index sharply in the latest survey. It felt really amazing!"

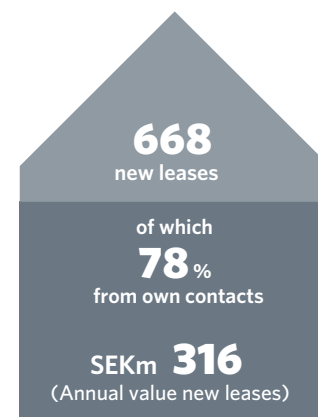
### RENTAL AND RENEGOTIATION PROCESS

Castellum provides premises for growing Swedish business and holds approx. 4,500 contracts, corresponding to a rental income of approx. SEKm 3,000. 21-23% of the leases mature each year. Approx. 11% are prolonged on unchanged terms, approx. 7% are given notice by the customer, 2% are given notice for renegotiation by the customer and 1% are given notice for renegotiation by Castellum.



During 2015, the organization signed 668 leases, with a total annual value of SEKm 316. 78% came from Castellum's own contacts.

**4,500** leases  
**SEKm 3,000**  
(Rental value)



# NKI 80

The result of our Satisfied Customer Index surveys increased again. It's proof that our daily cooperation with customers works for us.

benchmark of 75. Service willingness shows the highest index and includes parameters such as personal attention, service and availability.

A significant portion of the customers surveyed, 88%, reply that they are willing to lease from Castellum again and gladly recommend Castellum as a landlord to others.

### Castellum's customers reflect Swedish business life

Castellum has balanced risk distribution in the commercial contracts regarding geography, type of premises, size, length of contracts and customer industry. This means that Castellum's commercial contracts reflect Swedish trade and industry, as well as the Swedish economy, generally.

Castellum has approx. 4,500 commercial contracts and the single largest contract accounts for approx. 2% of Castellum's total rental income.

### Leasing activity

Castellum enjoys high leasing activity. During 2015, the Group signed 668 new leases with a total annual value of SEKm 316. Robust leasing activities indicate the importance of taking care of customers and networks. Of the newly signed leases, 78% came from Castellum's own networks, recommendations or existing customer expan-

sions, while 12% originated from websites and the remaining 10% came through agents.

### Commercial leases

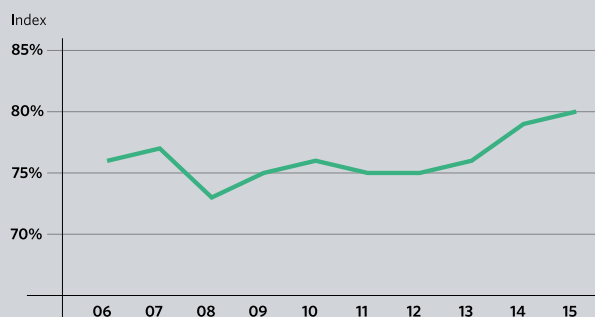
Commercial leases are generally signed for 3-5 years, with a 9-month notice period, and are paid quarterly in advance. The rental level can change when the lease in question is due for renegotiation.

Leases usually include a base-rent - i.e. the rent agreed upon when signing the contract - and an index clause that provides for an annual adjustment of the rent: either as a certain percentage of previous year's inflation or as a minimum upward adjustment of a set percentage.

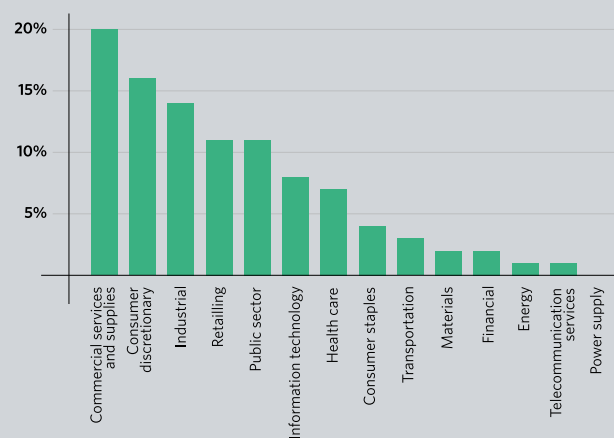
A lease may also contain an addendum for the tenant's share of the property's total heating, cooling and property-tax costs.

Sustainability goes hand in hand with long-term growth and Castellum offers both current as well as new customer green leases which means that both parties collaborate on issues such as energy efficiency and indoor environment, choice of building material and source-separation of waste. The aim is to reduce environmental impact at the premises. 24 new green leases were signed during 2015 and Castellum has 62 green leases in total.

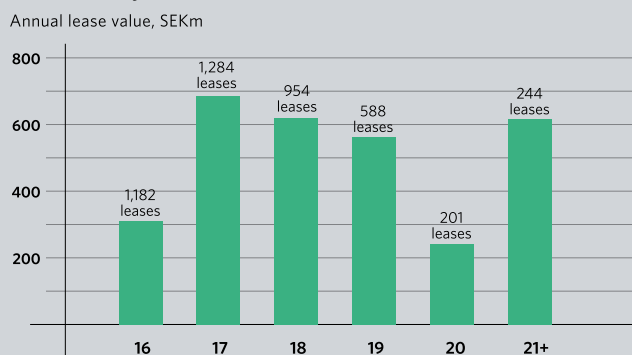
Satisfied Customer Index



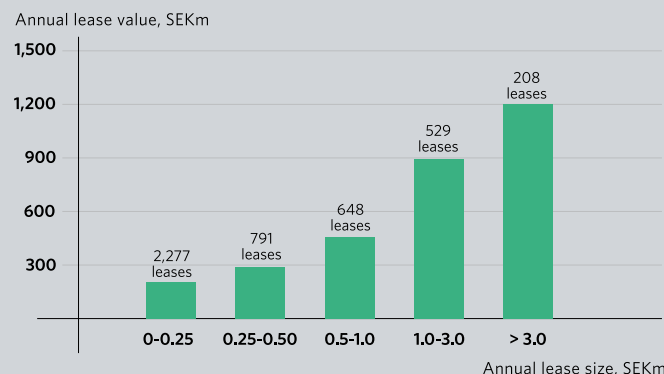
Distribution of leases by industry



Lease maturity structure



Lease size structure







Jesper from Harry Sjögren AB together with a customer



Caroline from Brostaden



Kärra 74:2, Gothenburg

# Organization and employees



During 2015, Castellum introduced a new common visual identity to clarify and demonstrate the common strengths and local power of Sweden's growth regions.

# 299

As of year end, Castellum had 299 employees (295) of which 38% were women (39%).

Employee turnover during the year has been 13% (11%) and absence due to illness 3% (3%).

76 of Castellum's 299 employees have collective bargaining agreements.

Education, number	Woman	Man
University	64	84
Upper secondary school	48	93
Compulsory school	1	9
Total	113	186

Division of labour, number	Woman	Man
Customer relations/ Property management	28	115
Finance/administration/IT	52	38
Marketing/leasing	24	7
Business and project development	9	26
Total	113	186

Employment type, number	Woman	Man
Permanent employees	105	185
Part-time employees	8	1
Total	113	186

Employment contracts, number	Woman	Man
Permanent employees	112	182
Projects employees	1	-
Temporary employees	-	4
Total	113	186

## A decentralized and small-scale organization infers deep local knowledge and interaction

Castellum's local presence creates business value through familiarity with customer operations and requirements, as well as valuable knowledge of the local real estate and rental markets, market changes and business opportunities. The decentralized organization provides a short decision-making process and creates an active organization.

Employees are offered challenging tasks via the flat organization, where competence development and experience exchanges are considered key success factors.

There is a clear correlation between satisfied employees, satisfied customers and company growth.

## Castellum operates as one of the largest real estate companies, while remaining equipped to act as close to the market as the smallest

Castellum's organization consists of six subsidiaries. The subsidiary organizations are not identical, but principally consist of a Managing Director, 2-4 market areas and a number of business developers, along with 4-8 employees within finance and administration. Each market area employs one property manager with one assistant, one person working with leasing and 3-9 facility managers. Everyone has customer contact.

Castellum's subsidiaries operate under their own names, which represent strong brands in each sub-market. During 2015, Castellum introduced a new common visual identity to clarify and demonstrate the common strengths and local power of Sweden's growth regions.

Property management is mainly carried out by Group-employed personnel and in cases where external services are purchased, high demands are placed on suppliers in terms of quality, customer contact, service and environmental awareness.

## Measuring and comparing

Castellum is responsible for capital allocation and measures and compares subsidiary management efficiency and asset-value growth in the real estate portfolio. Castellum develops best practice for the Group. As a part of this, a business development manager was appointed during the year. The parent company takes active part in operations through involvement in subsidiary Boards.

Castellum's operations are controlled by rules for decision making and work allocation, policies and instructions. Policies are in place for finance and financial work, communication, insider, sustainability, Code of Conduct for employees and suppliers and partners and crisis management.

## Parent company

The parent company, Castellum AB, is responsible for matters concerning the stock market (such as consolidated reports and stock-market information) and the credit market (such as funding and financial risk management) as well as overall IT/IS strategies and personnel matters. Castellum AB has 24 employees (23).

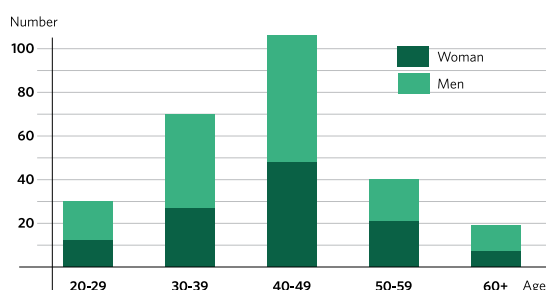
The parent company is responsible for capital allocation and takes active part in operations through involvement in subsidiary Boards.

## Cooperating and exchanging experiences

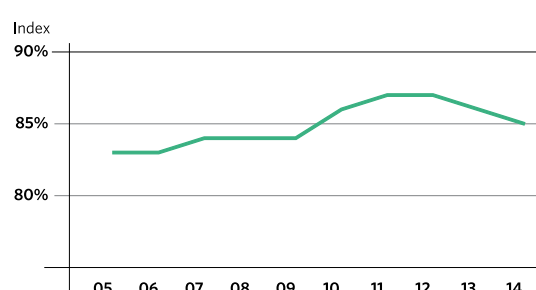
Within the Group there are ongoing common development efforts and experience exchanges between subsidiaries in order to make upgraded expertise available in the entire organization. The joint development groups provide opportunities for continued improvements, and the groups include participants representing all subsidiaries. The groups regularly discuss issues within specific areas such as rental, finance, IT, operations, project development, sustainability, communication and personnel.

In addition to the permanent development

Age distribution - number of employees



Satisfied Employees Index



groups, project teams handle current issues, for example, brand awareness and media monitoring.

The Group has a common intranet where experiences and knowledge easily can be shared between the companies.

#### Attractive workplace

By offering competence development and creating a motivating work situation, Castellum promotes loyalty and job satisfaction. The decentralized organization means that each employee has well-defined areas of responsibility with a high level of empowerment, leading to professional as well as personal development. Employee performance reviews occur yearly with all employees. These are an important tool for following up and setting objectives, as well as for identifying competence development needs. During 2015, 95% (93%) of all employees had performance reviews, of which 40% were women and 60% men.

Castellum cares for its employees and thus works with preventive health care, offers corporate wellness subsidies and provides substantial health insurance for both employees and their immediate families. Wellness programs are offered both for preventive purposes and for the continued well-being of the company's workforce.

A bonus-sharing program provides employees with the opportunity to benefit from their respective company's financial performance improvement.

Once a year, all employees in the Castellum Group meet to share experiences and strengthen the Group spirit.

#### Education

Castellum offers full possibilities for professional and personal development through internal and external training. In 2015, all employees participated in Group-wide sustainability training. The training focus was general knowledge of sustainable development, as well as Castellum's own sustainability efforts. In addition, employees of each respective subsidiary were offered individual training.

#### Committed employees

Employee viewpoints about Castellum are monitored regularly in a Satisfied Employees Index, surveying attitudes towards their own working situation, the company and management. The latest survey, carried out in 2014, continues to show a very high index: 85 on a scale of 100. This can be compared with a benchmark of 72. High results are shown for the fields of leadership, competence development and loyalty. The response rate was 97%, demonstrating deep commitment.

Results of employee surveys are important for further development of the company and its employees.

#### Values

Trust is the most important commodity for Castellum, and our common values can be summarized as worthy of trust, irrespective of whether we collaborate with customers, capital market participants or other stakeholders.

Worthy of trust relies on:

- creating responsible growth
- solid knowledge of the local market
- taking action with a long-term perspective
- continuous improvement and development

Castellum takes long-term actions and strives to build long-term relationships with both customers and other partners. Castellum employees are ambassadors for the company culture, and employees understand that their actions are crucial to how the company is perceived.

Castellum's corporate culture is strong – as was shown in the Satisfied Employee Index survey.

#### Code of conduct

The code of conduct provides a basis for how Castellum employees should behave toward each other, toward customers and other external stakeholders. It is based on Castellum's values and the UN Global Compact principles and clarifies Castellum's position regarding human rights, working conditions, business ethics and information. Castellum is to provide quality service, abide by laws and regulations, never discriminate against anyone, and create a quality working environment and high safety level. Castellum also focuses on gender equality issues.

Castellum operations, conducted in Sweden and Denmark, are subject to each country's laws and regulations concerning, for example, working conditions, occupational safety and freedom of association. Castellum's HR manual addresses issues such as working environment, equal opportunities, salaries, pensions and company cars.

A preventative discussion on ethics and corruption issues is being carried out, throughout the Group, where preferred conduct for various everyday situations is examined and addressed. A pivotal element is that all employees understand and follow the code of conduct. No incidents of corruption were reported in 2015.

Castellum has a whistleblowing service, which can be reached via the entire Group's web pages. The service aims to help both employees and external parties to act responsibly.





**TAGE CHRISTOFFERSSON**  
HEAD OF BUSINESS DEVELOPMENT CASTELLUM AB

"Our Group-wide efficiency project, started in the spring of 2015, scored clear and positive results from its first year in operation. Next year's effect will be even greater. The project involves both cost savings and revenue increases in three areas: We coordinate and carry out more joint procurements. We adjust our pricing model. We make our media monitoring more efficient by common processes in the Group.

Media monitoring is largely about establishing more routines for how we utilize electricity and water – for example. Using common checklists, we can carry out speedier analyses and monitoring activities. In addition to the direct economic impact for business operations and our customers, lower energy consumption means reduced impact on the environment."

#### Employee turnover

		
Age under 30 years	3%	2%
Age 30 - 50 years	12%	7%
Age over 50 years	3%	2%
Total	18%	11%

# Environment



**PAULA DE HOLLANDA**  
SUSTAINABILITY  
COORDINATOR AT  
EKLÄNDIA

"Sustainability work is about acting for the long term, specifically, through three perspectives: ecologically, economically and socially. The operating viewpoint can be summarized in the English expression "There's no business to be done on a dead planet". If we ruin the environment, then there's no place for the business sector to develop. It's about how we can work more with social sustainability, diversity and gender equality, and about participating in the development of common platforms. During 2015 at Ekländia, we continued our efforts to certify existing buildings according to Miljöbyggnad and gain access to green district heating, as well as statistics on waste management. Furthermore, we continued our fruitful cooperation with Brunnsboskolan."

Resources are to be used efficiently and the real estate portfolio will develop in a sustainable way to reduce Castellum's climate impact – work that has been carried out in the Group since the mid- 1990s with positive results.

Both customers and employees are to be offered healthy and safe working environments on our properties. For this reason, Castellum works with environmental inventories and with recognized environmental certification of our buildings.

### Improve energy efficiency

Castellum works continuously to reduce energy consumption by optimizing operations and investing in energy-efficient technologies. In 2015, over 80 major energy efficiency projects were undertaken. Castellum follows up and analyzes all energy consumption in a monitoring system. These close follow-ups mean that measures can be targeted to areas with the greatest efficiency potential.

Expansion is underway for Castellum's own portal for web-based property monitoring, to check values for operations, alarms, elevators and entries. This project is saving energy and time and it provides customer benefits in terms of better services through preventive measures. Today, 246 properties – representing 1,627,000 sq. m. – are connected to the portal.

In 2015, the normalized energy consumption for heating and property electricity decreased by 5% compared with the previous year. Since 2007, energy consumption has decreased by 28% per sq. m. in all. Castellum's heating consumption of 69 kWh/sq. m. can be compared with the industry average of 121 kWh/sq. m.

### Increased share of renewable fuels

Out of Castellum's total carbon dioxide emissions, 5% are directly influenced by oil, gas, and service-, benefit- and pool cars (Scope 1). Remaining emissions can only be influenced indirectly, i.e., purchased energy such as district heating and electricity (Scope 2), 93% and travels by plane, train and taxi (Scope 3), 2%.

To reduce emissions, work is underway to phase out fossil fuels: There are currently 9 oil furnaces left. Geothermal heating/cooling is installed in 28 properties of 111,000 sq. m. Approx. 19% of customers are responsible for their own heating, and 28% for their property electricity. A total of 112 kW of solar cells are installed in Castellum properties, corresponding to a total of approx. 800 sq. m. of solar cells. In addition, there are two wind turbines totalling 3 kW.

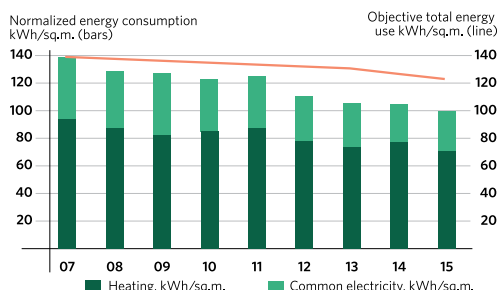
As a user of district heating, Castellum is dependent on the district-heating plant's fuel mix when it comes to emissions of carbon dioxide. Today, Castellum makes use of 25 district-heating facilities, amounting to 91% of the Group's total carbon dioxide emissions. Castellum conducts ongoing dialogues with the district-heating suppliers who account for the highest emissions per kWh, with the purpose of influencing those suppliers to reduce emissions. The transfer to green district heating with renewable fuels is ongoing and currently amounts to 16% of our district heating suppliers.

During 2015, carbon dioxide emissions decreased by 25% per sq. m. and since 2007 they have decreased by 48% per sq. m. Of Castellum's total energy use, 95% is fossil free.

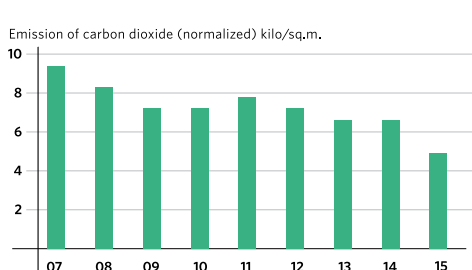
Since 2001, only electricity labelled "environmentally friendly" has been used by the Castellum Group.

Almost all of Castellum's servers are now virtual. A virtual server means that a physical server has been replaced by software – and this also reduces energy consumption.

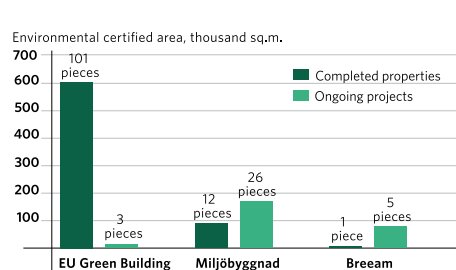
**Target and outcome energy consumption per sq.m.**



**Carbon emission per sq.m.**



**Castellum's environmental certified buildings**



### Reduced amount of waste

For a long time, Castellum has actively worked on reducing the amount of waste that goes to landfill by providing recycling services. Follow-up is difficult since Castellum hires several sanitation companies, and only a few offer weight-monitoring. In addition, customer operations differ – as do their needs for waste disposal. Statistics are currently obtainable from 15% (11%) of the sanitation companies.

### Water consumption

Water consumption is an important issue from a global perspective, but of less importance in Sweden. Castellum uses water from the municipal water system, monitors consumption and takes measures to reduce it.

During 2014, Castellum adopted a target implying that water consumption should be reduced by 5% per sq. m., by 2017, compared to 2013. Outcome to 2015 was -1% per sq. m.

### Sustainable real estate portfolio through environmental certification

Environmental inventories were conducted for 93% of all properties to identify and address environmental and health risks. The remaining 7% will be inventoried in 2016. The environmental status is updated continuously. When a property is acquired, it is analyzed both in terms of energy utilization and environmental risk, and all new constructions and major reconstructions are environmentally certified.

The environmental risks in Castellum's real estate portfolio are considered to be small, and no significant fines have been paid for environmental crimes.

Castellum environmentally classifies buildings according to Green Building, Miljöbyggnad or BREEAM. Castellum currently owns 104 of Sweden's 277 Green Building-certified buildings, and Fastighets AB Brostaden and Harry Sjögren AB have each been appointed Green Building

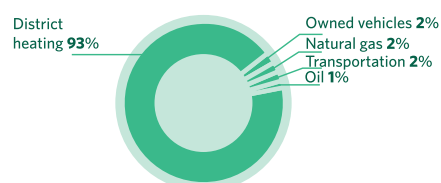
Corporate Partner by the EU – which means that energy consumption has been reduced by a minimum of 25% in at least 30% of their real estate portfolios.

Eklandia Fastighets AB owns the first BREEAM certified building in Sweden. The distribution of Castellum's certified properties is shown on the chart on the previous page.

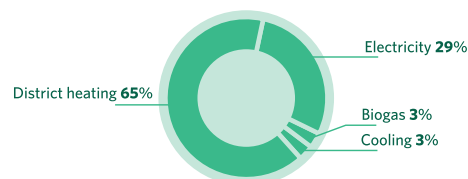
A total 20% of Castellum's real estate portfolio is environmentally certified according to Green Building, Miljöbyggnad or BREEAM. Further new construction is ongoing of additional 263 thousand sq.m. corresponding to 8%.

Common targets in the Group	Outcome 2015
Energy consumption per square metre will be 50% lower than the sector average 2017	43%
By 2017, energy use is to be decreased by 30% in relation to the energy consumption in 2007 – implying an annual energy efficiency rate of at least 3%	- 28%
By 2017 carbon emissions are to be decreased by 70% in relation to the carbon emissions of 2007, implying an annual decrease of at least 6% per year	- 48%
90% of the energy will come from fossil free energy before 2020	95%
All vehicles will be fossil-fuel free 2020	25%
30% of the property portfolio is to be environmentally certified 2017	20%

#### Distribution of carbon dioxide emissions



#### Distribution of total energy consumption



### ENVIRONMENTAL CERTIFICATION SYSTEM



#### Miljöbyggnad

Miljöbyggnad is a Swedish system that classifies buildings in terms of energy consumption, indoor environment and building materials. The system awards gold, silver or bronze levels and is used for both residential and commercial premises.



#### EU GreenBuilding

EU GreenBuilding focuses on improving the efficiency of energy usage. The requirement is to improve energy efficiency by 25%, or to use 25% less energy compared with new construction requirements in the building regulations [BBR] of the National Board of Housing, Building and Planning.



#### BREEAM

BREEAM, from Great Britain, is the most commonly used environmental classification system in the world. The system evaluates and rates the overall environmental impact of buildings.

### Energy, carbon emission and water

	Change 2014 to 2015	Change 2014 to 2015 Normalized	Total consumption				Intensity			
			2015		2014		2015		2014	
			Absolute figures, MWh	Normalized MWh	Absolute figures, MWh	Normalized MWh	Absolute figures kWh/sq.m.	Normalized kWh/sq.m.	Absolute figures kWh/sq.m.	Normalized kWh/sq.m.
Total energy consumption	- 3%	- 5%	239,731	261,985	246,978	276,563	90	98	93	104
which heating	- 1%	- 4%	167,522	189,776	168,896	198,481	61	69	61	72
which electricity	- 8%	- 8%	72,209	72,209	78,082	78,082	29	29	32	32
			Absolute figures tonnes CO <sub>2</sub>	Absolute figures tonnes CO <sub>2</sub>			(kg CO <sub>2</sub> /sq.m.)			(kg CO <sub>2</sub> /sq.m.)
Total CO <sub>2</sub> emissions	- 25%	-	11,538	-	15,409	-	3.4	-	4.3	-
GHG Scope 1, transportation/gas (Direct GHG emissions)	- 25%	-	639	-	854	-	0.2	-	0.2	-
GHG Scope 2, (Indirect GHG emissions for e.g. purchased heat)	- 25%	-	10,720	-	14,339	-	3.2	-	4.0	-
GHG Scope 3, taxi, plane, train	- 17%	-	179	-	216	-	0	-	0.1	-
			Absolute figures, m <sup>3</sup>	Absolute figures, m <sup>3</sup>			Absolute figures, m <sup>3</sup>			Absolute figures, m <sup>3</sup>
Total water consumption	- 1%	-	747,334	-	740,170	-	0.3	-	0.3	-

## CASTELLUM'S REGIONS: GREATER GOTHENBURG



View of Gothenburg

### The five largest real estate owners

GREATER GOTHENBURG		BORÅS		HALMSTAD	
	Premises thousand sq.m.		Premises thousand sq.m.		Premises thousand sq.m.
Castellum (Ekländia and Harry Sjögren)	1,016	Starwood Capital Group	123	Castellum (Harry Sjögren)	78
Wallenstam	470	Nordic Real Estate Partners	106	Corem	73
Platzer	460	Castellum (Harry Sjögren)	104	Klövern	61
Vasakronan	413	Wilfast	94	Fem Hjärtan	55
Balder	385	Klövern	81	Rikshem	55

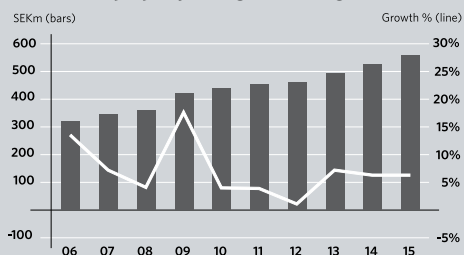
Number of commercial premises (excl. residential) owned as at 31-12-2015. Municipal and State-owned companies and government institutions have been excluded.  
Source: Byggstatistik and Castellum

### Rental levels and yield

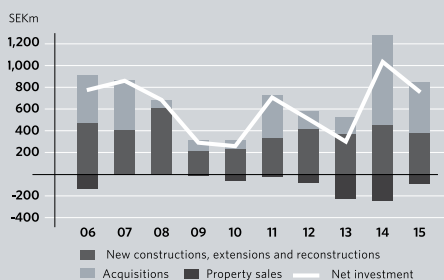
		GOTHENBURG		BORÅS		HALMSTAD	
		Market rents SEK/sq.m.	Yield	Market rents SEK/sq.m.	Yield	Market rents SEK/sq.m.	Yield
OFFICE	Best location	2,100 - 2,900	4.50% - 5.50%	1,000 - 1,400	5.75% - 6.75%	1,150 - 1,600	5.75% - 6.50%
	Secondary location	800 - 1,800	5.50% - 6.50%	900 - 1,300	6.25% - 7.25%	800 - 1,000	6.50% - 7.50%
RETAIL	Best location	2,000 - 10,000	4.25% - 5.25%	1,800 - 3,200	5.50% - 6.75%	2,500 - 3,600	5.25% - 6.25%
	Secondary location	700 - 2,500	5.50% - 6.50%	800 - 1,600	6.25% - 7.50%	1,000 - 1,700	6.25% - 7.50%
WAREHOUSE/ INDUSTRIAL	Best location	450 - 900	6.50% - 7.50%	500 - 750	7.25% - 8.50%	500 - 850	7.25% - 8.50%
	Secondary location	400 - 800	7.00% - 8.50%	400 - 600	7.50% - 9.00%	400 - 600	7.50% - 9.00%

Office and retail refer to rent incl. media, but excl. additions for property tax. Warehouse/industrial refers to rent excl. additions for media and property tax.  
Source: Forum Fastighetsekonomi

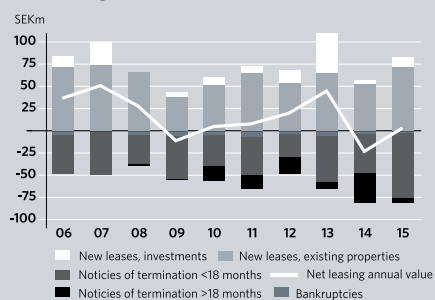
### Income from property management and growth



### Investments and sales

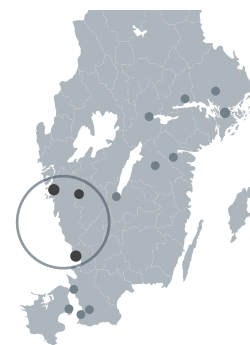


### Net leasing



## GREATER GOTHENBURG

# Continued high growth pace and large infrastructure investments



In Greater Gothenburg, well situated between three Nordic capitals and featuring the largest port in the Nordic area, high growth continues to flourish. The region is characterized by large infrastructure and urban development, with the goal of developing 25,000 new city-living residences and 40,000 new workplaces – just for starters.

## Rental market

Greater Gothenburg's rental market generally remained stable with stable-to-rising rents. However, Central Gothenburg has a limited supply, combined with continued strong demand, resulting in higher rent increases than for Greater Gothenburg in general. This situation resulted in a prosperous market for both existing and newly constructed office premises.

The limitations in central Gothenburg also had a positive impact on the areas just outside the city centre, resulting in rising rents and lower vacancies. It also became evident that Lindholmen strengthened its role as one of Gothenburg's most attractive office locations, with a well-developed infrastructure. In both Borås and Halmstad, rents remained unchanged, but a slight decrease in vacancies was noted.

Along with Borås, Gothenburg continued to consolidate its position as one of Sweden's leading logistics hubs, and there are plans for extensive construction of new warehouses and logistics facilities in both cities. This will be done on sites with approved local plans.

The retail rental market was characterized by some caution, which is not unique for this part of Sweden. The retail rental market has increasingly been affected by the rise of e-commerce.

## Real estate market

In 2015, the transaction volume in Greater Gothenburg totalled approx. SEK 13 billion (19).

The turnover represents about 9% of the total transaction volume in Sweden. The largest single transaction was an office building in Gothenburg, acquired for approx. SEKm 750. Another major transaction was Volvo's sale of warehouse/industrial properties for SEKm 450. Major transactions in the rest of the region comprised two retail properties totalling SEKm

190 and SEKm 100, respectively.

As previously, buyers were primarily funds and Swedish real estate companies, both listed and unlisted. During the year, a value increase was noted in the region, with some variation due to location, property type and quality. The highest increase in value occurred in central Gothenburg.

The rental market in central Gothenburg remained stable, with limited supply and high demand. Lindholmen strengthened its role as one of Gothenburg's most attractive office locations.

## GREATER GOTHENBURG IN BRIEF



**MANAGED BY:**  
Ekländia Fastighets AB and  
Harry Sjögren AB

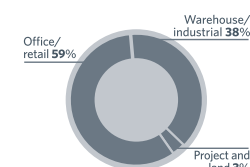
**NUMBER OF EMPLOYEES:** 88

**REAL ESTATE PORTFOLIO IN:** Gothenburg, Mölndal, Borås, Kungsbacka, Alingsås and Halmstad

**AREA:** 1,198 thousand sq.m.

**VALUE:** SEK 14.7 billion

**DISTRIBUTION:**



## REAL ESTATE MARKET

**TRANSACTION VOLUME 2015:**  
SEK 13 billion (19)

**SINGLE MAJOR TRANSACTION:**  
SEKm 750 office property in Gothenburg

**YIELD PRIME LOCATION OFFICE:**  
4.75% (in central Gothenburg)

**CECILIA FASTH** MANAGING DIRECTOR,  
EKLÄNDIA FASTIGHETS AB

"In 2015, Ekländia took a more active role in the urban development of Gothenburg, and started up projects such as Blenda in Lindholmen and Sillfabriken in Klippan. Furthermore, we're all set for developing Kungssportshuset in the very centre of the city."

"I'm proud that we have a strong relationship with our customers in all areas – something which permeates our entire workforce. It means that many customers thrive, stay on or start up with us."



**CHRISTER SUNDBERG** MANAGING DIRECTOR,  
HARRY SJÖGREN AB

"At Harry Sjögren AB, we've once again succeeded in increasing the company's rental income as well as income from property management, thus creating conditions for continued growth. Our strength is to create, develop and retain a dynamic business relationship – thereby accommodating our customers to the fullest."



## CASTELLUM'S REGIONS: ÖRESUND REGION



Fullriggaren 4, Malmö

### The five largest real estate owners

MALMÖ REGION	Premises thousand sq.m.	OF WHICH LUND	Premises thousand sq.m.	OF WHICH HELSINGBORG	Premises thousand sq.m.	COPENHAGEN	Premises thousand sq.m.
Wihlborgs	1,416	Wihlborgs	206	Wihlborgs	532	Nordea Ejendomme	1,140
Castellum (Briggen)	597	Castellum (Briggen)	130	Castellum (Briggen)	174	Danica Ejendomme	1,050
Vasakronan	342	Hemsö	90	Norrporten	112	Jeudan	830
Kungsleden	241	Vasakronan	77	Catena	111	Dades	650
Klövern	182	Estancia	73	Långeberga Logistik	75	ATP Ejendomme	646
						Castellum (Briggen)	99

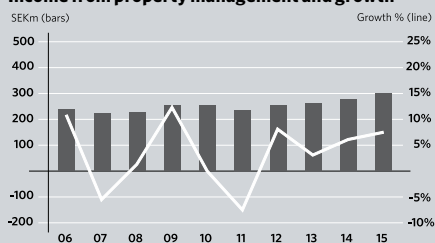
Number of commercial premises (excl. residential) owned as at 31-12-2015. Municipal and State-owned companies and government institutions have been excluded.  
Source: Byggstatistik and Castellum

### Rental levels and yield

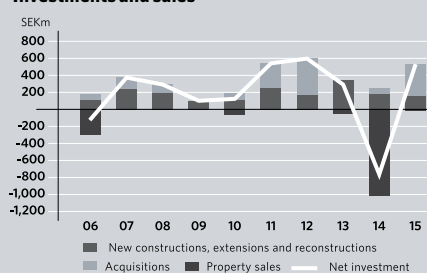
		MALMÖ		LUND		HELSINGBORG		COPENHAGEN	
		Market rents SEK/sq.m.	Yield	Market rents SEK/sq.m.	Yield	Market rents SEK/sq.m.	Yield	Market rents SEK/sq.m.	Yield
OFFICE	Best location	1,750 - 2,550	5.00% - 5.65%	1,400 - 2,200	5.25% - 6.25%	1,100 - 1,800	5.25% - 7.00%	1,000 - 1,850	4.50% - 6.25%
	Secondary location	950 - 1,300	6.25% - 7.50%	1,000 - 1,500	6.00% - 7.50%	900 - 1,400	6.00% - 7.25%	650 - 1,100	6.25% - 8.00%
RETAIL	Best location	2,500 - 6,000	5.25% - 6.00%	2,500 - 4,500	5.40% - 6.50%	2,250 - 5,000	5.35% - 6.25%	3,000 - 22,000	4.00% - 5.75%
	Secondary location	950 - 2,500	6.15% - 7.25%	900 - 2,500	6.00% - 7.50%	1,000 - 2,000	5.75% - 6.75%	800 - 3,500	5.00% - 7.00%
WAREHOUSE/ INDUSTRIAL	Best location	600 - 900	6.75% - 8.00%	600 - 900	6.75% - 8.00%	550 - 850	7.00% - 8.00%	425 - 575	6.75% - 8.00%
	Secondary location	500 - 650	7.50% - 8.50%	500 - 650	7.50% - 8.50%	475 - 775	7.25% - 8.50%	250 - 450	8.00% - 10.00%

Office and retail refer to rent incl. media, but excl. additions for property tax. Warehouse/industrial refers to rent excl. additions for media and property tax.  
Source: Forum Fastighetsekonomi

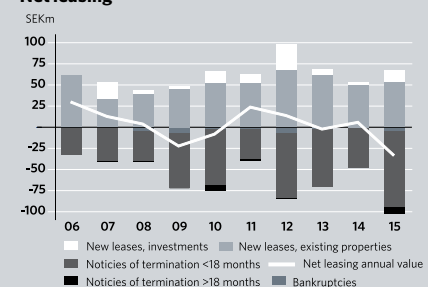
### Income from property management and growth



### Investments and sales



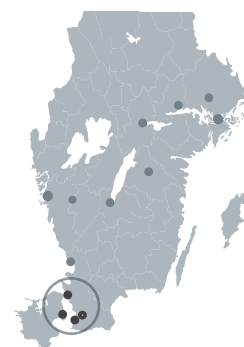
### Net leasing





## ÖRESUND REGION

# The largest Nordic region across national borders



The Öresund Region is the largest labour market region in the Nordic area. Powerful infrastructure development over the past several years has played an important role in development, and more than 25% of the combined GDP for Sweden and Denmark is produced here. With 14 universities and colleges, the Öresund Region is also Northern Europe's most knowledge-intensive region.

## Rental market

In Malmö, a relatively large area of new office space was added to the market, and this is expected to continue during 2016 and 2017 as well, corresponding to approx. 50,000 sq. m. per year. Malmö is therefore characterized by both high relocation levels and customer demands for modern office space, which affects the older real estate portfolio. Nevertheless, both rental and vacancy levels remained unchanged in Malmö. Demand for modern and effective warehouse and logistics premises remained relatively high.

In Lund – one of Sweden's leading research and development cities – work is underway to finalize MAX-lab, and The European Spallation Source (ESS) is also

proceeding according to plan. Due to major local cutbacks, Lund will have a large supply of vacant premises, and this supply is likely to increase over the next few years. In 2015, however, both vacancy rates and rental levels remained unchanged.

In Helsingborg, newly constructed office space entered the market for the first time in many years, and more is expected in 2016, supplementing existing office facilities.

In 2015, the market for office space was stable to slightly positive in many areas. New construction of warehouse and logistics properties proceeded at a steady pace, due to demand.

In Copenhagen, 2015 saw an improvement in vacancy rates by 2-4%, depending on location. The improvement was most noticeable in the central areas of Copenhagen but also in areas outside the city centre. Rental levels remained stable.

## Real estate market

In 2015, transaction volumes in the region totalled approx. SEK 40 billion, of which about SEK 14 billion relates to the Swedish side. Turnover

represents about 10% of the total transaction volume in Sweden. Compared with 2014, volumes increased on both sides of the strait; mostly in Copenhagen, however. The largest single transaction was the centrally located commercial property Illum, in Copenhagen, with a

purchase price of SEK 2.5 billion. On the Swedish side, the largest transaction was a shopping mall in Lund for SEK 1.6 billion.

Buyers on both the Swedish and Danish sides were mainly national real estate companies and institutions; foreign buyers constituted a smaller portion.

During the year, an increase in value was noted in the region, although with some variation due to location, property type and quality. Central office properties close to communications had the highest increase in value.

Unchanged rental levels in Malmö, despite a large proportion of new office space.

## ÖRESUND REGION IN BRIEF



**MANAGED BY:**  
Fastighets AB Briggen

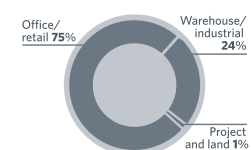
**NUMBER OF EMPLOYEES:** 58

**REAL ESTATE PORTFOLIO IN:** Malmö, Lund, Helsingborg and Copenhagen

**AREA:** 696 thousand sq.m.

**VALUE:** SEK 7.8 billion

**DISTRIBUTION:**



## REAL ESTATE MARKET

**TRANSACTION VOLUME 2015:**  
SEK 40 billion (20)  
of which Sweden 14 (12)

**SINGLE MAJOR TRANSACTION:**  
**Denmark:** SEK 2.5 billion  
for a retail property in central Copenhagen

**Sweden:** SEK 1.6 billion  
for shopping mall in Lund

**YIELD PRIME LOCATION OFFICE:**  
4.5% (in central Copenhagen)

## A FEW QUESTIONS FOR: OLA ORSMARK MANAGING DIRECTOR, FASTIGHETS AB BRIGGEN

### What has been important for Briggen during the year?

The fact that we've initiated a portfolio transfer and continued to increase our customer focus. Briggen's employees will become better at understanding customer needs in order to act quickly and make decisions in an increasingly mobile and changing world.

### Is there anything else you'd like to highlight?

Through the acquisition of the Mässhallen property, Briggen has created the conditions for growing in Hyllie – an area where a large part of Malmö's expansion is taking place. Briggen helps develop tomorrow's society.



## CASTELLUM'S REGIONS: GREATER STOCKHOLM



View of Stockholm

### The five largest real estate owners

#### STOCKHOLM

(Municipalities: Botkyrka, Huddinge, Järfälla, Nacka,

Sigtuna, Sollentuna, Solna, Stockholm, Upplands-Väsby) Premises thousand sq.m.

Vasakronan	1,420
Fabege	1,072
FastPartner	757
Sagax/Söderport	750
Atrium Ljungberg	742
Castellum (Brostaden)	594

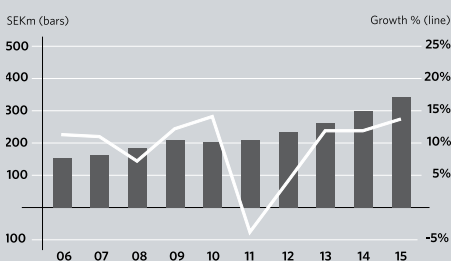
Number of commercial premises (excl. residential) owned as at 31-12-2015. Municipal and State-owned companies and government institutions have been excluded.  
Source: Byggstatistik and Castellum

### Rental levels and yield

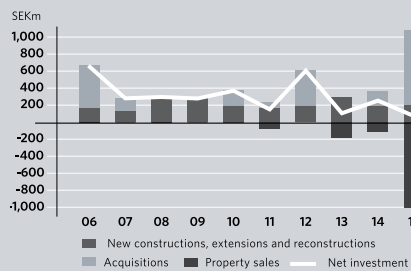
		GREATER STOCKHOLM	
		Market rents SEK/sq.m.	Yield
OFFICE	Best location	4,200 - 6,000	3.75% - 4.25%
	Secondary location	1,500 - 2,800	5.00% - 6.00%
RETAIL	Best location	9,000 - 13,000	3.75% - 4.25%
	Secondary location	1,500 - 3,100	5.00% - 6.00%
WAREHOUSE/ INDUSTRIAL	Best location	800 - 1,100	6.00% - 7.00%
	Secondary location	600 - 950	6.50% - 7.50%

Office and retail refer to rent incl. media, but excl. additions for property tax. Warehouse/industrial refers to rent excl. additions for media and property tax.  
Source: Forum Fastighetsekonomi

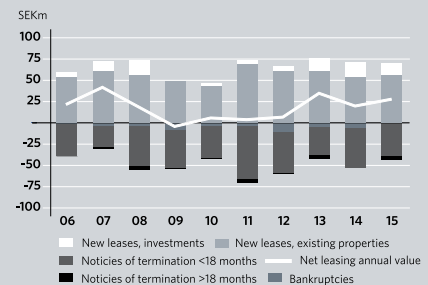
### Income from property management and growth



### Investments and sales



### Net leasing



## GREATER STOCKHOLM

# Continued high population and employment growth



Greater Stockholm – the capital of Sweden – is characterized by continued high population growth. This means, for example, that previous work areas are being converted into residential areas. Here's where you'll find Sweden's largest ongoing infrastructure project – a new route for European highway 4, E4 – which will connect the northern and southern parts of Stockholm.

## Rental market

Greater Stockholm had a positive rental market in 2015, combining strong demand and rising rental levels with unchanged-to-declining vacancy rates in a number of sub-markets. In central Stockholm, demand was high, resulting in increased rental levels for the top segment while the vacancy rate remained low.

The region is still characterized by a clear focus on modern and cost-effective office space. This has resulted in several companies streamlining their existing properties or relocating from downtown locations to newly constructed office premises outside the city centre. This process will continue in

coming years. Noted effects include empty office premises downtown being converted into hotels and retail premises, and the external locations to which companies relocate are strengthened. As in recent years, the addition of office space in the region is not expected to affect either rental levels or vacancy rates.

Demand remained stable for warehouse and logistics facilities and no major changes occurred regarding rental levels and vacancy rates. New construction was limited.

The region's retail rental market was characterized by a transformation due to new construction and the reconstruction of several shopping malls.

## Real estate market

In 2015, transaction volumes in Greater Stockholm totalled approx. SEK 44 billion (71), which is a clear decrease compared with 2014. The turnover

represents about 30% of the total transaction volume in Sweden. The single largest transaction was the acquisition of Skärholmen's shopping mall for approx. SEK 3.5 billion. Another major acquisition was the office property Fatburen for approx. SEK 3.1 billion.

Brostaden acquired an office project in Hagastaden, which will be completed in 2017, for SEK 1.6 billion. The buyer side consisted of listed Swedish real estate companies and Swedish and foreign funds.

As earlier, a number of sold commercial properties were destined for future housing conversions.

During the year, an increase in value was recorded in the region, with some variation due to location, property type and quality. The highest increases in value occurred for office and warehouse/logistics premises.

The rental market remained positive, showing high demand in Greater Stockholm. The trend of conversion to housing continues.

## STOCKHOLM IN BRIEF



### MANAGED BY:

Fastighets AB Brostaden

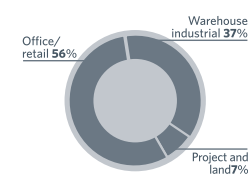
**NUMBER OF EMPLOYEES:** 47

**REAL ESTATE PORTFOLIO IN:** Botkyrka, Huddinge, Järfälla, Nacka, Sigtuna, Sollentuna, Stockholm and Upplands-Väsby

**AREA:** 594 thousand sq.m.

**VALUE:** SEK 8.6 billion

### DISTRIBUTION:



## REAL ESTATE MARKET

**TRANSACTION VOLUME 2015:** SEK 44 billion (71)

**SINGLE MAJOR TRANSACTION:** SEK 3.5 billion Skärholmens shopping mall

**YIELD PRIME LOCATION OFFICE:** 4.0% (in central Stockholm)

## A COUPLE OF QUESTIONS FOR: ANDERS NILSSON MANAGING DIRECTOR, FASTIGHETS AB BROSTADEN

### What has been important for Brostaden during the year?

2015 was characterized by our ongoing portfolio transfer to more central locations, through acquisitions in Hagastaden and Kungsholmen. We've conducted the transfer through divestments and acquisitions. In addition, we've bought buildable sites for logistics purposes in Rosersberg, close to Arlanda.

### Is there anything else you'd like to highlight?

I'd like to highlight the structured leasing activities we carry out at Brostaden. These allow us to assert ourselves effectively in our market, enabling us to sustain strong net leasing.



## CASTELLUM'S REGIONS: MÄLARDALEN



Dragarbrunn 20:4, Uppsala

### The five largest real estate owners

ÖREBRO	Premises thousand sq.m.	UPPSALA	Premises thousand sq.m.	VÄSTERÅS	Premises thousand sq.m.
Castellum (Aspholmen)	309	Vasakronan	225	Kungsleden	525
Klövern	99	Castellum (Aspholmen)	173	Klövern	260
Catena	96	Uppsala Akademiförvaltning	160	Castellum (Aspholmen)	174
Norrporten	93	Rikshem	135	Hemfosa	108
Behrn Fastigheter	88	Klövern	108	Saltängen Property Invest	105

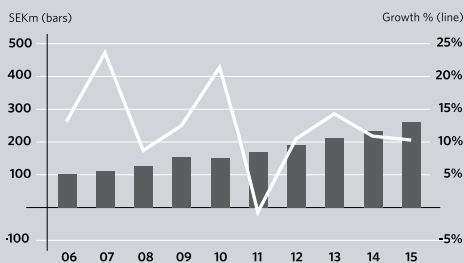
Number of commercial premises (excl. residential) owned as at 31-12-2015. Municipal and State-owned companies and government institutions have been excluded.  
Source: Byggstatistik and Castellum

### Rental levels and yield

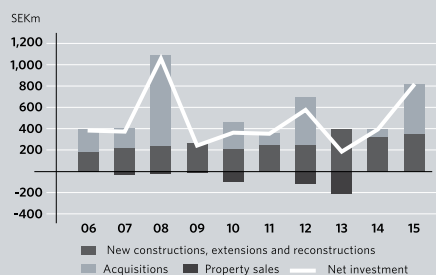
		ÖREBRO		UPPSALA		VÄSTERÅS	
		Market rents SEK/sq.m.	Yield	Market rents SEK/sq.m.	Yield	Market rents SEK/sq.m.	Yield
OFFICE	Best location	1,000 - 2,000	5.75% - 7.00%	1,700 - 2,400	5.50% - 6.00%	1,100 - 2,100	5.75% - 7.00%
	Secondary location	700 - 1,600	6.25% - 8.00%	1,450 - 1,900	6.25% - 6.80%	700 - 1,500	6.50% - 8.00%
RETAIL	Best location	2,000 - 3,800	5.75% - 6.75%	4,000 - 5,000	5.40% - 6.20%	1,900 - 3,700	5.75% - 7.00%
	Secondary location	800 - 1,400	6.75% - 8.00%	800 - 1,700	6.20% - 7.50%	600 - 1,600	6.50% - 8.00%
WAREHOUSE/ INDUSTRIAL	Best location	450 - 700	6.75% - 8.00%	650 - 1,200	6.25% - 7.00%	600 - 1,000	6.75% - 7.75%
	Secondary location	400 - 600	7.00% - 8.50%	600 - 800	6.75% - 8.25%	600 - 800	7.00% - 8.50%

Office and retail refer to rent incl. media, but excl. additions for property tax. Warehouse/industrial refers to rent excl. additions for media and property tax.  
Source: Forum Fastighetsekonomi

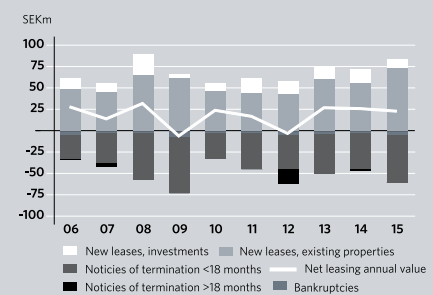
### Income from property management and growth



### Investments and sales

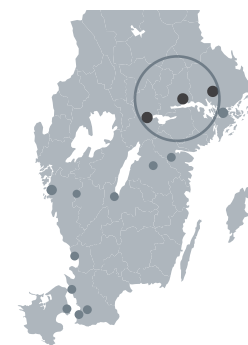


### Net leasing



## MÄLARDALEN

# Proximity to Stockholm and its growth profile shapes the entire region



Uppsala and Västerås, within commuting distance of Stockholm and striking distance of Arlanda Airport, are strongly influenced by the urbanization trend. Both municipalities are characterized by strong economic growth. Örebro has diverse industries and is well situated between Sweden's two largest cities.

## Rental market

Discounting the retail segment, demand for commercial premises in Örebro, Västerås and Uppsala was stable and high in 2015. Modern offices in prime locations enjoyed the strongest demand, and rising market rents and falling vacancies were also noted here. The picture is the same for all three cities, but strongest in Uppsala.

In Örebro, two central office projects will be completed during 2016. More completed local plans are lined up for future construction. New construction also continues in Västerås, and the next major projects are located at the Travel Centre and in Kopparlunden. Uppsala features the lion's share of new construction among Mälardalen cities, and also boasts the lowest vacancy rate.

The warehouse and logistics market in Örebro has continued to consolidate a position as a leading logistics centre with several ongoing major projects. Rental levels for warehouse/logistics were stable throughout Mälardalen and the same applied to vacancies.

Weaker demand in the retail segment is partially explained by over-establishment and changed

buying patterns. Strong urban population growth, a lower new construction rate for retail and the conversion of retail space create an adverse effect on this development.

## Real estate market

In 2015, the transaction volume for Mälardalen totalled approx. SEK 5 billion (6), which is slightly lower than the previous year. Turnover in the region corresponded to about 3% of Sweden's total transaction volume. The largest single transaction was the acquisition of a mixed commercial property in Västerås for approx. SEKm 465. In Örebro, Aspholmen accounted for one of the major transactions through the acquisition of 4 properties in central Örebro for about SEKm 340. The buyer side mainly

consisted of Swedish real estate companies and funds, but foreign buyers were also represented. During the year, an increase in value was recorded in the region, with some variation due to location, property type and quality. The highest increase in value occurred for centrally located office premises.

Demand for premises in Uppsala, Örebro and Västerås was stable in 2015. Highest increases in value were recorded for centrally located office premises.

## MÄLARDALEN IN BRIEF



### MANAGED BY:

Aspholmen Fastigheter AB

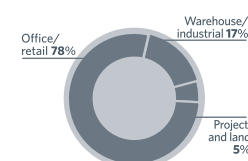
**NUMBER OF EMPLOYEES:** 57

**REAL ESTATE PORTFOLIO IN:** Örebro, Uppsala and Västerås

**AREA:** 656 thousand sq.m.

**VALUE:** SEK 7.7 billion

### DISTRIBUTION:



## REAL ESTATE MARKET

**TRANSACTION VOLUME 2015:** SEK 5 billion (6)

**SINGLE MAJOR TRANSACTION:** SEKm 465 for an commercial property in Västerås

**YIELD PRIME LOCATION OFFICE:** 5.5% (in central Uppsala)

## A QUESTION OR TWO FOR: CLAES LARSSON MANAGING DIRECTOR, ASPHOLMEN FASTIGHETER AB

### What has been most important for Aspholmen during the year?

2015 was characterized by well-implemented investments to meet the requirements of existing and new customers, improve the environmental performance of the properties, reduce our vacancies and improve the real estate portfolio with a solid yield.

### What will you focus on within the company?

On maintaining a high investment rate over time, featuring quality new constructions, extensions and reconstructions. The main thing is to be the Employer-of-choice as well as the Landlord-of-choice in each market segment.



## CASTELLUM'S REGIONS: EASTERN GÖTALAND



Atollen 3, Jönköping

### The five largest real estate owners

JÖNKÖPING	Premises thousand sq.m.	LINKÖPING	Premises thousand sq.m.	NORRKÖPING	Premises thousand sq.m.
Castellum (Corallen)	180	Klövern	302	Klövern	180
Catena	101	Botrygg Bygg	95	Lundbergs	158
Norrporten	99	The Blackstone Group	80	FastPartner	93
Cordea Savills	95	Ikano Fastigheter	70	Hemsö	78
Alecta Pensionsförsäkring	69	Lilium	66	CORHEI*	77
		Castellum (Corallen)	55		

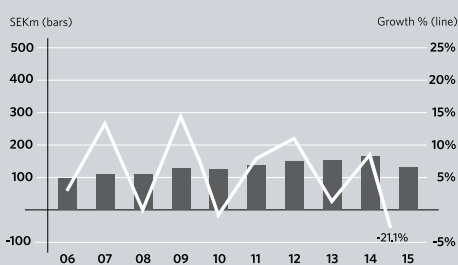
Number of commercial premises (excl. residential) owned as at 31-12-2015. Municipal and State-owned companies and government institutions have been excluded. Source: Byggstatistik and Castellum. \* Through Corallen, Castellum owns 50% of CORHEI Fastighets AB.

### Rental levels and yield

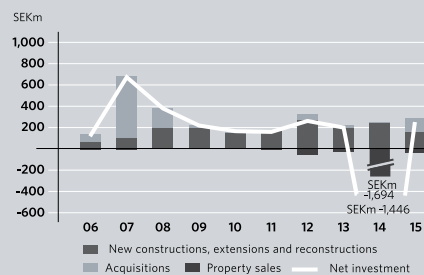
		JÖNKÖPING		LINKÖPING		NORRKÖPING	
		Market rents SEK/sq.m.	Yield	Market rents SEK/sq.m.	Yield	Market rents SEK/sq.m.	Yield
OFFICE	Best location	1,400 - 2,300	5.75% - 6.50%	1,300 - 2,250	5.50% - 6.75%	1,300 - 2,050	6.00% - 7.00%
	Secondary location	900 - 1,375	6.75% - 7.75%	925 - 1,400	7.00% - 8.00%	900 - 1,300	7.00% - 8.25%
RETAIL	Best location	2,200 - 4,500	5.50% - 6.00%	2,600 - 4,000	5.50% - 6.50%	2,100 - 3,600	5.75% - 6.75%
	Secondary location	1,100 - 1,600	5.75% - 7.00%	850 - 1,850	7.00% - 8.25%	850 - 1,850	7.00% - 8.50%
WAREHOUSE/ INDUSTRIAL	Best location	450 - 700	7.00% - 8.00%	550 - 900	6.75% - 8.00%	550 - 850	6.75% - 7.75%
	Secondary location	400 - 650	7.25% - 8.75%	375 - 700	7.25% - 8.75%	375 - 675	7.50% - 8.75%

Office and retail refer to rent incl. media, but excl. additions for property tax. Warehouse/industrial refers to rent excl. additions for media and property tax. Source: Forum Fastighetsekonomi

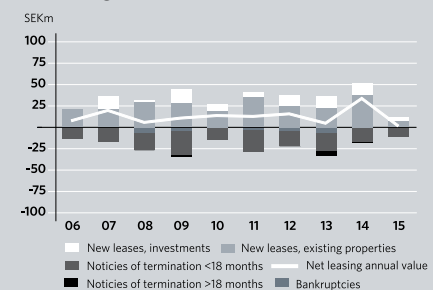
### Income from property management and growth



### Investments and sales

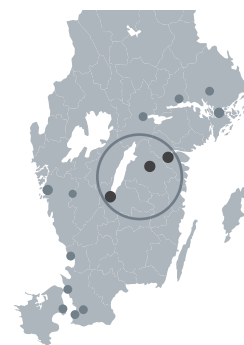


### Net leasing



## EASTERN GÖTALAND

# Three cities characterized by expansive urban development



Linköping and Norrköping are sometimes called Sweden's fourth big-city region. There are ongoing preparations in the region for the expansion of Ostlänken, the express train connection to Stockholm. The two cities – along with Jönköping and its strategic location by European highway 4, E4 – are characterized by bustling urban development.

## Rental market

In 2015, the rental market for Jönköping, Linköping and Norrköping was positive and characterized by strong optimism. In Jönköping, several new office premises are being built, and plans call for more new office space in central locations, combining with residential premises to create a mixed-use city. Local demand and requirements for newer, more efficient commercial premises have increased in recent years.

As for Linköping and Norrköping, the major urban development for each city is connected to the new infrastructure around Ostlänken, which is not yet fully determined. The uncertainty brings a certain cautiousness along, concerning new projects in central locations. Linköping's office rental market was stable in 2015, with solid demand for office space, and limited new construction.

Norrköping demonstrated high demand for modern offices in central locations. The central stock is generally older and requires substantial reconstruction to attract tenants. The warehouse and logistics market remained strong, showing few vacancies and stable rents throughout the region.

In this region, as for the rest of Sweden, the retail rental market was characterized by a measure of caution.

## Real estate market

In Eastern Götaland, transaction volumes amounted to approx. SEK 3 billion (3), which corresponded to 2% of the total transaction volume in Sweden. The largest single real estate transaction was the acquisition of an office property in Linköping for about SEK 306. Through Corallen, Castellum acquired 50% of the shares in a jointly owned enterprise with Heimstaden. This real estate portfolio consists of commercial properties in Linköping and Norrköping for a total value of approx. SEK 2 billion.

The buyer side consisted mainly of Swedish real estate companies, both listed and unlisted, funds and municipalities. During the year, an increase in value was recorded in the region, although with variation due to location, property type and quality. The highest increase in value was recorded for centrally located office premises.

Positive market development in Jönköping, Linköping and Norrköping for 2015 – characterized by strong optimism.

## EASTERN GÖTALAND IN BRIEF



**MANAGED BY:**  
Fastighets AB Corallen

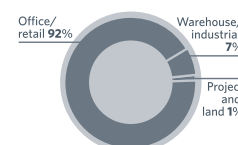
**NUMBER OF EMPLOYEES:** 25

**REAL ESTATE PORTFOLIO IN:** Jönköping, Linköping and Norrköping (through joint venture)

**AREA:** 248 thousand sq.m.

**VALUE:** SEK 3.1 billion

**DISTRIBUTION:**



## REAL ESTATE MARKET

**TRANSACTION VOLUME 2015:**  
SEK 3 billion (3)

**SINGLE MAJOR TRANSACTION:**  
SEK 306 for an commercial property in Linköping

**YIELD PRIME LOCATION OFFICE:**  
5.75% (in central Linköping)

## COMMENTS FROM: CLAES JUNEFELT MANAGING DIRECTOR, FASTIGHETS AB CORALLEN

### What has been most important for Corallen during the year?

Access to the commercial properties in CORHEI Fastighets AB (previously Ståhls), of course: 22 properties in Norrköping and Linköping. Since 2007, we've maintained the ambition to grow in Eastern Götaland. Thanks to prevailing financial conditions, we could be agile and take advantage of the purchasing opportunity when it arose.

We've been successful in creating satisfied customers. Corallen's SCI index rose by six points compared with the previous year. Moreover, several years of focusing on leasing activities resulted in a high occupancy rate.





# Financing at low risk – a cornerstone of Castellum’s strategy

Owning and managing real estate is a capital-intensive business, which requires readily accessible funding. Funding can be carried out utilizing shareholder equity as well as borrowed capital, and the look of a company’s capital structure depends on the financial risk that the company and its owners are prepared to take.



# Financing

The chosen capital structure is pivotal for the financial returns and risk exposure anticipated by the owners. Among the factors that affect the choice are business risk and tax deductions, as well as the risks and costs associated with increased borrowing. As early as the IPO (Initial Public Offering), Castellum established that the company would stand for low financial risk – which is currently expressed in terms of a loan-to-value ratio not permanently exceeding 55% and an interest coverage ratio of at least 200%.

At 31 December 2015, Castellum's assets amounted to SEK 42 billion and the loan-to-value ratio was 49%, while the interest coverage ratio for 2015 was 351%.

## Finance policy and monitoring

Castellum's financial activities are conducted in accordance with the finance policy established by the Board. These will be conducted in such a way that fulfilling the need for long- and short-term financing and liquidity is ensured. Moreover, low and stable net interest costs will be pursued while taking into account the established risk mandates. Developments in the financial markets have a great impact on Castellum. For finance operation purposes, it is therefore important to reflect and support the goals and requirements of the business operations. With the support of the finance policy, the Group

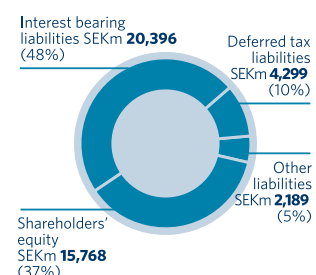
can control and manage financial risks and ensure risk management through close control and monitoring. The financial risks are monitored and reported quarterly to both the Audit and Finance Committee and the Board. The Board annually conducts a review of the finance policy.

Castellum regularly follows up and monitors future funding needs based on assumptions about earnings, net investment volume, property value growth and maturity profile of the existing debt portfolio, covenants in loan agreements and interest-rate risk exposure. Furthermore, the Group carries out sensitivity analyses to understand how changes in the real estate portfolio – as well as movements in market interest rates and property values – affect the balance sheet and earnings.

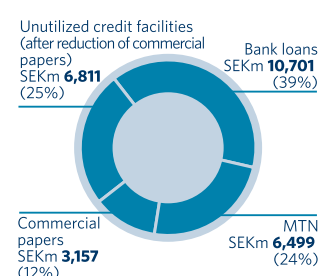
## Financial strategy

Castellum's financing strategy will support operations and manage the Group's financial risks while promoting an open and transparent climate. The strategy will be reflected in the finance policy established by the Board – all to ensure risk management through close control. Castellum's finance strategy can be summarized in five cornerstones: diversification, liquidity, strength, transparency and flexibility.

## FINANCING 31-12-2015



## DISTRIBUTION OF FINANCING 31-12-2015



## CASTELLUM'S FIVE CORNERSTONES ABOUT FUNDING

<b>DIVERSIFICATION</b>	<p>Castellum will oversee a diversified loan portfolio and avoid dependence on both individual counterparty and source of financing. In addition, the maturity of various kinds of funding sources and individual loans will be distributed over time.</p> <p>Castellum will monitor and follow developments on the financial markets, enabling us to act quickly and match business requirements.</p> <p>At year-end, Castellum's interest-bearing financing amounted to SEK 20.4 billion, of which SEK 9.7 billion came from capital market financing (an MTN-program totalling SEK 6.5 billion and a commercial paper program totalling SEK 3.2 billion) corresponding to 47%. Remaining financing came from bank financing from most major Nordic banks.</p> <p>At year-end, the average maturity of credit agreements amounted to 3.1 years and ranged from 0.2 to 8 years.</p>
<b>LIQUIDITY</b>	<p>Castellum will have available unutilized credit facilities in order to respond rapidly to business needs and opportunities that arise. Moreover, there will be undrawn facilities for the purpose of reducing the need to invest the surplus – thus reducing the risk between deposits and loans.</p> <p>At year-end, Castellum had SEK 30.3 billion in credit agreements, of which SEK 9.9 billion were unutilized.</p>
<b>STRENGTH</b>	<p>The Group's financial key ratios will be strong, with a loan-to-value ratio not exceeding 55% and an interest coverage ratio of at least 200%. The strength of our real estate portfolio is enhanced by the quality of our cash flow as well as by the composition of our debt and interest rate portfolio.</p> <p>Castellum is to reduce the risk of sudden negative impact on net financial items – resulting from interest rate changes and/or the assessment of Castellum as borrower – that cannot be adjusted by opposing effects on income related to business operations.</p> <p>The loan-to-value ratio was 49% at year-end, while the interest coverage ratio for 2015 was 351%.</p>
<b>TRANSPARENCY</b>	<p>Castellum will encourage long-term relationships with both banks and other lenders/investors and aim to be transparent in order to increase stakeholder understanding of the Group's operations and, consequently, credit exposure.</p>
<b>FLEXIBILITY</b>	<p>Castellum is to have flexible financing for the purpose of supporting business developments regarding acquisitions, sales and project development. Our credit facilities will provide us with high flexibility to withdraw and repay with short notice and at no extra cost. Furthermore, Castellum is to have access to flexibility, both in terms of pricing (fixed and floating) and maturities.</p> <p>At year-end, Castellum had SEK 20.7 billion in bank agreements, of which SEK 17.0 billion consisted of revolving credit facilities.</p>

“Castellum should enjoy sufficient and competitive financing so the Group’s activities can be conducted in an effective and cost-efficient manner.”

### Funding risk

Funding risk refers to the risk that financing is not available or is very unfavourable at a given time. Funding risk itself is by far the Group’s largest financial risk. The Group’s assets – primarily commercial properties – should be seen as long-term investments, which thereby comply with demands for a long-term approach to real-estate portfolio financing. However, market pricing of credit should also be taken into account.

Castellum should enjoy sufficient and competitive financing so the Group’s activities can be conducted in an effective and cost-efficient manner. The funding risk is managed through advance planning, appropriate credit maturity structure, balanced loan pricing, diversification of funding sources and maturities, and a reasonable liquidity cushion.

At year-end, Castellum had credit agreements totalling SEKm 30,325 (26,065), of which long-term agreements amounted to SEKm 25,141 (22,357) and short-term contracts to SEKm 5,184 (3,708). During the year, MTNs totalling a nominal value of SEKm 3,500 were issued and SEKm 1,200 expired. Credit agreements totalling SEKm 18,000 were renegotiated and/or extended, and an existing overdraft was increased by SEKm 100. After deduction of liquid assets of SEKm 39 (47), net interest-bearing liabilities were SEKm 20,357 (18,399), of which SEKm 6,499 (4,200) were outstanding MTNs and SEKm 3,157 (1,280) outstanding commercial papers. (Nominally SEKm 6,500 and SEKm 3,161 respectively.)

Issued commitments in credit agreements – called covenants – state a loan-to-value ratio not exceeding 65% and an interest coverage ratio of at least 150%. In 2015, Castellum’s loan-to-value ratio was 49% and interest coverage ratio reached 351%. Average maturity of Castellum’s credit agreements was 3.1 years (3.0) at year-end 2015.

### Credit maturity structure 31-12-2015

SEKm	Credit agreements	Utilized in		Total
		Bank	MTN/Cert	
0-1 year	5,184	1,209	3,657	4,866
1-2 years	1,608	8	1,600	1,608
2-3 years	12,558	4,908	1,550	6,458
3-4 years	8,166	3,516	1,100	4,616
4-5 years	1,507	8	1,499	1,507
> 5 years	1,302	1,052	250	1,302
<b>Total</b>	<b>30,325</b>	<b>10,701</b>	<b>9,656</b>	<b>20,357</b>

**Unutilized credit in long term-credit agreements 4,784**

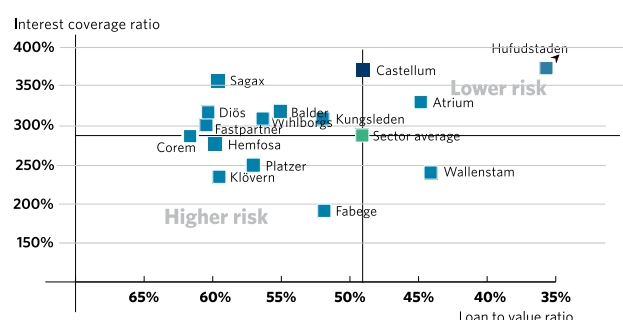
### Interest rate risk

By definition, interest rate risk refers to a potentially negative impact on the income statement and balance sheet caused by a change in market interest rates. To limit fluctuations in net interest costs, Castellum will feature a mix of fixed interest terms on loans and interest rate derivatives. Choice of interest rate profile should take into account the Group’s Business Plan as well as anticipated inflows and outflows.

Interest cost is the single largest cost item and has a major impact on growth in income from property management. It is partly affected by changes in market interest rates, and partly by the margin required by creditors as compensation for lending money. The short-term market interest rate is affected by the Riksbank, whereas the long-term market interest rate is affected by other factors such as expectations of future growth and inflation. The credit margin is controlled by supply-and-demand for credit, as well as by regulations in the credit and capital markets.

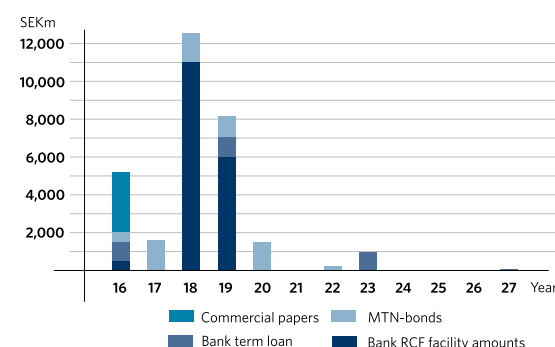
Both interest and credit markets can change rapidly and are outside Castellum’s control. Increased market interest rates are generally a result of economic growth and rising inflation. Higher rates, in turn, are presumed to result in increased demand for commercial premises, thereby leading

### Listed real estate companies



Source: Rolling annual values based on each company’s report Q3 rapport 2015.

### Credit maturity structure



to increased rents and/or reduced vacancies. Falling interest rates are assumed to have opposite causes and effects. Given this reasoning, rising or falling market interest rates will thus be met by rising or falling rental income, over time. Changes in credit margins may occur regardless of prevailing economic conditions. Recently, they have primarily been affected by changes in credit and capital market regulations. Changes in market interest rates affect net financial items. How quickly – and by how much – largely depends on the chosen fixed interest term and the binding period of credit margins.

To ensure a low and stable net interest cost, Castellum has chosen to restrict the proportion of fixed maturities due within 6 months to an interval between 20% and 55% of net debt; the average fixed interest term will be between 1 and 3.5 years. The interest coverage ratio is the financial key ratio that describes a company's risk level and resilience to fluctuations in net interest. Castellum's strategy is an interest coverage ratio of at least 200%. For 2015, the interest coverage ratio was 351% (318%). The average fixed interest term at December 31, 2015, was 2.5 years (2.8), while the share of maturities due within 6 months was 44%. Margins and fees on credit agreements had an average term to maturity of 3.1 years (2.6).

Net financial items for 2015 amounted to SEKm -602 (-644) with an average interest rate of 3.0% (3.3%) and included market interest rates at issue date plus creditors' margins. Average effective interest rate at December 31 was 2.9% (3.4%).

#### Interest rate maturity structure 31-12-2015

	Credit, SEKm	Interest rate derivatives SEKm	Net. SEKm	Closing interest rate	Average fixed interest rate term
0-1 year	18,958	-9,500	9,458	2.9%	0.2 year
1-2 years	350	900	1,250	2.2%	1.4 years
2-3 years	-	1,400	1,400	3.3%	2.4 years
3-4 years	300	1,300	1,600	3.0%	3.7 years
4-5 years	749	2,050	2,799	2.6%	4.5 years
5-10 years	-	3,850	3,850	3.4%	6.7 years
<b>Total</b>	<b>20,357</b>	<b>-</b>	<b>20,357</b>	<b>2.9%</b>	<b>2.5 years</b>

In the table, credit margins and fees are distributed according to the reported maturity segments of the underlying credits.

#### Credit and counterparty risk

Credit and counterparty risk is the risk that the counterparty cannot fulfil delivery or payment. In financial operations, credit and counterparty risk arises primarily in connection with long-term credit agreements, derivative contracts and the investment of liquid funds.

Castellum limits this risk by requiring high creditworthiness of counterparties; all of them are major Nordic banks.

#### Currency risk

Currency risk refers to a negative impact on the income statement, balance sheet and cash flow due to changes in exchange rates. Currency risk can be divided into translation exposure and transaction exposure. At year-end, Castellum owned

# 49%

Loan to value ratio 2015

# 351%

Interest coverage ratio 2015

## Castellum's finance policy and commitments in credit agreements

	Policy	Commitment	Outcome
Loan to value ratio	Not to exceed exceed 55% in the long run	No more than 65%	49%*
Interest coverage ratio	At least 200%	At least 150%	351%
<b>Funding risk</b>			
- average maturity of credit agreements	At least 2 years		3.1 years
- proportion maturing within 1 year	No more than 30% of outstanding loans and unutilized credit agreements		7%
- average maturity of margins	At least 1.5 years		3.1 years
- proportion capital market financing	No more than 50% of outstanding interest bearing liabilities		47%
- liquidity reserve	Secured credit agreements corresponding to SEKm 750 and 90 days upcoming loan maturities		Need: SEKm 4,274 Available: SEKm 7,479
<b>Interest rate risk</b>			
- average interest duration	1.0-3.5 years	-	2.5 years
- proportion maturing within 6 months	At least 20%, no more than 55%	-	44%
<b>Credit and counterparty risk</b>			
- rating restrictions	Credit institutions with high ratings, at least S&P BBB+		Satisfied
<b>Currency risk</b>			
- translation exposure	Shareholders' equity is not secured	-	Not secured
- transaction exposure	Handled if exceeding SEKm 25	-	Under SEKm 25

During the year Castellum's financial policy have been reviewed and revised.

\* Castellum's definition of loan to value ratio has been changed and now includes liquid assets. The new definition is: "The Group's interest-bearing liabilities with liquid assets deducted, i.e., as a percentage of total fair value for the properties. In turn, fair-value considerations include a deduction for acquired properties not taken into possession, as well as value added for divested properties, still in Castellum possession, at the end of the period."

properties in Denmark totalling SEKm 954 (530), which means that the Group is exposed to currency risk. Currency risk relates mainly to income statements and balance sheets in foreign currencies that are translated into Swedish kronor. As a basic rule, equity is not hedged for translation exposure, while transaction exposure is hedged if exposure in any currency exceeds a counter-value of SEKm 25.

#### Secured interest-bearing liabilities

Long-term bank facilities are mainly secured with collateral comprising the company's real estate holdings, and commitments also include a number of covenants. Issued MTNs, commercial papers and short-term bank loans are unsecured. Of net interest-bearing liabilities totalling SEKm 20,357 (18,399), SEKm 10,460 (12,919) were secured by mortgage deeds and SEKm 9,897 (5,480) unsecured. The proportion of utilized secured financing was thus approx. 25% of the property value. Issued commitments in credit agreements state a loan-to-value ratio not exceeding 65% and an interest coverage ratio of at least 150%. In some cases, the banks have the right to re-pricing at less advantageous loan-to-value ratios and interest coverage ratios than Castellum's internal policy limits stipulate. Castellum is also to provide lenders with financial information such as annual reports, interim reports and property valuations. In some cases, the lender has the right to renegotiate credit agreements due to a significant change in business direction or discontinued stock exchange listing.

#### Derivatives

##### Interest rate derivatives

According to the IAS 39 accounting standard, derivatives are subject to market valuation. For

interest-rate derivatives, this means that a surplus or a deficit occurs if the stipulated interest rate varies from the current market rate. Castellum accounts for this change in value in the income statement. By extending the fixed interest term, the interest rate risk in terms of cash flow is limited, whereas the risk for accounting-based changes in value is increased. To note: Loans with long-term, fixed interest rates are less flexible, but they are comparable to extensions using interest rate derivatives, from a risk and interest rate standpoint. These are not subject to market valuation according to current accounting standards.

##### Currency derivatives

Funding in Danish currency can be achieved by borrowing in Danish kroner or by using currency derivatives. The exposure is the same but derivatives are subject to market valuation, according to the IAS 39 accounting standard. This means that there is a surplus or a deficit if the stipulated currency rate varies from the current exchange rate. Castellum applies hedge accounting according to IAS 39, implying that the effective portion of value changes is accounted for in other total net income.

#### Organization

All financial risk management is centralized in the parent company. The internal bank is responsible for the Group's funding, risk management, financing for subsidiaries and cash management. The parent company also includes a back-office and compliance function, which provides accounting and independent control of financial operations.

#### Outstanding MTN 2015-12-31

MTN-number	Issue time	Original duration	Margin/coupon	Volume, SEKm	Acc. outstanding volume, SEKm
102	2013 March	4.0 years	Stibor 3m +2.00%	1,000	1,000
104	2013 September	5.0 years	Stibor 3m +1.75%	500	1,500
105	2014 March	5.25 years	Stibor 3m +1.40%	500	2,000
106	2014 September	3.5 years	Stibor 3m +1.10%	500	2,500
107	2014 November	2.0 years	Stibor 3m +0.78%	500	3,000
108	2015 March	5.0 years	Stibor 3m +1.20%	750	3,750
109	2015 April	2.0 years	Fixed coupon rate 0.625%	350	4,100
110	2015 April	7.0 years	Stibor 3m +1.45%	250	4,350
111	2015 April	5.2 years	Fixed coupon rate 1.58%	350	4,700
112	2015 April	4.5 years	Fixed coupon rate 1.29%	300	5,000
113	2015 June	3.0 years	Stibor 3m +0.82%	550	5,550
114	2015 August	2.0 years	Stibor 3m +0.75%	250	5,800
115	2015 September/November	5.0 years	Fixed coupon rate 1.75%	400	6,200
116	2015 September	4.0 years	Stibor 3m +1.13%	300	6,500
<b>Size of programme</b>					<b>7,000</b>



# Dividend growth for 2015: 7%

Castellum will work for a competitive total return on the company's share relative to risk and will also strive for high liquidity. All actions will be taken from a long-term perspective. The company will provide frequent, open and fair reports to shareholders, to capital and credit markets and to the media – without disclosing any individual business relationship. In the long term, Castellum will be one of the largest listed real estate companies in Sweden.

## The Castellum Share

The Castellum share is listed on Nasdaq Stockholm Large Cap. Castellum's market capitalization, i.e. the value of all outstanding shares in Castellum, amounted to SEK 19.8 billion (20), as at December 31, 2015. This corresponds to about 9% of the total market capitalization (SEK 219 billion) of Swedish real estate companies operating solely in this sector. The Castellum figure is just under 0.3% of the total market capitalization – approx. SEK 5,700 billion – of listed Swedish companies.

The share capital amounts to SEKm 86, distributed among 172,006,708 A-shares with a par value of SEK 0.50 per share. Each share, except the company's own repurchased shares, entitles the holder to one vote and carries an equal right to a share in Castellum's capital.

During 2015, a total of 188 million (133) shares were traded, equivalent to an average of 751,000 shares (532,000) per day, corresponding on an annual basis to a turnover rate of 114% (81%). The share turnover is based on statistics from Nasdaq, Chi-X, Burgundy, Turquoise and BATS Europe. 67% of the trading was done on the Nasdaq, 22% on Chi-X, 7% on Turquoise, 4% on BATS and 0% on Burgundy.

### Proposed dividend

The Board intends to propose the annual general meeting to decide on a dividend of SEK 4.90 per share, an increase of 7% compared with previous year. The dividend ratio is 52% of income from property management before tax.

If the annual general meeting decides to accept the Board's dividend proposal and Tuesday March 21, 2016 as the record day for payment of the dividend, the share will be traded including the dividend up to and including the day of the annual general meeting, Thursday March 17, 2016. Payment of the dividend is expected to take place on Thursday March 24, 2016.

The dividend falls within Castellum's objective of distributing at least 50% of income from property management, having taken into account investment plans, consolidation needs, liquidity and financial position in general. Unrealized changes in value, positive or negative, are thus not included in the distributable income.

### Net asset value

Net asset value is the total equity which the company manages for its owners. Based on this equity Castellum want to create a stable return and growth at a low level of financial risk. When assets and liabilities are valued at fair value the net asset value can be calculated using shareholders' equity in the balance sheet. However, consideration should be taken to that the effective tax is lower than the reported nominal tax rate, in part due to the possibility to sell properties in a tax efficient way, and in part due to the time factor for which the tax should be discounted.

Long term net asset value (EPRA NAV) can be calculated to SEK 129 per share (114). The share price at the end of the year was thus 94% (107%) of the long term net asset value.

Net Asset Value	SEKm	SEK/share
Equity according to the balance sheet	15,768	96
Reversed		
Derivatives according to balance sheet	1,117	7
Deferred tax according to balance sheet	4,299	26
<b>Long term net asset value (EPRA NAV)</b>	<b>21,184</b>	<b>129</b>
Deduction		
Derivatives as above	- 1,117	- 7
Estimated real liability, deferred tax 5%*	- 1,121	- 6
<b>Actual net asset value (EPRA NNAV)</b>	<b>18,946</b>	<b>116</b>

\* Estimated real deferred tax liability net has been calculated to 5% based on a discount rate of 3%. Further, assessments have been made that tax loss carry forwards are realized in 2 years with a nominal tax of 22%, providing a present value of deferred tax liability of 21%. The properties are realized in 50 years where 33% are sold directly with a nominal tax of 22% and that 67% are sold indirectly through company divestments where the buyers' tax discount is 6%. This provides a current value for deferred tax liability of 6%.

### IR-CONTACT

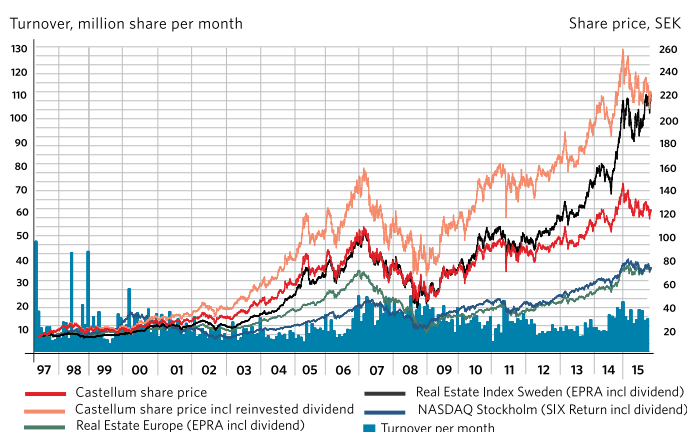
Henrik Saxborn, CEO  
Phone +46 31-60 74 50



Ulrika Danielsson, CFO  
Phone +46 706 - 47 12 61

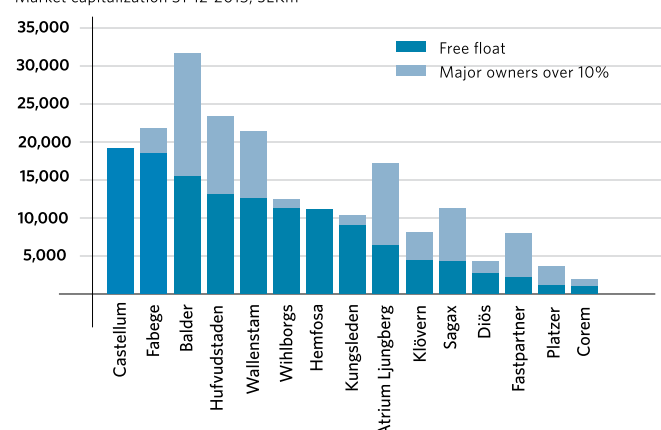


### The Castellum share's price trend and turnover from IPO May 23, 1997 until December 31, 2015



### Listed Real Estate Companies

Market capitalization 31-12-2015, SEKm



# 4.90

The Board intends to propose to the Annual General Meeting to approve a dividend of SEK 4.90 per share, an increase of 7% compared with previous year.

“Since 1997, Castellum’s share has been listed on Nasdaq Stockholm Large Cap under the name CAST.”

# 2.3%

During 2015, the total yield of the share, including dividend of SEK 4.60, was 2%.

“Some twenty Swedish and foreign stock market analysts track the development of both Castellum and the Swedish real estate sector.”

# 6%

Average dividend growth for the Castellum share has amounted to 6% per year during the last 10 years.

## Earnings

In 2015, income from property management per share adjusted for nominal tax attributable to income from property management (EPRA EPS) amounted to SEK 9.03 (8.26). This results in a share price yield of 7.5% (6.8%) corresponding to a multiple of 13 (15). Income from property management should be adjusted for increase in value in the long-term real estate holdings as well as for effective tax paid.

Earnings after tax per share amounted to SEK 17.57 (7.38) in 2015. Based on the share price, this provides a return of 14.6% (6.1%), corresponding to a P/E of 7 (17).

## Total yield

Total yield reflects the development of the share price plus dividend paid during the period.

The Castellum share price as at 31 December, 2015 was SEK 120.70 (122.10), corresponding to a market capitalization of SEK 19.8 billion (20.0). During 2015, the total yield of the share, including dividend of SEK 4.60, was 2% (27%).

## Growth, yield and financial risk

	2015	3 years average/ year	10 years average/ year
<b>Growth</b>			
Rental income SEK/share	- 1%	2%	6%
Income from prop. management SEK/share	6%	7%	6%
Net income for the year after tax SEK/share	138%	25%	8%
Dividend SEK/share	7%	7%	6%
Long term net asset value SEK/share	13%	9%	6%
Actual net asset value SEK/share	16%	9%	6%
Real estate portfolio SEK/share	11%	5%	7%
Change in property value	4,6%	2,1%	1,1%
<b>Yield</b>			
Return on actual long term net asset value	18.2%	11.4%	10.6%
Return on actual net asset value	20.4%	11.6%	10.6%
Return on total capital	10.0%	6.7%	6.6%
<b>Total yield of the share (incl. dividend)</b>			
Castellum	2.3%	13.5%	9.1%
Nasdaq Stockholm (SIX Return)	10.4%	17.8%	9.2%
Real Estate Index Sweden (EPRA)	25.4%	27.5%	12.9%
Real Estate Index Europe (EPRA)	18.8%	18.4%	4.9%
Real Estate Index Eurozone (EPRA)	17.4%	15.5%	6.2%
Real Estate Index Great Britain (EPRA)	12.1%	19.0%	2.1%
<b>Financial risk</b>			
Loan to value ratio	49%	51%	50%
Interest coverage ratio	351%	311%	302%

## Dividend yield

Dividend yield is the company’s dividend divided by the current share price. It represents the yield shareholders receive in cash every year following the AGM’s decision. The key ratio thus expresses the relationship between two different “spheres”: Castellum’s performance in the form of dividends and the stock market’s pricing of the company.

The valuation thus reflects the market’s view of the dividend yield required to achieve a total

yield that matches the market’s yield on the Castellum share.

The proposed dividend of SEK 4.90 (4.60) corresponds to a yield of 4.1% (3.8%) based on the share price at the end of the year.

## Net asset yield and result including long-term change in value

In companies managing real assets, such as real estate, the income from property management only reflects part – albeit a large part – of the overall result. The definition of a real asset is that the value is protected. This means that over time – and with proper maintenance – the real asset increases in value to compensate for inflation.

The net asset value – i.e., the denominator of the yield ratio income/capital – is adjusted annually in accordance with IFRS regulations for changes in value. In order to provide an accurate yield figure, the numerator – i.e., income – must be similarly adjusted. Therefore, the recorded net income has to be supplemented with a component of value changes as well as with effective tax to provide an accurate view of income and yield.

One problem is that changes in value can vary greatly between years and quarters, thus leading to volatile results. However, by being a long-term player with stable cash flow and a balanced real estate portfolio, Castellum is able to make use of long-term value changes to adjust the numerator of the equation. In the table below, Castellum’s average change in property value of 1.1% over the past 10 years has been used.

## Net asset yield and result including long-term change in value

	Sensitivity analysis		
	-1%-unit	+1%-unit	
Income from property management 2015	1,533	1,533	1,533
Change in property value (10 years average)	40	840	
D:o %	1.1%	0.1%	2.1%
Current tax, 5%	- 77	- 77	- 77
<b>Earnings after tax</b>	<b>1,896</b>	<b>1,496</b>	<b>2,296</b>
Earnings SEK/share	11.56	9.12	14.00
Return on actual long-term net asset value	10.2%	8.0%	12.4%
Earnings/ per share price	9.6%	7.6%	11.6%
P/E	10	13	9

## Created shareholder value

At the IPO in May 1997, Castellum’s real estate portfolio amounted to approx. SEK 10 billion, income from property management to approx. SEKm 300 and shareholders’ equity to about SEK 4 billion. Since then, Castellum has created shareholder value by increasing shareholder’s equity to SEK 21 billion as at December 31, 2015. During the same period, Castellum shifted out approx. SEK 8.5 billion in dividends, repurchase and redemption. The real estate portfolio has grown over the same period to approx. SEK 42 billion at the end of 2015, while income from property management has increased to SEKm 1,533.



### Valuation

The investor's required yield for a given share forms a basis for valuation in the long term. The required yield varies from share to share, as well as over time. This is partly due to the risk the investor perceives for a particular company; a risk that he wants to be compensated for. The higher the risk, the higher the required yield. An acceptable share price therefore derives from the investor's – or rather the investor collective's – assessment of the future total yield of the share (the sum of dividend yields and changes in value) and the level of risk.

In the short run, it is largely supply and demand for shares that affects share-price movements and sets current share prices. Factors affecting price in the short term – apart from investor assessments of the long-term yield of the share – include industry outlook, macro assessments, geopolitical events, allocation aspects, potential yield on alternative investments, and regulations. However, looking over the long term, it is the company's actual performance in terms of total yield and growth that determines crucial for share-price development.

As shown in the table on the left, Castellum has achieved a total average yield of 9% per year, over the past 10 years, of which dividend yield accounts for about 4% and share price development around 5%. All to a moderate risk level compared to the Swedish real estate market. The average dividend growth for the same period amounted to 6% per year.

### Shareholders

At the end of the period the company had about 19,100 shareholders. The amount of shares registered abroad at the year-end was 50%. Share-

holders registered abroad cannot be differentiated in terms of directly held and nominee-registered shares except in cases where the shareholder is obliged to disclose their holdings. One foreign shareholder, Stichting Pensioenfonds ABP, has disclosed holdings of over 5%. Castellum has no direct registered shareholders with holdings exceeding 10%.

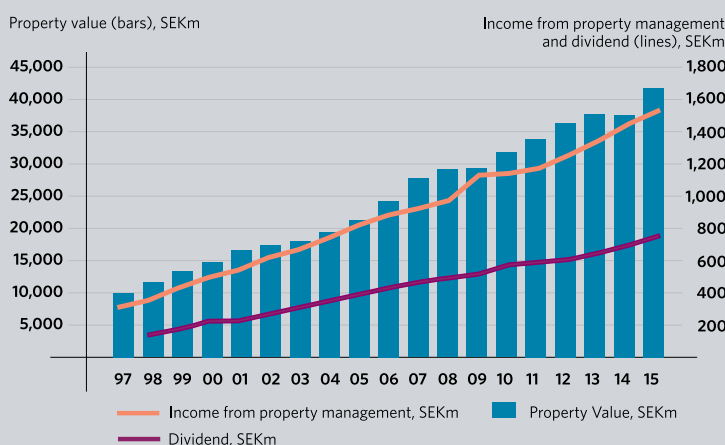
### Investor relations

Investor relations are primarily based on quarterly financial reports, press releases on significant commercial events and presentations of Castellum. Presentations take place in connection with quarterly financial reports and visits from investors as well as analyst and investor meetings both in Sweden and abroad. The large share of foreign shareholders means that there are extensive contacts with foreign investors. Additional market and financial information is provided on the Group's webpage [www.castellum.se](http://www.castellum.se).

### Share repurchase

Castellum has repurchased 8,006,708 of the company's shares for a total of SEKm 194, equivalent to 4.7% of the total registered number of shares. The repurchase took place in 2000. The number of outstanding shares – i.e. the number of registered shares less the number of repurchased shares – totals 164,000,000. As repurchasing is a good method of adjusting capital structure to capital requirements from time to time, the Board will propose to the AGM to decide on extending the mandate to repurchase shares until the next AGM. This mandate provides the possibility to repurchase or transfer shares.

### Created shareholder value



### Shareholders distributed by country 31-12-2015



## Shareholders as per 31-12-2015

Shareholders	Number of shares	Percentage of voting rights and capital
SEB Fonder	7,068,021	4.3%
Lannebo Fonder	6,200,000	3.8%
AMF Försäkring & Fonder	4,809,694	2.9%
Länsförsäkringar Fonder	3,969,584	2.4%
Handelsbanken Fonder	2,864,952	1.8%
Stiftelsen Global Challenges	2,500,000	1.5%
Kåpan Pensioner	2,205,000	1.3%
Danske Invest & Danica Pension	2,028,809	1.2%
Carnegie Fonder	2,000,000	1.2%
Magdalena Szombatfalvy	1,935,000	1.2%
Fjärde AP-Fonden	1,693,459	1.0%
Susanna Löw	1,627,000	1.0%
Folksam	1,546,487	0.9%
Avanza Pension	1,451,933	0.9%
Nordea Fonder	1,415,566	0.9%
Tredje AP-Fonden	1,171,450	0.7%
AFA Försäkring	1,097,328	0.7%
Andra AP-Fonden	1,065,612	0.6%
Swedbank Robur Fonder	925,539	0.6%
Jennie Löw	850,000	0.5%
SPP Fonder	791,063	0.5%
Andrea Carpelan	772,300	0.5%
SEB Trygg Liv	614,325	0.4%
Uppsala Universitets Stift.förv	577,000	0.4%
Livförsäkringsbolaget Skandia	522,525	0.3%
Carl Tryggers Stiftelse för Vetenskaplig Forskning	500,000	0.3%
Board and executive management Castellum	303,258	0.2%
18,203 Other shareholders registered in Sweden	303,258	0.2%
885 shareholders registered abroad	81,538,180	49.7%
<b>Total outstanding shares</b>	<b>164,000,000</b>	<b>100.0%</b>
Repurchased shares	8,006,708	
<b>Total registered shares</b>	<b>172,006,708</b>	

There is no potential common stock (eg. convertibles)

Source: Modular Finance AB according to information from Euroclear Sweden AB

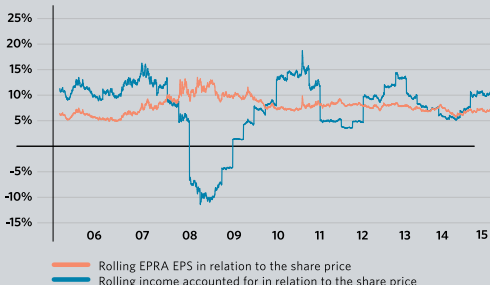
## Press releases 2015

16-01-2015	The election committee's proposal regarding the board of directors etc of Castellum AB (publ)
21-01-2015	Castellum takes part in construction of the new logistics center in Gothenburg and invests SEKm 100 in Örebro
21-01-2015	Castellums Year-end Report 2014: 8% growth in income from property management and dividend
22-01-2015	Castellum invests SEKm 762
03-02-2015	The Swedish version of Castellum's Annual Report 2014 is now available on <a href="http://www.castellum.se">www.castellum.se</a>
12-02-2015	Summons to the Annual General Meeting of shareholders in Castellum AB (publ)
20-02-2015	Castellum invests SEKm 115 and sells SEKm 65 in Gothenburg
19-03-2015	Annual General Meeting in Castellum AB (publ)
13-04-2015	Castellum and Heimstaden enter into major transaction totalling SEK 2,4 billion
15-04-2015	Castellum's Interim Report January-March 2015: 5% growth in income from property management
28-05-2015	Castellum starts the next office project at Lindholmen in Gothenburg - investing SEKm 212
18-06-2015	Castellum sells for SEKm 183 and invests SEKm 35
15-07-2015	Castellum's half-year report January-June 2015: High investment rate and a stronger Castellum
10-09-2015	AGM 2016: Election Committee of Castellum AB
23-09-2015	Castellum invests on Kungsholmen in Stockholm
06-10-2015	Castellum invests SEKm 180
15-10-2015	Castellum's interim report January-September 2015: Growth in income from property management
16-10-2015	Castellum's sustainability performance stands out internationally
04-11-2015	Castellum appoints Erika Olsén as CIO
05-11-2015	Castellum invests SEKm 289
16-11-2015	Castellum invests SEKm 327 - first establishment in Hyllie, Malmö
25-11-2015	Castellum reallocates the portfolio in Stockholm and sells for 822 Mkr
10-12-2015	Castellum invests SEK 1,6 billion in Hagastaden, Stockholm, and sells for SEKm 280

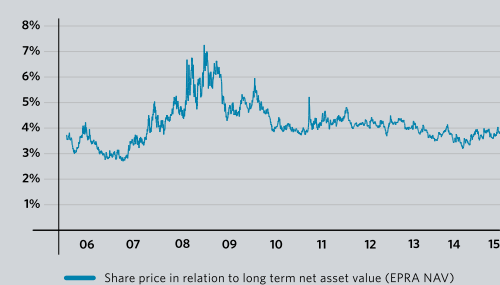
### Share price/net asset value



### Yield earnings per share



### The share's dividend yield



**Ten year summary**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Key ratios, SEK/share</b>										
Rental income	20.12	20.23	19.81	18.74	17.80	16.82	16.43	15.25	13.77	12.28
Income from property management	9.35	8.84	8.21	7.65	7.15	6.96	6.89	5.93	5.63	5.38
Net income for the year	17.57	7.38	10.41	8.98	4.34	11.98	0.98	- 4.04	9.07	10.21
Dividend (for 2015 proposed)	4.90	4.60	4.25	3.95	3.70	3.60	3.50	3.15	3.00	2.85
Property portfolio	255	229	230	222	207	194	178	178	169	148
<b>Valuation</b>										
Pre tax income from property management per share/Share price	7.7%	7.2%	8.2%	8.3%	8.4%	7.6%	9.5%	9.8%	8.4%	5.9%
Share price/Income from property management per share	13	14	12	12	12	13	11	10	12	17
Income from property management after tax per share (EPRA EPS)/Share price	7.5%	6.8%	8.0%	7.9%	8.2%	7.2%	9.6%	9.6%	8.2%	5.6%
Dividend/Share price (dividend yield)	4.1%	3.8%	4.2%	4.3%	4.3%	3.9%	4.8%	5.2%	4.5%	3.1%
Share price/Long term net asset value per share	94%	107%	94%	92%	88%	100%	88%	72%	76%	116%
Share price/Actual Net asset value per share	105%	122%	103%	103%	98%	108%	99%	81%	79%	120%
<b>The share</b>										
Market capitalization, SEKm	19,795	20,024	16,416	15,137	13,989	15,014	11,890	9,963	11,029	14,965
Total yield, the Castellum share	2.3%	26.9%	13.1%	13.0%	- 3.1%	32.6%	27.4%	- 5.9%	- 24.2%	31.7%
Nasdaq Stockholm (SIX Return)	10.4%	15.8%	28.0%	16.5%	- 13.5%	26.7%	52.5%	- 39.0%	- 2.6%	28.1%
Real Estate Index Sweden (EPRA)	25.4%	37.1%	20.6%	16.2%	- 13.0%	48.5%	24.0%	- 21.4%	- 18.5%	35.8%
Real Estate Index Europe (EPRA)	18.8%	26.5%	10.1%	28.7%	- 9.2%	19.8%	33.7%	- 48.8%	- 32.2%	49.4%
Real Estate Index Eurozone (EPRA)	17.4%	24.1%	5.6%	29.2%	- 14.2%	15.5%	43.1%	- 43.4%	- 24.2%	50.0%
Real Estate Index Great Britain (EPRA)	12.1%	22.5%	22.6%	29.9%	- 8.1%	7.9%	11.8%	- 45.6%	- 36.8%	48.0%
Dividend ratio income from property management	52%	52%	52%	52%	52%	52%	51%	53%	53%	53%
Dividend ratio long term net asset value	3.8%	4.0%	4.0%	4.0%	3.8%	3.9%	4.3%	3.8%	3.4%	3.6%
<b>Share Price, SEK</b>										
last paid during the last day for trading	120.70	122.10	100.10	92.30	85.30	91.55	72.50	60.75	67.25	91.25
highest paid during the year	125.30	124.10	107.50	94.50	97.50	91.75	73.75	80.00	107.00	95.50
lowest paid during the year	113.50	99.05	87.75	76.30	65.25	58.50	42.80	41.40	62.00	56.50
average (highest/lowest per day)	119.10	112.28	95.43	87.27	88.69	75.70	58.57	63.42	87.55	78.54
Number of shares, thousand										
average	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000
registered	172,008	172,008	172,008	172,008	172,008	172,008	172,008	172,008	172,008	172,008
Number of shareholders	19,100	16,300	12,200	9,900	9,400	10,000	8,900	7,300	7,300	7,700
Percentage of shareholders registered abroad	50%	52%	62%	60%	51%	46%	46%	47%	49%	53%
Turnover, thousand shares per year	188 379	133 083	106 266	129 276	150 482	152 186	191 129	218 304	207 442	107 710
Turnover rate per year	114%	81%	65%	79%	92%	93%	117%	133%	126%	66%
<b>EPRA Key ratios</b>										
EPRA Earnings (Income from property management after tax), SEKm	1,481	1,355	1,318	1,192	1,149	1,086	1,137	960	902	835
EPRA Earnings (EPS), SEK/share	9.03	8.26	8.04	7.27	7.01	6.62	6.93	5.85	5.50	5.09
EPRA NAV (Long term net asset value), SEKm	21,184	18,618	17,510	16,480	15,920	15,158	13,381	13,800	14,482	12,962
EPRA NAV, SEK/share	129	114	107	100	97	92	82	84	88	79
EPRA NNNAV (Actual net asset value), SEKm	18,946	16,432	15,940	14,689	14,196	13,913	11,979	12,305	13,933	12,421
EPRA NNNAV, SEK/share	116	100	97	90	87	85	73	75	85	76
EPRA Vacancy Rate	10%	11%	12%	11%	11%	11%	10%	10%	12%	13%

EPRA, European Public Real Estate Association, is an association for listed real estate owners and investors in Europe, which sets standards for financial reporting, e.g. the key ratios EPRA EPS (Earnings Per Share), EPRA NAV (Net Asset Value), and EPRA NNNAV (Triple Net Asset Value) and EPRA vacancy.

## A property portfolio valued at SEKm 41,818

On December 31st, 2015 Castellum's investment properties were assessed a fair value of SEKm 41,818 corresponding to SEK 12,282 per sq.m. The average valuation yield for Castellum's real estate portfolio, excluding development projects, undeveloped land and building rights can be calculated to 6.5%.

The valuation was carried out in a uniform manner using internal valuation based on a 10-year cash flow model with individual assessments for each property. This was to reflect both future earnings capacity and required market yield. In order to provide further assurance and validation of the valuation, 161 properties – representing 56% of the value of the portfolio – have been valued externally.

# Property valuation

## Internal valuation

Castellum records the investment properties at fair value and has made an internal valuation of all properties as of December 31, 2015. The valuation was carried out in a uniform manner, and was based on a 10-year cash flow model, which is described in principle below. The internal valuation was based on an individual assessment for each property and reflects both its future earnings capacity and its required market yield. In the valuation of a property's future earnings capacity, consideration has been taken of potential changes in rental levels, occupancy rates and property costs - as well as an assumed inflation level of 1.5%. Projects in progress have been valued using the same principle, but with deductions for remaining investments. Building rights have been valued on the basis of an estimated market value per square metre, on average approx. SEK 1,700 per sq.m. (1,500). For further information about the assumptions in cash-flow and required yield see note 11.

## Assumptions in Castellum's internal valuations

	Office/retail	Warehouse/industrial
<b>Cash flow year 1</b>		
Rental value, SEK/sq.m.	1,347	813
Vacancy, %	9%	8%
Direct property costs, SEKm/sq.m.	314	172
Property administration, SEK/sq.m.	35	25
<b>Required yield</b>		
Real interest rate	1.5%	1.5%
Inflation	1.5%	1.5%
Risk	5.8% - 12.9%	8.4% - 13.2%
Return on equity	8.8% - 15.9%	11.4% - 16.2%
Interest rate	5.0%	5.0%
Loan to value ratio	65%	55%
Return on total capital	6.3% - 8.8%	7.9% - 10.0%
Weighted d.o. disc. factor year 1-9	7.4%	8.6%
Weighted d.o. disc. factor residual value*	5.9%	7.1%

\* (required yield on total capital minus growth equal to inflation)

## Example internal valuation

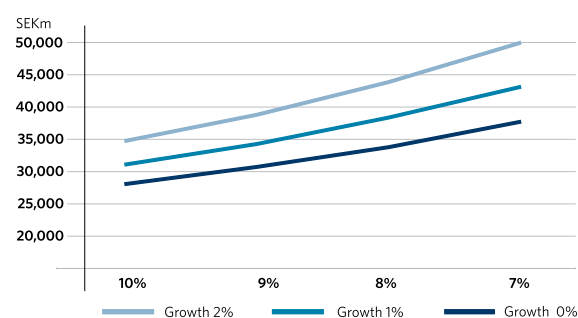
To illustrate the model, the following example is provided. It should be noted that assumptions regarding cash flow growth and other assumptions included in the model are only intended to illustrate the model. Even if relevant figures are used the example should thus not be regarded as a forecast of the company's expected earnings.

### Assumptions in the example:

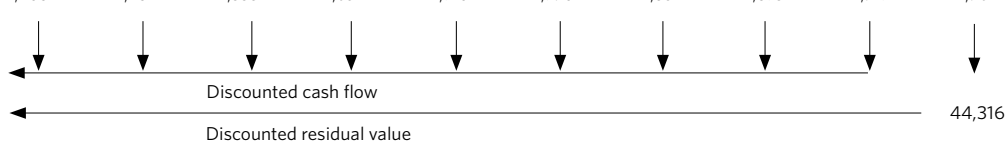
- The economic occupancy rate is assumed to increase in order to reach a long-term level of 96% in the year 2020.
- Net operating income for 2015 is based on actual result for the investment properties, with an assumed cost of SEK 30/sq.m. for pure property administration.
- Growth in rental value and property costs has been assumed to 1.5% per year during the calculation period.
- The average economic life of the real estate portfolio has been assumed to be 50 years.
- Projects, undeveloped land and building rights have an assumed value SEKm 1,994.
- The required yield, discount factor, is calculated according to the following assumptions:

	Required yield	Percentage of capital	Weighted required yield
Equity	9.6% - 15.5%	40%	3.8% - 6.2%
Borrowed capital	5.0%	60%	3.0%
Weighted required yield		100%	6.8% - 9.2%

Property value with different required yield and growth in rental value and property costs



SEKm	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Rental value	3,592	3,646	3,701	3,756	3,812	3,870	3,928	3,987	4,046	4,107	4,169
Rental income	3,242	3,318	3,405	3,493	3,584	3,676	3,711	3,827	3,885	3,943	4,002
Economic occupancy rate	90%	91%	92%	93%	94%	96%	96%	96%	96%	96%	96%
Property costs	- 897	- 910	- 924	- 938	- 952	- 966	- 981	- 996	- 1,010	- 1,026	-1,041
Net operating income = cash flow	2,345	2,408	2,481	2,555	2,632	2,710	2,790	2,831	2,875	2,917	2,961
Discounted cash flow year 1-9	17,347										
Discounted residual value year 10	22,477										
Assumed value projects, land and building rights	1,994										
Total property value	41,818										



“To reflect price increases recorded on the Swedish real estate market, Castellum has lowered the required return in the valuation by an average 0.25%. Value changes during the year totalled SEKm 1 837, or 4.6%.”

### Average valuation yield, SEKm

(excl. project/land and building rights)	2015	2014
Net operating income properties	2,443	2,286
+ Estimated index adjustment 2016, 1% (1%)	35	25
+ Real occupancy rate, 94% at the lowest	216	251
- Property administration, 30 SEK/sq.m.	- 100	- 99
<b>Normalized net operating income</b>	<b>2,594</b>	<b>2,463</b>
Valuation (excl. building rights of SEKm 469)	39,824	35,506
<b>Average valuation yield</b>	<b>6.5%</b>	<b>6.9%</b>

### Uncertainty range

Property valuations are calculations performed according to accepted principles and on the basis of certain assumptions. The value range of +/- 5-10%, often used in property valuations in a normal market, should therefore be seen as an indication of the uncertainty that exists in assumptions and calculations. In a market with lower liquidity, the range may be wider. For Castellum, an uncertainty range of +/- 5% means a range in value of the property portfolio of SEKm 39,727 - 43,909, corresponding to +/- SEKm 2,091.

### Value Changes

As for earlier years, the real estate market in 2015 was characterized by high activity and strong demand, resulting in lower required property yield and, as a consequence, higher property prices. Thus, the average valuation yield has been reduced by 0.25 points since year-end, in order to reflect price increases seen in the Swedish real estate market. The change in value during the year amounted to SEKm 1,837 (344), corresponding to 4.6%. The increase in value consisted

mainly of SEKm 255 attributable to acquisitions, SEKm 203 attributable to project profits and SEKm 1,331 primarily due to reduced yield requirements. In addition, property sales resulted in a value change of SEKm 48. Net sales price amounted to SEKm 1,140 after deduction for assessed deferred tax and transaction costs totaling SEKm 57. Hence the underlying property value, which amounted to SEKm 1,197, exceeded the last valuation of SEKm 1,092 by SEKm 105. As each property is valued individually, the portfolio premium that can be noted in the real estate market was not taken into account.

The net increase in value, including this years change, over the past 10 years has been 1.1% per year, which is well in line with inflation.

### Total yield

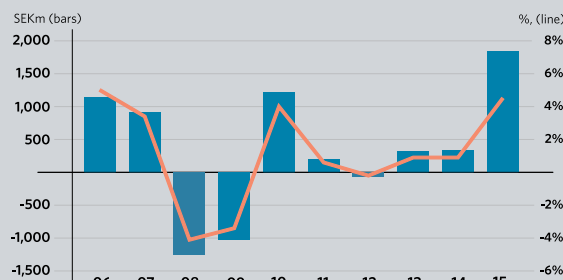
Concerning the total yield of the properties - i.e., the sum of yields and changes in value - it can be noted that Castellum's performance depends on when measurements were started.

On average, Castellum has had a better total yield on ware-house/industrial compared to office/retail - regardless of when the measurement period was started. The annual average total yield for the past 10 years has been 7.5% (6.9% yield + 0.6% change in value), thereby surpassing office/retail which has had 6.8% (5.9% yield + 0.9% change in value). Calculations do not include project gains or acquisitions from the year the acquisition was completed.

Average valuation yield over time



Value Changes



	1 year	3 years average/year	10 years average/year
<b>Total yield</b>			
Properties	10.4%	8.2%	7.0%
Nasdaq Stockholm (SIX Return)	10.4%	17.8%	9.2%
Real estate Index Sweden (EPRA)	25.4%	27.5%	12.9%
Real estate Index Europe (EPRA)	18.8%	18.4%	4.9%
Real estate Index Eurozone (EPRA)	17.4%	15.5%	6.2%
Real estate Index Great Britain (EPRA)	12.1%	19.0%	2.1%
<b>Change in value</b>			
Change in property value, unweighted	4.6%	2.1%	1.1%
Inflation	0.1%	0.0%	1.1%

### External valuation

In order to provide further assurance and validation of the valuation, 161 properties - representing 56% of the value of the portfolio - have been valued externally by Forum Fastighetsekonomi AB. The properties were selected on the basis of the largest properties in terms of value, but they also reflect the composition of the portfolio as a whole in terms of category and geographical location of the properties. Forum's valuation of the selected properties amounted to SEKm 23,581, within an uncertainty range of +/- 5-10% on property level, depending on each property's category and location. Castellum's valuation of the same properties totalled SEKm 23,539, i. e., a net deviation of SEKm +42, corresponding to 0%. The gross deviation was SEKm +696 and SEKm -654 respectively, with an average deviation of 6%.

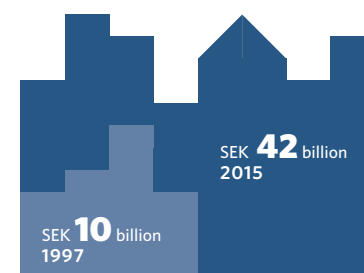
In addition, NAI Svefa made a desk-top valuation of 41 properties corresponding in value to 23% of the portfolio. NAI Svefa's valuation of the selected properties amounted to SEKm 9,324. Castellum's valuation of the same properties amounted to SEKm 9,742, i.e. a net deviation of SEKm -418 corresponding to -4%. Forum's valuation of the same properties amounted to SEKm 9,774, i.e. a net deviation of SEKm +32 corresponding to 0% compared to Castellum's valuation.

It can be noted that Castellum's deviation from the two external valuers accommodated well within the uncertainty range of +/-5-10%.

### Internal vs external valuation, SEKm

	2015	2014	2013	2012
<b>External valuer 1*</b>	23,581	21,109	19,624	18,527
Proportion external of internal	56%	57%	52%	52%
Net difference external vs internal	42	- 274	- 148	- 377
D:o %	0.2%	- 1.3%	- 0.8%	- 2.0%
Gross deviation positive	696	620	427	324
Gross deviation negative	- 654	- 894	- 575	- 701
Average deviation	5.7%	7.1%	5.1%	5.4%
<b>External valuer 2*</b>	9,323	9,105	7,912	7,153
Proportion external of internal	23%	25%	21%	19%
Net difference external vs internal	- 419	- 243	51	117
D:o %	- 4.5%	- 2.7%	0.6%	1.6%
Gross deviation positive	83	115	292	268
Gross deviation negative	- 501	- 358	- 241	- 151
Average deviation	6.0%	5.1%	6.8%	6.0%

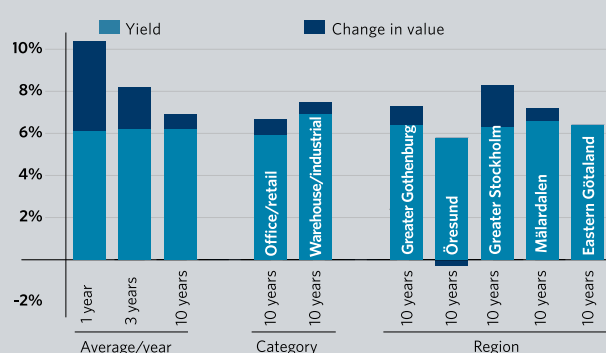
\* Different valuers for different years.



### PROPERTY VALUE

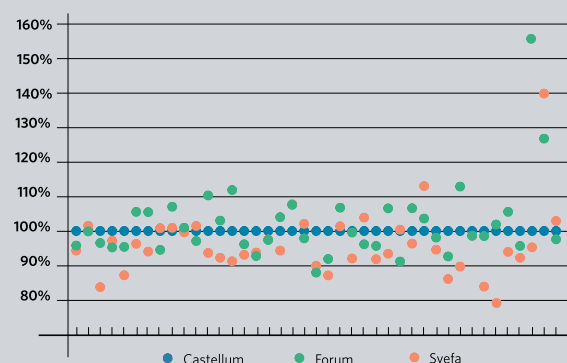
Since the IPO in May 1997, Castellum's property portfolio has increased from SEK 10 billion to SEK 42 billion.

Total yield in average/year in different cycles until 2015



Castellum's valuation vs Forum and Svefa

41 properties, SEK 9 billion corresponding to 25% of the portfolio



## Tax

Castellum will provide financial reporting which is permeated with openness and transparency. This also applies to the handling and accounting of taxes, an issue of such importance to the real estate industry. The Group's main approach is that correct tax will be paid in compliance with prevailing regulations.

At Castellum, there are a number of areas that are taxed: income tax on current earnings, property tax, VAT, stamp duty and energy taxes. Political decisions – such as changes in corporate taxation, tax legislation and interpretations – may lead to changes in Castellum's tax situation. These could be both positive and negative.

### Income tax

Castellum's reported income from property management for 2015 amounted to SEKm 1,533 (1,450), while taxable income from property management amounted to SEKm 236 (434). In the absence of tax loss carry forwards, a paid tax of SEKm 52 (96) would occur, attributable to the income from property management, equivalent to 3% effective tax paid.

### Tax depreciations

Investments in real estate can be allocated to different parts where the Swedish Tax Authority specifies percentages for tax depreciations: Buildings (2-5% depending on type of property), land improvements 5% and inventories 20% or 30%. Land is not depreciated.

### Tax deductible reconstructions

Costs for repairs and maintenance of a building may be deducted immediately. The "extended repair concept" allows for direct deduction for certain types of value-adding improvements, even if they are capitalized in the accounts.

### Property sales

Properties can be sold directly or indirectly through companies, which have different tax consequences. Profit on properties that fiscally represent fixed

assets is taxable, while a loss is put in a "fold" and can only be netted against profits within the Group from direct sales of properties that represents fixed assets. Profit on sales of shares which from a taxation point of view are considered fixed assets is not taxable, while a loss is not tax deductible.

For properties or shares which fiscally represent current assets a profit is always taxable while a loss is tax deductible.

### Changes in value on properties and derivatives

Swedish accounting laws do not allow reporting of properties at fair value in a legal entity, meaning that changes in value are reported only in the consolidated accounts and hence do not affect taxation. Some financial instruments such as interest rate derivatives may be reported at fair value in legal entities. For Castellum, changes in value resulting in a negative value on the instrument constitute a tax deductible cost and changes in value up to acquisition value of the instrument are considered a taxable income.

Castellum has no current tax disputes.

### Deferred tax on the balance sheet

Castellum has two entries which make up the basis for deferred tax - properties and tax loss carry forwards. All tax loss carry forwards are reported since expected future taxable income

#### Tax calculation 2015

SEKm	Basis current tax	Basis deferred tax
Income from property management	1,533	
D:o attributable to joint venture	- 23	
Deductions for tax purposes		
depreciations	- 741	741
reconstructions	- 494	494
Other tax allowances	- 39	6
<b>Taxable income of property management</b>	<b>236</b>	<b>1,241</b>
Properties sold	3	- 293
Changes in value, properties	-	1,789
Changes in value, interest rate derivatives	216	-
<b>Taxable income before tax loss carry forwards</b>	<b>455</b>	<b>2,737</b>
Tax loss carry forwards, opening balance	- 1,193	1,193
Tax loss carry forwards, closing balance	809	- 809
<b>Taxable income</b>	<b>71</b>	<b>3,121</b>
<b>Tax according to the income statement</b>	<b>- 16</b>	<b>- 687</b>

#### Net Deferred Tax Liability 31-12-2015

SEKm	Basis	Nominal tax liability		Real tax liability
Tax loss carry forwards	809	178	21%	170
Properties	- 22,239	- 4,893	6%	- 1,291
Total	- 21,430	- 4,715	5%	- 1,121
Properties, asset acq.	1,893	416		
<b>In the balance sheet</b>	<b>- 19,537</b>	<b>- 4,299</b>		

Deferred tax is in principle both interest free and amortization free and can therefore be considered as shareholder equity. The real deferred tax is lower than nominal partly due to the possibility of selling properties in a tax-efficient way, partly due to the time factor which means that the tax will be discounted.

Estimated real deferred tax liability net has been calculated to 5% based on a discount rate of 3%. Further, assessments have been made that tax loss carry forwards are realized in 2 years with a nominal tax of 22%, giving a present value of deferred tax liability of 21%, and that the properties are realized in over 50 years where 33% are sold directly with a nominal tax of 22% and that 67% are sold indirectly through company disposals where the buyers tax discount is 6%. This provides a present value for deferred tax liability of 6%.



may be used to net the tax loss carry forwards. Deferred tax deriving from properties occurs mainly due to changes in value, tax deductions such as depreciation and deduction of certain reconstructions, which are capitalized in the account.

#### Property tax

Property tax is paid for almost all the Group's properties. However, there is tax exemption for special buildings such as communication buildings, educational and healthcare buildings. For other properties, the tax rate set by the Swedish Tax Agency depends on the type of building and site. Tax is 1% of the assessed value for offices and 0.5% for industrial and warehouse buildings. In Denmark, tax rates vary depending on in which municipality the properties are located. Property taxes for 2015 amounted to SEKm 172 (170), based on an assessed value of SEK 21 billion.

#### Value added tax (VAT)

Real estate is exempt from compulsory VAT duty. If a premise is leased to a customer who runs a permanent VAT-liable business, the real estate owner can voluntarily register for VAT and thus get to deduct input VAT on both operating expenses and investments. Hence no deductions can be made for input VAT attributable to operating expenses and investments in premises not registered for voluntary tax liability. Non-deductible VAT on operating expenses for 2015 was SEKm 18 and is reported as an operating expense. Non-deductible VAT on investments for 2015 was SEKm 7 and is reported as investment in real estate.

#### Stamp duty

Upon acquisition of real estate in Sweden there is a stamp duty (title deed) of 4.25%, calculated on the higher value of either purchase price or assessed value. In Denmark, the equivalent tax is 0.6%. In 2015, SEKm 38 stamp duty was paid for acquisitions, as part of the acquisition value. There is also an additional stamp duty (pledging cost) of 2% (1.5% in Denmark) for mortgage deeds in real estate. In 2015, this tax totalled SEKm 18 and is capitalized in the balance sheet.

#### Energy taxes

Castellum purchases energy to use for heating, cooling, ventilation and lighting in the buildings. SEKm 29 of that sum involves energy taxes.

#### Employees

Employers in Sweden pay 31.42% in social-security contributions based on salary and a payroll tax of 24.26% on pension contributions. Castellum has 299 employees for whom SEKm 59 was paid in social-security contributions and payroll taxes.

#### Summary tax

In 2015, Castellum's operations generated a total of SEKm 357 in various taxes.

#### Summary of tax paid

SEKm	2015
Income tax	16
Property tax	172
Value added tax (VAT), not deductible	25
Stamp duty	56
Energy tax	29
Social security contributions and payroll	59
<b>Total paid tax</b>	<b>357</b>



---

Owning and managing properties means that operations are exposed to a variety of risks, both internal and external – or to uncertainties that may affect the Group’s ability to achieve objectives. Castellum therefore works with a regular and structured process to identify and actively monitor the full range of financial and non-financial risks that the Group encounters or has to take on. The Group’s risk management involves a structured process of decision making with the aim of establishing a balance between the desire to limit uncertainty or risk and the task of generating growth and shareholder value.

# Risk and Risk management

## Risks, exposure and risk management

Castellum defines risk as an uncertainty factor that may affect the ability to achieve company goals. Risk management involves a structured decision-making process with the aim of balancing the desire to limit uncertainty with achieving the objective. In order to assess the effect of identified risks, an internal risk rating is carried out where each risk is assessed, both from the perspective of impact and probability. This process determines whether the risk should be further monitored (Monitor), corrected (Focus) or handled through the standard review and management (Review).

To facilitate risk management, Castellum has chosen to classify risks into the following categories:

- External environment – risks due to the influence of external factors and events
- The real estate portfolio – risks associated with the ownership of Castellum's real estate portfolio
- Employees – risks associated with recruiting, training and retaining engaged and competent employees
- Management – risks associated with everyday management of Castellum's real estate holdings
- Financing – Castellum's financing risks

RISK CATEGORY	RISK	IMPACT	PROBABILITY	PRIORITY	DEVELOPMENT
<b>EXTERNAL ENVIRONMENT</b>					
Macroeconomic risks	1. Macro – crises	SEROIUS	LOW	FOCUS	↔
Crises	2. Crises	MEDIUM	POSSIBLE	MONITOR	↔
Change in legislation	3. Changes in legislation	MEDIUM	SAFE	FOCUS	↑
	4. Regulatory compliance	SEROIUS	LOW	FOCUS	↔
<b>REAL ESTATE PORTFOLIO</b>					
Composition of the real estate portfolio	5. Composition of the real estate portfolio	LARGE	UNCOMMON	MONITOR	↔
	6. Obsolete product/property	LOWER	SAFE	FOCUS	↔
	7. Size – too big in a submarket/area	LOWER	UNCOMMON	REVIEW	↔
Investments	8. Investments	LARGE	UNCOMMON	MONITOR	↔
	9. Strategic acquisitions	SEROIUS	UNCOMMON	FOCUS	↔
Change in value	10. Changes in value – real estate	SEROIUS	LIKELY	FOCUS	↑
<b>MANAGEMENT</b>					
Rental income	11. Rental income	MEDIUM	UNCOMMON	MONITOR	↔
	12. Disgruntled customers/tenants	SEROIUS	LOW	FOCUS	↔
Property costs	13. Property costs	INSIGNIFICANT	POSSIBLE	REVIEW	↔
Tax	14. Tax	INSIGNIFICANT	POSSIBLE	REVIEW	↔
Sustainability	15. Sustainability	SEROIUS	UNCOMMON	FOCUS	↔
Liability risks	16. Liability risks	LARGE	POSSIBLE	MONITOR	↔
Reporting	17. Reporting	SEROIUS	LOW	FOCUS	↔
<b>EMPLOYEES</b>					
Employees	18. Employees	SEROIUS	LOW	FOCUS	↔
<b>FINANCING</b>					
Financing	19. Financing	SEROIUS	LOW	FOCUS	↓
Change in value	20. Change in value – derivatives	MEDIUM	LIKELY	MONITOR	↔

↓ Reduced focus on risk area since latest reporting occasion.

↔ Unchanged focus on risk area since latest reporting occasion.

↑ Increased focus on risk area since latest reporting occasion

## EXTERNAL ENVIRONMENT

External environment risks refer to risks due to the influence of external factors, mainly outside Castellum's control, but to which Castellum has to relate. These risks can be divided into macroeconomic risks, crises and changes in legislation.

RISK	RISK MANAGEMENT	EXPOSURE
<b>MACROECONOMIC RISKS</b>		
<p><b>1. Macro – crisis</b>            Macroeconomic risks are risks associated with a general reduction in demand in the economy, low inflation, deflation or situations which entail general difficulties in obtaining financing – or funding at higher credit margins.</p>	<ul style="list-style-type: none"> <li>▪ Monitor world events</li> <li>▪ Strong balance sheet and low loan to value ratio</li> <li>▪ Well-composed contract portfolio with a wide spread regarding notice of termination, type of business, type of facility, contract size and geographical location</li> <li>▪ Deflation protection or a minimum upward adjustment of leases</li> <li>▪ Multiple sources of funding</li> <li>▪ Frequent renegotiations/new credit agreements</li> <li>▪ Property portfolio focused to growth areas</li> <li>▪ Natural macroeconomic hedging mechanism for higher/lower interest costs and rental income, but with some time delay</li> </ul>	<p><b>PRIORITY: FOCUS DEVELOPMENT:</b> ↔</p> <p>A weak economy affects the demand for premises negatively, leading to increased vacancies, falling market rents and loss of indexation for existing leases. In addition, the risk of payment problems, or even bankruptcies, among tenants increases, resulting in immediate negative effects on cash flow.</p> <p>Limited access to funding reduces Castellum's possibility to operate. Ultimately, reduced demand in the economy leads to declining property values.</p>
<b>CRISES</b>		
<p><b>2. Crises</b>            Crises may include such events as terrorist attacks, cyber-attacks, extreme weather and environmental disaster, and information leakage.</p>	<ul style="list-style-type: none"> <li>▪ Crisis plan</li> <li>▪ Succession-planning for senior executives</li> <li>▪ Full value insurance properties</li> <li>▪ Guidelines for information security: create user understanding and awareness of information as an asset to be handled with care.</li> <li>▪ Continuity plan IT</li> </ul>	<p><b>PRIORITY: MONITOR DEVELOPMENT:</b> ↔</p> <p>The risk is generally low, but Castellum could become indirectly affected by external factors and events</p>
<b>CHANGES IN LEGISLATION</b>		
<p><b>3. Changes in legislation</b>            Changes in legislation or regulations, whether national or international, can affect Castellum. For example, tax law changes, new regulations for banks, plan process management etc.</p>	<ul style="list-style-type: none"> <li>▪ Monitor developments regarding laws, regulations, praxis etc., within areas most essential to Castellum.</li> <li>▪ Actively participate in public debate</li> <li>▪ Prepare Castellum for new legislation</li> <li>▪ Frequent renegotiation of credit agreements</li> <li>▪ Broaden the funding base through multiple sources of funding and financiers</li> </ul>	<p><b>PRIORITY: FOCUS DEVELOPMENT:</b> ↑</p> <p>Changes in legislation may affect future investment opportunities, or lead to increased expenses, resulting in reduced future returns. New banking legislation may affect access to financing, cost of borrowed capital – and might trigger credit clauses that would lead to higher financing costs. Changes in tax rates and tax legislation – such as proposals regarding interest-deduction limitations, new regulations concerning tax depreciation and the prohibition for “bundling” of properties – may affect Castellum's future tax expenses.</p>
<b>PRIORITY: FOCUS DEVELOPMENT:</b> ↔		
<p><b>4. Regulatory compliance</b>            Lack of compliance could lead to financial losses, supervisory sanctions, loss of reputation, and – worst-case – to delisting.            Some regulations are open to interpretation – (IFRS), which means that Castellum and a possible regulations supervisor may have different opinions.</p>	<ul style="list-style-type: none"> <li>▪ A corporate culture based on high ethical ideals</li> <li>▪ Strict internal control processes with several levels of quality assurance</li> <li>▪ Code of conduct</li> <li>▪ Competent and responsible employees</li> <li>▪ Closely following the development of legislation, praxis, court orders etc.</li> <li>▪ A compliance function, reporting directly to the Audit and Finance Committee</li> <li>▪ A whistle-blower function</li> </ul>	<p>It is crucial to the Group's long-term success that Castellum's operations are conducted in a responsible manner. Our business and our ability to continue to create value are based on the relationships between employees, customers, partners, investors, authorities etc. A sound relationship is based on trust, and Castellum will be worthy of trust. Together, all employees create the image of Castellum through our behaviour and what we communicate to others.</p>

## REAL ESTATE PORTFOLIO

Real estate portfolio risks are risks associated with the ownership of Castellum's real estate portfolio, which in turn can be divided into risks concerning the composition of the portfolio, investments and changes in property value.

RISK	RISK MANAGEMENT	EXPOSURE
<b>COMPOSITION OF THE REAL ESTATE PORTFOLIO</b>		<b>PRIORITY: MONITOR DEVELOPMENT:</b> ↔
<p><b>5. Composition of the real estate portfolio</b> The composition of the portfolio can be affected at two levels: unfavourable geographical distribution – which means that Castellum owns properties in the wrong submarket, community or location with respect to, for example, future growth and current urbanization trend, – or: owning obsolete properties – i.e. a real estate portfolio that is not future-proof with regard to customer preferences, technical requirements, micro-location – or flexibility in usage and condition of contracts.</p>	<ul style="list-style-type: none"> <li>Macro analysis – regular reviews of submarkets regarding economic growth, rental market, cooperative climate, infrastructure investments, etc.</li> <li>Annual review of the real estate portfolio regarding geographic exposure and property type</li> <li>The Board's adoption of an annual strategy document</li> </ul>	<p>Castellum's real estate portfolio is located in five growth regions and 14 areas. Currently, all locations are assessed as having the right conditions for continued holding or investments. Moreover, during 2014 and 2015, major transactions took place with the aim of creating better conditions for future cash flow growth.</p> <p>The Group's real estate portfolio in the commercial real estate segment is distributed across office/retail (but not malls) and warehouse/light industrial/logistics. All segments are linked to growth possibilities.</p>
<b>6. Obsolete product/property</b>		<b>PRIORITY: FOCUS DEVELOPMENT:</b> ↔
<p>A non- "future-proof" real estate portfolio may become obsolete due to customer preferences, technical requirements, micro-location or to flexibility in usage and condition of contracts. It entails a risk of increased vacancies and a decline in value as a result. Alternatively, large investment commitments.</p>	<ul style="list-style-type: none"> <li>Follow the rental market and its development/supply</li> <li>"Trend spotting"</li> <li>Be close to customers to understand not only the needs of today but also those of tomorrow</li> <li>Follow infrastructure investments</li> <li>Participate actively in developing the area/submarket</li> <li>Follow the development of technology</li> <li>Ongoing investments in existing portfolio to "upgrade" and sell properties that are not deemed "right" from a future perspective.</li> </ul>	<p>Castellum annually invests approx. SEK 2.5 billion, evenly distributed in a normal year between acquisitions, new constructions, extensions and reconstructions. In addition, the Group sells real estate for about SEK 0.5 billion a year when it is commercially justified.</p>
<b>7. Size – too big in a submarket/area</b>		<b>PRIORITY: REVIEW DEVELOPMENT:</b> ↔
<p>Becoming too big in a market segment or area may mean that the municipality or the outside world places higher demands on Castellum, for example: that the company has to take overall financial responsibility for an area regarding infrastructure etc.</p>	<ul style="list-style-type: none"> <li>To be among the top three in each respective submarket</li> <li>Follow market share, which is considered in the adopted investment strategy</li> <li>Conduct annual analysis of the next three years to ascertain available growth opportunities</li> </ul>	<p>The real estate portfolio is concentrated to selected submarkets, which are all considered stable, possessing favourable prospects for long-term positive development.</p>

### Sensitivity analysis - cash flow

Effect on income next 12 months

	Effect on income, SEKm		Probable scenario	
	+/- 1% (units)		Boom	Recession
Rental level / Index	+ 33/- 33		+	-
Vacancies	- 37/+ 37		+	-
Property costs	- 11/+ 11		-	0
Interest costs	- 78/- 30*		-	+

\* Due to the interest-rate floor in credit agreements, Castellum is not able to take full advantage of negative interest rates. This results in a negative outcome, even for a one-percentage-point reduction of the interest rate.

### Sensitivity analysis - change in value

Properties	-20%	-10%	0	+10%	+20%
Changes in value, SEKm	- 8,364	- 4,182	-	4,182	8,364
Loan to value ratio	61%	54%	49%	44%	41%

### Value range - simplified example

		Net Operation Income	
		- 5%	+5%
Yield	+0.5%	$\frac{95}{7.5\%} = 1,267$	$\frac{105}{7.5\%} = 1,400$
	-11%	Net Operating Income $\frac{100}{7.0\%} = 1,429$ Value Yield	
	+2%		
	- 0.5%	$\frac{95}{6.5\%} = 1,462$	$\frac{105}{6.5\%} = 1,615$

Blue figures relate to change in value.

RISK	RISK MANAGEMENT	EXPOSURE
<b>INVESTMENTS</b>		
<p><b>8. Investments</b> Erroneous investment strategy or, alternatively: inability to execute the selected investment strategy or to find profitable investment projects.</p> <p>Investments can be made either in the form of new constructions, extensions and reconstructions, or via acquisitions. Acquisitions of individual properties can be carried out directly as property acquisition, or indirectly in corporate form. Acquisitions may also be made on a larger scale, either in the form of portfolios for regions or category of properties, or in the form of strategic acquisitions of corporations, i.e. the purchase of an existing organization.</p>	<ul style="list-style-type: none"> <li>▪ Annual review and evaluation of the adopted investment strategy</li> <li>▪ Link investment decisions to the adopted investment strategy to ensure the optimal decision is made</li> <li>▪ Several parallel investment discussions ongoing simultaneously</li> <li>▪ Post-investment follow-ups after three years</li> <li>▪ Risk-based model to determine the proportion of projects that may commence without ready customers</li> <li>▪ A structured decision-making process which analyzes market conditions and risks</li> <li>▪ Contract form that limits risk</li> <li>▪ Leasing agreements designed to limit the negative impact of unforeseen construction delays, additional requirements, etc. when leasing before construction starts</li> <li>▪ Quality assurance and evaluation of implemented projects</li> <li>▪ Quality assured due diligence process concerning legal, financial and tax issues</li> <li>▪ Introduction program for new employees</li> </ul>	<p><b>PRIORITY: MONITOR DEVELOPMENT:</b> ↔</p> <p>Low-yield investments and/or lack of growth potential mean that the 10% income-growth objective for property management will not be achieved. Further, yearly net investments constitute a prerequisite for reaching the growth target, which in a highly competitive real estate market means increased risk that the investment strategy can't be carried out.</p> <p>The risks associated with new constructions, extensions and reconstructions concern both technology issues in the form of construction risks – such as selecting suppliers, contract type, technical execution, etc. – and market issues in the form of rental and vacancy risks as well as miscalculations regarding potential rental level and customer requirements. In addition, there are risks in the form of negative environmental impact. Acquisitions via corporations also involve corporate-specific risks pertaining to the acquired companies, for example, taxes, litigations and environmental issues. Furthermore, the task of employee integration often accompanies the transfer of employees.</p>
<b>PRIORITY: FOCUS DEVELOPMENT:</b> ↔		
<p><b>9. Strategic acquisitions</b> Strategic acquisitions can be performed to obtain various advantages, but can also carry risks such as difficulties integrating operations and employees, a risk that management's attention is drawn away from other important business issues, risks with a potentially new market that the acquirer has limited or no experience of, expenditures for any unknown or potential legal liabilities in the acquired company, as well as an overly expensive acquisition.</p>	<ul style="list-style-type: none"> <li>▪ Due diligence</li> <li>▪ Thorough planning and structured processes to incorporate a new company</li> <li>▪ Identify in advance the skills and market awareness needed</li> <li>▪ Identify key figures in well in advance</li> <li>▪ Access to the market's best advisors</li> </ul>	<p>Castellum has effective processes and skills (directly or indirectly via advisors) required for major strategic acquisitions.</p>
<b>PRIORITY: FOCUS DEVELOPMENT:</b> ↑		
<b>CHANGES IN PROPERTY VALUE</b>		
<p><b>10. Changes in value - real estate</b> Value changes can occur due to macroeconomic factors (see section above, on macroeconomic risks), microeconomic factors (usually the wrong submarket, district or location), or property-specific causes. In addition, there is also the risk of individual properties being incorrectly assessed. Whatever the reason, value changes affect both income statement and Castellum's financial position including loan to value ratio.</p>	<ul style="list-style-type: none"> <li>▪ Strong balance sheet</li> <li>▪ A large number of properties, a geographically diversified real estate portfolio and great variation in lease agreements – concerted actions which result in lower volatility of the real estate portfolio value</li> <li>▪ Continuous analysis of the transaction market and quarterly reviews of the valuation of the real estate portfolio help detect early warning signs</li> <li>▪ Internal quality assurance and internal control of internal valuations</li> <li>▪ Annual external valuation of at least 50% of the portfolio</li> </ul>	<p>Large negative value changes can ultimately lead to the breaking of agreed terms and terminating credit agreements, thus resulting in higher borrowing costs, or – worst-case scenario – in utilized credits falling due for payment.</p>

## MANAGEMENT

Management risks refer to risks associated with the ongoing management of Castellum's real estate portfolio, which has a direct impact on the income from property management. These risks can be divided into rental income, property expenses, taxes, sustainability, responsibility, liability risk and reporting.

RISK	RISK MANAGEMENT	EXPOSURE
<b>RENTAL INCOME</b>		
<b>PRIORITY: MONITOR DEVELOPMENT:</b> 		
<p><b>11. Rental income</b> Rental income is affected by many factors, both external and internal. External factors may include falling market rents, loss of indexation and bankruptcy (see section above on macro-economic risks). Poor management can result in disgruntled tenants, unnecessary vacancies and customer loss caused by inability to offer customers what they want.</p>	<ul style="list-style-type: none"> <li>• Maintain properties in growth areas and a contract portfolio with a large number of agreements – not dependent on a single tenant or business sector. Ensure a maturity structure spread over time</li> <li>• Proximity to customers and attentiveness to customers</li> <li>• Experienced and competent management and leasing staff who prevent notices of termination through active renegotiations before contract expiry</li> <li>• Competitor analysis; measure customer satisfaction and follow-up of net leasing</li> <li>• Strive for leases with an index clause with deflation protection and minimum indexation</li> </ul>	<p>For Castellum, reduced income can be derived from lower rental value, i.e. loss of potential rent obtained from vacant premises, or from lower rental income, which is the actual rent received. Rental income is hence dependent on both the market rent of the property and on how Castellum handles vacancies. Reduced rental income ultimately leads to a decline in the value of the real estate portfolio.</p>
<b>PRIORITY: FOCUS DEVELOPMENT:</b> 		
<p><b>12. Disgruntled customers/tenants</b> The risk that several tenants or customers become disgruntled and leave the Group.  The ability to attract new customers/tenants fails, with large vacancies and value decline as a result.</p>	<ul style="list-style-type: none"> <li>• Proximity to customers and attentiveness to customers</li> <li>• Experienced and competent management and leasing staff</li> <li>• Annual measurement, Customer Satisfaction Index</li> </ul>	<p>Castellum has a strong and clear customer focus, and it is important that the Group lives up to customer expectations. Hence, an annual Customer Satisfaction Index measurement is carried out. The most recent, conducted in 2015, shows continued high ratings with an index of 80 on a scale of 100.</p>
<b>PROPERTY COSTS</b>		
<b>PRIORITY: REVIEW DEVELOPMENT:</b> 		
<p><b>13. Property costs</b> Risks concerning property costs mainly relate to cost increases beyond what Castellum can be compensated for through contractual rents, indexation and surcharge. It can also refer to unforeseen costs and extensive renovation needs.</p>	<ul style="list-style-type: none"> <li>• High percentage of cost recharging</li> <li>• Compensation via minimum indexation</li> <li>• Continuous optimization of operations and efficiency efforts</li> <li>• Electricity hedging</li> <li>• Demarcation list landlord/tenant</li> <li>• Prevention of rental losses via background checks on customers and operating an "in-house" debt collecting business</li> <li>• Long-term maintenance planning, in order to optimize maintenance costs over time</li> </ul>	<p>The price of electricity is determined by supply and demand in an open, deregulated and partly international market. Other media costs are partly controlled by local monopolies, which creates uncertainty in future costs. The basis for calculating ground rent levels may change in future renegotiations, and political decisions can change both tax rate and tax assessment value used for calculating property tax. Indirect costs for employees – such as payroll taxes and other obligations – could also be affected by political decisions.</p>
<b>TAX</b>		
<b>PRIORITY: REVIEW DEVELOPMENT:</b> 		
<p><b>14. Tax</b> Castellum's potential non-compliance with existing regulations or non-adaptation to changing regulations regarding income tax and VAT. Tax is also an important parameter in the context of calculation.</p>	<ul style="list-style-type: none"> <li>• Strict internal control processes and external quality assurance of, for example, income tax returns</li> <li>• Open claims regarding doubtful items</li> <li>• Continuous training of employees</li> <li>• Closely following the development of legislation, praxis and court orders</li> </ul>	<p>Incorrect tax management might lead to erroneous tax being paid, to tax penalties and, in some cases, to qualified opinion. Poor fiscal management may lead either to an overestimation of the return – which means insufficient actual return. Or it could lead to an underestimation of the return, with the risk of a fundamentally profitable investment not being implemented.</p>

RISK	RISK MANAGEMENT	EXPOSURE
<b>SUSTAINABILITY</b>		
<p><b>15. Sustainability</b></p> <p>An erroneous investment strategy or portfolio management may mean that the Group does not have the correct platform for maintaining sustainable earnings. For example, lower cost efficiency may occur if measures are not taken to save energy and minimize waste. For new construction, extension and reconstruction there is a risk that the materials and methods used may subsequently prove to cause damage. In addition, environmental policies and environmental opinion may affect Castellum, not least in the form of increased taxes or necessary investments.</p> <p>Being a long-term player, incidents may arise which imply that Castellum does not assume social responsibility – causing damage to the reputation or brand.</p>	<ul style="list-style-type: none"> <li>• Monitor developments in laws and regulations</li> <li>• Prioritize environmental issues in all parts of the business</li> <li>• All new constructions will be environmentally certified</li> <li>• Sustainability policy, where measurable goals common to the Group have been developed under the headings: <ul style="list-style-type: none"> <li>- Promote more efficient resource consumption</li> <li>- Develop a sustainable real estate portfolio</li> <li>- Develop green relationships with customers</li> <li>- Sustain social commitment and responsibility</li> </ul> </li> <li>• Code of conduct for Castellum employees, as well as for suppliers and partners, in place</li> <li>• Comply with standards and documentation requirements</li> </ul>	<p><b>PRIORITY: FOCUS DEVELOPMENT:</b> ↔</p> <p>Castellum works with environmental certification and environmental inventory to reduce environmental, climate and health risks. 20% of the real estate portfolio is certified and 93% has undergone environmental inventory. Efficient management, with focus on reduced resource use reduces the risk of high costs, environmental and health impacts as well as providing customers with a healthy working environment. Since 2007, energy consumption has been reduced by 25% and carbon dioxide emissions by 48%.</p> <p>Defect-risk in the work of the suppliers involved, can also affect Castellum. However, by including the Code of Conduct and sustainability standards in procurement, the risk is considered to be low.</p> <p>Through community involvement in all locations where Castellum operates, the company contributes to the attractiveness of the area and reduces social challenges.</p>
<b>LIABILITY RISKS</b>		
<p><b>16. Liability risks</b></p> <p>All ownerships entail responsibility. For Castellum's part, the properties may be destroyed by fire, water, theft or other damage. Moreover, Castellum may - through negligence - cause damage to a person or to the property of another. The Company might also cause environmental damage for which it will become liable.</p>	<ul style="list-style-type: none"> <li>• Preventive measures to minimize the risk of damage to property, person or environment</li> <li>• All properties will be covered by full value insurance</li> <li>• Subscribe to an insurance which covers liability and other economic losses</li> <li>• Environmental inventory of existing portfolio and when acquiring new properties in order to identify and address environmental and health risks</li> </ul>	<p><b>PRIORITY: MONITOR DEVELOPMENT:</b> ↔</p> <p>Inadequate insurance coverage may result in unforeseen costs for Castellum. Liability and compensation for damage might also arise due to personal injury and third-party property damage, as well as for remediation of environmental damage.</p>
<b>REPORTING</b>		
<p><b>17. Reporting</b></p> <p>The risk of an official report, in the form of interim reports or financial statements, which do not provide a true and fair view of Castellum's operations, earnings and financial position.</p>	<ul style="list-style-type: none"> <li>• A corporate culture based on high ethical ideals and orderliness</li> <li>• Close internal control with quality assurance at several levels</li> <li>• Skilled and experienced staff</li> <li>• Updated on development of regulations and able to implement changes in good time</li> <li>• A compliance function which reports directly to the Board's Audit and Finance Committee</li> <li>• External audit full-year and half-year</li> </ul>	<p><b>PRIORITY: FOCUS DEVELOPMENT:</b> ↔</p> <p>A misleading report would lead to bad will and a negative reputation in the market. This may lead to uncertainty among investors, increased risk premium and, ultimately, to a negative exchange rate impact, creating economic losses for Castellum's current owners. Other effects include: investors may make incorrect investment decisions, regulators may exercise sanctions and, ultimately, the Castellum share may become delisted.</p>

## EMPLOYEES

To recruit, develop and retain motivated and engaged employees is crucial to Castellum's long-term success.

RISK	RISK MANAGEMENT	EXPOSURE
<b>EMPLOYEES</b>		
<p><b>18. Employees</b></p> <p>Employees are one of our most important assets - their decisions and actions run the business. The largest risk is to fail to recruit, develop and retain employees and senior executives with the right skills, which may lead to underachievement at Castellum.</p>	<ul style="list-style-type: none"> <li>• Castellum's common value-system</li> <li>• Open and transparent work environment</li> <li>• Skills and leadership development</li> <li>• Employee Satisfaction Survey (NMI)</li> <li>• Succession plan for key employees/management positions</li> <li>• Market and competitive remuneration</li> <li>• Analysis of employee turnover</li> </ul>	<p><b>PRIORITY: FOCUS DEVELOPMENT:</b> ↔</p> <p>Bad hires in the wrong place, disgruntled employees, poor leadership and an organization that fails to encourage open dialogue and stimulate development can lead to employees being discontented, underperforming or quitting. In turn, dissatisfied employees and high employee turnover lead to increased costs, poorer customer relations, reduced internal efficiency and - ultimately - to lower profitability.</p> <p>Castellum has an NMI of 85 from the latest employee survey in 2014, and a healthy turnover.</p>



## FINANCING

Castellum's single greatest risk is not to have access to financing. Lending conditions, as well as credit market rules can change quickly, thus affecting Castellum's interest rate risks, financial costs and ability to extend existing credit agreements and sign new ones.

RISK	RISK MANAGEMENT	EXPOSURE
<b>PRIORITY: FOCUS DEVELOPMENT: ↓</b>		
<p><b>19. Financing</b></p> <p>Liquidity and financing risk: Financing is either not available or conditions are very unfavourable at a given time.</p> <p>Selected capital structure: Castellum violating the 55% limit for LTV or the covenant of 65% could affect the market's confidence in Castellum, with potential results:</p> <ul style="list-style-type: none"> <li>- violating the 55% limit for LTV leads to more expensive financing costs for some contracts</li> <li>- violating the 65% limit for covenants means that they expire for a number of contracts</li> </ul> <p>Interest rate risk: the risk that a change in market interest rate will affect income and cash flow. Castellum may violate the established mandate of an interest coverage ratio of no less than 200% or corresponding covenants of a minimum of 150%.</p>	<ul style="list-style-type: none"> <li>• A finance policy defines that determines risk mandates</li> <li>• Liquidity reserves/unutilized credit facility</li> <li>• Multiple sources of financing (bank, MTN, commercial paper programs)</li> <li>• Several lenders, and only counterparties with high credit ratings</li> <li>• Continuous renegotiation of credit agreements</li> <li>• Security through pledged mortgages</li> <li>• Strong balance sheet</li> <li>• An interest-rate maturity structure spread over different terms</li> <li>• Long-term credit agreements with fixed margins</li> <li>• Revolving loans in order to obtain maximum flexibility</li> <li>• Only marketable instruments used in the market, so that listed prices can be obtained</li> <li>• Established formulas for handling calculations</li> <li>• Reconciliation between internal and external valuations</li> <li>• A compliance function to ensure independence</li> </ul>	<p>Property ownership is a capital-intensive business that requires a well-functioning credit market. Access to finance is fundamental for Castellum and for continued growth. Insufficient liquidity reserves could result in Castellum missing out on business opportunities. Furthermore, all lenders are not equally strong financially, which means that counterparty risks are built into the system.</p> <p>Changes in capital structure might cause Castellum to violate the agreed-upon financial key ratios of the loan conditions, which would lead to more expensive loans or to credit agreements maturing. In addition, confidence in Castellum within the capital market could be negatively affected by not ensuring an appropriate capital structure.</p> <p>The market interest rate is affected by the Riksbank's monetary policy, expectations of economic development - nationally as well as internationally - and other unforeseen events.</p>
<b>PRIORITY: MONITOR DEVELOPMENT: ↔</b>		
<p><b>20. Changes in value - derivatives</b></p> <p>Changes in value of Castellum's interest-rate derivatives or currency derivatives arising from changes in market interest rate or from the exchange rates between SEK/DKK.</p>	<ul style="list-style-type: none"> <li>• A financial policy regarding fixed interest terms and currency risks</li> <li>• Marketable instruments - exclusively - used in the market, so that listed prices can be obtained</li> <li>• Established formulas for handling calculations</li> <li>• Reconciliation between internal and external valuations</li> <li>• A compliance function to ensure independence</li> </ul>	<p>Changes in market interest rate and exchange rates affect the market value of the derivatives portfolio. Improper valuation of derivatives may provide an inaccurate picture of the Group's financial position.</p>



Sound corporate governance is the foundation for a company to be managed sustainably and responsibly – as well as efficiently and effectively. It requires compliance with legislation, rules and good practice, but also has to be tailored to Castellum’s business operations. Verifying compliance is one of the Board’s main tasks. The other task is to be a hands-on, close-to-the source powerhouse that both challenges and supports management.

# Corporate Governance Report

## Charlotte Strömberg, Chairman of the Board at Castellum AB:

The following pages describe how Castellum is organized and managed according to a structured and well-tested model. The model is based on laws, regulations and good practice, but tailored to Castellum's business operations within this obvious framework. "Neatness and order" – including a clear division of labour, policy documents, processes and monitoring – have formed a common thread in Castellum's history from its very beginnings, in the wake of the real estate and financial crisis of the early 1990s. A primary Board task – as monitoring body – becomes a matter of perfecting and adapting to a changing world rather than carrying out drastic interventions. Even so, I'll return to a couple of issues in this area that the Board devoted extra attention to during the past year.

### Long-term responsibility

Before that, I'd like to devote some time to the Board's second main task – to be a hands-on, close-to-the source powerhouse that both challenges and supports management. Our common primary task is to create sustainable shareholder value. It means assuming long-term responsibility for managing the capital entrusted to us by the shareholders to achieve a solid and growing return.

In some circles, there is talk of quarterly capitalism and the pressure on executive management to deliver according to the short-term forecasts made by analysts. In this scenario, boards can play a key role as counterweights, by consistently drawing out the perspective and taking responsibility for legitimate expectations of sustainable and growing long-term earnings. This requires courage.

The real estate industry has traits that make it appear sluggish, for better or worse. Contracts and agreements with our customers – the tenants – extend over several years. This lowers operational risk, particularly for Castellum, where we've consciously built up a diversified portfolio of 600 properties and 4,500 leases with overlapping maturities. Conversely, the structure means that it may take time and patience to implement desired changes.

Property acquisitions and sales also demand creativity and foresight. Compared with other asset markets – such as the stock and capital markets – the market is less liquid and based on close matching of specific interests between buyer and seller.

### Future-proof cash flows

With the goal of creating growth in cash flow over time, Castellum's Board and Executive Group Management actively work to future-proof our real estate portfolio. This is about having the right products in locations where communities are growing the most, as well as identifying where the reverse may be true in five-to-ten years' time. In this latter scenario, there's a risk of obsolete products. Coupled to the above-described sluggishness, it is crucial to constantly adjust well in advance. Easy to say, but a challenging task in practice.

In recent years, the Board and Executive Group Management have developed a strategy to both counter and take advantage of future changes in the surrounding world. During the past 15 months, this implementation has become noticeable. We have begun to relocate, with stepped-up activity in the portfolio. We've left areas and properties that provide a high return today but indicate lower expected growth, and we have shifted up through investments with a lower initial return but better growth. For the first time since 2003, we also reached an occupancy rate of over 90%. Towards the end of the year, we emerged – with awareness, and still aiming for the long-term perspective – from a lower-growth period of income from property management to a noticeable spurt in income-growth pace. We've dared to act long-term at the expense of short-term growth. The 2015 stock market ratings were recorded in a risk-friendly environment, and during the year, we posted lower development than several of our listed colleagues who delivered higher growth coupled with higher financial leverage.

However, we are sticking to the combination of low operational risk and controlled financial risk that has been Castellum's promise to the stock market since listing in 1997. Paired with a clear dividend policy, we can propose a dividend increase to the AGM for the 17th consecutive year. Of course, we remain spurred on by competition and look forward to advancing our positions – continuously improving and customizing our business – for the benefit of both tenants and shareholders.

### A desire for new solutions

From a Board perspective, we enjoy the privilege of not being absorbed by everyday operations. Focusing on today's customer – today – is a Castellum hallmark. During the year, Castellum employees have solved many problems and created

**“The Board can play a key role as counterweight to quarterly capitalism by consistently drawing out the perspective and taking responsibility for managing the capital entrusted to us by shareholders to achieve a solid and growing return.”**

new possibilities for our tenants. A retained and satisfied customer drives our profitability. It constitutes a major strength to have our customers spread the message. Therefore, we're particularly pleased that nine out of ten tenants are happy to recommend us as landlord and partner.

Whoever stands still – filled with complacency – will be left in the dust of competitors. It is therefore crucial how and where we should place our efforts when work and leisure are increasingly interwoven. New technology and digitalization have ushered in new behaviours, decision-making and preferences. One of the highlights of the Board year consequently occurred at the spring strategy meeting. We gathered Executive Group Management and the Board together, to head out onto thin ice and make predictions for the future. An inspiring and provocative discussion leader helped us ponder several necessary and fun initiatives. As urban developers and one of the largest suppliers of commercial properties to Sweden's growth regions, we can – and want to – contribute to the development of society. I'm convinced that Castellum can take a leading role and promote the transformation of "old" industries as well as the emergence of new ones.

With 600 properties and a cross section of Swedish society housed in our facilities, we possess both the will and the ability to test new solutions and drive innovation processes in conjunction with our customers and their clients. As in the past, our recipe for success is spelled local presence and personal commitment, spiced by the possibilities of technology.

#### **Well-composed financing structure**

The current revamping of our real estate portfolio is clearly creating value and ultimately increasing cash flow. However, the Board's close focus on business strategies should not overshadow respect for that vital commodity – capital. Access to financing is a real estate company's biggest risk. Conversely, a well-composed financing structure constitutes a competitive advantage that guarantees agility taking in future business opportunities.

Therefore, I would like to particularly highlight the agile and active work of the company's financing function, which contributes to supporting business operations while curbing risk-taking. Castellum owns properties totalling SEK 42 billion. Binding credit agreements and setting limits for capital market financing for a total of SEK 30 billion dictate daily monitoring activities. Making major changes to the portfolio calls for careful preparation and evaluation. Properties for SEK 9 billion (gross) were turned over, which also entailed subsequent mortgage management.

During the year, loan commitments totalling SEK 18 billion were renegotiated with attractive terms. Bonds for SEK 3.5 billion were issued.

At year-end, the loan-to-value ratio amounted to 49% – considered modest by our business-sector standards. This creates breathing room for continued net investments when solid returns are indicated.

I have thereby highlighted one of the areas that rivets the Board's supervisory attention. In 2015, a more comprehensive analysis of financing issues and associated risks was completed by the Audit and Finance Committee, resulting in a reworked and refined Finance Policy approved by the Board.

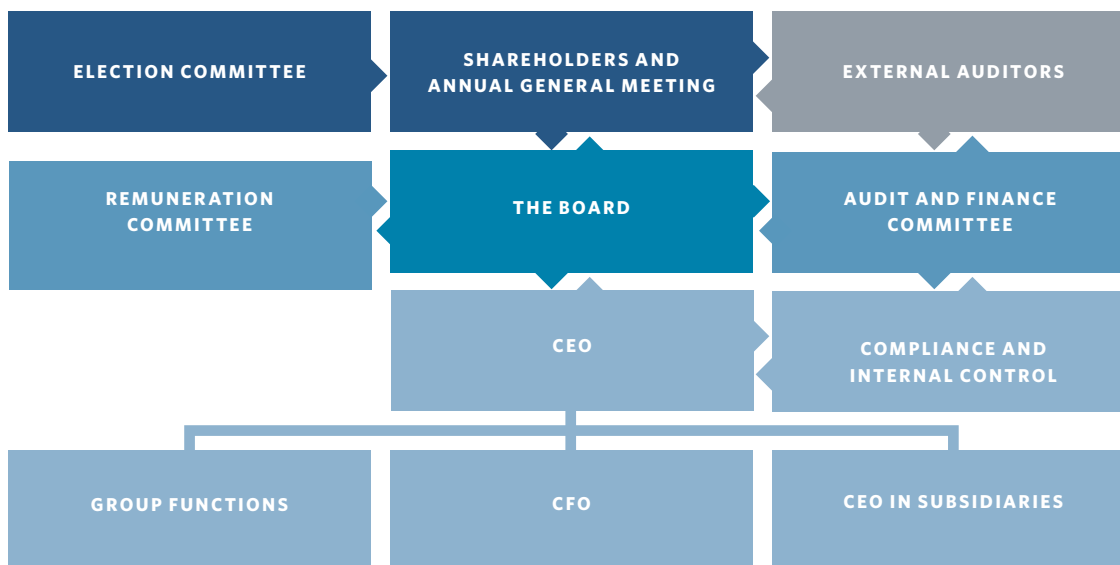
A final point on the governance theme from the past year's agenda was the specific formulation of our further hopes from suppliers and other partners, aside from commercial undertakings. Through our Code of Conduct, Castellum sets out guidelines for how our own and employee behaviour should always be characterized by high ethics and responsibility. Moreover, we would like to assume greater responsibility by promoting ecologically, socially and economically sustainable business outside our own walls. Ultimately, some measure of influence can be achieved by avoiding partners who do not share Castellum's view of corporate responsibility. Concerted efforts to encourage suppliers to sign Castellum's Code of Conduct have now begun, and this is a task that will develop gradually.

Finally, I look forward to another business-intensive year with Castellum. Our executive team members have high ambition levels, and their change-ready stance is supported by an engaged, and active Board, dedicated to driving success. My colleagues on the Board represent broad diversity in terms of background, skills, experience and personality. This ensures that a wide range of possible perspectives will be factored into all discussions and decisions, with the common goal of sustainable growth in shareholder value.

Stockholm January 2016

Charlotte Strömberg  
*Chairman of the Board at Castellum*

## Overall structure for Corporate Governance



### Swedish Code for Corporate Governance

Corporate governance covers the various means of decision making by which the shareholders – directly and indirectly – control the company. Corporate governance has evolved through laws, recommendations and statements, the Code (Swedish Code for Corporate Governance) and through self-regulation. It is based upon the comply-or-explain principle, meaning that all rules do not always have to be followed and there is no crime in deviating from one or more particular rules of the Code if there are motives and explanations. The Swedish Code for Corporate Governance (the Code) is conducted by the Swedish Corporate Governance Board and is found at [www.bolagsstyrning.se](http://www.bolagsstyrning.se), where the Swedish model for corporate governance is also described.

The model above describes the overall structure of corporate governance at Castellum AB (publ).

### Observance of the Code

Castellum applies the Code with the purpose of creating favourable preconditions for taking on the role of active and responsible ownership. It is crucial that the company acts responsibly to fulfil strategies and create long-term value.

According to Board appraisal, Castellum has followed the Code in all respects during 2015 and has no deviation to report.

### Shareholders and Annual General Meeting

Castellum AB (publ) is a Swedish public company governed by the Swedish Companies Act, the Nasdaq Stockholm rules for issuers, the Swedish Code of Corporate Governance and the articles of association.

The Castellum share is listed on the Nasdaq Stockholm Large Cap. At year-end 2015, Castellum had approx. 19,100 shareholders. Of the total share capital, 50% was owned primarily by Swedish

institutions, funds and private persons and 50% was owned by foreign investors. Castellum has no directly registered shareholder with holdings exceeding 10%.

The share capital amounts to SEK 86,003,354 distributed among 172,006,708 shares with a par value of SEK 0.50. Each share, except the company's own repurchased 8,006,708 shares, entitles the holder to one vote and carries an equal right to a share in Castellum's capital. There are no warrants, convertible bonds or similar securities which may lead to additional shares in the company.

### Annual General Meeting

The AGM is Castellum's supreme decision-making body, where shareholders have the right to make decisions about the Group's affairs.

The AGM is held in Gothenburg during the first half-year after the end of the financial year. The Annual General Meeting elects the Board of Directors and the company's auditors as well as making decisions on changes in the articles of association and on changes in the share capital.

Participation in decision-making requires the shareholder's presence at the meeting, either personally or through a proxy. In addition, the shareholder must be registered in the share register by a stipulated date prior to the meeting and has to provide notice of participation in the manner prescribed. Individual shareholders requesting that a specific issue be included in the agenda of a shareholders' meeting can normally request the Castellum Board to do so well in advance of the meeting, via an address provided on the Group's website.

Decisions at the meeting are usually taken on the basis of a simple majority. However, regarding certain issues, the Swedish Companies Act stipulates that proposals must be approved by shareholders representing a larger proportion of the votes of the shares represented and votes cast at the AGM.

### MAJOR EXTERNAL REGULATIONS

- Swedish Companies Act
- Rules for issuers at Nasdaq Stockholm
- Swedish Code of Corporate Governance
- IFRS standards

### IMPORTANT INTERNAL REGULATIONS

- Articles of Association
- Board of Directors' rules of procedures
- Resolutions procedure
- Policy regarding the composition of Board, signers for the company, authorization
- Rules of procedure in the subsidiary boards
- Policies for communication, finance, insider, sustainability, Code of Conduct and Crisis Management.
- Manuals and guidelines for important parts of the business
- Processes for internal control and risk management

### ARTICLES OF ASSOCIATION

The name of the company is Castellum Aktiebolag and the company is a public limited company. The registered office of the Board is in Gothenburg.

The objective of the company's activities is to acquire, administer, develop and sell real estate and securities – directly or indirectly – through wholly or partially owned companies – and to carry out other activities compatible with these. Changes in Castellum's articles of association are made in accordance with the regulations in the Companies Act. The articles of association, which also include information on share capital, number of Board members and auditors as well as rules for summons and agenda for the Annual General Meeting are available as a whole on the company's website.

## ANNUAL GENERAL MEETING 2016

For the AGM on March 17, 2016 the Board of Directors proposes:

- a dividend of SEK 4.90 per share and March 21 2016 as record day
- guidelines for remuneration to Executive Management,
- a renewed incentive program for Executive Management,
- a renewed mandate for the Board to decide on purchase or transfer of the company's own shares.

The election committee proposes for the AGM:

- re-election of the present Board members Charlotte Strömberg, Per Berggren, Anna-Karin Hatt, Nina Linander, Christer Jacobson and Johan Skoglund, as members of the Board of Directors. Christina Karlsson Kazeem is proposed for election as a new member of the Board of Directors. Charlotte Strömberg is proposed for re-election as Chairman of the Board of Directors.
- that remuneration to the Board of Directors is proposed to be the following.
  - The Chairman of the Board SEK 720,000,
  - other members of the Board: SEK 315,000,
  - member of the Board of Directors' Remuneration Committee, including the Chairman: SEK 30,000 ,
  - Chairman of the Board of Directors' Audit and Finance Committee: SEK 50,000,
  - other members of the Board of Directors' Audit and Finance Committee: SEK 35,000.

The proposed total remuneration to the members of the Board of Directors, including remuneration for committee work, accordingly amounts to SEK 2,820,000 (SEK 2,650,000 previous year) provided that the number of committee members remains unchanged,

- for the AGM to decide on appointing an Election Committee for the 2017 AGM and for the Chairman to contact the three largest registered or otherwise-known shareholders at the end of the last day of share trade in August 2016 and invite each of them to appoint one member to the Election Committee. Further, that the three appointed members, together with the Chairman of the Board of Directors, are to constitute the Election Committee. The Election Committee appoints a chairman amongst its members. The names of the members of the Election Committee will be made public no later than six months before the next AGM.

## Annual General Meeting 2015

The latest AGM was held on March 19, 2015 in RunAn, Chalmers Kårhus, Chalmersplatsen 1, Göteborg. At the AGM, 495 shareholders were represented, representing 42,3% of the total number of shares and 44.4% of the votes. All members of the board and the company's auditors and the deputy auditor were present at the AGM.

The AGM adopted the financial reports for 2014 and discharged the board of directors and the chief executive officer from liability regarding operations for 2014.

On the AGM on March 19, 2015 the board of directors decided;

- a dividend of SEK 4.60 per share for the fiscal year 2014,
- that remuneration to the members of the Board of Directors shall be SEK 2,650,000, of which SEK 640,000 should be allocated to the Chairman of the board of directors and SEK 300,000 to each other members of the Board. Remuneration for work in the Remuneration Committee should be SEK 30,000 to each member, Chairman included. Remuneration to the chairman of the Audit and Finance Committee shall be SEK 50,000 and SEK 35,000 to the members,
- re-election of present Board members Charlotte Strömberg, Per Berggren, Christer Jacobson, Jan Åke Jonsson, Nina Linander and Johan Skoglund. Anna-Karin Hatt was elected as new member of the board. Charlotte Strömberg was re-elected as Chairman of the Board of Directors,
- to approve the Board's proposed guidelines for remuneration to members of the executive management,
- to authorize the Board in order to adjust the company's capital structure and be able to transfer company-owned shares as a payment or financing of real property investments to resolve on the acquisition and transfer of company-owned shares.

Minutes of the annual general meeting held on March 19, 2015 are available on the company's web site.

## Election Committee

The 2015 Annual General Meeting decided that an Election Committee should be appointed for the 2016 AGM in order to present: proposals for the number of members of the Board of Directors; election of members of the Board of Directors, including Chairman; remuneration to members of the Board of Directors; as well as a model for appointing a new Election Committee for the 2017 AGM.

The Election Committee's proposals are publicly announced no later than on the date of

notification of the AGM. Shareholders may contact the Election Committee with proposals for nomination.

The Election Committee is appointed according to the AGM's decision that the Election Committee should be established by the Chairman of the Board of Directors, who will contact the three largest registered owners, or otherwise known shareholders as per the last share trading day in August and invite them each to appoint one member. The three appointed members, along with the Chairman of the Board of Directors, constitute the Election Committee. The Election Committee appoints a chairman from among its members.

The Election Committee for the 2016 AGM consists of Rutger van der Lubbe, representing Stichting Pensioenfonds ABP; Johan Strandberg, representing SEB Fonder; Björn Franzon, representing the Szombatfalvy family and Stiftelsen Global Challenges Foundation; and Charlotte Strömberg, Chairman of the Board of Directors of Castellum. Johan Strandberg is Chairman of the Election Committee.

## Election Committee AGM 2016

Representative	Representing	Share of votes August 31, 2015
Rutger van der Lubbe	Stichting Pensioen- fonds ABP	approx. 6.6%
Johan Strandberg	SEB Fonder	approx. 5.1%
Björn Franzon	Familjen Szombatfalvy samt Global Challenges Foundation	approx 4,5%
Charlotte Strömberg Chairman of the board in Castellum AB (publ)		

All members of the Election Committee have carefully considered and ascertained that there is no conflict of interest in accepting the mandate of being a member of Castellum's Election Committee. Prior to the 2016 AGM, the Election Committee has held 4 meetings with recorded minutes. All relevant issues that need to be addressed to comply with the Swedish Code for corporate governance have been dealt with. Among various issues, the Election Committee has discussed and considered:

- to what extent the current Board of Directors fulfils the requirements that will be imposed on the Board of Directors as a result of Castellum's operations and development phase,
- how many people should constitute the Board of Directors,
- which areas of expertise are, and should be, represented on the Board of Directors,
- the composition of the Board of Directors with respect to experience, gender and background,
- remuneration to the members of the Board of Directors,
- which model should be used for appointing a new Election Committee for the 2017 AGM.

The Election Committee has received a detailed review of the outcome of the comprehensive evaluation of the Board of Directors. The review was conducted by a company specializing in board evaluations. Furthermore, the Election Committee has conducted a recruitment process which included contacts with a recruitment consultant, the drawing up of a set of requirements for the recruitment of members of the Board as well as meetings with candidates for the Castellum Board of Directors. Moreover, in connection with the Board evaluation review, the recruitment process and committee work in general, the Election Committee has continuously focused on how gender balance in the Board is to be maintained.

In order to assess a proposed Board member's independence in relation to Castellum and its executive management as well as to the larger shareholders in Castellum, the Election Committee has gathered information on proposed members for the Board of Directors. The Election Committee has assessed that all proposed Board members are to be considered as independent in relation to Castellum, its executive management and to the larger shareholders in Castellum. Finally, the Election Committee has informed the company about its activities and which proposals the Committee has decided to put forward.

The Election Committee's proposals to the AGM are shown on the previous page. The proposed Board of Directors are considered to possess the required versatility, broad competence, experience and background relevant for Castellum operations, development phase and mixed range of circumstances. The Election Committee's proposals mean that four of seven Board members are women, including the Chairman. The maintenance of a gender balance on the Board has been a crucial condition for the work of the Election Committee.

### External auditors

The external auditors are appointed by the AGM and responsible to the shareholders at the AGM. They are independent reviewers of Castellum's accounting and corporate governance report and also review the Board and the CEO.

Castellum's auditors are elected by the AGM for a period of three years. The present period began in 2014, and the next election will therefore take place at the AGM in 2017. The company's

### Remuneration to auditors

thousand SEK	2015	2014	2013
Audit assignment	2,003	1,908	2,535
Audit business in addition to the audit assignment	365	68	236
Tax consulting	-	76	1,075
Other consulting	106	232	739
<b>Total</b>	<b>2,474</b>	<b>2,284</b>	<b>4,585</b>
of which Deloitte	2,324	2,134	-
of which KPMG	-	-	4,349
of which EY	150	150	236

auditors are Hans Warén, who works at Deloitte; Magnus Fredmer, who works at EY; and deputy auditor Fredrik Walméus, who works at Deloitte. All are certified public accountants.

### The Board

The shareholders appoint the Board at each Annual General Meeting. The Board has the overall responsibility for Castellum's strategy and organization and manages Castellum's affairs on behalf of the shareholders. According to the articles of association, Castellum's Board will consist of no less than four and no more than eight members. Board members are elected at the AGM and will hold office from their appointment until the conclusion of the first AGM following their appointment.

For 2015, the Board was made up of seven regular members. The Board works according to a set of procedural rules containing instructions on the allocation of work between the Board and the CEO. No Board member is entitled to remuneration upon leaving the assignment.

New Board members receive an introduction of the company and its operations and take the stock exchange's training program according to agreement with the stock exchange. The Board receives regular information of regulatory changes and issues concerning the operations and board responsibilities for a listed company.

For Board decisions, the rules of the Companies Act apply, stating that at least half of the Board members present and more than one third of the total number of Board members must vote in order for a decision to be made. On equal count the Chairman has the deciding vote.

The Board's work is governed by the Swedish Companies Act, the Code and the Board's rules of procedure.

### Board of Directors - responsibility

According to the Swedish Companies Act and the Board of Directors rules of procedure, the Board is responsible for:

- outlining overall, long-term strategies and objectives, budgets and business plans,
- establishing guidelines to ensure that the company's operations create value in the long term,
- reviewing and establishing the accounts,
- making decisions on issues regarding investments and sales,
- capital structure and distribution policy,
- developing the Group's policies,
- ensuring that control systems exist for monitoring that policies and guidelines are observed,
- ensuring that there are systems for monitoring and controlling the company's operations and risks,
- significant changes in Castellum's organization and operations,
- appointing the company's Chief Executive Officer and setting remuneration and other terms of employment benefits for the CEO.

### CASTELLUM'S AUDITORS



#### HANS WARÉN

Born 1964

Company's auditor since 2014



#### MAGNUS FREDMER

Born 1964

Company's auditor since 2011



#### FREDRIK WALMÉUS

Born 1971

Company's deputy auditor since 2014

Each member is to act independently and with integrity and ensure that the interest of the company and all shareholders is protected.

A description of the Board's year follows below.

### The Board of Directors - rules of procedure

The Board of Directors rules of procedure are set annually. The rules of procedure describe the work of the Board and the distribution of responsibility between the Board and the Chief Executive Officer. The rules of procedure also state which topics should be dealt with at each Board meeting and give instructions regarding financial reporting to the Board of Directors.

The rules of procedure also prescribe that the Board will have an auditing and finance committee and a remuneration committee. The committees review and prepare recommendations to the Board on various matters. Members of the committees are appointed yearly. The Chairman of the Remuneration Committee should be the Chairman of the Board of Directors, and the Chairman of the Audit and Finance Committee is appointed by the Board.

### The Chairman of the Board of Directors

The Chairman of the Board of Directors is responsible for making sure that the members of the Board regularly receive required information from the Chief Executive Officer. This is in order to follow up on the company's financial position, results, liquidity, financial planning and development. The Chairman of the Board of Directors is also obliged to fulfil decisions made by the Annual General Meeting regarding establishment of an election committee and to participate in the work of the committee.

### The Board of Directors - activities during 2015

In 2015, Castellum's Board held 11 meetings, of which one was the Board meeting following election. According to the prevailing procedural rules, the Board is to hold at least seven scheduled board meetings each calendar year, of which one is a Board meeting following election.

Board meetings are held in connection with the publication of the company's reports, specifically: the Annual Report, proposed appropriation of profits and issues relating to the AGM are dealt with in January; interim reports are discussed in April, July and October; strategy is examined in June and the budget for the following year is considered at the meeting in December.

At each of the scheduled board meetings, matters of significance for the company, such as investments, sales of properties and funding are covered. Further, the Board is informed on the current business situation in the rental and real estate markets as well as in the credit and stock markets. Issues about safety, incident reports and customer-related issues are managed regularly by the Board, and at each board meeting, an executive session is conducted without anyone from corporate management present. The Board also has meetings with the auditors without the presence of corporate management. Regular matters dealt with by the Board during 2015 included company-wide policies, an overall strategy plan, procedural rules for the Board, capital structure and funding needs, sustainability efforts, the business model and organizational issues, as well as the company's insurance situation. In addition, the Board devoted several meetings to enhancing their knowledge of operations through themed

## THE BOARD'S YEAR

Issues, in addition to current state of operations, prospects, investments, sales, financing, reports from committee chairmen about the committee work as well as working environment questions, customer-related questions and reporting of incidents.





## Board of Directors



**CHARLOTTE STRÖMBERG**  
CHAIRMAN OF THE BOARD SINCE 2012

Born 1959, Master of Business administration and Economics, Stockholm School of Economics.

Chairman of the Board in Castellum, Chairman of the Remuneration Committee and member of the Audit and Finance Committee

**Previous positions:** CEO for the nordic business at Jones Lang LaSalle, leading positions in investment banking at Carnegie Investment Bank and Alfred Berg (ABN AMRO).

**Board assignments:** Member of Swedish Securities Council and Director in Bonnier Holding AB, Intrum Justitia AB (publ), Karolinska Institutet, Ratos AB (publ), Rezidor Hotel Group AB (publ) and Skanska AB (publ).

**Shareholding in Castellum:** 10,000



**PER BERGGREN**  
BOARD MEMBER SINCE 2007

Born 1959, Master of Science KTH and economic education from Stockholm University. CEO of Hemsö Fastighets AB.

Board member in Castellum, member of the Remuneration Committee.

**Previous positions:** CEO of Jernhusen AB, division manager in Faberge AB (publ), CEO of Drott Kontor AB and property manager in Skanska Fastigheter Stockholm AB.

**Board assignments:** Board member in BRIS and Slättö Förvaltning AB.

**Shareholding in Castellum:** 3,000



**ANNA-KARIN HATT**  
BOARD MEMBER SINCE 2015

Born 1972, degree in political science from the University of Gothenburg. CEO in Almega AB.

Board member in Castellum.

**Previous positions:** Minister for Information Technology and Energy in the Swedish government, State Secretary at the Prime Minister's office, second deputy Chairman of the Centre Party and Chief of Staff of the Centre Party's executive staff, MD for Didaktus Skolor AB and deputy MD of Kind & Partners AB.

**Other assignments:** Director in Almega AB, TRR Trygghetsrådet and Trygghetsfonden TSL.

**Shareholding in Castellum:** 857



**CHRISTER JACOBSON**  
BOARD MEMBER SINCE 2006

Born 1946, Master of Business Administration and Economics DHS. Own operations in Bergsrådet Kapital AB.

Board member in Castellum.

**Previous positions:** Stock commentator and market manager at Affärsvärlden and Head of Analysis and CEO of the Alfred Berg-group.

**Board assignments:** Director in Global Challenges Foundation and Viscogel AB.

**Shareholding in Castellum:** 45,000



**JAN ÅKE JONSSON**  
BOARD MEMBER SINCE 2012

Born 1951, education in computing and business administration from Högre Tekniska Läroverket in Linköping and Uppsala University.

Board member in Castellum, member of the Remuneration Committee.

**Previous positions:** CEO at Saab Automobile AB and different operational management positions in Saab Automobil and General Motors.

**Board assignments:** Chairman of the board of directors of Polstiernan Industri AB and Datachassi AB. Board member of Opus Group AB (publ) and Väst kustens Affärsänglar AB.

**Shareholding in Castellum:** 2,000



**NINA LINANDER**  
BOARD MEMBER SINCE 2014

Born 1959, Master of Business administration and Economics, Stockholm School of Economics and MBA from IMD, Lausanne, Schweiz.

Board member in Castellum, Chairman of the Audit and Finance Committee

**Previous positions:** Founder and partner of Stanton Chase International AB, manager group Finance at AB Electrolux (publ), management positions in Vattenfall AB and experience from corporate finance at various investment banks in London.

**Board assignments:** Director in Awapatent AB, Industrivärden AB (publ), Skanska AB (publ), Specialfastigheter Sverige AB and TeliaSonera AB (publ).

**Shareholding in Castellum:** 8,000



**JOHAN SKOGLUND**  
BOARD MEMBER SINCE 2010

Born 1962, Master of Science KTH and the program of Master of Science Stockholm School of Economics. CEO JM AB (publ).

Board member in Castellum, member of the Audit and Finance Committee.

**Previous positions:** Has experience since 1986 from JM AB (publ) in different positions

**Board assignments:** Director of JM AB (publ), Mentor Sverige and Infranord AB.

**Shareholding in Castellum:** 3,000

**Johan Ljungberg**, lawyer at Mannheimer and Swartling, is the Secretary of the Board.

The information above refers to the situation at the end of January 2016. Shareholdings include Member's own holdings and those of spouse, minors or children living at home and associated companies and holdings through capital assurance.

Board of Directors	Remunerations, thousand SEK	Board meetings	Attendance meetings		Independent
			Remuneration Committee	Audit and Finance Committee	
Charlotte Strömberg	705	11 of 11	2 of 2	4 of 4	Yes
Per Berggren	330	11 of 11	2 of 2		Yes
Marianne Dicander Alexandersson (resigned March 2015)	-	2 of 2			Yes
Anna-Karin Hatt (elected in March 2015)	300	9 of 9			Yes
Christer Jacobson	300	11 of 11			Yes
Jan Åke Jonsson	330	11 of 11	2 of 2		Yes
Nina Linander	350	11 of 11		4 of 4	Yes
Johan Skoglund	335	11 of 11		4 of 4	Yes

## THE BOARD

The board consists of 7 members

## REMUNERATION COMMITTEE

Remuneration Committee consists of three members. Chairman Charlotte Strömberg, Per Berggren and Jan Åke Jonsson.

Main tasks of the Remuneration Committee:

- Guidelines for remuneration principles
- Remuneration to the Executive Management
- Incentive program
- Evaluation of the CEO

## AUDIT AND FINANCE COMMITTEE

Audit and Finance Committee consists of three members. Chairman Nina Linander and the members Charlotte Strömberg and Johan Skoglund.

Main tasks of the Audit and Finance Committee:

- Financial reporting
- Financing and capital structure
- Risk management and compliance
- The observance of regulations
- Audit
- Policies
- Specialization in business related areas
- Internal control

meetings and visits to the subsidiaries.

During 2015, the Board carried out a comprehensive external evaluation of its work, utilizing a company that specializes in board evaluations. The evaluation demonstrated an open and constructive climate and a well-functioning decision-making process.

The evaluation has been handed over to the Election Committee and the Board for discussion. The evaluation covers topics such as working climate, working procedures in the business process, crisis management, follow-up and control systems, morals, ethics and communication.

The evaluation and related discussion serve as a basis for the continuous development of the Board's work and ensure that the Board can make decisions which are as well-informed as possible.

No other compensation than remuneration for work on the Board and committees has been paid.

## Remuneration Committee

The Board's Remuneration Committee continuously evaluates the remuneration to executive management in view of current market conditions. The Committee prepares matters for decisions by the Board. The members of the Remuneration Committee are appointed once a year.

The Remuneration Committee consists of three Board members, including the Chairman of the Board, who is Chairman of the Remuneration Committee. The Committee's rules of procedure are drawn from the Board of Directors' rules of procedure and are established annually. The Remuneration Committee's functions are to:

- Prepare and propose guidelines for remuneration principles, remuneration and employment terms for the CEO and other senior executives. The guidelines for remuneration are to be submitted to the Board which, in turn, will work out remuneration suggestions to be decided upon at the Annual General Meeting,
- Monitor and evaluate ongoing incentive plans – completed during the year – for flexible remuneration to Executive Group Management. The results of the Remuneration Committee's evaluation of remuneration to senior executives are presented on the company's website,
- Annually evaluate the work of the CEO.

The Remuneration Committee will meet at least twice a year. During 2015, the Committee held two meetings. Issues addressed at the meetings included the review of the remuneration of the CEO and other senior executives, decisions about changes in the remuneration of members of executive management, evaluation and follow-up of existing incentive programs, as well as HR and succession issues. In 2015, the Remuneration Committee also received a comprehensive external evaluation of the CEO's efforts. They developed parameter proposals for the individually

targeted factors regarding the annual performance-based incentive program. The Remuneration committee also accessed the CEO's evaluation of Executive Group Management.

## Audit and Finance Committee

The Board's Audit and Finance Committee monitors financial and auditing matters and submits them to the Board for decision. The Chairman and members of the Committee are appointed annually.

The Audit and Finance Committee consists of three members, and the Committee's rules of procedure partly consist of the Board of Directors' rules of procedure, which are established annually. The Audit and Finance Committee's functions are to:

- Review and monitor financial reports in order to monitor the effectiveness of internal audit and risk management,
- Monitor work on capital structure and other funding issues and prepare funding issues for decisions by the Board,
- Monitor the efforts concerning business risks and compliance, and ensure that appropriate systems for control and monitoring exist,
- Submit an annual report on internal control and ensure that the corporate governance report describes the Board's measures to ascertain that the internal control works,
- Keep informed about the Annual Report and consolidated accounts,
- Review and monitor the auditor's impartiality and independence, and evaluate auditing activities, as well as informing the Election Committee of the evaluation outcome,
- Assist the Committee in preparing proposals for auditors and compensation to them.

The Audit and Finance Committee will meet at least four times a year, and of these, the Group's auditors will attend at least twice. On one of the occasions when the Audit and Finance Committee meets with the auditors, no one from corporate management is to be present. In 2015, the Audit and Finance Committee met four times. Examples of the issues dealt with at meetings involved: capital structure and financing issues; financial reporting, including a review of future regulations and their possible consequences for Castellum; internal control and risk management, as well as the work of the auditors. This last includes auditor impartiality and independence – development of policies and feedback from the Whistle-blowing-service. Business-related issues were also thoroughly investigated.

During the year, the Audit and Finance Committee has also held a private meeting with the compliance officer without the presence of management.

## CEO and Executive Group Management

The Chief Executive Officer is responsible for the company's day-to-day management and for leading operations according to the guidelines and directives submitted by the Board of Directors. The CEO also provides the Board with information and the necessary documentation for decision-making. The CEO leads the work of Executive Group Management and makes decisions after consulting its members.

### The Chief Executive Officer

The Chief Executive Officer reports at Board meetings and assures that members of the Board regularly receive the information required to follow the company's and the Group's financial position, results, liquidity and development.

### Executive Group Management

Executive Group Management consists of the Chief Executive Officer, the Chief Financial Officer, the Chief Investment Officer and the Head of Business Development of Castellum AB as well as the six Managing Directors of the subsidiary companies. Each member of Executive Group Management has his or her own area of responsibility, and meetings mostly cover issues pertaining to overall operations. Executive Management held nine meetings in 2015.

In 2015, Erika Olsén took up a new position as Chief Investment Officer (CIO) at Castellum, with responsibility for overall investment strategy and major transactions.

The Chief Executive Officer and the Chief Financial Officer join the Managing Director of each subsidiary to constitute the Board for each local subsidiary.

### Guidelines for remuneration for senior executives

The 2015 AGM decided on the following remuneration guidelines for senior executives:

Castellum is to uphold competitive remuneration levels and attractive terms of employment to recruit and maintain excellent management with the competence and capacity to achieve set objectives. A fixed salary will be paid for work performed in a satisfactory manner. In addition, flexible remuneration under an incentive plan may also be offered. The formulation is based on the objective of interconnecting the executive team's interests with shareholder interests, in that senior management members are also shareholders in Castellum. This also entails an increased proportion of executive remuneration being directly linked to the Group's development. Flexible remuneration, which generally cannot exceed the fixed salary, is determined by the extent to which previously set objectives are achieved for growth in property management per share and share price development. It is also determined by how individually targeted factors have developed. Flexible remuneration

is paid as non-pensionable salary. Executives who receive flexible remuneration in accordance with the incentive program are committed to acquiring Castellum shares for at least half the amount of flexible remuneration after tax.

The pension terms of executive management are to be set according to general market practice and will be based on pension plans with fixed payments.

Upon termination by the Company, such period of notice shall not exceed six months for the Chief Executive Officer and twelve months for other executives. During the notice period full salary and other employment benefits are paid, with deduction for salary and remuneration received from other employment or business during the notice period. Such deduction will not be made in respect of the Managing Director. A severance pay, corresponding to twelve fixed monthly salaries, will be paid to the Managing Director upon termination by the company. Such severance pay will not be reduced due to other income received by the Managing Director.

Castellum has followed the guidelines decided by the 2015 AGM.

The proposed guidelines for remuneration for senior executives, which will be put forward at the AGM on March 17, 2016, are in principle unchanged compared with those put forward to the AGM in 2015.

Proposals for a renewed incentive program for senior executives – in principle, an extension of the previous program – will be presented at the AGM on March 17, 2016. The incentive program for the annual profit-based bonus is to be applicable during 2017–2019; for the share-price-based bonus the effective period is June 1, 2017, to May 31, 2020.

For further information regarding remuneration for Executive Group Management, see note 10.

## Compliance and internal control

Castellum has a Compliance Officer who monitors compliance, i.e., ensures that laws, regulations and internal rules are complied with. The Group's corporate lawyer is Compliance officer.

Castellum's internal control is based on the established "COSO" framework, which consists of the following components: control environment, risk assessment, control activities, information, communication and monitoring. Castellum's internal control is described on pages 89–91.

Castellum has a whistle-blower function, which is accessed via all web sites of the Group and via the Group's Intranet. The service represents an early warning system for reporting deviations from Castellum's values and business ethics guidelines.

The Compliance Officer supports business activities by identifying and following up business risks. The Compliance Officer regularly reports risks and compliance to the CEO, as well as to the Audit and Finance Committee.

Executive Group Management consists of the Chief Executive Officer, the Chief Financial Officer, the Chief Investment Officer and the Head of Business Development of Castellum AB as well as the six Managing Directors of the subsidiary companies.

# Executive Group Management



**HENRIK SAXBORN**  
 CIEF EXECUTIVE OFFICER  
 CASTELLUM AB

Born 1964, Master of Science.  
 Multi-dimensional experience from construction business, management and acquisition of properties, i.e. as CEO for a property management company.  
**Other assignments:** member of EPRA Management Board and Director at CMB, Chalmers.

Employed since 2006.

**Shareholdings:** 38,542



**ULRIKA DANIELSSON**  
 CHEIF FINANCIAL OFFICER  
 CASTELLUM AB

Born 1972, Master of Business Administration and Economics.  
 Varied experience within the financial and controlling function.  
 Employed since 1998, Finance Director since 2006 and CFO since 2014.

**Shareholdings:** 12,600



**TAGE CHRISTOFFERSSON**  
 HEAD OF BUSINESS DEVELOPMENT  
 CASTELLUM AB

Born 1952, upper secondary school and real estate/economy at KTH  
 Has been working in the real estate business since 1976.  
 Employed since 1994 and Managing Director of Eklandia since 1995 and Head of Business Development at Castellum AB since 2013.

**Shareholdings:** 59,500



**CECILIA FASTH**  
 MANAGING DIRECTOR  
 EKLANDIA FASTIGHETS AB

Born 1973, Master of Science  
 National and international experience from the construction and property sector since 1996.

Employed and Managing Director of Eklandia since 2014.

**Shareholdings:** 3,000



**CLAES JUNEFELDT**  
 MANAGING DIRECTOR  
 FASTIGHETS AB CORALLEN

Born 1960, Master of Science  
 Solid experience from building construction as team manager/district manager.

Employed and Managing Director of Corallen since 2005.

**Shareholdings:** 16,220



**CLAES LARSSON**  
 MANAGING DIRECTOR  
 ASPHOLMEN FASTIGHETER AB

Born 1957, Master of Science  
 Long and varied experience from building construction as team manager/district manager.

Employed and Managing Director of Aspholmen since 2002.

**Shareholdings:** 30,600



**ANDERS NILSSON**  
 MANAGING DIRECTOR  
 FASTIGHETS AB BROSTADEN

Born 1967, Master of Science  
 More than 20 years experience from the real estate business.  
 Employed since 1993 and Managing Director of Brostaden since 2006.

**Shareholdings:** 13,234



**ERIKA OLSÉN**  
 CHIEF INVESTMENT OFFICER (CIO)

Born 1976, Master of Science KTH  
 Long experience from both international and Swedish real estate markets. Partner of Tenzing and Associate Director of JLL in London.  
 Employed since 2015.

**Shareholdings:** 2,000



**OLA ORSMARK**  
 MANAGING DIRECTOR  
 FASTIGHETS AB BRIGGEN

Born 1971, Master of Science  
 Fully experienced from the real estate business, most recently as Business Area Manager at Jernhusen.  
 Employed and Managing Director of Briggen since 2014.

**Shareholdings:** 750



**CHRISTER SUNDBERG**  
 MANAGING DIRECTOR  
 HARRY SJÖGREN AB

Born 1955, Master of Science  
 More than 30 years experience from banks and real estate companies.

Employed and Managing Director of Harry Sjögren since 1993.

**Shareholdings:** 54,955

The information above refers to the situation at the end of January 2016. Shareholdings include personal holdings and those of spouse, minors or children living at home and associated companies and holding through capital assurance. CEO has no significant shares or ownership in companies with whom Castellum has significant business relations.

## Compliance and internal control

According to the Swedish Companies Act and the Swedish Code for Corporate Governance, the Board of Directors is responsible for internal control. This report has been drawn up in accordance with the Swedish Annual Accounts Act and the Code for corporate governance and is therefore limited to internal control regarding financial reporting.

Internal control in Castellum follows an established framework, Internal Control – Integrated Framework, “COSO”, comprising the following five components: control environment, risk assessment, control activities, information-and-communication, and monitoring. A schematic description of the internal control is shown below.

### Control environment

The basis for internal control of financial reporting comprises a control environment, which consists of various parts that form Castellum’s management culture and values. The fundamentals for Castellum’s internal control comprise the following: a decentralized small-scale organization with approx. 600 properties, as well as cost centres, which are managed by six Subsidiaries. The decision-making processes, authorizations and responsibilities which have been drawn up and communicated in documents such as the Board of Directors’ rules of procedure, rules for decision making, rules for authorization, accounting and reporting manuals, internal policies and manuals, etc., are also important for internal control. Documents in use are updated regularly to reflect changes in legislation, accounting standards or listing requirements etc.

### Risk assessment

At Castellum, risk management is built into our processes and various methods are used to evaluate and limit risks. We secure that the risks Castellum is exposed to are managed in accordance with set policies and guidelines. In accordance with the rules of procedure, the Board of Directors, and the Audit Committee, review internal control once a year. Identified risks are assessed and measures are set to reduce these risks. The important risks Castellum has identified in financial reporting are errors in accounting and valuation of properties, interest-bearing liabilities, taxes and VAT, as well as the risk of fraud, loss or embezzlement of assets.

### Control activities

The risks identified in financial reporting are addressed by the company’s control structure, resulting in a number of control measures. The control measures aim to prevent, discover and correct errors and deviations. They comprise analytical reviews on many levels in the organization: comparisons of income statement items; reconciliation of accounts; follow-up and reconciliation of Board decisions and policies set by the Board; authorization and reporting of business transactions; structure for proxy and authorization; authorized signatory; compliance-officer activities; group-wide definitions; templates and tools for reporting as well as accounting and valuation principles.

Castellum subsidiaries have their own financial functions, which take part in the planning and follow-up of financial results for their units. The

### CASTELLUM'S INTERNAL CONTROL ENVIRONMENT



#### INTERNAL CONTROL IS GOVERNED BY:

- Board of Directors rules of procedures
- Audit and Finance Committee’s rules and procedures
- Rules for decision making
- Instructions for authorization
- Accounting manuals
- Reporting manuals
- Finance policy, communication policy, insider policy, sustainability policy, Code of Conduct, Code of Conduct for suppliers and partners and Crisis management
- Guidelines for information security, insurance and electricity trading
- Accounting manual, HR manual, Manager manual
- Finance instructions
- Continuity plan

regular self-analysis of unit financial reporting and the analysis made at Group level constitute an important part of internal control. This ensures that financial reporting does not contain any significant errors.

Board reviews the interim and annual reports before publishing.

#### **Information and communication**

Castellum has processes for information and communication that aim to ensure the effective and correct distribution of information regarding financial reporting. This demands that all areas of the operation communicate and share relevant and important information. Policies and guidelines regarding financial reporting as well as updates and changes are made available and clearly communicated to the personnel concerned. Executive management, as well as the Board of Directors regularly receive financial information about the subsidiaries with comments on financial results and risks. The Board of Directors also receives additional information regarding risk management, internal control and financial reporting from the auditors through the Audit and Finance Committee. In order to ensure that the external distribution of information is correct and complete, we have both a policy for communicating with the stock market and an information security policy.

#### **Company culture**

That Castellum's operations are conducted in a responsible way is a prerequisite for the company's long-term successful business. The objective is to make sound and proper business decisions in all respects, high business morality, good business ethics, responsibility awareness and impartiality. The base of Castellum's code of conduct is to offer good quality and service, to follow laws and regulations, not to discriminate against anyone and to create good working environment and safety.

Cornerstones for Castellum's company culture have been: The decentralized organization, which creates responsibility and committed employees, where each single colleague is a business collaborator. The geographical proximity to customers, community, suppliers and other parties involved creates a responsibility to act correctly and businesslike.

In Castellum's flat organization each employee has an important role and new ideas are valued. A high level of competence is available within the organization.

#### **Long-term value creation**

Long-term value creation requires that operations are run with a sustainability focus. Sustainability work involves both environmental considerations such as reduced use of resources and close control of the property portfolio, as well as assumption of social responsibility by contributing to the development of the communities where Castellum operates. Our efforts also involve ensuring a healthy working environment for

### **GROUP POLICIES ISSUED BY THE BOARD**

	<b>Aim</b>
<b>Financial policy</b>	Establishes overall objectives and guidelines for financial risk and how financial operations will be run. The financial policy also specifies how responsibility for the financial operations will be distributed and how financial risks will be reported and monitored. The financial policy includes instructions for how operational activities will be run.
<b>Communication policy</b>	Ensures that all Group communication is accurate and provided in a professional manner, with optimal timing. The policy covers both internal and external communications.
<b>Insider policy</b>	Ensures ethical activities in the capital market through description of trade and reporting requirements.
<b>Sustainability policy</b>	Provides guidelines for how the Group's sustainability activities will be pursued. The efforts will contribute to sustainable development and constitute an integral and natural part of Castellum's operations, which are based on participation and engagement.
<b>Code of Conduct</b>	Offers guidelines to ensure that business operations are run in a responsible manner, with the objective that all business decisions are sound and healthy. The Code of Conduct will govern the Group's actions in relation to employees, contractors, customers, suppliers and other stakeholders.
<b>Code of Conduct for suppliers and partners</b>	Corresponding guidelines to ensure that business operations are run in a responsible manner, with the objective that all business decisions are sound and healthy.
<b>Crisis Management</b>	Provides guidelines for the Group about how to act and communicate in a crisis.

employees. Sustainability activities are carried out in collaboration with customers and other stakeholders – a requirement for success. Guidelines for how value-creating sustainability activities are conducted are found in the Sustainability Policy, Code of Conduct and the Code of Conduct for Suppliers and Partners. Castellum reports on sustainability efforts in accordance with the GRI G4. Reports on sustainability activities are regularly provided for the Castellum Board.

#### Monitoring

Regular follow-ups take place on many levels in the Group, on both property-level and subsidiary-level as well as Group level. The Board of Directors, which also makes up the Audit and Finance Committee, regularly evaluates the information provided by Executive Group Management and the auditors. The company's auditors also report in person directly to the Audit and Finance Committee at least twice a year regarding their auditing observations and their assessment of internal control. In addition, the Audit and Finance Committee conducts an annual review of the risk assessments and agreed-upon measures. Monitoring by the Audit and Finance Committee and the Board of Directors is of particular importance for the development of internal control and for ensuring that timely measures are taken for potentially emerging shortcomings and suggestions.

#### The need for internal audits

Castellum features a small-scale organization with 40–60 employees in each subsidiary. Together, these units manage approx. 600 properties, i.e., cost centres. About 20 people work at the parent company, Castellum. All real estate management is run by the subsidiaries, while financial management is taken care of by the parent company. This means that Castellum AB is not a profit centre. It places the financial function of the parent company in the twin roles of a controlling function for the subsidiaries and a compliance-officer function for the Treasury Department. The Finance Director in the parent company also reports directly to the Audit and Finance Committee, without other management in attendance. In addition, a “whistleblowing-service” can be accessed through the Group’s web pages. In all, this structure provides a rationale for the assessment that there is no need for a special internal auditing unit.

#### Whistle-blower

Castellum’s whistle-blowing-service, “Help us to do right”, can be reached by all the web pages in the Group and through the Group’s Intranet. The whistleblowing-service is an early warning system which provides both employees as well as external partners the possibility to anonymously report a concern about something that is not in line with Castellum’s corporate values and business ethics. The service is administered by an external partner to ensure anonymity and professionalism.



Jens, Camilla and Henrik at Harry Sjögren AB

## Quarterly Summary

	2015	2015	2015	2015		2014	2014	2014	2014	
	JAN-MARCH	APR-JUNE	JULY-SEPT	OCT-DEC	2015	JAN-MARCH	APR-JUNE	JULY-SEPT	OCT-DEC	2014
<b>Income Statement, SEKm</b>										
Rental income	801	816	832	850	3,299	820	843	833	822	3,318
Property costs	-283	-256	-235	-300	-1,074	-302	-262	-234	-298	-1,096
Net operating income	518	560	597	550	2,225	518	581	599	524	2,222
Central administrative expenses	-29	-32	-21	-31	-113	-26	-30	-23	-29	-108
Joint venture (Income from prop mgmnt.)	-	2	12	9	23	-	-	-	-	-
Net interest costs	-151	-152	-152	-147	-602	-169	-171	-167	-157	-664
<b>Income from property management incl. results joint venture</b>	<b>338</b>	<b>378</b>	<b>436</b>	<b>381</b>	<b>1,533</b>	<b>323</b>	<b>380</b>	<b>409</b>	<b>338</b>	<b>1,450</b>
Changes in value. properties	329	551	-62	1,019	1,837	52	305	-3	-10	344
Changes in value. derivatives	-102	239	-84	163	216	-170	-196	-132	-162	-660
Joint venture (changes in value and tax)	-	0	-3	1	-2	-	-	-	-	-
Current tax	-5	-4	-4	-3	-16	-3	-1	-6	-1	-11
Deferred tax	-109	-216	-61	-301	-687	-31	-99	-55	273	88
<b>Net income for the period/year</b>	<b>451</b>	<b>948</b>	<b>222</b>	<b>1,260</b>	<b>2,881</b>	<b>171</b>	<b>389</b>	<b>213</b>	<b>438</b>	<b>1,211</b>
Other total net income	-6	0	4	-6	-8	0	4	0	4	8
<b>Total net income for the period/year</b>	<b>445</b>	<b>948</b>	<b>226</b>	<b>1,254</b>	<b>2,873</b>	<b>171</b>	<b>393</b>	<b>213</b>	<b>442</b>	<b>1,219</b>
<b>Balance Sheet, SEKm</b>										
Investment properties	38,951	40,187	40,826	41,818	41,818	38,668	39,385	39,733	37,599	37,599
Joint venture	-	479	510	526	526	-	-	-	-	-
Other fixed assets	599	489	270	269	269	255	408	350	442	442
Liquid assets	73	55	105	39	39	185	177	174	47	47
<b>Total assets</b>	<b>39,623</b>	<b>41,210</b>	<b>41,711</b>	<b>42,652</b>	<b>42,652</b>	<b>39,108</b>	<b>39,970</b>	<b>40,257</b>	<b>38,088</b>	<b>38,088</b>
Shareholders' equity	13,340	14,288	14,514	15,768	15,768	12,601	12,994	13,207	13,649	13,649
Deferred tax liability	3,721	3,937	3,998	4,299	4,299	3,731	3,830	3,885	3,612	3,612
Other provisions	21	19	18	14	14	-	-	-	23	23
Derivatives	1,447	1,202	1,299	1,117	1,117	853	1,055	1,188	1,357	1,357
Long term interest-bearing liabilities	19,791	20,483	20,680	20,396	20,396	20,730	20,802	20,761	18,446	18,446
Non-interest-bearing liabilities	1,303	1,281	1,202	1,058	1,058	1,193	1,289	1,216	1,001	1,001
<b>Total shareholders' equity and liabilities</b>	<b>39,623</b>	<b>41,210</b>	<b>41,711</b>	<b>42,652</b>	<b>42,652</b>	<b>39,108</b>	<b>39,970</b>	<b>40,257</b>	<b>38,088</b>	<b>38,088</b>
<b>Financial key ratios</b>										
Net operating income margin	65%	69%	72%	65%	67%	63%	69%	72%	64%	67%
Interest rate, average	3.2%	3.0%	3.0%	2.9%	3.0%	3.5%	3.4%	3.3%	3.2%	3.3%
Interest coverage ratio	324%	349%	379%	353%	351%	291%	322%	345%	315%	318%
Return on actual net asset value	13.1%	26.0%	5.5%	33.2%	20.4%	5.2%	12.2%	6.6%	6.3%	7.6%
Return on total capital	8.5%	10.8%	5.0%	14.6%	10.0%	5.6%	8.7%	5.7%	4.9%	6.5%
Return on equity	13.6%	28.4%	6.2%	34.7%	21.7%	5.4%	12.3%	6.6%	13.3%	9.5%
Investments in properties, SEKm	1,117	834	740	862	3,553	960	523	369	673	2,525
Sales, SEKm	78	183	18	861	1,140	96	125	19	2,814	3,054
Loan to value ratio	50%	51%	50%	49%	49%	53%	52%	52%	49%	49%
<b>Data per share</b> (since there are no potential common stock there is no effect of dilution)										
Average number of shares, thousand	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000
Income from property management, SEK	2.06	2.30	2.66	2.32	9.35	1.97	2.32	2.49	2.06	8.84
Income prop mgmt after tax (EPRA EPS), SEK	1.95	2.25	2.40	2.43	9.03	1.80	2.13	2.34	1.99	8.26
Earnings after tax, SEK	2.75	5.78	1.35	7.68	17.57	1.04	2.37	1.30	2.67	7.38
Outstanding number of shares, thousand	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000
Property value, SEK	238	245	249	255	255	236	240	242	229	229
Long term net asset value (EPRA NAV), SEK	113	118	121	129	129	105	109	111	114	114
Actual net asset value (EPRA NNAV), SEK	99	105	107	116	116	94	97	99	100	100
Dividend, SEK (2015 proposed)	-	-	-	-	4.90	-	-	-	-	4.60
Dividend ratio	-	-	-	-	52%	-	-	-	-	52%
<b>Property related key ratios</b>										
Rental value, SEK/sq.m.	1,082	1,092	1,103	1,095	1,095	1,045	1,047	1,040	1,070	1,064
Economic occupancy rate	88.7%	88.7%	89.6%	91.5%	90.3%	87.9%	89.0%	88.3%	88.8%	88.7%
Property costs, SEK/sq.m.	336	302	276	348	316	334	289	256	340	307
Property value, SEK/sq.m.	11,384	11,602	11,758	12,282	12,282	10,394	10,552	10,621	11,118	11,118



## Multi-Year Summary

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Income Statement, SEKm</b>										
Rental income	3,299	3,318	3,249	3,073	2,919	2,759	2,694	2,501	2,259	2,014
Property costs	-1,074	-1,096	-1,105	-1,042	-1,003	-960	-942	-831	-771	-700
Net operating income	2,225	2,222	2,144	2,031	1,916	1,799	1,752	1,670	1,488	1,314
Central administrative expenses	-113	-108	-96	-93	-83	-84	-81	-71	-69	-67
Joint venture (Income from prop mgmnt)	23	-	-	-	-	-	-	-	-	-
Net interest costs	-602	-664	-702	-683	-660	-574	-541	-626	-495	-364
<b>Income from property management incl. results joint venture</b>	<b>1,533</b>	<b>1,450</b>	<b>1,346</b>	<b>1,255</b>	<b>1,173</b>	<b>1,141</b>	<b>1,130</b>	<b>973</b>	<b>924</b>	<b>883</b>
Changes in value, properties	1,837	344	328	-69	194	1,222	-1,027	-1,262	920	1,145
Changes in value, derivatives	216	-660	429	-110	-429	291	102	-1,010	99	178
Joint venture (changes in value and tax)	-2	-	-	-	-	-	-	-	-	-
Current tax	-16	-11	-6	-7	-10	-5	-10	-14	-22	-10
Deferred tax	-687	88	-390	404	-217	-685	-35	650	-434	-522
<b>Net income for the year</b>	<b>2,881</b>	<b>1,211</b>	<b>1,707</b>	<b>1,473</b>	<b>711</b>	<b>1,964</b>	<b>160</b>	<b>-663</b>	<b>1,487</b>	<b>1,674</b>
Other total net income	-8	8	3	-4	0	-	-	-	-	-
<b>Total net income for the year</b>	<b>2,873</b>	<b>1,219</b>	<b>1,710</b>	<b>1,469</b>	<b>711</b>	<b>1,964</b>	<b>160</b>	<b>-663</b>	<b>1,487</b>	<b>1,674</b>
<b>Balance Sheet, SEKm</b>										
Investment properties	41,818	37,599	37,752	36,328	33,867	31,768	29,267	29,165	27,717	24,238
Joint venture	526	-	-	-	-	-	-	-	-	-
Other fixed assets	269	442	291	259	207	156	201	230	123	200
Liquid assets	39	47	70	44	97	12	8	9	7	8
<b>Total assets</b>	<b>42,652</b>	<b>38,088</b>	<b>38,113</b>	<b>36,631</b>	<b>34,171</b>	<b>31,936</b>	<b>29,476</b>	<b>29,404</b>	<b>27,847</b>	<b>24,446</b>
Shareholders' equity	15,768	13,649	13,127	12,065	11,203	11,082	9,692	10,049	11,204	10,184
Deferred tax liability	4,299	3,612	3,700	3,310	3,714	3,502	2,824	2,785	3,322	2,723
Other provisions	14	23	-	-	-	-	-	-	-	-
Derivatives	1117	1,357	683	1,105	1,003	574	865	966	-44	55
Long term interest-bearing liabilities	20,396	18,446	19,481	19,094	17,160	15,781	15,294	14,607	12,582	10,837
Non-interest-bearing liabilities	1,058	1,001	1,122	1,057	1,091	997	801	997	783	647
<b>Total shareholders' equity and liabilities</b>	<b>42,652</b>	<b>38,088</b>	<b>38,113</b>	<b>36,631</b>	<b>34,171</b>	<b>31,936</b>	<b>29,476</b>	<b>29,404</b>	<b>27,847</b>	<b>24,446</b>
<b>Financial key ratios</b>										
Net operating income margin	67%	67%	66%	66%	66%	65%	65%	67%	66%	65%
Interest rate, average	3.0%	3.3%	3.7%	3.9%	4.1%	3.7%	3.7%	4.7%	4.2%	3.7%
Interest coverage ratio	351%	318%	292%	284%	278%	299%	309%	255%	287%	343%
Return on actual net asset value	20.4%	7.6%	13.2%	7.9%	6.4%	21.5%	1.6%	-8.3%	16.20%	20.7%
Return on total capital	10.0%	6.5%	6.4%	5.3%	6.2%	9.8%	2.1%	1.2%	9.1%	10.4%
Return on equity	21.7%	9.5%	14.6%	13.5%	6.6%	20.9%	1.6%	-6.1%	14.9%	19.2%
Investments in properties, SEKm	3,553	2,525	1,768	2,798	2,015	1,506	1,165	2,738	2,598	2,283
Sales, SEKm	1,140	3,054	687	253	107	227	36	28	39	460
Loan to value ratio	49%	49%	51%	52%	50%	50%	52%	50%	46%	45%
<b>Data per share</b> (since there are no potential common stock there is no effect of dilution)										
Average number of shares, thousand	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000
Income from property management, SEK	9.35	8.84	8.21	7.65	7.15	6.96	6.89	5.93	5.63	5.38
Income prop mgmt after tax (EPRA EPS), SEK	9.03	8.26	8.04	7.27	7.01	6.62	6.93	5.85	5.50	5.09
Earnings after tax, SEK	17.57	7.38	10.41	8.98	4.34	11.98	0.98	-4.04	9.07	10.21
Outstanding number of shares, thousand	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000
Property value, SEK	255	229	230	222	207	194	178	178	169	148
Long term net asset value (EPRA NAV), SEK	129	114	107	100	97	92	82	84	88	79
Actual net asset value (EPRA NNNNAV), SEK	116	100	97	90	87	85	73	75	85	76
Dividend, SEK (2015 proposed)	4.90	4.60	4.25	3.95	3.70	3.60	3.50	3.15	3.00	2.85
Dividend ratio	52%	52%	52%	52%	52%	52%	51%	53%	53%	53%
<b>Property related key ratios</b>										
Rental value, SEK/sq.m.	1,095	1,064	1,036	1,015	995	974	969	921	896	864
Economic occupancy rate	90.3%	88.7%	88.4%	88.6%	89.3%	89.0%	89.8%	89.7%	87.9%	87.1%
Property costs, SEK/sq.m.	316	307	307	298	300	298	300	268	262	259
Property value, SEK/sq.m.	12,282	11,118	10,285	9,916	9,835	9,499	9,036	8,984	9,098	8,466

# Financial reports 2015

Consolidated Statement of Comprehensive Income	95
Consolidated Balance Sheet	96
Income Statement and Comprehensive Income for the Parent Company	97
Balance Sheet for the Parent Company	98
Change in Equity	99
Cash Flow Statement	100
Accounting Principles and Notes	101
1. Accounting Principles	101
2. Segment Reporting	104
3. Rental Income	104
4. Property Costs	105
5. Central Administrative Expenses	106
6. Interest and Financial Income	106
7. Interest and Financial Costs	106
8. Change In Value	106
9. Income Taxes	106
10. Personnel and Board of Directors	107
11. Investment Properties	108
12. Equipment	109
13. Parts of Joint Venture	109
14. Shareholders' Equity and Net Asset Value	110
15. Liabilities	110
16. Deferred Tax Liability/Asset	111
17. Other Provisions	111
18. Derivatives	111
19. Financial Risk Management	112
20. Accrued Expenses and Prepaid Income	113
21. Pledged Assets	113
22. Contingent Liabilities	113
23. Participations in Group Companies	113
24. Long-term Receivables, Group Companies	113
25. Financial Instruments	113
26. Subsequent Events	113



## Consolidated Statement of Comprehensive Income

SEKM		2015	2014
Rental income	Note 3	3,299	3,318
Operating expenses	Note 4	- 507	- 542
Maintenance	Note 4	- 133	- 136
Ground rent	Note 4	- 27	- 27
Property tax	Note 4	- 172	- 170
Leasing and property administration	Note 4	- 235	- 221
<b>Net operating income</b>		<b>2,225</b>	<b>2,222</b>
Central administrative expenses	Note 5	- 113	- 108
Results from joint venture		21	-
- of which income from property management		23	-
- of which changes in property values		3	-
- of which tax		- 5	-
<i>Net interest</i>			
Interest income	Note 6	4	3
Interest cost	Note 7	- 606	- 667
<b>Income from property management incl. results joint venture</b>		<b>1,531</b>	<b>1,450</b>
<b>- of which income from property management</b>		<b>1,533</b>	<b>1,450</b>
<i>Properties</i>	Note 8		
Fastigheter		1,837	344
Derivatives		216	- 660
<b>Income before tax</b>		<b>3,584</b>	<b>1,134</b>
Current tax	Note 9	- 16	- 11
Deferred tax	Note 9	- 687	88
<b>Net income for the year</b>		<b>2,881</b>	<b>1,211</b>
<b>Other total net income</b>			
<i>Items that will be reclassified into net income</i>			
Translation difference foreign operations		- 32	22
Change in value, currency hedge foreign operations		24	- 14
<b>Total net income for the year</b>		<b>2,873</b>	<b>1,219</b>

Since there are no minority interests the entire net income is attributable to the shareholders of the parent company.

### Data per share (since there are no potential common stock, there is no effect of dilution)

Average number of shares, thousand	164,000	164,000
Net income for the year after tax, SEK	17.57	7.38

# Consolidated Balance Sheet

SEKM		DEC 31 2015	DEC 31 2014
<b>ASSETS</b>			
<b>Fixed assets</b>			
Investment properties	Note 11	41,818	37,599
Tangible fixed assets	Note 12	24	28
Share in joint venture	Note 13	526	-
Other fixed assets		3	-
<b>Total fixed assets</b>		<b>42,371</b>	<b>37,627</b>
<b>Current assets</b>			
Rent receivables	Note 3	7	13
Other receivables		121	312
Prepaid expenses and accrued income		114	89
Cash and bank		39	47
<b>Total current assets</b>		<b>281</b>	<b>461</b>
<b>TOTAL ASSETS</b>		<b>42,652</b>	<b>38,088</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity attributable to the shareholders of the parent company</b>	Note 14		
Share capital		86	86
Other capital contribution		4,096	4,096
Reserves		-1	7
Retained earnings		11,587	9,460
<b>Total shareholders' equity</b>		<b>15,768</b>	<b>13,649</b>
<b>Liabilities</b>	Note 15		
<i>Long-term liabilities</i>			
Deferred tax liability	Note 16	4,299	3,612
Other provisions	Note 17	14	23
Derivatives	Note 18	1,117	1,357
Long-term interest-bearing liabilities	Note 19	20,396	18,446
<i>Total long-term liabilities</i>		<i>25,826</i>	<i>23,438</i>
<i>Short-term liabilities</i>			
Accounts payable		81	120
Tax liabilities		18	5
Other liabilities		209	189
Accrued expenses and prepaid income	Note 20	750	687
<i>Total short-term liabilities</i>		<i>1,058</i>	<i>1,001</i>
<b>Total liabilities</b>		<b>26,884</b>	<b>24,439</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>42,652</b>	<b>38,088</b>
Pledged assets	Note 21	18,164	18,222
Contingent liabilities	Note 22	-	-

## Income Statement for the Parent Company

SEKM		2015	2014
Income	Note 3	21	21
Central administrative expenses	Note 5	- 90	- 84
<i>Financial items</i>			
Financial income	Note 6	1,473	1,586
Financial costs	Note 7	- 649	- 678
<b>Income before changes in value and tax</b>		<b>755</b>	<b>845</b>
<i>Changes in value</i>			
Derivatives	Note 8	216	- 660
<b>Income before tax</b>		<b>971</b>	<b>185</b>
Current tax	Note 9	-	-
Deferred tax	Note 9	- 76	51
<b>Net income for the year</b>		<b>895</b>	<b>236</b>

## Comprehensive Income for the Parent Company

SEKM		2015	2014
Net income for the year according to the Income Statement		895	236
<b>Other total net income</b>			
<i>Items that will be reclassified into net income</i>			
Translation difference foreign operations		- 24	14
Change in value, currency hedge foreign operations		24	- 14
<b>Total net income for the year</b>		<b>895</b>	<b>236</b>

## Balance Sheet for the Parent Company

SEKM		DEC 31 2015	DEC 31 2014
<b>ASSETS</b>			
<b>Fixed assets</b>			
Tangible fixed assets	Note 12	3	4
<i>Financial fixed assets</i>			
Participations in group companies	Note 23	6,030	6,030
Deferred tax assets	Note 16	78	154
Long-term receivables, group companies	Note 24	19,103	17,093
<i>Total financial fixed assets</i>		<i>25,211</i>	<i>23,277</i>
<b>Total fixed assets</b>		<b>25,214</b>	<b>23,281</b>
<b>Current assets</b>			
Short-term receivables, group companies		815	897
Prepaid expenses and accrued income		31	23
Liquid assets		0	16
<b>Total current assets</b>		<b>846</b>	<b>936</b>
<b>TOTAL ASSETS</b>		<b>26,060</b>	<b>24,217</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>	Note 14		
<i>Restricted equity</i>			
Share capital		86	86
Restricted reserves		20	20
<i>Non-restricted equity</i>			
Fair value reserves		- 2	- 2
Retained earnings		3,719	4,237
Net income for the year		895	236
<b>Total shareholders' equity</b>		<b>4,718</b>	<b>4,577</b>
<b>Liabilities</b>	Note 15		
<i>Long-term liabilities</i>			
Derivatives	Note 18	1,117	1,357
Long-term interest-bearing liabilities	Note 19	18,005	16,280
Long-term interest bearing liabilities, group companies		2,105	1,722
<i>Total long-term liabilities</i>		<i>21,227</i>	<i>19,359</i>
<i>Short-term liabilities</i>			
Short-term interest bearing liabilities, group companies		-	161
Accounts payable		3	4
Accrued expenses and prepaid income	Note 20	112	116
<i>Total short-term liabilities</i>		<i>115</i>	<i>281</i>
<b>Total liabilities</b>		<b>21,342</b>	<b>19,640</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>26,060</b>	<b>24,217</b>
Pledged assets	Note 21	15,309	15,200
Contingent liabilities	Note 22	2,150	2,165

## Change in Equity

Attributable to the shareholders of the parent company

Group, SEKm (note 13)	Number of out-standing shares, thousand	Share capital	Other capital contribution	Currency translation reserve	Currency hedge reserve	Retained earnings	Total equity
<b>Shareholders' equity 31-12-2013</b>	<b>164,000</b>	<b>86</b>	<b>4,096</b>	<b>- 2</b>	<b>1</b>	<b>8,946</b>	<b>13,127</b>
Dividend, March 2014 (4.25 per share)	-	-	-	-	-	- 697	- 697
Net income for the year	-	-	-	-	-	1,211	1,211
Other total net income	-	-	-	22	- 14	-	8
<b>Shareholders' equity 31-12-2014</b>	<b>164,000</b>	<b>86</b>	<b>4,096</b>	<b>20</b>	<b>- 13</b>	<b>9,460</b>	<b>13,649</b>
Dividend, March 2015 (4.60 per share)	-	-	-	-	-	- 754	- 754
Net income for the year	-	-	-	-	-	2,881	2,881
Other total net income	-	-	-	- 32	24	-	- 8
<b>Shareholders' equity 31-12-2015</b>	<b>164,000</b>	<b>86</b>	<b>4,096</b>	<b>- 12</b>	<b>11</b>	<b>11,587</b>	<b>15,768</b>

Parent Company, SEKm (note 13)	Number of out-standing shares, thousand	Share capital	Restricted reserves	Fair value reserves		Retained earnings	Total equity
				Currency translation reserve	Currency hedge reserve		
<b>Shareholders' equity 31-12-2013</b>	<b>164,000</b>	<b>86</b>	<b>20</b>	<b>- 3</b>	<b>1</b>	<b>4,934</b>	<b>5,038</b>
Dividend, March 2014 (4.25 per share)	-	-	-	-	-	- 697	- 697
Net income for the year	-	-	-	-	-	236	236
Other total net income	-	-	-	14	- 14	-	0
<b>Shareholders' equity 31-12-2014</b>	<b>164,000</b>	<b>86</b>	<b>20</b>	<b>11</b>	<b>- 13</b>	<b>4,473</b>	<b>4,577</b>
Dividend, March 2015 (4.60 per share)	-	-	-	-	-	- 754	- 754
Net income for the year	-	-	-	-	-	895	895
Other total net income	-	-	-	- 24	24	-	0
<b>Shareholders' equity 31-12-2015</b>	<b>164,000</b>	<b>86</b>	<b>20</b>	<b>- 13</b>	<b>11</b>	<b>4,614</b>	<b>4,718</b>

# Cash Flow Statement

SEKM	GROUP		PARENT COMPANY	
	2015	2014	2015	2014
<b>Operating activities</b>				
Net operating income	2,225	2,222	21	21
Central administrative expenses	- 113	- 108	- 90	- 84
Depreciations reversed	12	12	2	2
Net financial items paid	- 605	- 689	6	- 15
Tax paid	- 8	- 7	-	-
Translation difference of currencies	- 7	- 10	-	-
<b>Cash flow from operating activities before change in working capital</b>	<b>1,504</b>	<b>1,420</b>	<b>- 61</b>	<b>- 76</b>
<i>Cash flow from change in working capital</i>				
Change in current receivables	- 66	88	74	- 190
Change in current liabilities	69	- 118	- 2	3
<b>Cash flow from operating activities</b>	<b>1,507</b>	<b>1,390</b>	<b>11</b>	<b>- 263</b>
<b>Investment activities</b>				
Investments in new constructions, extensions and reconstructions	- 1,232	- 1,378	-	-
Property acquisitions	- 2,321	- 1,147	-	-
Change in liabilities at acquisitions of properties	- 17	18	-	-
Property sales	1,135	3,077	-	-
Change in receivables at sales of properties	238	- 242	-	-
Net capital contributions, subsidiaries	-	-	815	736
Investment joint venture	- 505	-	-	-
Other net investments	- 9	- 9	- 1	- 2
<b>Cash flow from investment activities</b>	<b>- 2,711</b>	<b>319</b>	<b>814</b>	<b>734</b>
<b>Financing activities</b>				
New borrowing in interest-bearing liabilities	1,950	- 1,035	1,947	- 150
Change in long-term receivables	-	-	- 2,034	340
Dividend paid	- 754	- 697	- 754	- 697
<b>Cash flow from financing activities</b>	<b>1,196</b>	<b>- 1,732</b>	<b>- 841</b>	<b>- 507</b>
<b>Cash flow for the year</b>	<b>- 8</b>	<b>- 23</b>	<b>- 16</b>	<b>- 36</b>
Cash and bank, opening balance	47	70	16	52
<b>Cash and bank, closing balance</b>	<b>39</b>	<b>47</b>	<b>0</b>	<b>16</b>



# Accounting Principles and Notes

(All figures in SEKm unless stated otherwise.)

## Note 1 Accounting Principles

### General Information

The financial reports of Castellum AB (The Parent Company) for the financial year ending December 31, 2015, have been approved by the Board of Directors and the Chief Executive Officer for publication on February 1, 2016, and will be proposed to the 2016 Annual General Meeting for adoption. The parent company is a public Swedish limited liability company, registered in Gothenburg, Sweden. The business activities of the Group are described in the Directors' report.

### Basis for accounting

Castellum's accounts have been prepared in accordance with the IFRS standards adopted by the EU. Further, the consolidated accounts have been prepared according to Swedish law by application of the Swedish Financial Reporting Board's recommendation RFR 1 (Complementary accounting principles for consolidated accounts).

The accounts are prepared based on fair value of investment properties and derivatives, nominal value for deferred tax and acquisition value for the remaining items.

### Critical assessments

Accounts completed in accordance with the IFRS and generally accepted accounting principles requires assessments and assumptions affecting recorded assets, liabilities, income and costs, as well as other information in the accounts. These assessments and assumptions are based upon historical experience and other factors which are considered fair under current conditions. Actual outcome may differ from these assessments if other assumptions are made or other conditions exist.

### Investment properties

For valuation of investment properties, assessments and assumptions can have a significant affect on the income and financial position of the Group. These valuations require estimates and assumptions of future cash flows and the discounting factor (required yield). To reflect the uncertainty that exists in the assessments and assumptions, an uncertainty range of +/- 5-10% is normally used in property valuations. Information about this along with prevailing assessments and assumptions is presented in note 11.

### Asset acquisition versus business combination

A company acquisition can be classified as either a business combination or an asset acquisition. An acquisition that has the primary purpose to acquire a company's property, i.e., where the company's possible property management and administration are of secondary importance to the acquisition, is classified as an asset acquisition. Other company acquisitions are classified as business combinations.

For asset acquisitions no deferred tax is recorded in the acquisition. Instead, a possible tax discount reduces the acquisition value of the property, meaning that changes in value will be affected by the tax discount in the subsequent valuation.

### Deferred tax liability

According to the accounting principles, deferred tax shall be accounted for using nominal tax rate without discount, i.e. the decided 22% corporate tax rate. Actual tax is considerably lower, in part due to the possibility to sell properties in a tax-efficient manner, and in part due to the time factor.

### Income from property management

Castellum's operations are focused on cash flow growth from property management - i.e., growth in income from property management - with the objective of an annual increase in property management income by at least 10%. It is also the income from property management that forms the basis of what is yearly distributed to shareholders - at least 50% of the income from property management. Thus, changes in value has not been targeted since they are neither included in the basis for distribution, nor in any other base, e.g. the management's incentive program. To give an accurate picture of Castellum's view on its business operations, the statement of comprehensive income has been designed accordingly - i.e., changes in values (not affecting cash-flow) are presented after items affecting cash-flow. Furthermore, one performance measure has been added on which the business operations are managed and targeted: the income from property management.

### Classification

Fixed assets and long-term liabilities consist of items that are expected to be regained or maturing more than twelve months from the balance sheet date. Current assets and short-term liabilities consist of items that are expected to be regained or settled in less than twelve months from the balance sheet date.

### Consolidated financial statements

The Group's balance sheet and income statement include all companies where the parent company has direct or indirect control, which is obtained when Castellum achieves voting majority. All companies in the Group are wholly-owned except for a joint venture that was acquired during 2015. In addition to the parent company, the Group comprises the subsidiaries listed in Note 23 and their respective sub-groups. The consolidated financial statements are based upon the accounts for all subsidiaries as of December 31. The consolidated financial statements are prepared according to the acquisition method. This means that shareholders' equity in the subsidiaries at the time of acquisition, calculated as the difference between the fair value of the assets and liabilities, is fully eliminated. The shareholders' equity of the Group includes only the part of shareholders' equity in the subsidiaries that has been earned after acquisition.

A joint venture is a joint arrangement whereby the parties who have joint control have the right to the net assets. Shares in joint ventures are accounted for using the equity method, which means that shares in a company are reported at acquisition value at time of acquisition and subsequently adjusted by the owner company's share of the change in the net assets of the investment object. The ownership company's results include the ownership company's share of the investment object's results.

The consolidated income statement includes companies acquired or sold during the year only for the time of possession. Intra-group sales, income, losses and balances are eliminated in the consolidated accounts. The accounts of foreign operations are translated to SEK by translating the balance sheet to the exchange rate at balance date - except for shareholders' equity which is translated at historical exchange rate. The income statement is translated at the average exchange rate of the period. Currency translation differences are recognized in other total income.

### Income

#### Rental income

Rental income, which from an accounting perspective represents income from operating leases, is invoiced in advance and recorded as a linear allocation in the income statement, based on the terms in the lease. Rental income includes supplementary charges for the tenant, such as debited property tax and heating costs. Pre-paid rents are recorded as deferred rental income.

In cases where a lease during a certain period of time offers a reduced rent, corresponding to a higher rent at another point in time, this lower/higher rent is accrued over the leasing period. Pure discounts, such as reduction for successive moving in, are recorded in the income statement for the period in which they are given.

#### Income from property sales

Income from property sales is entered as of the contract date, unless there exist special conditions in the purchasing agreement. Sales of properties through companies are net accounted concerning underlying property price and calculated tax. The result from property sales is accounted for as a change in value and refers to the difference between the received sales price after deduction of sales costs, and the recorded value in the latest interim report with adjustment for capitalized investments after the latest interim report.

#### Financial income

Financial income consists of interest-rate income and is recorded as income for the period to which various financial revenues refer. Group contributions received and anticipated dividends are also recorded as financial income. In the calculation of financial income the effect interest method is applied.

#### Financial costs

Financial costs include interest and other costs that occur when borrowing money. Pledging costs for mortgages are not considered financial costs and are capitalized as property investments since it increases valuation. Financial costs are accounted for in the period which they refer to. Financial costs also include the interest cost for interest-rate derivatives. Payments for these interest-rate derivatives are accounted for in the period to which they refer. Net financial items are not affected by market valuation of the undertaken interest rate derivatives. Instead, changes in market value of interest-rate derivatives are recorded as changes in value under a separate headline. The portion of interest cost originating from the construction period for major new constructions, extensions or reconstructions are capitalized. Interest is calculated based on the average interest rate level for the Group.

#### Employee benefits

Employee benefits are accounted for as employees perform services in exchange for remuneration. Benefits from incentive plans settled in cash and paid as non-pensionable salary are accounted for as the targets are met during the period of the incentive plan.

Pensions and other post-employment benefits are classified as defined contribution or defined benefit plans. The majority of the Castellum Group's pension commitments are defined contribution plans, fulfilled through regular payments to independent authorities or bodies which administer the plans. Obligations regarding payments to contribution plans are recorded as a cost in the income statement when they occur. A small number of employees within the Castellum Group have defined ITP-plans with regular payments to Alecta. These plans are recorded as defined contribution plan since Alecta does not provide the information needed in order to report the plan as a defined benefit plan. There are no indications of any significant liabilities in addition to what has already been paid to Alecta.

#### Income taxes

Income tax in the income statement is divided into current and deferred tax. Income tax is recorded in the income statement except when related to transactions recorded directly in equity. In these cases, related tax effects also are recorded directly in equity. Current and deferred taxes are calculated based on current tax rate, 22%.

Open claims in the income tax return that contain a certain degree of uncertainty are taken into consideration in the tax calculation at the earliest in the year after the fiscal year, after taxation has been assessed by the tax authorities.

#### Deferred tax

Deferred tax is recorded in Castellum, using the balance method, for all temporary differences between an asset's or a liability's book value and its tax-basis value. This means that there is a tax liability or a tax asset that falls due for payment on the date for which the asset or liability is realized. Exceptions are made for temporary differences that arise from the initial accounting for assets and liabilities relating to asset acquisitions. Castellum has two entries that contains temporary differences - properties and tax-loss carry forwards. Deferred tax assets related to tax-loss carry forwards are recorded, since it is probable that future taxable income will be available, which may be utilized to offset tax-loss carry forwards. Deferred tax liability is calculated on the difference between the properties book value and their tax basis value. For changes in either of the two entries above, the deferred tax liability/tax asset is also changed, which is recorded in the income statement as deferred tax.

Castellum has recorded all company acquisitions completed during the year as asset acquisitions, meaning that deferred tax at the time of acquisition not is accounted for in the balance sheet.

#### Current tax

Current tax, the tax the company must pay on taxable income for the year, is recorded in the income statement. It includes adjustments for previous periods.

#### Leases

Leases where all crucial risks and benefits associated with the ownership fall on the lessor, are classified as operational leases. From an accounting perspective, all existing rental leases related to Castellum's investment properties are classified as operational leases. Refer to accounting principles for income and note 3 for further information of accounting for leases.

Site leasehold is, from an accounting perspective, an operational lease. The ground rent is accounted for in the income statement for the period to which it refers.

There are a small number of leases of insignificant value, where Castellum is the lessee. These leases are also accounted for as operational leases and concerns mainly leased cars. Payments made during the leasing period are recorded as running costs in the income statement, distributed over the leasing period.

#### Investment properties

Investment properties are properties held for the purpose of generating rental income, capital appreciation - or both. This is opposed to utilization in the company's operations for production or supply of goods or services or for administrative purposes and sales in daily operations. All of Castellum's owned or ground-leased properties are classified as investment properties. If the Group starts an investment on an existing investment property for future use as an investment property, the property continues to be recorded as an investment property.

#### Valuation

Investment properties are initially recorded at acquisition cost which includes expenses directly related to the acquisition and are subsequently recorded at fair value with changes in value in the income statement. Fair value is calculated using an internal valuation model described in note 11. The note also describes the assumptions made as basis for the valuation. The valuation model is based on an earnings-based value, determined by calculating the net prevailing value of future cash flows. A differentiated required yield for each property depending on such factors as location, intended use, condition and standard is taken into consideration. In order to provide further assurance, part of the portfolio has been valued externally.

#### Changes in value

Changes in value are recorded in the income statement and consist of unrealized as well as realized changes in value. Unrealized changes in value are calculated based on the valuation at the end of the financial year compared with the previous year's valuation, or the acquisition value if the property has been acquired during the year, with the addition of capitalized subsequent expenditures. For properties sold during the year, unrealized changes in value are recorded and calculated based on the valuation at the latest interim report prior to the sale, compared to the valuation at the end of previous year with adjustment for capitalized subsequent expenditures during the period. Principles for calculation of realized changes in value is described in the principles for Income from property sales.

#### Subsequent expenditures

Subsequent expenditures which lead to economic benefits for the company, i.e., increase the valuation of the property and can be reliably calculated are capitalized. Costs for repairs and maintenance are accounted for in the income statement for the period in which they occur. For major new construction and reconstruction projects, interest costs during the construction period are capitalized.

#### Acquisitions and sales

For acquisition or sale of properties or companies, the transaction is entered as of the signing date, unless special conditions exist in the purchasing contract.

#### Tangible fixed assets

Tangible fixed assets comprise all equipment, which has been recorded at acquisition value, including deduction of accumulated depreciation according to plan and any write-downs. Acquisition value includes purchase price and costs directly related to the acquisition, e.g., transport-to-site and proper condition for utilization according to the purpose of the acquisition. Depreciation on equipment is based on historical acquisition values after deduction of subsequent write-downs. Residual value is assumed to be non-existent. Depreciation of assets acquired during the year is calculated with reference to the date of acquisition. Depreciation is linear, which means equal depreciation during the period of use, normally five years, except for computers that are expected to have a three-year period of use.

#### Financial instruments

Financial instruments recorded in the balance sheet include assets such as cash-and-bank, lease receivables, other receivables and long-term receivables and liabilities such as interest and currency derivatives, accounts payable, other liabilities and loans.

Financial instruments are initially recorded at fair value equivalent to acquisition value, with the addition of transaction costs, except for financial instruments which are recorded at fair value through the income statement, where transaction costs are excluded. Following the initial recognition, accounting is based on the classification made according to the criteria below. Financial transactions such as cash received or paid as interest and amortization are recorded on the settlement day of the bank holding the account, while other payments are recorded on the accounting date of the bank holding the account.

A financial asset is removed from the balance sheet when the rights are realized, expired or the company loses control of it. A financial liability is derecognized from the balance sheet when the contractual obligations have been paid or in some other way extinguished.

#### Cash and bank

Cash and cash equivalents could consist of the Group's available cash balances with banks and similar institutions, as well as by bank deposits with a residual maturity of no more than ten (10) banking days, short-term investments in treasury bills and bank and municipal bonds with a residual maturity of a maximum of three (3) months. At December 31, cash and cash equivalents consisted entirely of disposable bank balances.

#### Receivables

Financial assets which are not derivatives, that have fixed or predictable payments and that are not quoted on an active market, are recorded as receivables. In the Group there are mainly rent receivables and other receivables. After individual valuation, receivables have been recorded as the amount at which they are expected to be received. This means that they are recorded at acquisition value with deduction for receivables which are uncertain. Reservation for uncertain receivables is made when an objective risk assessment concludes that the Group might not receive the entire receivable. Receivables in the parent company consist only of receivables from the subsidiaries, and are recorded at acquisition value.

#### Liabilities

Liabilities refer to credits and operating liabilities such as accounts payable. The majority of Castellum's credit agreements are long-term. In cases where short-term credits are drawn under long-term credit agreements, the credits are considered long-term. The credits are recorded on the settlement date at accrued acquisition value. Deferred unpaid interest is recorded in accrued

expenses. A liability is recorded when the counter-party has performed services and a legal obligation to pay exists, even if the invoice has not yet been received. Accounts payable are recorded when the invoice is received. Accounts payable and other operative liabilities with short duration are recorded at nominal value.

#### **Foreign currency**

Transactions in foreign currencies are translated to Swedish kronor (SEK) at the spot exchange rate of the transaction. Monetary assets and liabilities are translated at the balance day rate.

#### **Derivatives**

Interest-rate derivatives are financial assets or liabilities which are valued at fair value, with value-changes recorded in the income statement. In order to manage exposure to fluctuations in the market interest rate according to the finance policy, Castellum has entered interest-rate-derivative agreements. When using interest-rate derivatives, changes in value may occur, mainly due to changes in market interest rates. Interest-rate derivatives are initially recorded in the balance sheet on the trade day at acquisition value. They are subsequently valued at fair value with value-changes in the income statement.

Changes in value can be realized as well as unrealized. Realized changes in value refer to redeemed interest-rate derivative contracts and constitute the difference between the price at the time of redemption and the recorded book value according to the latest interim report. Unrealized changes in value refer to the changes in value during the period for the interest-rate derivatives that Castellum held at the end of the period. Changes in value are calculated based on valuation at the end of the period, compared to the valuation in the previous year. They can also refer to the acquisition value if the interest-rate derivative agreements have been entered into during the year. For interest-rate derivatives that have been redeemed, an unrealized change in value is recorded and calculated based on the valuation at the latest interim report, prior to redemption, compared with the valuation at the end of the previous year. Payments made under these agreements are accounted for in the period to which they refer.

Financing of foreign investments can be achieved by raising loans in the functional currency of the company, and by entering into currency derivatives. Castellum apply hedge accounting of net investment in foreign operations in cases where currency derivatives are used. They are initially reported in the balance sheet at cost on trade date, and thereafter reported at fair value where the effective portion of the foreign exchange rate change regarding the hedging instrument is recognized in other total income, while the ineffective portion is recognized as change in value in the income statement. The balance date rate is used to determine real value.

The valuation of derivatives at fair value is adjusted for counterparty risk, i.e. CVA and DVA.

#### **Shareholders' equity**

##### **Repurchased shares**

Repurchased shares reduce shareholders' equity by the purchase price, including any transaction costs.

##### **Dividends**

Dividends are accounted for as a deduction of shareholders' equity, after decision by the Annual General Meeting (AGM). Anticipated dividend is accounted for as a financial income by the recipient.

##### **Earnings after tax per share**

Calculation of after-tax earnings per share is based on the Group's net income for the year pertaining to the shareholders of the parent company, and on the weighted average number of outstanding shares during the year.

##### **Provisions**

Provisions are liabilities which are uncertain regarding timing or amount. A provision is recognized when there are contractual obligations, court order or other legal grounds likely to involve future payments. The amounts are continuously reassessed. Liabilities due in more than one year are estimated using discounting.

##### **Definition of segments**

The Group's operations are organized, managed and reported primarily by geographical region. Segments are consolidated according to the same principles as the Group. Income and costs reported for each segment are actual costs and no distribution of common costs, assets or liabilities is made between the regions.

##### **Cash flow statement**

The cash flow statement has been prepared according to the indirect method. Net profit or loss is adjusted for effects of non-cash transactions during the period as well as income or costs associated with the cash flow from investment or financing activities.

#### **Differences in accounting principles between the Group and the parent company**

The Annual Report of the parent company has been prepared according to the Annual Accounts Act and by application of the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for legal entities. RFR 2 states that a legal entity shall apply the same IFRS/IAS that is applied in the consolidated financial statements, with exceptions for and additions of rules and laws mainly according to the Annual Accounts Act, and with consideration to the relationship between accounting and taxation. Differences in accounting principles between the Group and the parent company are presented below.

##### **Presentation**

The income statement and balance sheet for the parent company are presented according to the Annual Accounts Act schedules.

##### **Shares in subsidiaries**

Shareholdings in subsidiaries are accounted for in the parent company according to the acquisition value method. The book value is regularly compared to subsidiaries' group equity. When the book value is lower than the subsidiaries' group value, a write-down is made in the income statement. Previous write-down no longer justified are reversed.

##### **Contingent liabilities**

Contingent liabilities for the benefit of subsidiaries are financial guarantees and are accounted for in accordance with RFR 2, i.e. they are not accounted for as provisions, but instead Castellum provides information in the notes.

#### **New accounting rules and regulations**

##### **New and revised existing standards and interpretations, approved by the EU**

###### *New standards that came into force in 2015*

The new standards that came into force in 2015 have not had any impact on Castellum's financial reporting.

###### *New standards and interpretations that come into force in 2016*

On December 18, 2015, the EU approved an amendment to IAS 1 Presentation of Financial Statements, effective January 1, 2016. The changes provide clearer guidance on materiality, aggregation and disaggregation of items, structure of the notes as well as information on accounting principles. The changes are not expected to have any material impact on Castellum. In addition, a package of minor changes, referred-to as annual update, was made regarding several recommendations. One of these – IAS 34 Interim Financial Reporting – may have consequences for Castellum. The changes focus more on the design of interim reports than on the content itself and became effective January 1, 2016.

## Note 2 Segment reporting

The Group's reporting segments are the following geographical areas; Greater Gothenburg (incl. Borås, Halmstad, and Alingsås), Öresund Region (Malmö, Lund, Helsingborg and Copenhagen), Greater Stockholm, Mälardalen (Örebro, Västerås and Uppsala) and Eastern Götaland (Jönköping and Linköping).

The operational segments are identified by geographical field of activity, which is according to how they are followed-up and analyzed by the primarily executive decision maker in the Group. Greater Gothenburg is made up of two operational segments with similar economical characteristics and operations. The Group only manages commercial properties.

Reporting segment	Greater Gothenburg		Öresund Region		Greater Stockholm		Mälardalen		Eastern Götaland		Unallocated items		The Castellum Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Rental income, external	1,091	1,050	651	673	703	637	603	556	251	402	-	-	3,299	3 318
Property costs	-305	-294	-244	-257	-222	-207	-208	-193	-94	-145	-	-	-1,074	-1 096
Net operating income	786	756	407	416	480	430	395	363	157	257	-	-	2,225	2 222
Central administration	-14	-14	-8	-8	-8	-7	-8	-8	-7	-8	-69	-63	-113	-108
Results from joint venture	-	-	-	-	-	-	-	-	21	-	-	-	21	-
- of which income from property management	-	-	-	-	-	-	-	-	23	-	-	-	23	-
Interest income	11	12	26	16	11	6	3	3	8	3	-55	-37	4	3
Interest costs	-226	-230	-126	-146	-140	-130	-129	-123	-48	-86	64	48	-606	-667
<b>Income from prop. mgmt. incl results JV</b>	<b>557</b>	<b>524</b>	<b>300</b>	<b>278</b>	<b>343</b>	<b>299</b>	<b>260</b>	<b>235</b>	<b>131</b>	<b>166</b>	<b>-60</b>	<b>-52</b>	<b>1,531</b>	<b>1 450</b>
- of which income from property management	557	524	300	278	343	299	260	235	133	166	-60	-52	1,533	1 450
Change in value properties	488	250	137	-147	732	290	356	68	124	-117	-	-	1,837	344
Change in value derivatives	-	-	-	-	-	-	-	-	-	-	216	-660	216	-660
Income before tax	1,045	774	436	131	1,076	589	616	303	255	49	156	-712	3,584	1 134
Tax income	-	-	-	74	-	-	-	-	-	186	-	-271	-	-11
Tax cost	-220	-145	-96	-	-164	-127	-137	-66	-51	-	-35	426	-703	88
<b>Net income for the year</b>	<b>825</b>	<b>629</b>	<b>340</b>	<b>205</b>	<b>912</b>	<b>462</b>	<b>479</b>	<b>237</b>	<b>204</b>	<b>235</b>	<b>121</b>	<b>-557</b>	<b>2 881</b>	<b>1 211</b>
Investment properties	14,661	13,412	7,806	7,180	8,607	7,804	7,689	6,521	3,055	2,682	-	-	41,818	37 599
- of which investments this year	841	1,275	531	248	1,067	361	804	393	280	248	-	-	3,523	2 525
Share in joint venture	-	-	-	-	-	-	-	-	526	-	-	-	526	-
Current assets	550	476	919	1,000	286	206	150	125	296	377	-1,893	-1,695	308	489
<b>Total assets</b>	<b>15,211</b>	<b>13,888</b>	<b>8,726</b>	<b>8,180</b>	<b>8,893</b>	<b>8,010</b>	<b>7,839</b>	<b>6,646</b>	<b>3,876</b>	<b>3,059</b>	<b>-1,893</b>	<b>-1,695</b>	<b>42,652</b>	<b>38 088</b>
Shareholders' equity	6,011	5,314	3,374	3,229	4,061	3,196	2,658	2,256	1,606	1,524	-1,942	-1,870	15,768	13 649
Deferred tax liability	1,627	1,420	832	763	921	774	734	586	262	223	-77	-154	4,299	3 612
Other provisions	-	-	-	3	-	-	-	-	14	20	-	-	14	23
Interest rate derivatives	-	-	-	-	-	-	-	-	-	-	1,117	1,357	1,117	1 357
Interest-bearing liabilities	7,234	6,704	4,210	3,985	3,656	3,720	4,269	3,639	1,883	1,227	-856	-829	20,396	18,446
Non-interest-bearing liabilities	339	450	310	200	253	320	179	165	112	65	-135	-199	1,058	1,001
<b>Total shareholders' equity &amp; liabilities</b>	<b>15,211</b>	<b>13,888</b>	<b>8,726</b>	<b>8,180</b>	<b>8,893</b>	<b>8,010</b>	<b>7,839</b>	<b>6,646</b>	<b>3,876</b>	<b>3,059</b>	<b>-1,893</b>	<b>-1,695</b>	<b>42,652</b>	<b>38,088</b>

Of the Groups rental income SEKm 83 (41) refers to customers located in Denmark and SEKm 954 (530) refers to investment properties located in Denmark.

## Note 3 Rental income

### Rental value

Group rental income was SEKm 3,299 (3,318). Rental income consists of the rental value with deduction of the value of vacant premises during the year. Rental value refers to the rental income received and the estimated market rent of unlet premises. The rental value also includes supplementary charges for the customer, such as heating, property tax and an index supplement. Rental value SEK/sq.m. for the different regions and types of properties are shown in the table below. Rental levels have increased by 1% (1%) in comparable portfolio compared with previous year.

Rental value, SEK/sq.m.	Office/Retail		Warehouse/Industrial		Total	
	2015	2014	2015	2014	2015	2014
Greater Gothenburg	1,388	1,330	759	766	1,021	1,003
Öresund region	1,316	1,334	757	752	1,089	1,078
Greater Stockholm	1,453	1,367	1,029	998	1,240	1,199
Mälardalen	1,220	1,178	767	746	1,084	1,040
Eastern Götaland	1,302	1,247	528	442	1,145	1,022
<b>Total</b>	<b>1,332</b>	<b>1,295</b>	<b>804</b>	<b>791</b>	<b>1,095</b>	<b>1,064</b>

### Renegotiation

Commercial leases, for which rents are paid quarterly in advance, are signed for a certain period of time, which means that a change in the market rents do not have an immediate effect on rental income. Rental levels can only be changed when the lease in question is due for renegotiation. The rental levels of Castellum are considered to be in line with the market.

Commercial leases include a so-called index clause, which provides for an upward adjustment of the rent, corresponding to a certain percentage of the inflation during the previous year or a minimum upward adjustment.

The lease maturity structure for Castellum's portfolio is shown in the table below, where lease value refers to annual value. An explanation of the relatively small portion in 2016 is that a majority of the leases maturing were already renegotiated in 2015 due to the period of notice. The most common terms for a new lease is 3-5 years with a nine months notice. The average remaining lease duration in the portfolio is 3.4 years (3.3).

Lease maturity structure	No. of leases	Lease value, SEKm	Percentage of value
Commercial, term			
2016	1,182	310	10%
2017	1,284	687	23%
2018	954	621	20%
2019	588	564	19%
2020	201	242	8%
2021+	244	617	20%
<b>Total commercial</b>	<b>4,453</b>	<b>3,041</b>	<b>100%</b>
Residential	178	16	
Parking spaces and other	2,056	37	
<b>Total</b>	<b>6,687</b>	<b>3,094</b>	

### Economic occupancy rate

Castellum's average economic occupancy rate during 2015 was 90.3% (88.7%). It was 90.2% (88.2%) for office and retail properties and 90.5% (89.7%) for warehouse and industrial properties. Total annual rental value for vacant premises during the year amounts to approx. SEKm 392 (417).

Rental income for the period includes a lump sum of SEKm 8 (10) as a result of early termination of leases.

Gross leasing, i.e. the annual value of total leasing, during the year was SEKm 316 (304), of which SEKm 55 (55) related to leasing of new constructions, extensions and reconstructions. Notices of termination amounted to SEKm 298 (246), of which bankruptcies were SEKm 11 (12). SEKm 18 (36) related to notices of termination with more than 18 months left of the contract. Hence net leasing for the year was SEKm 18 (58). The time difference between reported net leasing and the effect in income is estimated to be 9–18 months.

Economic occupancy rate	Office/Retail		Warehouse/Industrial		Total	
	2015	2014	2015	2014	2015	2014
Greater Gothenburg	93.1%	91.6%	91.5%	91.7%	92.4%	91.6%
Öresund region	84.3%	84.6%	88.3%	86.8%	85.4%	85.3%
Greater Stockholm	89.7%	83.5%	91.7%	88.6%	90.5%	85.4%
Mälardalen	90.8%	91.5%	88.7%	88.4%	90.4%	90.8%
Eastern Götaland	94.6%	89.0%	85.1%	92.0%	93.7%	89.3%
<b>Total</b>	<b>90.2%</b>	<b>88.2%</b>	<b>90.5%</b>	<b>89.7%</b>	<b>90.3%</b>	<b>88.7%</b>

### Risk exposure and credit risk

Castellum's lease portfolio has a good risk exposure. The Group has approx. 4,500 commercial leases and 200 residential leases and their distribution in terms of size is presented in the table below. The single largest lease as well as the single largest customer accounts for approx. 2% of the Group's total rental income, meaning that Castellum's exposure to a single customer's credit risk is very low.

Lease size, SEKm	No. of leases	Share	Lease value, SEKm	Share
Commercial				
< 0.25	2,277	34%	202	7%
0.25-0.5	791	12%	286	9%
0.5-1.0	648	10%	457	15%
1.0-3.0	529	8%	895	29%
> 3.0	208	3%	1,201	39%
<b>Total commercial</b>	<b>4,453</b>	<b>67%</b>	<b>3,041</b>	<b>98%</b>
Residential	178	2%	16	1%
Parking space and other	2,056	31%	37	1%
<b>Total</b>	<b>6,687</b>	<b>100%</b>	<b>3,094</b>	<b>100%</b>

Commercial leases are distributed between various business sectors as below.

Commercial leases distributed by sector (GICS-code)	No. of leases	Lease value, SEKm	Share
Energy (10)	63	43	1%
Materials (15)	82	71	2%
Capital goods (2010)	554	434	14%
Commercial Services & Supplies (2020)	1,525	598	20%
Transportation (2030)	97	94	3%
Retailing (2550)	387	320	11%
Other Consumer Durables and Services (2510-2540)	521	474	16%
Consumer Staples (30)	103	131	4%
Health Care (35)	228	207	7%
Finance and Real Estate (40)	140	70	2%
Software and Services (4510)	208	127	4%
Technology Hardware and Equipment (4520)	128	130	4%
Telecommunication Services (50)	81	16	1%
Utilities (55)	26	4	0%
Public sector, etc.	310	322	11%
<b>Total</b>	<b>4,453</b>	<b>3,041</b>	<b>100%</b>

The table below shows the time distribution of future rental income for existing lease agreements.

Future rental income for existing leases	Group		Parent Company	
	2015	2014	2015	2014
Contracted rental income year 1				
Commercial leases	3,120	3,005	-	-
Residential	5	4	-	-
Contracted rental income between 2 and 5 years	6,293	5,976	-	-
Contracted rental income after more than 5 years	1,477	1,690	-	-
<b>Total</b>	<b>10,895</b>	<b>10,675</b>	<b>-</b>	<b>-</b>

### Rent receivables

Rents are invoiced and paid in advance which means that all the Group's rental receivables of SEKm 7 (13) are overdue.

### Parent company

The parent company consists of only group-wide functions and the turnover mainly consists of intragroup services.

### Note 4 Property costs

Property costs in 2015 was SEKm 1,074 (1,096), equivalent to SEK 316/sq.m. (307). The costs include both direct property costs such as costs of operation, maintenance, ground rent and property tax, and indirect costs such as leasing and property management.

### Operating expenses

Operating expenses include costs as electricity, heating, water, facilities management, cleaning, insurance, rent losses and property-specific marketing costs. Most operating expenses are recharged the customers as supplements to the rent. For warehouse and industrial properties, however, customers are in most cases directly responsible for most of the operating costs. Operating expenses for 2015 were SEKm 507 (542), equivalent to SEK 149/sq.m. (146). Operating expenses, which are considered to be at a normal level for the business, are weather dependent which means that they vary between years and seasons. Energy consumption for heating during the period has been calculated to 88% (86%) of a normal year according to the degree day statistics. Operating expenses includes rent losses of SEKm 6 (9) corresponding to 0.2% of rental income.

### Maintenance

Maintenance costs are ongoing measures to maintain the property's standard and technical systems. The maintenance costs were SEKm 133 (136), equivalent to SEK 39/sq.m. (37).

### Ground rent

Ground rent, including leasing fees, for 2015 totalled SEKm 27 (27), of which approx. half the amount relates to Greater Stockholm. Ground rent is the annual fee paid to the municipality by the owner of a building on land owned by the municipality. The ground rent is currently calculated in such a way that the municipality receives a fair real interest rate based on the estimated market value of the site. Site leasehold is spread over time and is mostly renegotiated at intervals of 10 to 20 years. At year-end 2015, Castellum had 81 properties with site leasehold. Existing site leasehold agreements mature relatively evenly over the next 60 years. When notice is given for a site leasehold the site owner (the municipality) is, in most cases, to compensate Castellum for buildings etc. There are, however, a few agreements where the municipality can demand that the land be restored.

Future contracted ground rents	Group		Parent Company	
	2015	2014	2015	2014
Contracted ground rents year 1	18	23	-	-
Contracted ground rents between 2 and 5 years	71	89	-	-
Contracted ground rents after more than 5 years	325	600	-	-
<b>Total</b>	<b>414</b>	<b>712</b>	<b>-</b>	<b>-</b>

### Property tax

The Group's property tax was SEKm 172 (170), equivalent to SEK 50 sq.m. (48). Property tax is a state tax based on the property's tax assessment value. The tax rate for 2015 was 1.0% of the tax assessment value for office/retail properties and 0.5% for warehouse/industrial.

### Leasing and property management

The Group's leasing and property management costs for 2015 were SEKm 235 (221), equivalent to SEK 72/sq.m. (68). Leasing and property management are indirect costs for ongoing property management, comprising the costs of leasing operations, rent negotiation, lease administration, rent debiting and collecting, accounting and project administration costs as well as depreciation on equipment in subsidiaries. Of the costs SEKm 134 (131) refers to employee benefits and SEKm 10 (10) depreciation on equipment.

### Summary property costs

Property costs per square metre, distributed by property category and type of cost are shown below.

Property costs SEK/sq.m.	Office/Retail		Warehouse/industrial		Total	
	2015	2014	2015	2014	2015	2014
Operating expenses	181	177	109	109	149	146
Maintenance	49	44	27	29	39	37
Ground rent	5	9	7	7	6	8
Property tax	72	69	23	22	50	48
<b>Direct property costs</b>	<b>307</b>	<b>299</b>	<b>166</b>	<b>167</b>	<b>244</b>	<b>239</b>
Leasing/property administration	-	-	-	-	72	68
<b>Total</b>	<b>307</b>	<b>299</b>	<b>166</b>	<b>167</b>	<b>316</b>	<b>307</b>

## Note 5 Central Administrative Expenses

Central administrative expenses include costs of portfolio management, company administration and costs of maintaining the Stock Exchange listing. This involves all costs of Castellum AB, such as Group management, treasury, IT, human relations, investor relations, annual report, audit, and depreciation on equipment, etc. At subsidiary level, the figures include, costs for MD and financial manager as well as costs of preparing annual reports, audit, etc. Of the costs, excl. the incentive plan described below, SEKm 66 (71) refers to employee benefits and SEKm 2 (2) to depreciation on equipment.

Central administrative expenses also include costs relating to a profit and share pricerelated incentive plan for senior management to the order of SEKm 11 (15).

### Remuneration to auditors

Remuneration to auditors	Group		Parent company	
	2015	2014	2015	2014
Audit assignment	2	2	1	1
Audit in addition to the audit assignment	0	0	0	0
Tax consulting	0	0	0	0
Other consulting	0	0	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>

Of the Group's total remuneration to auditors of SEKk 2,474 (2,284), SEKk 2,324 (2,134) refers to Deloitte and SEKk 150 (150) refers to EY.

## Note 6 Interest and Financial Income

	Group		Parent company	
	2015	2014	2015	2014
Interest income	4	3	1	1
Received group contributions, subsidiaries	-	-	185	480
Anticipated dividend, subsidiaries	-	-	630	417
Interest income, subsidiaries	-	-	657	688
Other financial income	0	0	0	0
<b>Total</b>	<b>4</b>	<b>3</b>	<b>1,473</b>	<b>1,586</b>

Interest income, for the Group as well as for the Parent Company, is related to receivables valued at accrued acquisition value.

## Note 7 Interest and Financial Costs

	Group		Parent company	
	2015	2014	2015	2014
Interest costs	606	664	591	637
Interest costs, subsidiaries	-	-	56	39
Other financial costs	0	3	2	2
<b>Total</b>	<b>606</b>	<b>667</b>	<b>649</b>	<b>678</b>

Net financial items were SEKm -602 (-664). During the year interest costs of SEKm 8 (17) were capitalized as investments in the real estate portfolio where an average interest rate level of 3.0% (3.3%) has been used.

Of the Group's interest costs, SEKm 254 are related to liabilities valued to accrued acquisition value. Corresponding value for the parent company is SEKm 294. Remaining interest costs refers to interest attributable to Castellums interest derivatives.

## Note 8 Changes in value

### Investments properties

As in earlier years, the Swedish real estate market in 2015 was characterized by high activity and strong demand, resulting in lower required yield and consequently, higher property prices. During the year, the transaction volume amounted to SEK 145 billion, which is an historically high level - even though last year had a turnover totalling as much as SEK 160 billion. There was a strong interest for office and retail properties as well as for warehouse and logistics properties, and commercial real estate accounted for a total of approx. 77% (76%) of the transaction volume. Foreign buyers accounted for 27% (17%) of the acquisition volume, and this was noticeable for several major transactions concerning office, retail and logistics.

The market's required yield was reduced by an average 0.25 percentage points in internal valuations since year-end, to reflect the increase in prices observed in the Swedish real estate market. The change in value during the year amounted to SEKm 1,837 (344), corresponding to 4.6%. The increase in value consisted mainly of: SEKm 255 attributable to acquisitions, SEKm 203 attributable to project profits and SEKm 1,331 primarily due to reduced yield requirements. In addition, property sales resulted in a value change of SEKm 48. Net sales price amounted to SEKm 1,140 after reduction for assessed

deferred tax and transaction costs totalling SEKm 57. Hence the underlying property value, which amounted to SEKm 1,197, exceeded the last valuation of SEKm 1,092 by SEKm 105. As each property is valued individually, the portfolio premium that can be noted in the real estate market was not taken into account.

Total value growth net, including this years change, over the past 10 years have been 1.1% per year which is in line with inflation.

### Derivatives

Castellum uses interest rate derivatives to achieve the desired interest rate maturity structure. If the agreed interest rate deviates from the market interest rate, irregardless credit margins, there is a surplus or sub value in the interest rate derivatives where the non cash-flow changes in value are reported in the income statement. Castellum also uses derivatives in order to hedge currency fluctuation in its investment in Denmark. For currency derivatives, a surplus or sub-value occurs if the agreed exchange rate deviates from the current exchange rate, where the effective portion of value changes is accounted for in other total income.

The value of the interest derivatives portfolio has changed by SEKm 220 (657), mainly due to changes in market long-term interest rates. The value of Castellum's currency derivatives has during the year changed by SEKm 20 (-17) where the effective portion of the value changes of SEKm 24 (-14) is accounted for in other total net income.

## Note 9 Income taxes

The Swedish income tax for limited liability companies is 22%. In the income statement, income tax is recorded as two entries, current tax and deferred tax. Current tax is based on the taxable income for the year, which is lower than the recorded net income for the year. This is mainly an effect of the possibility to use tax depreciation on buildings, to use direct tax deductions for certain reconstructions of the properties, which are capitalized in the accounts, and to utilize existing tax loss carry forwards.

Deferred tax is a provision for the future tax which will be paid when the properties are sold, and the depreciation for tax purposes and the capitalized investments deducted for tax purposes are reversed.

Swedish accounting legislation does not permit the presentation of properties at fair value in legal entities, meaning that changes in property values only occurs at Group level and thus not affect taxation. Some financial instruments, such as interest rate swaps, might be recorded at fair value at entity level. In Castellum negative value changes on such instruments are a tax deductible item, while changes up to the acquisition cost of the instruments is a taxable income.

As shown in the table below, taxable income for 2015 is negligible, since Castellum uses the above mentioned depreciation for tax purposes and tax deductions for certain reconstructions while property sales mainly were made in the form of tax-free share transfers. Current paid tax occurs because a few subsidiaries are not allowed to make fiscal group contributions.

Tax calculation for the Group	Basis 2015		Basis 2014	
	Current tax	Deferred tax	Current tax	Deferred tax
Income from property management	1,533		1,450	
D:o attributable to joint venture	- 23		-	
Deductions for tax purposes				
depreciation	- 741	741	- 718	718
reconstructions	- 494	494	- 322	322
Other tax allowances	- 39	6	24	37
Taxable income from property management	236	1,241	434	1,077
Properties sold	3	- 293	6	- 1,695
Changes in value on properties	-	1,789	-	488
Changes in value on interest rate derivatives	216	-	- 660	-
Taxable income before tax loss carry forwards	455	2,737	- 220	- 130
Tax loss carry forwards, opening balance	- 1,193	- 1,193	- 921	921
Tax loss carry forwards, closing balance	809	- 809	1,193	- 1,193
Taxable income	71	3,121	52	- 402
<b>According to statement of comprehensive income</b>	<b>- 16</b>	<b>- 687</b>	<b>- 11</b>	<b>88</b>

Tax loss carry forwards consist of prior year's tax losses. The losses, which are not restricted in time, are used to offset future taxable profits. Remaining tax loss carry forwards are estimated to SEKm 809.

Total tax may differ from nominal tax due to non-taxable/tax-deductible income/costs or as an effect of other tax adjustments. Total tax cost in Castellum's income statement is less than nominal tax. The effective tax on income from property management, without consideration of tax loss carry forwards, can be calculated to 3%.

Tax cost/income	Group		Parent company	
	2015	2014	2015	2014
Income before tax	3,584	1,134	971	185
Tax according to current tax rate	- 788	- 249	- 214	- 41
Tax effects due to:				
non-taxable dividend	-	-	138	92
taxable result in joint ventures	6	-	-	-
non-taxable indirect sale of property	64	340	-	-
other tax adjustments	15	- 14	-	-
Tax according to income statement	- 703	77	- 76	51

## Note 10 Personnel and Board of Directors

Numer of employees	Group		Parent company	
	2015	2014	2015	2014
Average number of employees	299	295	24	23
of which women	113	116	14	11
of which Denmark (of which women)	4 (1)	3 (1)	-	-

### Salaries, remuneration and benefits

During 2015, the parent company had 7 (7) board members, of which 3 (3) are women, while the total number of board members in the Group's subsidiaries were 21 (21), of which 8 (9) are women. The Group, as well as the parent company, have 10 (10) senior executives, of which 3 (3) are women. The total number of senior executives in the subsidiaries' managerial bodies and the senior executives of the Group were 38 (34), of which 12 (13) are women.

	Group		Parent company	
	2015	2014	2015	2014
<b>Salaries, remuneration and benefits</b>				
Chairman of the Board	0.7	0.6	0.7	0.6
Other Board members	1.9	1.7	1.9	1.7
Chief Executive Officer				
Fixed salary	3.6	3.4	3.6	3.4
Variable remuneration	1.6	2.7	1.6	2.7
Benefits	0.1	0.1	0.1	0.1
Other senior executives				
Group: 9 (9), Parent company: 3 (2)				
Fixed salary	12.2	13.4	3.5	4.9
Variable remuneration	6.5	8.9	1.7	2.9
Benefits	0.6	0.7	0.2	0.2
Other employees	144.0	140.6	12.4	12.3
<b>Total</b>	<b>171.2</b>	<b>172.1</b>	<b>25.7</b>	<b>28.8</b>
<b>Contractual pensions costs</b>				
Chief Executive Officer	1,1	1,0	1,1	1,0
Other senior executives (9 vs. 3)	3,7	4,3	1,1	1,5
Other employees	18,2	15,7	2,2	1,6
<b>Total</b>	<b>23,0</b>	<b>21,0</b>	<b>4,3</b>	<b>4,1</b>
Statutory social costs incl. special employer's contributions				
Chairman of the Board	0,2	0,2	0,2	0,2
Other Board members	0,3	0,6	0,3	0,6
Chief Executive Officer	1,9	2,0	1,9	2,0
Other senior executives (9 vs. 3)	7,1	8,1	2,0	2,9
Other employees	49,7	50,5	4,4	4,2
<b>Total</b>	<b>59,2</b>	<b>61,5</b>	<b>8,8</b>	<b>9,9</b>
<b>Grand total</b>	<b>253,4</b>	<b>254,6</b>	<b>38,9</b>	<b>42,8</b>

### Board remuneration

Board remuneration was decided by the Annual General Meeting 2015 to SEKk 2,440, of which SEKk 640 to the Chairman of the Board and SEKk 300 to each other Board member. Additional remuneration for committee work is totally SEKk 210. The amounts applies from the AGM 19-03-2015 to the AGM 17-03-2016.

### Executive management

During the autumn the executive management has changed and at the year-end the executive management group consists of the Chief Executive Officer, the Chief Financial Officer, the Head of Business Development, the Chief Investment Officer and the six Managing Directors of the subsidiary companies.

### Remuneration and benefits

Remuneration and benefits for the executive management are prepared by the remuneration committee and decided by the Board of Directors. The remuneration comprises a fixed salary and a variable remuneration according to an incentive plan described below. During the three-year period of the plan, the variable remuneration can amount to a maximum of three years' salary. The executive management, have an incentive plan that comprises two parts:

- One profit-based part is based on income growth from property management compared to the previous year, as well as an overall estimation of development for certain individual factors. Full outcome requires that income growth from property management per share reach 10% per year. When growth is in the range 0-10%, a linear calculation of the incentive is made. The profit-based portion is paid out yearly as salary after the year-end closing and can total no more than six months' salary per year. The outcome for 2015 was 67%, representing a cost of SEKm 7.1 including social costs. The plan ended at the end of 2015.
- One share-price-based part based on the total return on the Castellum share during a three-year period, both in nominal figures and compared with index for real-estate shares in Sweden, the Eurozone and Great Britain. For full outcome of the incentive plan, the total return must be at least 50% during the period and the total return has to exceed index development by at least 5 percentage points during the period. When growth is in the ranges 0-50% and 0-5%-points respectively, a linear calculation of the incentive is made. Any payments due are paid as salary after the measurement period of June 2014-May 2017. During the three-year period, the share-price-based part may total no more than one-and-a-half-years' salary, equal to a Castellum cost of SEKm 31, including social costs. As of December 2015, the outcome was 29%, representing a cost of SEKm 4.5 including social costs. Final reading and set-offs will occur in May 2017.

Executives in receipt of variable remuneration according to the incentive plan must acquire Castellum shares for at least half of the amount of the payment due after tax. The paid incentive does not affect pension contributions.

### Pensions

Persons in the Executive management have defined contribution pensions with no other obligations for the company than to pay an annual premium during the time of employment. This implies that these persons, after completed employment, have the right to decide on their own, the time-frame during which the defined payments and subsequent return will be received as pension. The retirement age for the CEO and other members of executive management is 65 years.

### Notice of dismissal

The period of notice shall, when given from the company, not exceed 6 months regarding the Managing Director and 12 months for any other member of the executive management of the company. When given by the Managing Director or any other member of the executive management of the company, the period of notice is six months. During the period of notice, salary and other benefits are paid, with deduction of salary and remuneration deriving from another employment or activity. No deduction will occur for the Managing Director. At the company's dismissal of the Managing Director, a severance pay of 12 months' fixed salary is paid which shall not be reduced as a result of other income that the Managing Director receives.

### Pensions for other employees

Other employees in Castellum have defined contribution pensions, with no other obligations for the company than to pay an annual premium during the time of employment. This implies that these persons, after completed employment, have the right to decide on their own, the time-frame during which the defined payments and subsequent return will be received as pension. However, there is an exception for about 20 employees within the Castellum Group who instead have defined ITP-plans with regular payments to Alecta. Insurance premiums paid to Alecta during the year amounted to SEKm 1 (1). The surplus in Alecta may be distributed to the insurance holder and/or the insured. Alecta's surplus in the collective consolidation level as of December had not been made official at the time of signing of this annual report and can therefore not be reported. Alecta's latest official consolidation level was as of September 2015 148% (December 2014: 143%). The collective consolidation level is made up by the market value of Alecta's assets as a percentage of the insurance obligations calculated according to Alecta's assumptions for calculating the insurance, which do not comply with IAS 19.

### Absence due to illness

Absence due to illness for the year was 3% (3%), of which 1.2%-unit (0.4%) was for long-term sick leave. Absences due to illness for men and women were 2% (2%) and 3% (3%) respectively. Absences due to illness were 2% (1%) for the age group 29 years and younger, 2% (2%) for the age group 30-49 years and 3% (4%) for the age group 50 years or older. Absence due to illness for the parent company was 2% (3%), of which 1%-unit (0%) was for long-term sick leave.

## Note 11 Investment Properties

Schedule of the changes during the year	Group	
	2015	2014
Opening balance	37,599	37,752
New construction, extension and reconstruction	1,232	1,378
of which capitalized interest costs	8	17
Acquisitions	2,321	1,147
Sales	-1,092	-3,198
Unrealized changes in value	1,789	488
Currency translation	-31	32
<b>Closing balance</b>	<b>41,818</b>	<b>37,599</b>
Schedule of tax assessment value		
Buildings	15,445	14,699
Land	5,423	5,250
<b>Total tax assessment value</b>	<b>20,868</b>	<b>19,949</b>
Rental income from investment properties	3,299	3,318
Property costs for investment properties	1,074	1,096

The year's change per category is shown in the table below.

Change by category	Office/Retail		Warehouse/industrial		Project/Land	
	2015	2014	2015	2014	2015	2014
Opening balance	24,584	24,809	11,411	11,378	1,604	1,565
Category changes	443	362	-118	179	-325	-541
New construction, extension and reconstruction	739	757	267	332	226	289
Acquisitions	1,926	750	221	232	174	165
Sales	-880	-2,403	-65	-770	-195	-25
Unrealized changes in value	1,346	285	450	122	41	81
Currency translation	-24	24	-7	8	-	-
<b>Closing balance</b>	<b>28,134</b>	<b>24,584</b>	<b>12,159</b>	<b>11,481</b>	<b>1,525</b>	<b>1,534</b>

The Parent company does not own any investment properties.

### Investments during the year

During 2015, Castellum invested totally SEKm 3,553 (2,525), of which SEKm 1,232 (1,378) were new construction, extensions and reconstructions and SEKm 2,321 (1,147) were acquisitions. Of total investments SEKm 1,077 related to Greater Stockholm, SEKm 847 to Greater Gothenburg, SEKm 811 to Mälardalen, SEKm 533 to the Öresund Region and SEKm 285 to Eastern Götaland.

### Significant obligations

Castellum has entered into an agreement for the acquisition of two newly built office properties: one in Hyllie, Malmö, for SEKm 327 with access estimated for April 2016; one in Hagastaden, Stockholm, for SEK 1.6 billion, with estimated access in February 2017. These properties are not reported on until time of access because the agreements are conditioned by - for example - completion. Moreover, Castellum has commitments to complete initiated projects where the remaining investment volume amounts to approx. SEKm 1,300, in addition to amounts reported in the balance sheet.

### Larger ongoing investments

Property	Investment, SEKm	Remainig, SEKm	To be completed
Lindholmen 30:5, Göteborg	265	170	Q 1 2017
Drottningparken, Örebro	100	40	Q 3 2016
Majorna 163:1, Göteborg	88	77	Q 4 2016
Verkstaden 14, Västerås	84	17	Q 1 2016
Varpen 10, Huddinge	66	55	Q 4 2016

### Valuation model

According to accepted theory, the value of an asset is the net present value of future cash flows that the asset is expected to generate. This section aims to describe and illustrate Castellum's cash flow-based model for calculation of the value of the real estate portfolio. The value of the real estate portfolio is calculated in this model as the total present value of net operating income minus remaining investments on ongoing projects, during the next nine years and the present value of the estimated residual value in year ten. The residual value in year ten consists of the total present value of net operating income during the remaining economic life span. The estimated market value of undeveloped land and building rights are added to this. The valuation is thus under IFRS 13, level 3.

The required yield and the assumption regarding future real growth are crucial for the calculated value of the real estate portfolio, as they are the most important value-driving factors in the valuation model. The required yield is the weighted cost of borrowed capital and equity. The cost of borrowed capital

is based on the market interest rate for loans. The cost of equity is based on a "risk-free interest rate" equivalent to the long-term government bond rate with the addition of a "risk premium". The risk premium is unique to each investment and depends on the investor's perception of future risk and potential.

### Internal valuation

Castellum records the investment properties at fair value and has made an internal valuation of all properties as of December 31, 2015. The valuation was carried out in a uniform manner, and was based on a ten-year cash flow model, which was summarized above. The internal valuation was based on an individual assessment for each property of both its future earnings capacity and its required market yield. Valuations are made locally in each subsidiary and are quality assured by Castellum AB, which also has overall responsibility for both the process, system and for determining the macroeconomic assumptions.

### Assumptions of cash flow

In assessing a property's future earnings capacity we took into account an assumed level of inflation of 1.5% and potential changes in rental levels from each contract's rent and expiry date compared with the estimated current market rent, as well as changes in occupancy rate and property costs. In the valuation, the economic occupancy rate gradually improves during the 10-years period and reaches 96%. Included in property costs are operating expenses, maintenance, ground rent, property tax, and leasing and property administration.

### Assumptions per property category,

year 1	Office/Retail		Warehouse/industrial	
	31-12-2015	31-12-2014	31-12-2015	31-12-2014
Rental value SEK/sq.m,	1 347	1 350	813	799
Vacancy	9%	10%	8%	9%
Direct property cost SEK/sq.m.	314	316	72	180
Property management SEK/sq.m	35	35	25	25

### Assumptions of required yield

The required yield on equity is different for each property and based on assumptions regarding real interest rate, inflation and risk premium. The risk premium is different for each property and can be divided into two parts: general risk and individual risk. The general risk makes up for the fact that a real estate investment is not as liquid as a bond, added to the fact that the asset is affected by the general economic situation. The individual risk is specific to each property and comprises a complex weighted assessment which includes: property category; the town/city in which the property is located; the property location within the town/city with reference to the property category; whether the property has the right design, is appropriate and makes efficient use of space. Further considerations: the property's technical standard with regard to such criteria as choice of materials, the quality of public installations, furnishing and equipment on the premises and in apartments; as well as the nature of the lease agreements with regard to such issues as length, size and number of agreements. Properties owned by site-leasehold rights, where Castellum has a reset obligation under contractual agreement, are assigned an additional individual risk premium of 1.0%.

In order to calculate the required yield on total capital, an operating assumption of 5% has been made about the cost of borrowed capital. The required yield of borrowed capital comprises the real interest rate, plus inflation. The loan-to-value ratio is assumed to be 55%-65%, depending on the property category.

The required yield on total capital is calculated by weighing the required yield on equity and the cost of borrowed capital, depending on the capital structure. The required yield on total capital is used to discount the expected 10-year future cash flows; the residual value is discounted by calculating the return on total capital minus growth. Growth is set as equalling inflation, in order not to assume perpetual real growth.

Assumptions per property category	Office/Retail		Warehouse/industrial	
	31-12-2015	31-12-2014	31-12-2015	31-12-2014
Real interest rate	1.5%	3.0%	1.5%	3.0%
Inflation	1.5%	1.5%	1.5%	1.5%
Risk	5.8%-12.9%	4.5%-12.5%	8.4%-13.2%	6.9%-14.0%
Return on equity	8.8%-15.9%	9.0%-17.0%	11.4%-16.2%	11.4%-18.5%
Interest rate	5.0%	5.5%	5.0%	5.5%
Loan to value ratio	35%	65%	45%	55%
Return on total capital	6.3%-8.8%	6.7%-9.5%	7.9%-10.0%	8.1%-11.3%
Weighted d:o, discounted factor year 1-9	7.4%	7.8%	8.6%	8.9%
Weighted d:o, discounted factor residual value*	5.9%	6.3%	7.1%	7.4%

\* required yield on total capital minus growth equal to inflation



The calculated required yield is then calibrated compared to the markets required yield. To get an opinion about the markets required yield Castellum follows completed transactions. In an inactive market within a certain area or for a certain type of property, Castellum compares the data from transactions completed in a similar area or for a similar type of property. In the absence of completed transactions the opinion is based on existing macroeconomic factors.

The average valuation yield for Castellum's real estate portfolio, excluding development projects and undeveloped land, can be calculated to 6.5% (6.9%). Contracted rental levels are considered to be in line with the market levels.

Average valuation yield, SEKm	2015	2014
Net operating income, properties according to income statement	2,225	2,222
Reversed leasing and property administration	235	221
Net operating income, ongoing development projects	- 32	- 33
Properties acquired/completed as if owned the whole year	70	69
Properties sold	- 55	- 193
Net operating income excl. leasing and property admin. for properties as if owned during the whole year, excl. projects and land	2,243	2,286
Adjusted for:		
Index adjustments 2016, 1% (1%)	35	25
Real occupancy rate, 94% at the lowest	216	251
Property administration, 30 SEK/sq.m.	- 100	- 99
<b>Normalized net operating income</b>	<b>2,594</b>	<b>2,463</b>
Valuation excl. building rights of SEKm 469 (574)	39,824	35,506
<b>Average valuation yield</b>	<b>6.5%</b>	<b>6.9%</b>

#### Development projects and building rights

Development projects are valued using the same principle, but with reduction for remaining investment. Sites with building rights and undeveloped land have been valued on the basis of an estimated market value per square metre on average approx. SEK 1,700 per sq.m. (1,500).

#### The value of the real estate portfolio

The internal valuation indicates a fair value of SEKm 41,818 (37,599), corresponding to a change in value of 4.5% (0.9%). Of the value approx. SEKm 2,984 are properties hold through site leasehold rights, with a rental income of SEKm 304.

The table below shows the fair value distributed by property category and region.

Property value, SEKm 31-12-2015	Office/ Retail	Warehouse/ industrial	Projects/ land	Total
Greater Gothenburg	8,624	5,580	457	14,661
Öresund Region	5,899	1,863	44	7,806
Greater Stockholm	4,833	3,187	587	8,607
Mälardalen	5,975	1,319	395	7,689
Eastern Götaland	2,803	210	42	3,055
<b>Total</b>	<b>28,134</b>	<b>12,159</b>	<b>1,525</b>	<b>41,818</b>

#### Uncertainty range and sensitivity analysis

A property's market value can only be confirmed when it is sold. Property valuations are calculations performed according to accepted principles on the basis of certain assumptions. The value range of +/- 5-10% often used in property valuations should be seen as an indication of the uncertainty that exists in such assessments and calculations. In a less liquid market, the range can be bigger. For Castellum, an uncertainty range of +/- 5%, means a range in value of +/- 2,091 SEKm which corresponds to SEKm 39,727-43,909.

Sensitivity analysis +/-1% (unit)	Effect on value, SEKm	
	Office/Retail	Warehouse/industrial
Rental value SEK/sq.m.	+ 397/- 397	+ 168/- 168
Economic occupancy rate	+ 397/- 397	+ 168/- 168
Property costs SEK/sq.m.	- 96/+ 96	- 39/+ 39
	- 3,694/+	
Required yield = discount rate	4,642	- 1,359/+ 1,715

The sensitivity analysis shown above illustrates how a +/- 1%-unit change in growth assumptions in future cash flow and required yield affects the valuation. The sensitivity analysis is however not realistic thus one isolated parameter rarely changes, since the assumptions made are linked together regarding cash flow and required yield.

#### External valuation

In order to provide further assurance and validation of the valuation, 161 properties - representing 56% of the value of the portfolio - have been valued externally by Forum Fastighetsekonomi AB. The properties were selected on the basis of the largest properties in terms of value, but they also reflect the composition of the portfolio as a whole in terms of category and geographical

location of the properties. Forum's valuation of the selected properties amounted to SEKm 23,581, within an uncertainty range of +/- 5-10% on property level, depending on each property's category and location. Castellum's valuation of the same properties totalled SEKm 23,539, i. e., a net deviation of SEKm +42, corresponding to 0%. The gross deviation was SEKm +696 and SEKm -654 respectively, with an average deviation of 6%.

In addition, NAI Svefa made a desk-top valuation of 41 properties corresponding in value to 23% of the portfolio. Forum's valuation of the selected properties amounted to SEKm 9,324. Castellum's valuation of the same properties amounted to SEKm 9,742, i.e. a net deviation of SEKm -418 corresponding to -4%. Forum's valuation of the same properties amounted to SEKm 9,774, i.e. a net deviation of SEKm +32 corresponding to 0% compared to Castellum's valuation.

It can be noted that Castellum's deviation from the two external valuers accommodated well within the uncertainty range of +/-5-10%.

#### Note 12 Equipment

	Group		Parent company	
	2015	2014	2015	2014
Opening acquisition value	93	84	12	10
Acquisitions	10	11	1	2
Sales/retirement of assets	-5	-2	0	0
<b>Closing acquisition value</b>	<b>98</b>	<b>93</b>	<b>13</b>	<b>12</b>
Opening depreciation	- 65	- 53	- 8	- 6
Sales/retirement of assets	3	0	0	0
Depreciation for the year	- 12	- 12	- 2	- 2
<b>Closing depreciation</b>	<b>- 74</b>	<b>- 65</b>	<b>- 10</b>	<b>- 8</b>
<b>Book value</b>	<b>24</b>	<b>28</b>	<b>3</b>	<b>4</b>

#### Note 13 Parts in Joint Venture

Joint venture	Corporate identity No.	Registered Office	Share	Group	
				31-12-2015	31-12-2014
CORHEI Fastighets AB	556050-0380	Norrköping	50%	526	-
<b>Total</b>				<b>526</b>	<b>-</b>

During the second quarter of 2015, Castellum AB (publ) conducted business with Heimstaden AB (publ) which meant that Castellum, through its Corallen subsidiary, acquired 50% of the real estate management company CORHEI Fastighets AB (previously Ståhls) for SEKm 505. Castellum gained access in late May/early June 2015.

Through an option, the agreement provides the opportunity to acquire the remaining 50% at market value, no earlier than 18 months from date of accession.

Through Group companies, Castellum owns half of CORHEI Fastighets AB, which contributed SEKm 23 (-) to Castellum's income from property management in 2015. At year-end, CORHEI owned 22 properties totalling SEKm 2,030, with a leasable area of 162,000 sq.m. The real estate portfolio consists mainly of office and retail properties and a warehouse property. In terms of value, 63% of the portfolio is in Norrköping and the remaining 37% is located in Linköping.

Heimstaden owns the remaining 50%, and has assigned CORHEI's property management and financial management activities to Castellum.

Castellum reports results and ownership shares in joint ventures in accordance with the equity method.

Income statement 2015	
SEKm	June - Dec 2015
Rental income	96
Property costs	- 42
Central administrative expenses	- 1
Net interest income/expense	- 7
<b>Income from property management</b>	<b>46</b>
Change in value properties	6
Current tax	-
Deferred tax	- 10
<b>Net income</b>	<b>42</b>
- of which Castellum's part of the joint venture (50%)	21

**Balance sheet per 31-12-2015**

SEKm	31 Dec 2015
<b>Assets</b>	
Investment properties	2,030
Other fixed assets	5
Current receivables	10
Liquid assets	137
<b>Total assets</b>	<b>2 182</b>
<b>Shareholders' equity and liabilities</b>	
Shareholders' equity	933
Deferred tax liability	129
Interest-bearing liabilities	1,069
Non interest-bearing liabilities	51
<b>Total shareholders' equity and liabilities</b>	<b>2,182</b>

**Value of the portion of the joint venture accounted for 31-12-2015**

SEKm	Castellum's part 50%
Shareholders' equity accounted for	467
Net adjustment for goodwill and deferred tax consolidation	59
<b>Part of the joint venture</b>	<b>526</b>

	Parent company	
	2015	2014
Opening balance	0	-
Acquisitions	505	-
Part of the Comprehensive Income	21	-
<b>Closing balance</b>	<b>526</b>	<b>-</b>

**Note 14 Shareholders' Equity and Net Asset Value****Items in shareholders' equity**

The share capital as of December 31, 2015 consisted of 172,006,708 registered A-shares with one vote per share and a par value of 0.50 per share. All shares are fully paid. Of the registered shares, Castellum owns 8,006,708, to a total nominal value of SEK 4,003,354. The number of outstanding shares thus totals 164,000,000, which is the same amount as for the corresponding period previous year. The repurchased shares do not carry any voting rights and are not entitled to dividend. There are no restrictions regarding dividend or other types of repayment. There is no potential common stock such as convertible shares, or preferential rights to accumulated dividend (preference shares).

Development of share capital	Date	Number of shares	Par value per share	Share capital, SEK
Formation A-shares	27-10-1993	+500	100.00	+50,000
New share issue, A-shares	27-09-1994	+999,500	100.00	+99,950,000
Share split 50:1	25-03-1997	+49,000,000	2.00	-
<b>IPO</b>	<b>23-05-1997</b>	<b>50,000,000</b>	<b>2.00</b>	<b>100,000,000</b>
New share issue, C-shares	12-07-2000	+7,142,857	2.00	+14,285,714
Redemption, A-shares	12-07-2000	-6,998,323	2.00	-13,996,646
Redemption, C-shares	13-11-2000	-7,142,857	2.00	-14,285,714
Share split 4:1	27-04-2006	129,005,031	0.50	-
<b>Year-end</b>	<b>31-12-2014</b>	<b>172,006,708</b>	<b>0.5</b>	<b>86,003,354</b>

**Other capital contribution**

Other capital contribution is shareholders' equity contributed by shareholders.

**Currency translation reserve**

Currency translation differences as a result of foreign operations.

**Currency hedge reserve**

Refers to the effective part of unrealized changes in value related to currency derivatives used to hedge investments in foreign operations.

**Retained earnings**

Retained earnings relates to earnings earned in the Group. The Group's earlier depositions to the restricted reserves is also included in this item.

**Restricted and non-restricted equity in the parent company**

According to the Swedish Companies Act shareholders' equity is made up of restricted (non-distributable) and non-restricted (distributable) equity. Dividend to the share-holders may only be such that there after the distribution is full coverage for restricted equity in the parent company. Further, distribution of profits may only be made if it is justified with respect to the demands put on the amount of equity needed by the type of business, extent and risk of operations, company and Group consolidation needs, liquidity and financial position in general.

**Retained earnings**

During the year 2000, Castellum repurchased 8,006,708 of the company's own shares for a total of SEKm 194, equivalent to 4.7% of the total registered number of shares. Since then no repurchase of the company's own shares have been made.

**Dividend**

Dividend is proposed by the Board of Directors according to the rules of the Companies Act and decided by the annual general meeting. The proposed dividend, not yet paid out, for the financial year 2015 is SEK 4.90 per share, SEKm 804 in total. The amount is recorded as a liability after the annual general meeting has approved the dividend.

**Net asset value**

Net asset value can be calculated both long and short term. Long term net asset value is based on the balance sheet with adjustments for items that will not lead to any short term payment, such as in Castellum's case, interest rate derivatives and deferred tax liability. This means that shareholders' equity according to the balance sheet shall increase with SEKm 1,117 and SEKm 4,299 respectively.

Actual net asset value is equity according to the balance sheet adjusted for deferred tax liability. Present accounting principles states that the deferred tax liability shall be recognized at nominal, while the real deferred tax is substantially lower, due to the possibility to sell properties in a taxefficient way and the time factor. The present assessment is that the discounted real deferred tax liability is equivalent to approx. 5%, meaning that an additional SEKm 3,178 will be recorded in equity.

The value range of +/- 5-10% often used in property valuations should be viewed as an indication of the uncertainty that exists in assessments and calculations made. For Castellum a +/- 5% uncertainty range is equal to SEKm +/- 1,986 after tax.

Net asset value	SEKm	SEK/share
Equity according to the balance sheet	15,768	96
Reversed		
Derivatives according to the balance sheet	1,117	7
Deferred tax according to the balance sheet	4,299	26
<b>Long term net asset value (EPRA NAV)</b>	<b>21,184</b>	<b>129</b>
Deduction		
Derivatives as above	- 1,117	- 7
Estimated real liability, deferred tax 5%*	- 1,121	- 6
<b>Actual net asset value (EPRA NNAV)</b>	<b>18,946</b>	<b>116</b>

Uncertainty range valuation of properties +/- 5% after tax +/- 1,986 +/- 12

\* Estimated real deferred tax liability net has been calculated to 5% based on a discount rate of 3%. Further, assessments have been made that tax loss carry forwards are realized in 2 years with a nominal tax of 22%, giving a present value of deferred tax liability of 21%, and that the properties are realized in 50 years where 33% are sold directly with a nominal tax of 22% and that 67% are sold indirect through company disposals where the buyers tax discount is 6%, which gives a present value of deferred tax liability of 6%.

**Capital structure**

Castellum should have a stable capital structure with low financial risk, meaning a loan to value ratio not permanently exceeding 55% and an interest coverage ratio of at least 200%.

In the balance sheet there is, besides shareholders equity, liabilities which in principle are both interest free and amortization free and therefore can be considered as shareholders equity. The real estate industry therefore uses loan to value as a key ratio for capital structure instead of solidity. For the same reason the net asset value can be calculated in different ways, which is shown above.

Castellum's objective is based on growth in cash flow and is not directly related to the net asset value. The objective is an annual growth in cash flow, i.e., income from property management per share, of at least 10%. In order to achieve this objective, net investments of at least 5% of the property value will be made yearly. At the moment, this is equivalent to approx. SEKm 2,000. All investments shall contribute to the objective of growth in income from property management within 1-2 years and have a potential asset growth of at least 10%. Sales of properties will take place when justified from a business standpoint and when an alternative investment with a higher return can be found.

**Note 15 Liabilities**

	Group		Parent company	
	2015	2014	2015	2014
Non-interest-bearing liabilities due within one year of the balance sheet date	1,058	1,001	115	120
Interest-bearing liabilities due within one year of the balance sheet date	-	-	-	161
1-5 years of the balance sheet date	19,094	17,383	19,860	18,002
5 years after the balance sheet date	1,302	1,063	250	-
<b>Total liabilities excl. deferred tax liability and derivatives</b>	<b>21,454</b>	<b>19,447</b>	<b>20,225</b>	<b>18,283</b>

During 2016, current interest-bearing liabilities amounting to SEKm 4,866 (3,384) are due for payment. Since they are covered by unutilized long-term credit agreements, they are treated as long-term interest-bearing liabilities.

## Note 16 Deferred Tax Liability/Asset

A realization of all assets and liabilities to book value for the Group and utilization of all existing tax loss carry forward would, as is shown in the table below, result in a taxable income of SEKm 21,430 (17,409), which with a tax rate of 22% is equivalent to a tax payment of SEKm 4,715 (3,830). Castellum has deferred tax of SEKm 416 (218) which relates to properties accounted for as asset acquisitions. According to present regulations deferred tax at the time of the acquisition shall not be accounted for in the balance sheet, which is shown in the table below.

The parent company reports a deferred tax asset of SEKm 78 (154) corresponding to 22% of the unutilized tax loss carry forwards of SEKm 354 (698).

### Tax loss carry forward

Castellum's tax loss carry forwards as of December 31, 2015 are estimated to SEKm 809 (1,193). The change is presented in note 9.

### Surplus- and sub value of properties for tax purposes

When calculating the tax effect on a sale of all properties in the Group, the book value in the Group of SEKm 41,818 (37,599) must be compared to the residual value for tax purposes in the legal entity, which amounts to SEKm 19,579 (18,997). This means that if all of Castellum's properties were sold, the taxable net profit would exceed the recorded profit in the Group by SEKm 22,239 (18,602).

Deferred tax liability	2015		2014	
	Basis	Tax	Basis	Tax
Tax loss carry forwards				
Opening balance	1,193	262	921	202
Change of the year in income statement	- 384	- 84	272	60
<b>Closing balance in the balance sheet</b>	<b>809</b>	<b>178</b>	<b>1 193</b>	<b>262</b>
Difference between the properties book and tax basis value				
Opening balance	- 18,602	- 4,092	- 18,570	- 4,085
Change of the year in income statement	- 2 735	- 603	129	28
Company acquisitions	- 902	- 198	- 161	- 35
<b>Closing balance</b>	<b>- 22,239</b>	<b>- 4,893</b>	<b>- 18,602</b>	<b>- 4,092</b>
Less, attributable to asset acquisitions				
Opening balance	991	218	830	183
Company acquisitions	902	198	161	35
Closing balance	1,893	416	991	218
<b>Closing balance in the balance sheet</b>	<b>- 20,345</b>	<b>- 4,477</b>	<b>- 17,611</b>	<b>- 3,874</b>
Total				
Opening balance	- 16,418	- 3,612	- 16,819	- 3,700
Change of the year in income statement	- 3,119	- 687	401	88
<b>Closing balance in the balance sheet</b>	<b>- 19,537</b>	<b>- 4,299</b>	<b>- 16,418</b>	<b>- 3,612</b>

Previous write-downs where tax deductions have been made amount to approx. SEKm 152. These may be reversed in the case of a future increases in value.

## Note 17 Other provisions

Other provisions relate to rental guarantees, with a maximum commitment to January 31, 2019, estimated to SEKm 14 (20) and other commitments in connection with the sale of real estate amounting to a maximum of SEKm - (3).

End Date	Amount, SEKm	Acquisition value, SEKm	Market value, SEKm	Average interest rate	Market value interest +1%-unit	Market value interest -1%-unit
2016	450	-	- 5	1.7%	- 3	- 8
2017	900	-	- 40	2.8%	- 27	- 54
2018	1,100	-	- 89	3.3%	- 62	- 117
2019	1,700	-	- 162	3.0%	- 105	- 213
2020	2,050	-	- 206	2.8%	- 110	- 307
2021+	4,550	-	- 622	3.3%	- 322	- 932
<b>Total</b>	<b>10,750</b>	<b>-</b>	<b>- 1,124</b>	<b>3.3%</b>	<b>- 629</b>	<b>- 1,631</b>

Currency derivatives with a market value of SEKm 7 is not included in the table above, since a change in the market interest rate has an insignificant effect on the market value.

## Note 18 Derivatives

### Valuation

Castellum uses interest rate derivatives in order to manage the interest rate risk and achieve the desired interest rate maturity structure. This strategy means that there may be changes in value of the interest rate derivatives portfolio from time to time. These value changes occur primarily due to changes in market interest rates. Castellum also uses currency derivatives to provide financing in foreign currency, which are included in the derivative portfolio market value.

To calculate the market value of derivatives, market rates for each term and, where appropriate, exchange rates, as quoted on the market at the closing date are used. Interest rate swaps are valued by discounting future cash flows to present value while instruments containing options are valued at current repurchase price. When calculating the fair value of derivatives adjustments are made for counterparty risk such as Credit Value Adjustments (CVA) and Debt Value Adjustments (DVA). CVA shows Castellum's risk of experiencing credit loss in the event of counterparty default while DVA shows the opposite. The adjustment is calculated on counterparty level based on expected future credit exposure, risk of default, and recovery rate of exposed credits. As of December 31, 2015, the market value of the interest rate and currency derivatives portfolio amounted to SEKm -1,117 (-1,357) where fair value is established according to level 2, IFRS 13..

In the balance sheet derivatives are accounted for as long-term liabilities since the amount will not be settled in cash. However, a theoretical maturing amount during 2016 can be mathematically calculated to SEKm 323.

### Counterparty risk

In order to limit counterparty risk, Castellum's derivative transactions are covered by general agreement with netting clauses (ISDA). This allows Castellum to offset positive and negative market values in the event of default.

	31-12-2015			31-21-2014		
	Asset	Liability	Net	Asset	Liability	Net
Interest rate derivatives	8	- 1,132	- 1,124	14	- 1,358	- 1,344
Currency derivatives	13	- 6	7	0	- 13	- 13
<b>Gross value derivatives</b>	<b>21</b>	<b>- 1,138</b>	<b>- 1,117</b>	<b>14</b>	<b>- 1,371</b>	<b>- 1,357</b>
Netting	- 21	21	0	- 14	14	0
<b>Net value derivatives</b>	<b>0</b>	<b>- 1,117</b>	<b>- 1,117</b>	<b>0</b>	<b>- 1,357</b>	<b>- 1,357</b>

### Future cash-flow

Future cash-flows attributable to interest rate derivatives consist of interest paid minus interest received as presented below. To calculate the variable part of the interest rate derivative, the Stibor interest rate - as listed at year end - has been used throughout the full term of the derivative.

Year	Future cash-flow of interest rate derivatives		
	Interest to pay, SEKm	Interest to receive, SEKm	Net, SEKm
2016	- 389	8	- 381
2017	- 360	1	- 359
2018	- 325	0	- 325
2019	- 282	0	- 282
2020	- 218	0	- 218
2021+	- 326	0	- 326
<b>Total</b>	<b>- 1,900</b>	<b>9</b>	<b>- 1,891</b>

### Sensitivity analysis

The table below shows the interest rate derivatives portfolio's nominal net amount and market value as of 31-12-2015 and the market value of the portfolio with a +/- 1%-unit change in the interest rate. Interest rate derivatives which include an option has, based on the date of termination, been reported in the same time segment as prior to the assumed change in interest rate.

## Note 19 Financial Risk Management

### Financing

Real estate is a long-term asset requiring long-term financing allocated between equity and interest-bearing liabilities. From a security perspective, Castellum credits can be divided into the following categories:

- Credits pledged by Castellum's receivables from subsidiaries, including mortgages
- Credits directly to subsidiaries pledged by property mortgages. In the majority of cases, credits directly to subsidiary have also a guaranteed commitment from the parent company.
- Unsecured credits
- Issuing of bonds, without pledged security
- Issuing of commercial papers, without pledged security

All types of credit agreements contain normal termination terms, and in some cases renegotiation terms for changes in business and delisting. If the lender calls for such renegotiation and the parties cannot agree, the credit agreements have established settlement times for the credit agreement subject to such terms. At the end of the year, utilized credits secured by pledged mortgages added up to SEKm 10,460. In addition to mortgages, the majority of credit agreements include commitments regarding loan-to-value ratio and interest coverage ratio, called financial covenants, stating a loan-to-value ratio not exceeding 65% and an interest coverage ratio of at least 150%. If the 55% loan-to-value ratio is compromised, some agreements will suffer more expensive financing costs. In all cases, the guarantee to lenders is issued by a comfortable margin to Castellum's capital structure objectives.

### Finance policy

Castellum's funding and management of financial risk are conducted in accordance with the finance policy adopted by the Board of Directors. Castellum is to run at a low financial risk with a loan-to-value ratio not exceeding 55% in the long run and an interest coverage ratio of at least 200%. The financial operations in Castellum are to be carried out in such a way that the need for long- and short-term funding and liquidity is ensured. In addition, net interest expenses at each time will be optimized within the given risk authorization. The finance policy outlines overall authorization and how financial risk should be reported and monitored. Financial risks are monitored and reported quarterly to the Board. As part of continuously improving and adapting financial risk management, the Board conducts an annual review of the finance policy.

The parent company holds an internal auditing function, separate from the treasury department, which provides accounting and independent control of financial management and financial risks.

### Financial risk management

Castellum carries out financial transactions based on estimates of the Group's overall long-term funding needs, liquidity and chosen interest rate risk. Hence, financial risk management is carried out on portfolio level. Portfolio management of funding means that an intra Group transaction, such as an internal loan, is not replicated by an identical external transaction. Instead, loans are drawn under short or long term credit agreements, based on the Group's overall funding needs.

For cost-effective management of the interest rate risk, an assessment is made of the interest rate risk that occurs when a payment is made or a new loan is drawn with short fixed interest term. Thereafter, interest-rate derivative transactions are made in order to achieve the desired fixed interest term on the total amount of debts. The internal bank works with a cash pool system of bank accounts for the Group's liquidity flows.

### Funding risk

Demands for long-term funding make Castellum look for long-term capital in credit agreements in order to limit funding risk. To reach maximum flexibility, bank loans are mainly revolving, i.e. the credits are usually traded within 1-3 months. Short-term revolving loans facilitate amortization at every turnover occasion without any marginal breaking costs or other compensation to lenders. The objective is to minimize interest-bearing liabilities, and cash is therefore used primarily to repay outstanding debts.

In order to secure Castellum's need for liquidity and long-term funding, Castellum regularly re-negotiates and, when needed, enters into new credit agreements or forms of borrowing. At the end of the year, Castellum held binding credit agreements totalling SEKm 30,325 (26,065) of which SEKm 25,141 (22,357) were long-term binding and SEKm 5,184 (3,708) short-term binding. Of utilized long-term credits, SEKm 19,142 (19,357) were long-term binding credit agreements in bank and SEK 5,999 (3,000) were MTN. Of short-term credits, SEKm 1,527 (1,228) were short-term credits in bank, SEKm 500 (1200) MTN, and SEKm 3,157 (1,280) were outstanding commercial papers. At year-end, unutilized credit in long-term credit agreements amounted to SEKm 4,784, after deduction for outstanding commercial papers. Castellum thus has good credit access to enable financing of investments in new constructions, extensions, reconstructions and acquisitions.

During the year, credit agreements totalling SEKm 18,000 were renegotiated and/or extended and an existing overdraft was extended by SEKm 100. In

addition, MTNs were issued for a total of SEKm 3,500 and SEKm 1,200 matured within Castellum's MTN program. In December, the scope for commercial papers was expanded to SEKm 5,000.

At year-end, the average duration of Castellum's long-term credit agreements was 3.1 years (3.0).

Credit agreements/-limits	Amount, SEKm	Utilized, SEKm
Long-term credit agreements in bank	19,142	9,492
Short-term credit agreements in bank	1,007	1,007
Liquidity	520	202
Total credit agreements	20,669	10,701
MTN program (SEKm 7,000 facility)	6,499	6,499
Commercial papers (SEKm 5,000 facility)	3,157	3,157
<b>Total</b>	<b>30,325</b>	<b>20,357</b>

The debt maturity structure for the credit agreements, presented in the table below, shows when in time the credit agreements fall due for renegotiation or repayment.

Credit maturity structure	Agreements, SEKm	Utilized in		
		Bank	MTN/Cert	Total
0-1 year	5,184	1,209	3,657	4,866
1-2 year	1,608	8	1,600	1,608
2-3 year	12,558	4,908	1,550	6,458
3-4 year	8,166	3,516	1,100	4,616
4-5 year	1,507	8	1,499	1,507
> 5 year	1,302	1,052	250	1,302
<b>Totalt</b>	<b>30,325</b>	<b>10,701</b>	<b>9,656</b>	<b>20,357</b>

Unutilized credits in long term credit agreements (more than 1 year) 4,784

### Interest rate risk

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. To limit the immediate impact of changes in market interest rates, Castellum has chosen to work with both short and long-term interest rate maturity structures. For the same reason, Castellum has chosen to enter credit agreements, issue commercial papers and MTNs with varying maturities. However, changes in both interest rates and credit margins will always have an impact on net financial items over time.

The interest coverage ratio is the financial measure that describes a company's risk level and resilience to changes in net interest. Castellum has the objective of an interest coverage ratio of at least 200%. For 2015, the interest coverage ratio was 351% (318%). The average interest rate duration per December 31, 2015, was 2.5 years (2.8), the average effective interest rate was 2.9% (3.4%) and the average interest rate for the year was 3.0% (3.3%).

Margins and fees for long-term credit agreements are established with an average duration of 3.1 years (2.6).

Cash-flow effect on income for the next twelve months at an interest rate change of +/- 1% amounts to SEKm -78 and SEKm -30, respectively. Castellum is unable to take full advantage of negative interest rates because of interest rate floors in the credit agreements. Hence, there is a negative outcome, even at a reduction of the interest rate of 1%-point.

In the interest rate maturity structure, interest rate derivatives are accounted for in the earliest time segment in which they can mature. Credit margins are distributed in the interval of the underlying loans.

### Interest rate maturity structure

	Loan, SEKm	Derivatives, SEKm	Net, SEKm	Average interest rate	Average fixed interest rate term
0-1 year	18,958	- 9,500	9,458	2.9%	0.2 år
1-2 years	350	900	1,250	2.2%	1.4 år
2-3 years	-	1,400	1,400	3.3%	2.4 år
3-4 years	300	1,300	1,600	3.0%	3.7 år
4-5 years	749	2,050	2,799	2.6%	4.5 år
5-10 years	-	3,850	3,850	3.4%	6.7 år
<b>Total</b>	<b>20,357</b>	<b>-</b>	<b>20,357</b>	<b>2.9%</b>	<b>2.5 år</b>

### Currency risk

Castellum owns properties in Denmark totalling a value of SEKm 954 (530), which means that the Group is exposed to currency risk. The currency risk primarily occurs when income statement and balance sheet in foreign currency are translated into Swedish currency. In cases where currency derivatives are used, Castellum applies hedge accounting for net investments in foreign operations. The transaction risk in the Group is insignificant and will primarily be managed by matching income and costs.

The impact on financial position due to an appreciation of SEK by 10% in relation to DKK is SEKm +21.

### Counterparty risk

Counterparty risk refers to the risk that, at any moment, is estimated to exist that Castellum's counterparties do not fulfil their contractual obligations.

Castellum limits counterparty risk by requiring high credit ratings of the counterparties. High rating means that no rating agency indicates a rating that is below investment grade. Castellum's counterparties are the major Nordic banks.

### Future cash-flow

Future cash-flows attributable to liabilities are shown in the table below. The assumption is made that a maturing loan is replaced by a new loan during the term of maturity of the underlying credit agreement and at a Stibor interest rate as listed at year-end.

Future cash-flow loans				
Year	Loan, opening balance	Mature	Loan, closing balance	Interest costs, SEKm
2016	20,357	- 3,866	16,491	- 225
2017	16,491	- 1,608	14,883	- 194
2018	14,883	- 7,458	7,425	- 180
2019	7,425	- 4,616	2,809	- 61
2020	2,809	- 1,507	1,302	- 10
2021+	1,302	- 1,302	0	- 22
<b>Total</b>		<b>- 20,357</b>		<b>- 692</b>

### Note 20 Accrued Expenses and Prepaid Income

	Group		Parent company	
	2015	2014	2015	2014
Pre-paid rents	478	431	-	-
Accrued interest	96	99	96	99
Other	176	157	16	17
<b>Total</b>	<b>750</b>	<b>687</b>	<b>112</b>	<b>116</b>

### Note 21 Pledged Assets

	Group		Parent company	
	2015	2014	2015	2014
Property mortgages	18,164	18,222	-	-
Long-term receivables, group companies	-	-	15,309	15,200
<b>Total</b>	<b>18,164</b>	<b>18,222</b>	<b>15,309</b>	<b>15,200</b>

### Note 25 Financial Instruments

The different categories of financial instruments in the Group's balance sheet are presented in the table below.

SEKm	Loans and accounts receivable		Financial liabilities recorded at fair value in income statement		Derivatives used in hedge accounting		Financial liabilities recorded at accrued acquisition value		
	2015	2014	2015	2014	2015	2014	2015	2014	
<b>Assets</b>									
Rent receivables		7	13	-	-	-	-	-	-
Other receivables		54	263	-	-	-	-	-	-
Prepaid expenses and accrued income		114	89	-	-	-	-	-	-
Cash and bank		39	47	-	-	-	-	-	-
<b>Liabilities</b>									
Interest rate derivatives		-	-	1,124	1,344	-	-	-	-
Currency derivatives		-	-	-	-	- 7	13	-	-
Long-term liabilities		-	-	-	-	-	-	20,396	18,446
Accounts payable		-	-	-	-	-	-	81	120
Other liabilities		-	-	-	-	-	-	166	144
Accrued expenses and prepaid income		-	-	-	-	-	-	750	687
<b>Total</b>		<b>214</b>	<b>412</b>	<b>1,124</b>	<b>1,344</b>	<b>- 7</b>	<b>13</b>	<b>21,393</b>	<b>19,397</b>

Financial instruments such as rent receivables, accounts payable etc. are recorded at accrued acquisition value with deduction for any write-downs. Hence, fair value is assessed to comply with book value. Long-term interest bearing liabilities have primarily short-term interest terms meaning that accrued acquisition cost corresponds to fair value.

### Note 26 Subsequent Events

The Financial Reports constitute part of the Annual Report and were signed by the Board of Directors on February 1, 2016.

The Board of Directors of Castellum AB intends to propose a dividend of SEK 4.90 per share to the Annual General Meeting. This represents an increase of 7% compared to previous year. The Income Statement and the Balance Sheet for the parent company and the Group will be adopted at Castellum AB's Annual

### Note 22 Contingent Liabilities

	Group		Parent company	
	2015	2014	2015	2014
Guaranteed commitments for subsidiaries	-	-	2 150	2 165
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2 150</b>	<b>2 165</b>

Normally the parent company is the borrower, but when the property owning company borrows directly, the parent company provides guaranteed commitments for subsidiaries.

### Note 23 Participations in Group Companies

Directly owned subsidiaries are listed below. Other companies in the Group are included in each respective subsidiary's annual report.

Directly owned subsidiaries	Corporate identity No.	Registered Office	Share of capital	Book value
Fastighets AB Brostaden	556002-8952	Stockholm	100%	1,257
Aspholmen Fastigheter AB	556121-9089	Örebro	100%	1,297
Ekländia Fastighets AB	556122-3768	Gothenburg	100%	1,150
Harry Sjögren AB	556051-0561	Mölnådal	100%	804
Fastighets AB Corallen	556226-6527	Jönköping	100%	589
Fastighets AB Briggen	556476-7688	Malmö	100%	933
Fastighets AB Regeringsgatan	556571-4051	Gothenburg	100%	0
<b>Total</b>				<b>6,030</b>

Principles for consolidation are described in the accounting principles.

Participations in Group Companies	Parent company	
	2015	2014
Opening acquisition value	6,030	5,869
Paid shareholders' contribution	-	161
<b>Closing balance/book value</b>	<b>6,030</b>	<b>6,030</b>

### Note 24 Long-term Receivables, Group Companies

	Parent company	
	2015	2014
Opening acquisition value	17,093	17,419
New lending to subsidiaries	2,034	- 340
Currency translation foreign operation	- 24	14
<b>Closing balance/book value</b>	<b>19,103</b>	<b>17,093</b>

## Proposed Distribution of Profits

---

The following funds are at the Annual General Meeting disposal:

Retained profits	SEK 3,716,445,222
Net income for the year	SEK 895,541,576
	<hr/>
	SEK 4,611,986,798

The Board of Directors propose that the retained profits be appropriated as follows:

Dividend to shareholders, SEK 4.90 per share	SEK 803,600,000
Carried forward to the new accounts	SEK 3,808,386,798
	<hr/>
	SEK 4,611,986,798

The company has 172,006,708 registered shares, of which 8,006,708 are currently the company's own repurchased shares and are not entitled to dividends.

The total dividend payment proposed above of SEK 803,600,000 can be changed if the number of the company's own repurchased shares changes before the record date for the dividend.

# Statement regarding Proposed Distribution of Profit

---

## Reasons

The group's equity has been calculated in accordance with IFRS standards, approved by the EU, as well as in accordance with Swedish law by application of the recommendation RFR 1 (Supplementary Accounting Rules for groups) by the Swedish Financial Reporting Board. The equity of the parent company has been calculated in accordance with Swedish law and by application of the recommendation RFR 2 (Accounting for Legal Entities) of the Swedish Financial Reporting Board.

The proposed distribution constitutes 52% of the group's income from property management, which is in line with the expressed objective to distribute at least 50% of the group's income from property management, having considered investment plans, consolidation needs, liquidity and overall position. The group's net income after value and tax changes amounted to SEKm 2,881. The distribution policy is based on the group's income from property management, and as a result non-affecting cash flow increases and/or decreases in value of the group's properties and on interest and currency derivatives, do not normally affect the distribution. Such non-affecting cash flow profit or loss, have neither been taken into account in previous year's resolutions regarding distribution of profit.

The Board of Directors concludes that the company's restricted equity is fully covered after the proposed distribution.

The Board of Directors also concludes that the proposed distribution to the shareholders is justified considering the parameters in section 17 subsection 3, second and third paragraphs of the Swedish Companies Act (the nature, scope and risks of the business as well as consolidation needs, liquidity and overall position). Accordingly, the Board of Directors would like to emphasise the following.

## The nature, scope and risks of the business

The Board of Directors estimates that the equity of the company as well as of the group will, after the proposed distribution, be sufficient in relation to the nature, scope and risks of the business. The Board of Directors has in this context considered, inter alia, the historical development of the company and the group, budgeted development, investment plans and the economic situation.

## Consolidation needs, liquidity and overall position

### Consolidation needs

The Board of Directors has made a general estimation of the financial position of the company and the group, and the possibilities to fulfil their obligations. The proposed dividend constitutes 17% of the company's equity and 5% of the group's equity. The group's loan to value ratio and interest coverage ratio 2015 amounted to 49% and 351% respectively. The expressed objective for the group's capital structure, implying a loan to value ratio which not permanently exceeds 55% and an interest coverage ratio of at least 200%, will be maintained after the proposed dividend. The capital structure of the company and the group is sound considering the prevailing conditions of the real property business. In light of the above, the Board of Directors concludes that the company and the group have all the necessary requirements to manage future business risks and also to carry potential losses. Planned investments have been considered when deciding on the proposed dividend.

### Liquidity

The proposed dividend will not affect the company's or the group's ability to meet their payment obligations in a timely manner. The company and the group have good access to liquidity reserves through short-term as well as long-term credits. The credits may be utilised at short notice, implying that the company and the group are prepared to handle liquidity fluctuations as well as possible unexpected events.

### Overall position

The Board of Directors has considered all other known conditions, which might affect the financial position of the company and the group, which have not been considered within the scope of the considerations above. In this respect, no circumstances have been found that indicate that the proposed dividend would not be justified.

### Evaluation to actual value

Derivatives instruments and other financial instruments have been valued to the actual value in accordance with section 4 subsection 14 a of the Swedish Annual Accounts Act. The valuation has presented an undervalue of SEKm 871 after tax, which has affected the equity by the mentioned amount.

Gothenburg January 20, 2016

The Board

## Signing of the Annual Report

---

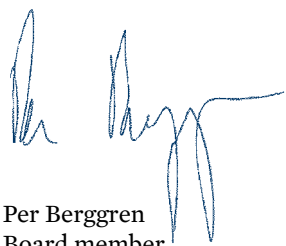
As far as we know the Annual Report is prepared in accordance with generally accepted accounting principles. The Annual Report give a true and fair view of the company's financial position and results, and the directors' report give a true and fair overview of the development of the company's operations, financial position and results, and describes the significant risks and factors of uncertainty facing the company.

The consolidated accounts have been prepared in accordance with the international accounting standards covered in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The consolidated accounts give a true and fair view of the group's financial position and results, and the directors' report for the consolidated accounts give a true and fair overview of the development of the group's operations, financial position and results and as well as the significant risks and factors of uncertainty facing the companies within the group.

Gothenburg February 1, 2016



Charlotte Strömberg  
Chairman of the Board



Per Berggren  
Board member



Anna-Karin Hatt  
Board member



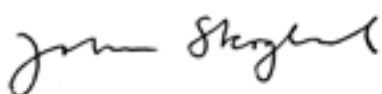
Christer Jacobson  
Board member



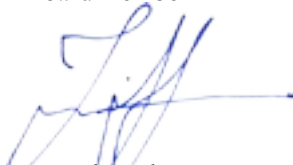
Jan Åke Jonsson  
Board member



Nina Linander  
Board member



Johan Skoglund  
Board member



Henrik Saxborn  
Chief Executive Officer

Our Audit Report regarding this Annual Report was submitted on February 1, 2016



Hans Warén  
Authorized Public Accountant



Magnus Fredmer  
Authorized Public Accountant



# Auditors report

To the Annual Meeting of the shareholders of Castellum AB (publ), corp. id. 556475-5550

## Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Castellum AB (publ) for the year 2015. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 4–116.

## Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

## Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. A

corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

## Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Castellum AB (publ) for the year 2015.

## Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

## Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

## Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Gothenburg February 1, 2016



Hans Warén  
Authorized Public Accountant



Magnus Fredmer  
Authorized Public Accountant

Greater Gothenburg	119
Öresund Region	125
Gretaer Stockholm	130
Mälardalen	134
Eastern Götaland	138
Properties sold in 2015	140

**Management subsidiaries:**

ASP: Aspholmen Fastigheter AB  
EKL: Ekländia Fastighets AB

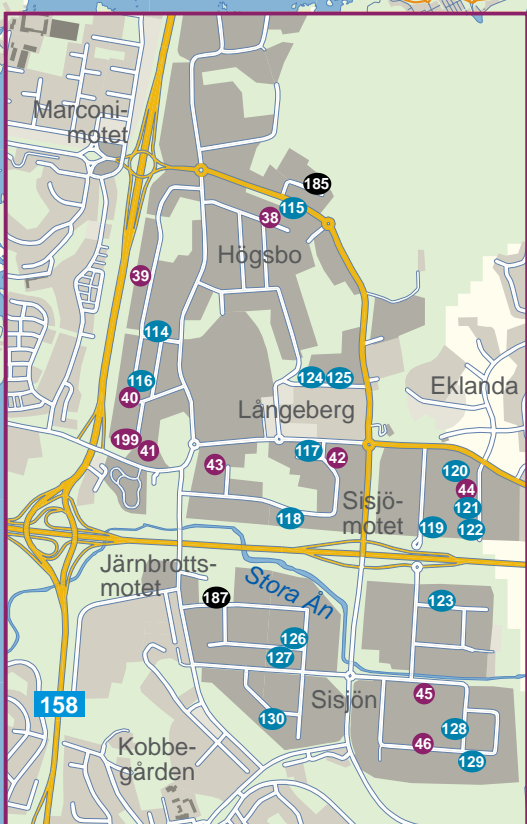
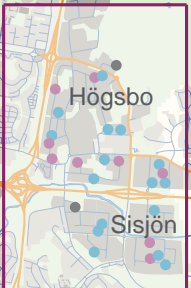
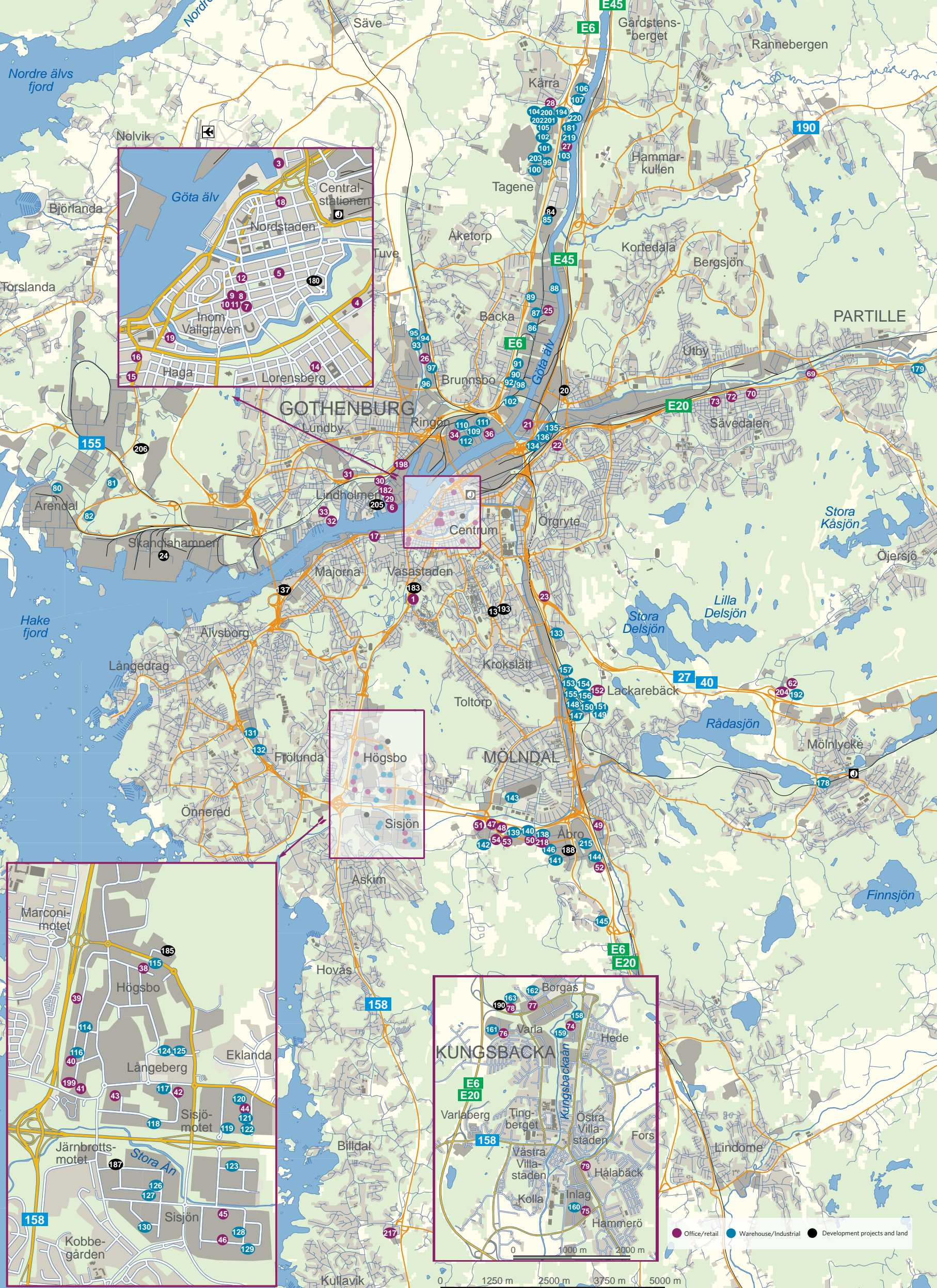
COR: Fastighets AB Corallen  
BRO: Fastighets AB Brostaden

BRI: Fastighets AB Briggen  
HAR: Harry Sjögren AB

## Greater Gothenburg

Name of property	Address	Municipality	Acquis- Build/		Square metres per type of premises						Total	Site sq.m.	Tax Mgmt. assessment sub-		
			year	Recon. year	Office	Retail	Warehouse	Industrial	Residential	Other			value	sidary	Note
<b>OFFICE/RETAIL</b>															
1 Annedal 21:10	Haraldsgatan 5	Gothenburg	1999	1995	4,382	-	-	-	-	-	4,382	3,131	66,800	EKL	
3 Gullbergsvass 1:15	Lilla Bommen 4A-B	Gothenburg	1999	2001	7,954	-	24	-	-	-	7,978	1,834	167,000	EKL	
4 Heden 16:5	Parkg 10/Nya Allén 5	Gothenburg	<1995	1961	70	-	-	-	616	1,253	1,939	993	27,867	EKL	
5 Inom Vallgraven 19:17	Kyrkogatan 38-40	Gothenburg	<1995	1919	-	158	20	-	-	1,185	1,363	867	27,200	EKL	
7 Inom Vallgraven 33:9	Västra Hamng 21/Vallg 9	Gothenburg	<1995	1929/1995	1,063	510	-	-	-	-	1,573	829	28,200	EKL	
8 Inom Vallgraven 34:8	Kungsg 19-23/Magasinsg 18	Gothenburg	<1995	1929/1994	2,872	1,356	55	-	-	88	4,371	1,242	104,000	EKL	
9 Inom Vallgraven 35:14	Kungsg 15-17/Magasinsg 17	Gothenburg	<1995	1929/1991	2,305	1,403	-	-	469	-	4,177	1,315	89,830	EKL	
10 Inom Vallgraven 35:16	Kaserntorget 5/Vallg 2	Gothenburg	<1995	1991	2,371	590	36	-	-	-	2,997	713	46,200	EKL	
11 Inom Vallgraven 35:17	Magasinsg 11-13/Vallg 4-6	Gothenburg	<1995	1991	54	248	-	-	1,149	-	1,451	666	27,784	EKL	
12 Inom Vallgraven 57:2	Drottningg7/V Hamng 5	Gothenburg	2000	1988/1990	5,780	1,056	254	-	-	-	7,090	2,422	93,323	EKL	
14 Lorensberg 48:8	Vasagatan 46	Gothenburg	<1995	1900/1992	1,475	202	-	-	-	-	1,677	722	18,626	EKL	
15 Masthugget 3:6	Linnégatan 5	Gothenburg	<1995	1893/1980	492	628	-	-	1,079	790	2,989	745	42,073	EKL	
16 Masthugget 9:17	Järntorget 3-4	Gothenburg	1996	1900	2,220	1,163	10	-	-	-	3,393	1,221	46,800	EKL	
17 Masthugget 26:1	Barlastgatan 2	Gothenburg	<1995	1923	3,908	1,205	-	-	2,796	-	7,909	3,597	114,800	EKL	
18 Nordstaden 2:16	Östra Hamngatan 16	Gothenburg	2004	1974/2010	13,819	2,759	115	-	-	6	16,699	3,255	472,392	EKL	
19 Pustervik 3:8	Brogatan 4	Gothenburg	<1995	1988	3,910	-	-	-	-	-	3,910	1,087	36,800	EKL	
21 Gamlestaden 26:1	Marieholmsgatan 10	Gothenburg	<1995	1914/1987	6,531	270	2,155	6,322	-	6	15,284	24,356	53,700	EKL	T
22 Olskroken 14:2	Ånäsv 44-46/Svang 2-4/ Ejderg 3	Gothenburg	<1995	1895/1986	7,507	315	312	3,636	136	61	11,967	10,263	71,114	EKL	
23 Skår 58:1	St Sigfridsgatan 89	Gothenburg	<1995	1991	11,855	-	-	-	-	-	11,855	12,175	119,000	EKL	B
25 Backa 27:43	Backa Bergögata 5-7	Gothenburg	1998	1984	3,874	-	984	309	-	-	5,167	3,919	27,200	EKL	
26 Backa 196:6	Aröds Industriväg 34	Gothenburg	1996	1990	1,332	-	408	-	-	-	1,740	5,274	7,952	EKL	
- Ellesbo 1:5 & 2:10	Ellesbovägen 150	Gothenburg	2012	1990/2009	-	-	2,270	-	-	-	2,270	30,163	8,218	EKL	B
27 Kärra 28:19	Transportgatan 33	Gothenburg	1996	2008	-	-	4,600	-	-	-	4,600	20,811	34,241	EKL	
28 Kärra 77:3	Tagenevägen 70	Gothenburg	1998	1990	1,269	-	-	-	-	-	1,269	4,600	5,687	EKL	T
6 Lindholmen 28:1	Theres Svenssons gata 11	Gothenburg	2015	2006	3,898	-	-	-	-	-	3,898	-	67,400	EKL	
29 Lindholmen 28:3	Theres Svenssons Gata 9	Gothenburg	2006	2006	4,873	204	72	-	-	-	5,149	6,532	114,000	EKL	
182 Lindholmen 28:4	Theres Svenssons Gata 7	Gothenburg	2011	2013	9,354	-	-	-	-	93	9,447	9,500	195,000	EKL	
30 Lundbyvassen 3:1	Lindholmsallén 9	Gothenburg	2011	1949/2006	10,790	-	-	-	-	13	10,803	6,016	128,200	EKL	
198 Lundbyvassen 8:3	Lindholmsallén 2	Gothenburg	2013	-	8,990	-	-	-	-	-	8,990	4,197	137,800	EKL	
31 Rambergsstaden 733:409	Herkulesgatan 68	Gothenburg	<1995	1988	1,576	939	1,249	-	-	-	3,764	8,149	21,957	EKL	
32 Sannegården 28:33	Vingalandsgatan 2	Gothenburg	2006	1880/1987	5,237	-	1,312	-	-	34	6,583	3,072	60,400	EKL	
33 Sannegården 52:1	Östra Eriksbergsg 14-52	Gothenburg	2011	1956/1993	4,773	354	720	1,719	-	-	7,566	12,783	59,600	EKL	
34 Tingstadsvassen 11:11	Ringög 12/Kolgruveg 3-5	Gothenburg	<1995	1992	3,401	2,170	337	-	-	29	5,937	4,267	33,000	EKL	B
36 Tingstadsvassen 26:5	Lergodsgatan 1-3	Gothenburg	2002	1989	792	-	2,518	-	-	-	3,310	4,566	20,571	EKL	T/B
38 Högsbo 8:8	Beatrice Lesslies Gata 14	Gothenburg	2000	1961/2001	1,100	-	1,000	-	-	-	2,100	3,500	9,764	HAR	B
39 Högsbo 13:3	E A Rosengrens Gata 15	Gothenburg	<1995	1982	1,244	-	-	-	-	-	1,244	3,787	7,257	HAR	T/B
40 Högsbo 17:7	E A Rosengrens Gata 31	Gothenburg	2012	1969	3,489	-	559	-	-	-	4,048	2,996	23,000	HAR	
199 Högsbo 20:11	F O Petterssons Gata 9	Gothenburg	2013	1969	2,400	-	300	-	-	-	2,700	8,605	13,880	HAR	B
41 Högsbo 20:22	F O Petterssons Gata 24-32	Gothenburg	2002	1982	14,145	178	760	-	-	-	15,083	15,522	78,600	HAR	
42 Högsbo 24:12	August Barks Gata 23	Gothenburg	1999	1968/1990	3,117	-	2,756	-	-	-	5,873	12,817	45,467	HAR	B
43 Högsbo 27:7	August Barks Gata 6 A-B	Gothenburg	2002	1988	7,933	-	-	-	-	-	7,933	9,723	64,600	HAR	
44 Högsbo 36:6	Hulda Mellgrens Gata 1	Gothenburg	2012	1991	3,851	-	510	-	-	-	4,361	5,336	37,000	HAR	
45 Kobbegården 6:362	Stora Ävägen 19 A-B, 21	Gothenburg	<1995	1990	5,513	878	1,150	-	-	-	7,541	5,490	59,200	HAR	
46 Kobbegården 6:726	Datavägen 14 B	Gothenburg	<1995	1981	2,573	-	-	-	-	-	2,573	4,267	11,992	HAR	
47 Anisen 1	Johannefredsgatan 1	Mölndal	2000	1990	1,676	-	237	-	-	-	1,913	5,843	11,910	HAR	B
48 Anisen 3	Johannefredsgatan 3	Mölndal	1998	2003	1,800	1,500	-	2,600	-	-	5,900	10,108	47,455	HAR	
49 Berguven 1	Möbelgatan 4	Mölndal	2004	1964	6,500	-	-	-	-	500	7,000	24,283	27,000	HAR	B
50 Generatorn 5	Aminogatan 16	Mölndal	<1995	1986	640	-	-	483	-	-	1,123	5,169	8,443	HAR	
51 Mejramen 1	Lunnagårdsgatan 4	Mölndal	1999	1999	8,300	-	4,700	-	-	-	13,000	38,818	89,542	HAR	B
52 Potttegården 4	Kråketorpsgatan 20	Mölndal	<1995	1992	3,182	-	1,836	-	-	-	5,018	6,060	27,850	HAR	
53 Riskullaverket 2	Aminogatan 25	Mölndal	<1995	1991	1,692	-	1,261	-	-	-	2,953	3,411	16,898	HAR	
54 Sesamfröet 2	Aminogatan 27	Mölndal	2005	1992	5,150	-	700	-	-	-	5,850	11,000	53,600	HAR	B
152 Törnrosen 3	Flöjelbergsgatan 10	Mölndal	1999	1964	2,497	-	1,085	-	-	-	3,582	4,468	10,357	HAR	B
55 Apollo 5	Österlånggatan 5	Borås	<1995	1930/1979	6,803	552	193	-	-	-	7,548	2,343	41,600	HAR	
56 Cedern 9,12,15,16	Ramnåsg 1/Gothenburgsv 6	Borås	2005	1935/1980	4,289	300	2,129	260	-	361	7,339	4,159	12,765	HAR	B
57 Katrinedal 14	Katrinedalsgatan 22	Borås	<1995	1990	2,360	-	1,892	-	-	-	4,252	7,675	16,378	HAR	
58 Midas 14	Västerlånggatan 17	Borås	<1995	1974	15,408	5,424	-	366	-	-	21,198	8,185	160,400	HAR	B
59 Narcissus 5	L. Brog. 15/St. Brog. 16	Borås	<1995	1930	908	1,484	-	-	1,284	-	3,676	853	31,114	HAR	
60 Nestor 2	Lilla Brogatan 19-21	Borås	<1995	1962/1991	1,225	3,012	135	-	-	-	4,372	1,381	40,000	HAR	
61 Nestor 3	Stora Brogatan 24	Borås	1999	1930	1,346	732	-	-	439	-	2,517	590	20,864	HAR	
62 Solsten 1:108 A	Designvägen 2	Härryda	<1995	2003	11,756	-	-	-	-	-	11,756	19,206	66,400	EKL	
204 Solsten 1:118	Designvägen 1	Härryda	2014	2007	4,860	-	-	-	-	-	4,860	7,063	46,800	EKL	
207 Fanan 26	Kristian IV:s väg 1	Halmstad	2014	1999	3,699	-	180	-	-	1,920	5,799	6,387	-	HAR	
208 Fanan 30	Kristian IV:s väg 3	Halmstad	2014	1988	15,387	38	-	-	-	2,005	17,430	12,518	-	HAR	

Note: T=Ground rent A=Lease B=Unutilized building permission



● Office/retail ● Warehouse/Industrial ● Development projects and land

0 1250 m 2500 m 3750 m 5000 m



Name of property	Address	Municipality	Acquis- year	Build/ Recon. year	Square metres per type of premises						Total	Site sq.m.	Tax Mgmt.		Note
					Office	Retail	Warehouse	Industrial	Residential	Other			assessment	sub-	
													value	sidary	
90	Backa 94:1	Gothenburg	1998	1989	-	-	7,560	-	-	-	7,560	20,947	31,190	EKL	B
91	Backa 97:11	Gothenburg	2002	1978	1,508	-	2,486	-	-	-	3,994	19,285	25,632	EKL	
92	Backa 107:4	Gothenburg	2010	1983/2006	1,645	-	20,895	-	-	-	22,540	73,621	29,200	EKL	T
93	Backa 192:4	Gothenburg	<1995	1989	343	240	1,461	-	-	-	2,044	3,428	7,755	EKL	T
94	Backa 192:6	Gothenburg	1998	1988	-	-	1,371	-	-	-	1,371	4,386	5,073	EKL	
95	Backa 192:10	Gothenburg	<1995	1990	1,227	-	1,593	-	-	-	2,820	6,042	12,043	EKL	
96	Backa 193:1	Gothenburg	2000	1988/1996	-	-	-	4,100	-	-	4,100	11,217	16,574	EKL	
97	Backa 197:2	Gothenburg	<1995	1990	-	-	1,474	-	-	-	1,474	2,727	4,848	EKL	
98	Kärra 28:10	Gothenburg	1996	2010	-	2,217	-	-	-	-	2,217	14,609	16,992	EKL	
181	Kärra 28:18	Gothenburg	1996	2012	-	-	5,442	-	-	-	5,442	19,042	40,608	EKL	
99	Kärra 37:4	Gothenburg	<1995	1972	-	1,195	11,740	-	-	-	12,935	26,476	41,769	EKL	
100	Kärra 72:36	Gothenburg	2008	2011	-	-	6,400	-	-	-	6,400	14,609	39,127	EKL	
203	Kärra 73:3	Gothenburg	2013	1999	-	-	1,450	-	-	-	1,450	7,817	10,436	EKL	B
101	Kärra 74:2	Gothenburg	1996	2010	-	-	19,558	-	-	-	19,558	35,995	97,600	EKL	
102	Kärra 74:3	Gothenburg	1998	1985	-	-	-	9,500	-	-	9,500	17,475	39,683	EKL	
219	Kärra 75:2	Gothenburg	2015	1982	522	185	7,144	-	-	92	7,943	13,275	28,800	EKL	B
103	Kärra 75:3	Gothenburg	2008	1980	-	-	4,170	4,357	-	-	8,527	14,375	36,536	EKL	
220	Kärra 75:4	Gothenburg	2015	1984	-	1,654	6,346	-	-	-	8,000	13,305	30,200	EKL	B
104	Kärra 77:8	Gothenburg	<1995	1991	227	-	1,859	-	-	-	2,086	8,913	11,686	EKL	
200	Kärra 78:12-13	Gothenburg	2013	1982/2012	-	-	4,090	-	-	-	4,090	10,121	16,670	EKL	B
201	Kärra 78:8	Gothenburg	2013	1962/1982	-	-	2,809	-	-	-	2,809	5,060	10,751	EKL	
202	Kärra 80:6	Gothenburg	2013	1990/2010	-	-	1,498	-	-	-	1,498	3,908	10,114	EKL	
105	Kärra 80:7	Gothenburg	<1995	1990	-	-	3,507	-	-	31	3,538	7,185	16,669	EKL	T
106	Kärra 94:1	Gothenburg	1999	1990	-	-	-	1,960	-	-	1,960	3,520	8,188	EKL	
107	Kärra 96:1	Gothenburg	2001	1991	210	-	3,780	-	-	-	3,990	10,407	18,254	EKL	B
109	Tingstadsvassen 12:6	Gothenburg	<1995	1990	328	-	2,657	-	-	-	2,985	2,960	13,776	EKL	T
110	Tingstadsvassen 12:9	Gothenburg	<1995	1957	-	-	5,786	-	-	-	5,786	8,682	13,707	EKL	T
111	Tingstadsvassen 14:7	Gothenburg	1997	1993	443	-	232	3,655	-	-	4,330	6,847	18,912	EKL	B
112	Tingstadsvassen 19:3	Gothenburg	<1995	1950/1988	626	168	9,639	-	-	-	10,433	16,444	24,954	EKL	T
114	Högsbo 7:16	Gothenburg	<1995	1987	1,301	-	-	404	-	-	1,705	4,043	10,216	HAR	
115	Högsbo 9:3	Gothenburg	2008	1978/2002	635	-	2,267	-	-	-	2,902	6,007	16,962	HAR	
116	Högsbo 18:1	Gothenburg	<1995	1966/1973	1,092	-	7,628	-	-	-	8,720	17,149	31,560	HAR	B
117	Högsbo 26:8	Gothenburg	1998	1969/1979	2,123	-	-	2,253	-	-	4,376	6,068	17,132	HAR	B
118	Högsbo 28:3	Gothenburg	<1995	1968/1981	785	-	-	2,857	-	-	3,642	3,942	14,025	HAR	
119	Högsbo 36:1	Gothenburg	2000	1971/1995	710	-	3,840	-	-	-	4,550	9,057	23,121	HAR	
120	Högsbo 36:5	Gothenburg	1998	1991	553	-	-	2,931	-	-	3,484	5,438	16,366	HAR	B
121	Högsbo 36:7	Gothenburg	2012	1990	1,710	-	7,421	-	-	-	9,131	18,010	51,400	HAR	B
122	Högsbo 36:9	Gothenburg	<1995	2007	400	-	1,475	-	-	-	1,875	4,253	13,349	HAR	
123	Högsbo 38:9	Gothenburg	<1995	1984	-	-	-	1,083	-	-	1,083	8,609	11,760	HAR	B
124	Högsbo 40:1	Gothenburg	1999	1981/1999	1,495	-	5,505	-	-	-	7,000	16,070	33,745	HAR	B
125	Högsbo 40:2	Gothenburg	2006	1978	400	-	2,815	-	-	-	3,215	10,799	19,237	HAR	B
126	Kobbegården 208:6	Gothenburg	1999	1973/1979	480	-	-	1,264	-	-	1,744	3,462	7,458	HAR	
127	Kobbegården 209:1	Gothenburg	1999	1973/1996	-	-	-	2,538	-	-	2,538	6,336	12,508	HAR	B
128	Kobbegården 6:180	Gothenburg	<1995	1980	1,704	-	1,078	-	-	-	2,782	5,100	18,100	HAR	
129	Kobbegården 6:360	Gothenburg	2001	1979	1,640	-	5,349	-	-	-	6,989	14,508	43,600	HAR	
130	Kobbegården 6:7	Gothenburg	1999	1978/1986	-	-	-	6,290	-	-	6,290	15,973	32,200	HAR	B
131	Rud 51:21	Gothenburg	2006	1979/1989	510	-	2,590	-	-	-	3,100	6,926	0	HAR	T
132	Tynnered 1:10	Gothenburg	<1995	1969	429	140	-	2,152	-	-	2,721	7,475	11,103	HAR	T/B
133	Kallebäck 3:4	Gothenburg	2000	1962	8,832	485	20,694	-	-	-	30,011	37,723	104,000	EKL	
134	Olskroken 35:7	Gothenburg	2009	1977	417	-	3,427	-	-	-	3,844	3,760	12,071	EKL	T
135	Olskroken 35:9	Gothenburg	2009	1966	874	-	6,781	-	-	-	7,655	9,127	21,595	EKL	T
136	Olskroken 35:14	Gothenburg	2009	1967	1,169	4,542	-	-	-	-	5,711	6,216	18,129	EKL	T
218	Gasklockan 2	Möln dal	2015	1991	876	500	-	3,500	-	-	4,876	19,437	25,363	HAR	B
138	Gaslyktan 11	Möln dal	2003	1987	4,000	-	11,000	-	-	-	15,000	38,100	96,000	HAR	B
139	Generatorn 1	Möln dal	2003	1995/2003	1,445	-	3,110	-	-	-	4,555	30,000	46,512	HAR	B
140	Generatorn 2	Möln dal	<1995	1991	164	-	2,938	-	-	-	3,102	8,933	18,312	HAR	
141	Heliumgasen 11	Möln dal	1999	1975	4,560	-	-	5,093	-	-	9,653	16,300	50,424	HAR	B
215	Hökegården 1	Möln dal	2014	1971	675	-	1,900	-	-	-	2,575	8,839	15,272	HAR	B
142	Kryddpepparn 3	Möln dal	<1995	1992	-	-	-	4,140	-	-	4,140	15,347	0	HAR	B
143	Kusken 3	Möln dal	2011	2005	2,773	-	-	4,852	-	-	7,625	17,665	44,303	HAR	
144	Pottegården 2	Möln dal	<1995	1964	-	-	1,800	-	-	-	1,800	7,014	10,178	HAR	B
145	Skinntickan 1	Möln dal	<1995	1989	1,221	-	-	4,720	-	-	5,941	10,267	11,565	HAR	
146	Syrgasen 8	Möln dal	<1995	1979	-	-	-	3,055	-	-	3,055	11,197	19,145	HAR	B
147	Tjärblomman 2	Möln dal	1999	1960	2,495	-	4,540	-	-	-	7,035	9,193	18,563	HAR	B
148	Tjärblomman 3	Möln dal	1999	1970	1,225	-	7,533	-	-	-	8,758	9,394	23,303	HAR	

Name of property	Address	Municipality	Acquis- Build/		Square metres per type of premises						Site sq.m.	Tax Mgmt. assessment sub-				
			year	Recon. year	Office	Retail	Warehouse	Industrial	Residential	Other		Total	value	sidary	Note	
149	Tulpanen 1	Bergfotsgatan 5	Mölnadal	1999	1961	1,812	-	2,954	-	-	-	4,766	5,577	15,425	HAR	B
150	Tusenskönan 2	Flöjelbergsgatan 6	Mölnadal	1999	1960	3,567	-	933	-	-	-	4,500	5,346	14,636	HAR	B
151	Tusenskönan 4	Bergfotsgatan 3	Mölnadal	1999	1961	2,038	-	2,424	-	-	-	4,462	5,397	13,588	HAR	B
153	Vallmon 2	Flöjelbergsgatan 13	Mölnadal	<1995	1965	662	-	2,518	-	-	-	3,180	3,642	8,957	HAR	
154	Vallmon 3	Flöjelbergsgatan 11	Mölnadal	<1995	1965	676	-	2,570	-	-	-	3,246	3,830	9,194	HAR	
155	Vallmon 6	Flöjelbergsgatan 7 B	Mölnadal	<1995	1965	1,629	-	6,685	-	-	-	8,314	9,956	23,354	HAR	
156	Vallmon 7	Flöjelbergsgatan 7 A	Mölnadal	1999	1930	960	-	3,844	-	-	-	4,804	6,894	14,200	HAR	B
157	Ängsviolen 1	Flöjelbergsgatan 18	Mölnadal	<1995	1960/1965	1,765	180	-	3,655	-	-	5,600	10,292	20,450	HAR	B
158	Hede 3:12	Faktorvägen 1	Kungsbacka	2003	1992	1,971	-	6,929	-	-	-	8,900	32,809	44,793	HAR	B
159	Hede 3:131	Tryckarevägen 8	Kungsbacka	<1995	1991	170	-	1,347	-	-	-	1,517	7,558	6,602	HAR	B
160	Kungsbacka 4:47	L. Verkstadsgatan 2-6/ Verkstadsgatan 7	Kungsbacka	<1995	1978/1990	1,516	-	2,475	-	-	-	3,991	9,317	12,949	HAR	
161	Varla 2:388	Energigatan 21	Kungsbacka	<1995	1995/2013	500	-	3,970	-	-	-	4,470	10,003	19,732	HAR	
162	Varla 2:415	Borgås Gårdsväg 15	Kungsbacka	2004	2002	755	-	3,676	-	-	-	4,431	8,852	20,540	HAR	
163	Varla 3:22	Hallabäcksvägen 1	Kungsbacka	2006	1979	3,500	-	20,300	-	-	-	23,800	78,644	82,256	HAR	B
164	Hinden 2	Sagagatan 17	Borås	<1995	1956	692	-	-	5,748	-	-	6,440	9,833	10,364	HAR	T/B
165	Kilsund 3	Evedalsgatan 5	Borås	<1995	1935	709	260	1,400	9,847	-	-	12,216	16,660	24,090	HAR	B
166	Lagern 8	Hällingsgatan 15	Borås	<1995	1948/1961	239	-	-	8,753	-	-	8,992	5,700	12,103	HAR	B
167	Silverpoppeln 31	Ålandsgatan 6	Borås	2006	1961/1970	835	-	-	2,165	-	-	3,000	6,143	4,826	HAR	
168	Snödroppen 8	Elindsdalsg 9,13-15/ Södra Korsg 11	Borås	2005	1980/1980	1,543	-	-	5,881	-	-	7,424	14,546	18,696	HAR	B
169	Trucken 5	Viaredsvägen 14	Borås	2 001	2001/2012	1,050	-	13,550	-	-	-	14,600	37,700	70,400	HAR	B
170	Bulten 6	Bultgatan 1	Alingsås	2007	1985/1990	760	-	2,600	-	-	-	3,360	19,559	11,542	HAR	B
171	Gjutaren 26	Metallgatan 2-4	Alingsås	<1995	1933/1989	1,383	-	9,082	-	-	-	10,465	21,080	21,891	HAR	B
172	Konfektasken 15	Kolvägen 2/Sidenvägen 7	Alingsås	<1995	1929/1969	3,769	-	6,927	-	-	-	10,696	15,544	24,483	HAR	B
173	Stallet 3	Tomasgårdsvägen 19	Alingsås	2008	1990	1,295	-	2,040	-	-	-	3,335	4,700	11,542	HAR	B
174	Hede 2:11	Hedeforsvägen 6	Lerum	2006	1960/1974	500	-	2,200	-	-	-	2,700	9,973	8,705	HAR	
175	Berg 1:76	Åkerivägen 7	Lerum	2006	2007	1,500	-	8,400	-	-	-	9,900	30,000	50,088	HAR	B
213	Fanan 39	Pilefeltsgatan 71	Halmstad	2014	1990	-	1,870	-	-	-	-	1,870	3,279	36,366	HAR	
176	Fogden 4	Laholmsvägen 84	Halmstad	2007	1960/1990	278	1,946	8,609	118	-	1,028	11,979	25,800	25,118	HAR	B
177	Fyllinge 20:409	Sadelvägen 5	Halmstad	2011	1992	166	-	-	4,223	-	-	4,389	22,276	17,741	HAR	B
178	Hönekulla 1:571	Ävägen 1	Härryda	2006	1986/2002	1,762	-	-	2,345	-	187	4,294	6,596	14,919	HAR	
192	Solsten 1:108 B	Designvägen 5	Härryda	2014	1999	-	-	6,534	-	-	-	6,534	36,806	34,981	EKL	
179	Kåbäcken 11:7	Gamla Alingsåsvägen 29	Partille	<1995	1961/1964	-	-	2,227	-	-	-	2,227	5,477	5,611	HAR	
<b>Total warehouse/industrial</b>						<b>96,085</b>	<b>16,345</b>	<b>413,263</b>	<b>140,175</b>	<b>0</b>	<b>1,354</b>	<b>667,222</b>	<b>1,467,988</b>	<b>2,664,725</b>		
<b>DEVELOPMENT PROJECTS</b>																
24	Arendal 764:394	Sydatlanten 15-17	Gothenburg	2005	1990	8,969	389	-	-	-	-	9,358	9,646	46,200	EKL	T
84	Backa 20:5	Exportgatan 2-8	Gothenburg	2007	1989/1999	1,175	-	856	13,869	-	-	15,900	37,965	72,401	EKL	B
20	Gamlestaden 22:14	Gamlestadsvägen 16	Gothenburg	2004	1957	18,038	700	540	502	-	8	19,788	20,313	85,498	EKL	B
180	Inom Vallgraven 4:1	Östra Larmgatan 18	Gothenburg	<1995	1856/1988	-	2,597	-	-	-	-	2,597	671	18,600	EKL	
13	Krokslätt 102:2	Eklandagatan 80	Gothenburg	2008	1980	811	-	-	-	-	-	811	1,319	0	EKL	
205	Lindholmen 30:5	Lindholmospiren 7	Gothenburg	2014	-	-	-	-	-	-	-	-	3,375	1,518	EKL	
137	Majorna 163:1	Banehagsliden 2	Gothenburg	2006	1949	5,729	-	-	-	-	-	5,729	9,263	18,164	EKL	B
206	Sörred 7:23	-	Gothenburg	2014	-	-	-	-	-	-	-	-	12,500	0	EKL	B
<b>Total development projects</b>						<b>34,722</b>	<b>3,686</b>	<b>1,396</b>	<b>14,371</b>	<b>0</b>	<b>8</b>	<b>54,183</b>	<b>95,052</b>	<b>242,381</b>		
<b>UNDEVELOPED LAND</b>																
183	Annedal 21:9	Haraldsgatan 3	Gothenburg	1999	-	-	-	-	-	-	-	-	2,088	-	EKL	
193	Krokslätt 102:9	Eklandagatan 80	Gothenburg	2008	-	-	-	-	-	-	-	-	821	574	EKL	B
194	Tingstadsvassen 31:6	Stålverksgatan 11	Gothenburg	1997	-	-	-	-	-	-	-	-	2,687	-	EKL	B
185	Högsbo 39:3	Ingela Gathenheilms Gata 8	Gothenburg	<1995	-	-	-	-	-	-	-	-	1,720	1,548	HAR	B
187	Kobbegården 152:1	Industrivägen 4-6	Gothenburg	<1995	-	-	-	-	-	-	-	-	25,158	22,600	HAR	B
188	Heliumgasen 4	Neogatan 4B	Mölnadal	<1995	-	-	-	-	-	-	-	-	4,794	4,314	HAR	B
-	Skällared 3:49	Lysekulevägen	Kungsbacka	<1995	-	-	-	-	-	-	-	-	29,297	1,640	EKL	B
190	Varla 3:34	Hallabäcksvägen 1	Kungsbacka	2006	-	-	-	-	-	-	-	-	14,356	4,306	HAR	B
191	Kyllared 1:112	Tvinnaregatan 27	Borås	<1995	-	-	-	-	-	-	-	-	5,118	1,279	HAR	B
216	Trucken 6	Viaredsvägen 14	Borås	2014	-	-	-	-	-	-	-	-	38,500	5,684	HAR	B
171	Gjutaren 27	Metallgatan 2-4	Alingsås	<1995	-	-	-	-	-	-	-	-	600	276	HAR	B
214	Fanborgen 3	Spetsvinkelgatan 8	Halmstad	2014	-	-	-	-	-	-	-	-	1,990	5,600	HAR	B
214	Fanborgen 4	Spetsvinkelgatan 8	Halmstad	2014	-	-	-	-	-	-	-	-	5,067	-	HAR	
204	Solsten 1:155	Designvägen 1	Härryda	2014	-	-	-	-	-	-	-	-	2,948	1,031	EKL	
<b>Total undeveloped land</b>						<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>135,144</b>	<b>48,852</b>		
<b>Total Greater Gothenburg</b>						<b>464,492</b>	<b>74,166</b>	<b>460,504</b>	<b>174,200</b>	<b>8,246</b>	<b>16,201</b>	<b>1,197,809</b>	<b>2,325,553</b>	<b>7,041,950</b>		

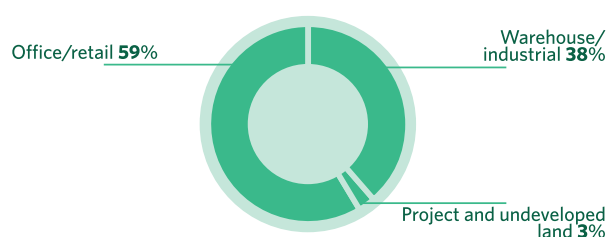
## Castellum's Real Estate Portfolio in Greater Gothenburg 31-12-2015

	No. of properties	Area thous. sq.m	Rental value SEKm	Rental value SEK/sq.m	Economic occupancy rate	Rental income SEKm	Property costs SEKm	Property costs SEK/sq.m	Net operating income SEKm
<b>Office/retail</b>									
Central Gothenburg	16	74	173	2,340	94.9%	164	38	513	126
Hisingen	15	80	128	1,587	96.9%	124	24	292	100
Halmstad	10	60	72	1,212	90.1%	65	12	199	53
Högsbo, Sisjön	10	53	56	1,039	77.8%	43	12	221	31
Borås	7	51	55	1,077	92.2%	51	14	273	37
Rest of Greater Gothenburg	27	158	178	1,127	94.9%	169	38	244	131
<b>Total office/retail</b>	<b>85</b>	<b>476</b>	<b>662</b>	<b>1,388</b>	<b>93.1%</b>	<b>616</b>	<b>138</b>	<b>289</b>	<b>478</b>
<b>Warehouse/industrial</b>									
Hisingen	37	253	179	704	90.3%	161	31	122	130
Mölnadal	21	117	101	865	93.5%	94	18	158	76
Högsbo/Sisjön	19	78	68	878	94.5%	65	11	142	54
Kungsbacka	6	53	29	546	90.4%	26	5	98	21
Borås	6	47	34	726	92.8%	32	6	118	26
Rest of Greater Gothenburg	16	119	95	800	89.3%	85	24	202	61
<b>Total warehouse/industrial</b>	<b>105</b>	<b>667</b>	<b>506</b>	<b>759</b>	<b>91.5%</b>	<b>463</b>	<b>95</b>	<b>143</b>	<b>368</b>
<b>Total</b>	<b>190</b>	<b>1,143</b>	<b>1,168</b>	<b>1,021</b>	<b>92.4%</b>	<b>1,079</b>	<b>233</b>	<b>204</b>	<b>846</b>
Leasing and property administration							67	59	- 67
<b>Total after leasing and property administration</b>							<b>300</b>	<b>263</b>	<b>779</b>
Development projects	8	55	52	-	-	38	11	-	27
Undeveloped land	14	-	-	-	-	-	-	-	-
<b>Total</b>	<b>212</b>	<b>1,198</b>	<b>1,220</b>	<b>-</b>	<b>-</b>	<b>1,117</b>	<b>311</b>	<b>-</b>	<b>806</b>

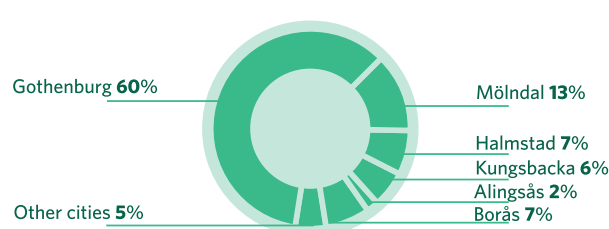
### Property related key figures

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Rental value, SEK/sq.m.	1,021	1,003	993	957	944	935	919	885	856	834
Economic occupancy rate	92.4%	91.6%	94.1%	93.4%	95.4%	94.1%	94.0%	92.6%	90.8%	89.4%
Property costs, SEK/sq.m.	263	254	264	259	257	264	262	228	227	224
Net operating income, SEK/sq.m.	681	665	670	635	644	616	602	591	551	521
Number of properties	212	209	196	194	193	188	190	187	182	176
Lettable area, thousand sq.m.	1,198	1,157	1,111	1,103	1,085	1,046	1,028	1,017	1,000	914

Property value by property type



Property value by municipality



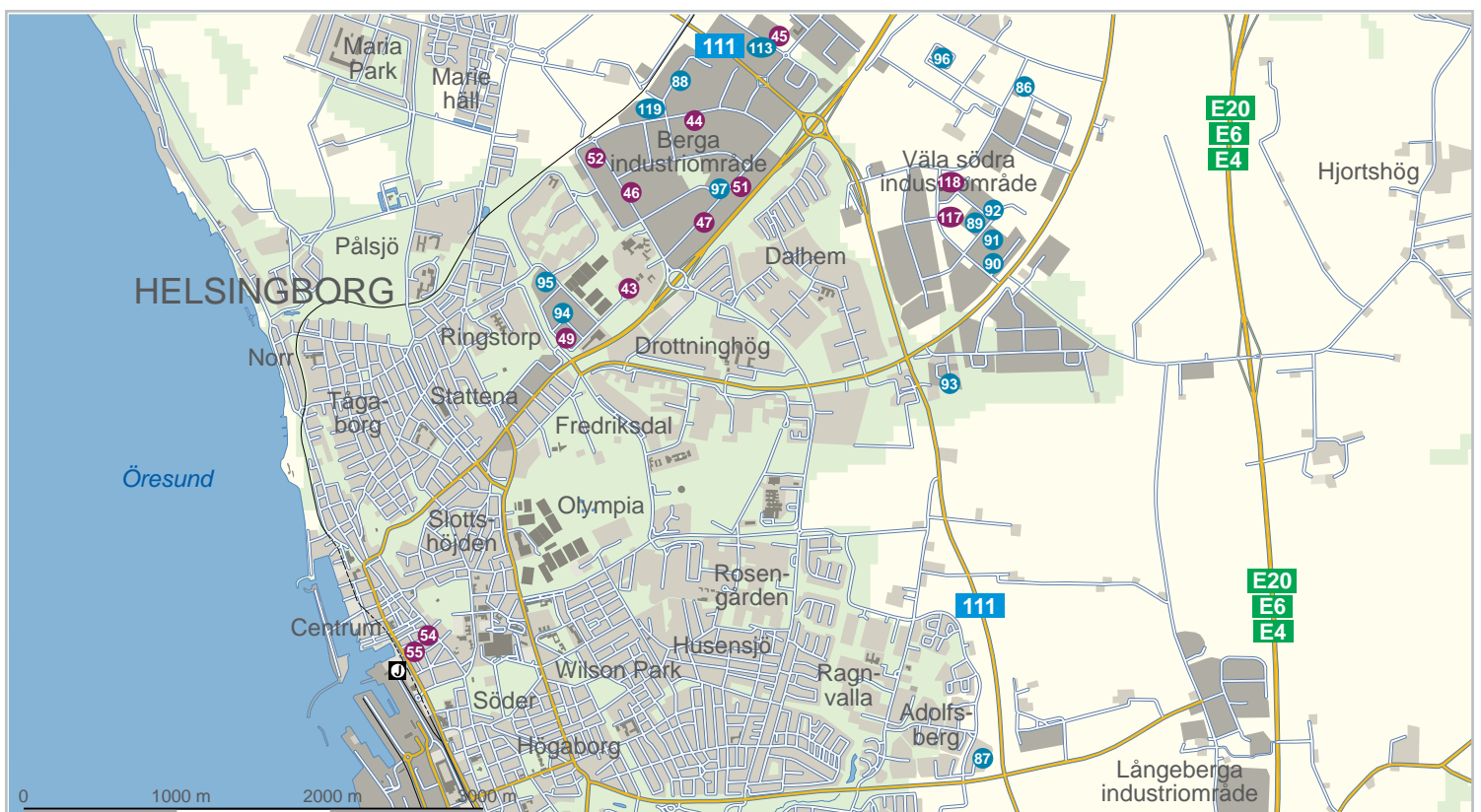
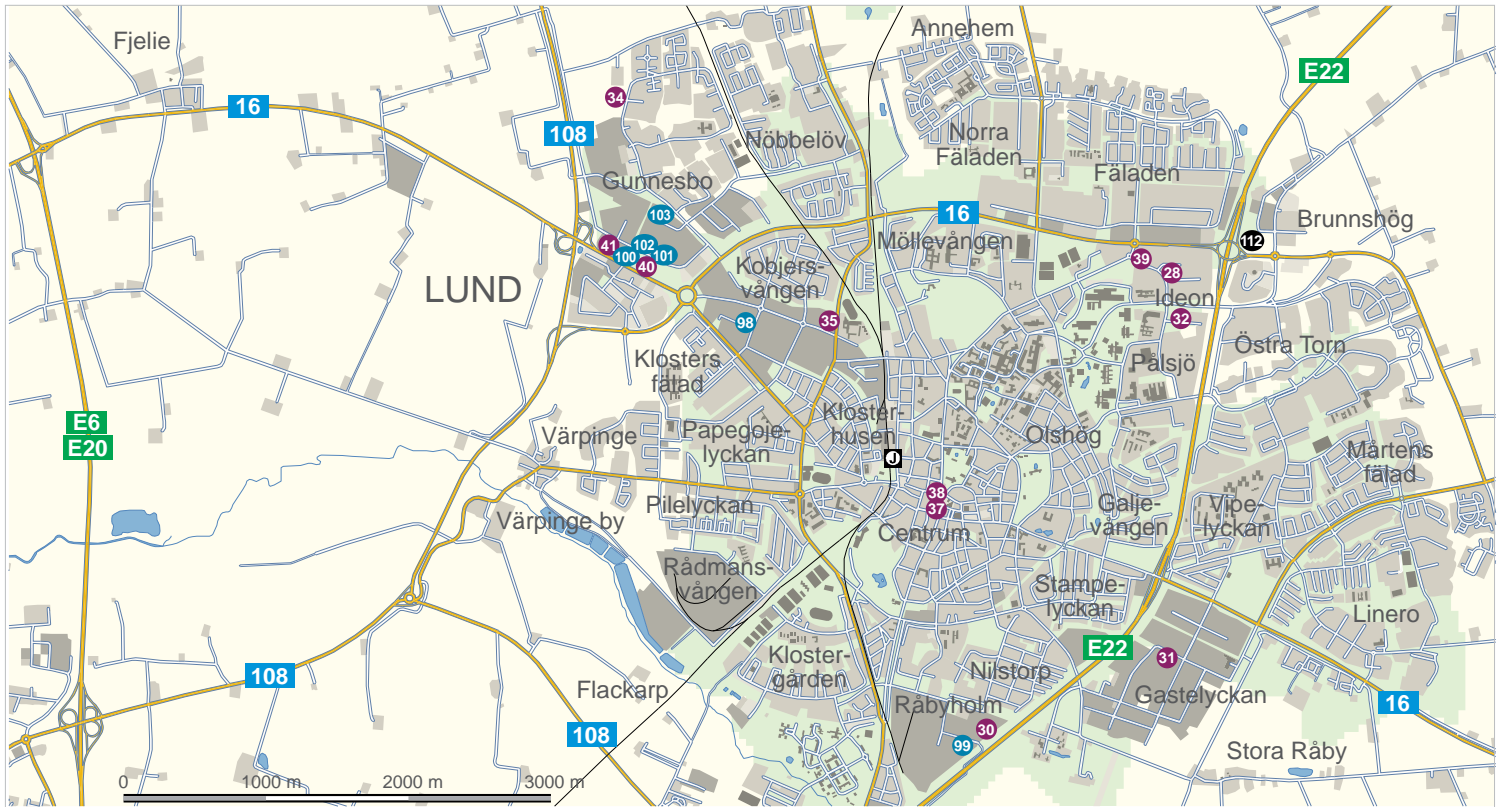


# Öresund Region

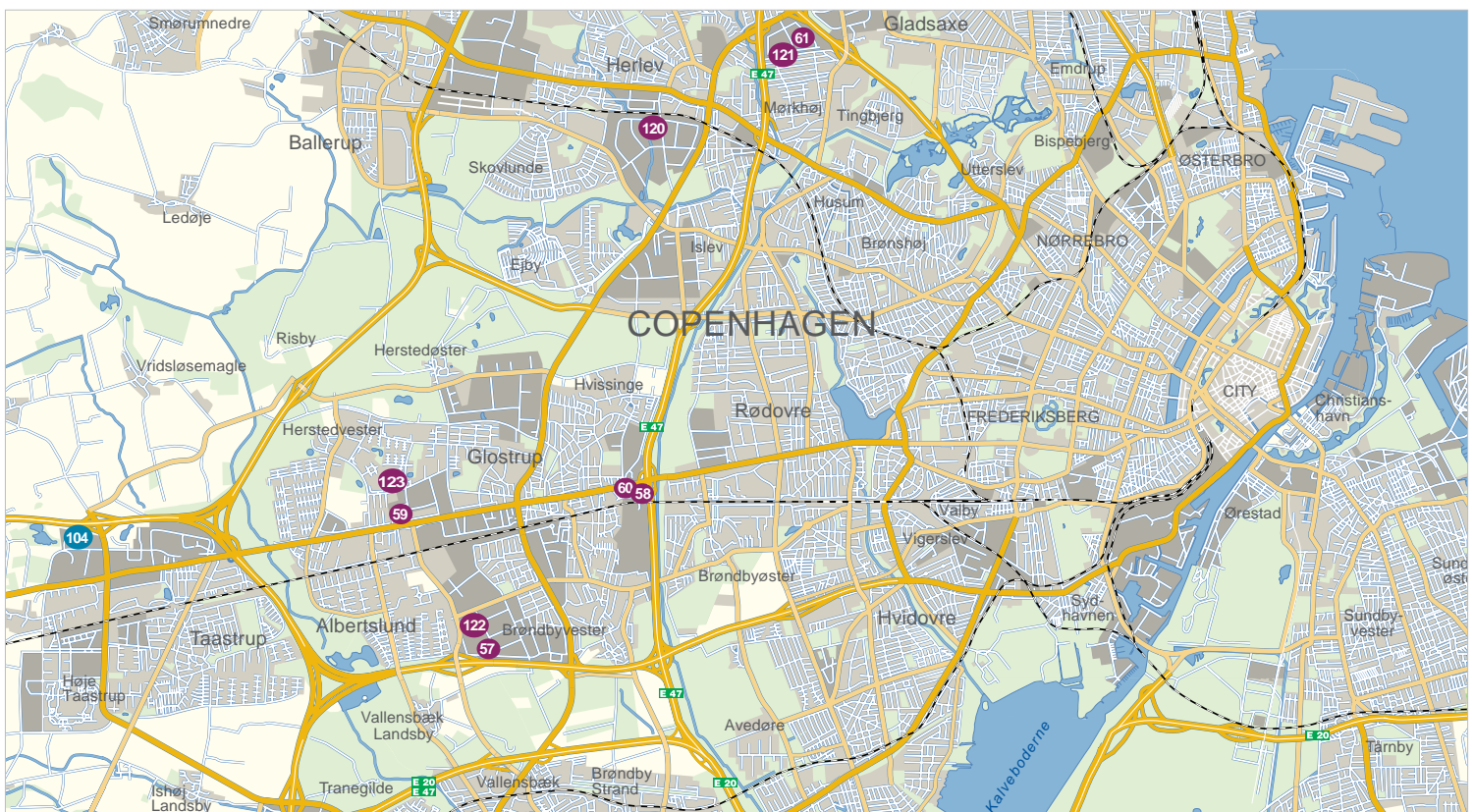
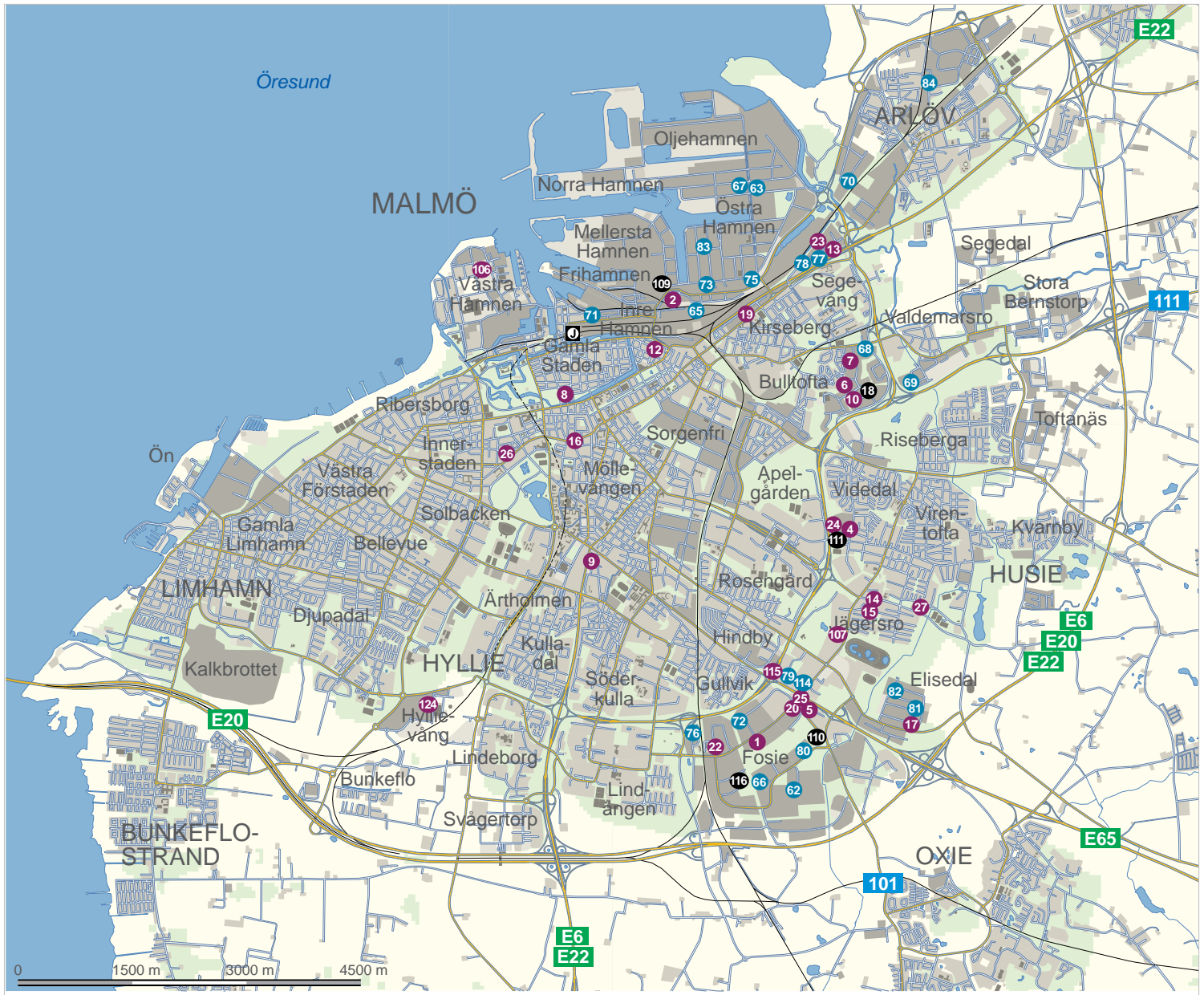
Name of property	Address	Municipality	Acquis- Build/		Square metres per type of premises						Site sq.m.	Tax Mgmt.			
			year	Recon. year	Office	Retail	Warehouse	Industrial	Residential	Other		Total	assessment	sub-	Note
<b>OFFICE/RETAIL</b>															
1	Armringen 2	Malmö	2011	1975	480	3,869	24	494	-	-	4,867	14,925	20,327	BRI	T
2	Betongen 11	Malmö	<1995	1991	4,872	-	37	-	-	-	4,909	6,168	32,628	BRI	T/B
4	Brandnävan 1&2	Malmö	1999	1989	2,822	-	-	-	-	-	2,822	9,670	14,826	BRI	T/B
5	Bältespannet 13	Malmö	2006	1972/2002	-	1,820	-	-	-	-	1,820	4,402	8,774	BRI	
6	Flygledaren 3	Malmö	2004	1991	1,610	-	-	-	-	-	1,610	3,620	7,956	BRI	T
7	Flygvärdinnan 4	Malmö	<1995	1935/2001	5,174	-	4,084	-	-	-	9,258	17,848	62,844	BRI	T
106	Fullriggaren 4	Malmö	2 010	2013	4,656	470	-	-	-	363	5,489	1,854	102,600	BRI	
8	Gustav Adolf 13	Malmö	2003	1968	6,182	3,587	155	-	-	-	9,924	2,224	217,000	BRI	
9	Hälsingland 19	Malmö	<1995	1950/2003	8,232	6,613	13	-	-	-	14,858	26,696	93,132	BRI	B
10	Höjdrodret 3	Malmö	2007	1990	1,182	-	162	-	-	-	1,344	1,600	7,731	BRI	
12	Malte 23	Malmö	1999	1965	5,619	533	753	643	-	-	7,548	2,597	69,000	BRI	
13	Murman 8	Malmö	<1995	1960/1989	5,912	-	1,286	-	-	-	7,198	7,200	25,720	BRI	
14	Nejlikebuketten 4	Malmö	2012	1991	6,565	-	-	-	-	-	6,565	12,995	43,600	BRI	
15	Nejlikebuketten 6	Malmö	2011	1987	1,739	-	-	-	-	26	1,765	10,000	9,875	BRI	
16	Norsen 12	Malmö	<1995	1930/1990	2,446	-	96	54	75	593	3,264	1,296	-	BRI	
115	Revolversvarven 10:2	Malmö	2012	1987	9,984	-	-	-	-	-	9,984	16,531	48,000	BRI	
17	Sadelknappen 4	Malmö	1999	1985	994	-	-	-	-	511	1,505	5,463	6,833	BRI	
19	Skjutsstallslyckan 3	Malmö	<1995	1946	-	1,391	-	1,705	-	-	3,096	3,690	6,816	BRI	
20	Spännbucklan 16	Malmö	<1995	1972/2002	-	4,762	-	-	-	-	4,762	15,117	26,839	BRI	
22	Stenyxan 21	Malmö	2007	1992/1999	1,094	-	-	-	-	-	1,094	2,301	5,127	BRI	
23	Stillman 40	Malmö	2005	1975/1986	1,787	-	-	-	-	-	1,787	3,550	7,035	BRI	
24	Svedjenävan 3	Malmö	<1995	1991	4,732	-	-	-	-	-	4,732	9,969	30,021	BRI	
107	Sändaren 1	Malmö	2010	2013	12,165	-	220	-	-	1,575	13,960	40,239	92,800	BRI	T
25	Torshammaren 11	Malmö	2011	1984	647	-	-	-	-	-	647	5,034	3,904	BRI	
26	Tuborg 1	Malmö	<1995	1945/1980	6,508	-	350	403	-	132	7,393	4,377	-	BRI	
27	Värbuketten 3	Malmö	2001	1987/2002	1,595	-	1,722	-	-	-	3,317	8,549	22,329	BRI	
28	Forskaren 2	Lund	1999	2001	19,176	-	-	-	-	1,813	20,989	18,274	344,000	BRI	
29	Forskaren 2:2	Lund	1999	2008	8,591	-	-	-	-	760	9,351	9,136	151,000	BRI	
105	Forskaren 2:3	Lund	1999	2012	7,528	-	-	-	-	1,638	9,166	9,136	151,000	BRI	
30	Jöns Petter Borg 9	Lund	1999	1990	4,042	-	7,287	-	-	-	11,329	24,502	62,344	BRI	B
31	Kvartsen 2	Lund	<1995	1991	639	-	999	-	-	-	1,638	9,543	12,217	BRI	
31	Kvartsen 2:2	Lund	<1995	1991/2013	-	-	2,300	-	-	300	2,600	5,031	12,839	BRI	
32	Reuter Dahl 15	Lund	1997	1990	2,812	-	-	-	-	310	3,122	4,478	41,600	BRI	
33	Reuter Dahl 15:2	Lund	2006	1990	4,854	-	791	-	-	-	5,645	12,077	82,800	BRI	
34	Rudebok 2	Lund	2004	1985/2004	4,697	-	-	-	-	-	4,697	14,781	37,800	BRI	
35	Smörkärnan 1	Lund	1996	1968/1995	6,331	-	136	-	-	1,340	7,807	16,474	73,400	BRI	
37	St Clemens 22	Lund	<1995	1832/1981	1,160	1,423	128	-	574	-	3,285	2,769	55,516	BRI	
38	St Clemens 27	Lund	<1995	1846/1999	-	2,344	-	-	-	-	2,344	1,114	47,800	BRI	
39	Stockholmsledet 8	Lund	<1995	1991	10,871	-	1,073	-	-	30	11,974	14,440	149,000	BRI	
40	Traktorn 2	Lund	2004	1990/1995	9,778	-	331	-	-	700	10,809	16,400	102,400	BRI	
100	Traktorn 4	Lund	2012	1983	565	-	-	-	-	1,231	1,796	4,512	7,172	BRI	
41	Trumlan 1	Lund	<1995	1990	-	1,183	1,334	-	-	-	2,517	9,066	12,783	BRI	
117	Grusbacken 3	Helsingborg	2012	2013	2,488	-	-	-	-	-	2,488	9,909	20,069	BRI	
118	Grusgången 2	Helsingborg	2014	1991/2001	1,546	-	1,220	-	-	-	2,766	6,833	12,060	BRI	
43	Kavalleristen 9	Helsingborg	1997	1920/1993	11,487	-	233	-	-	671	12,391	27,223	80,099	BRI	B
44	Kroksabeln 18	Helsingborg	2004	1988	2,902	-	435	-	-	178	3,515	4,809	17,988	BRI	
45	Kulan 3	Helsingborg	2002	1996/2005	-	-	12,730	-	-	-	12,730	18,567	43,400	BRI	
46	Musköten 5	Helsingborg	<1995	1970/1985	1,619	725	1,535	-	-	-	3,879	4,000	11,482	BRI	
47	Pilbågen 6	Helsingborg	2000	1977	-	4,525	814	-	-	-	5,339	11,400	18,873	BRI	B
48	Pilbågen 6:2	Helsingborg	2004	1980	4,955	4,728	1,541	-	-	456	11,680	16,000	55,580	BRI	
49	Rustningen 1	Helsingborg	<1995	1989	7,823	2,597	709	-	-	-	11,129	15,000	74,165	BRI	
-	Snårskogen 1	Helsingborg	<1995	1991	2,345	4,513	1,770	-	-	-	8,628	27,824	43,093	BRI	
51	Spjutet 2	Helsingborg	2008	1970/2003	1,412	5,169	-	-	-	162	6,743	15,287	35,200	BRI	
52	Studsaren 4	Helsingborg	<1995	2006	850	-	1,182	-	-	-	2,032	7,200	9,407	BRI	
54	Vikingen 6	Helsingborg	<1995	1878/1984	535	159	-	-	-	-	694	274	7,840	BRI	
55	Vikingen 12	Helsingborg	<1995	1912/1988	625	-	-	-	-	600	1,225	414	15,140	BRI	
57	Abildager 26	Brøndby	2011	1995	1,800	-	1,840	-	-	-	3,640	14,012	32,798	BRI	
60	Vibeholms Allé 15	Brøndby	2011	1961/2007	2,398	-	-	-	-	760	3,158	3,695	45,991	BRI	
122	Park Allé 373	Brøndby	2015	1969	3,855	-	7,309	-	336	1,285	12,785	33,199	89,404	BRI	B
58	Hovedvejen 1-7	Glostrup	2011	2007	3,797	303	-	-	-	2,933	7,033	3,796	127,357	BRI	

Name of property	Address	Municipality	Acquis- year	Build/ Recon. year	Square metres per type of premises						Total	Site sq.m.	Tax Mgmt.		Note	
					Office	Retail	Warehouse	Industrial	Residential	Other			assessment	sub- sidiary		
121	Generatorvej 6-8	Generatorvej 6-8/ Dynamovej 11	Söborg	2015	1970	14,623	-	7,690	-	-	2,573	24,886	25,110	211,480	BRI	B
123	Roholmsvej 19-21	Roholmsvej 19-21/ Stensmosevej 15	Albertslund	2015	1991/2004	8,004	-	5,510	-	-	340	13,854	23,571	186,710	BRI	
59	Roskildevej 22	Roskildevej 22	Albertslund	2011	1970/1994	4,100	-	2,114	-	-	2,276	8,490	26,396	60,206	BRI	
120	Marielundvej 10	Marielundvej 10	Herlev	2014	1998	1,734	-	645	-	-	182	2,561	5,517	29,682	BRI	
61	Transformervej 14-16	Transformervej 14-16	Herlev	2012	1972/1989	3,846	-	1,213	-	-	840	5,899	6,000	53,689	BRI	
<b>Total office/retail</b>						<b>260,785</b>	<b>50,714</b>	<b>71,771</b>	<b>3,299</b>	<b>985,245</b>	<b>578</b>	<b>412,132</b>	<b>715,685</b>	<b>3,591,101</b>		
<b>WAREHOUSE/INDUSTRIAL</b>																
62	Benkammen 6	Skogholmogatan 5	Malmö	2005	1994	-	-	12,997	-	-	-	12,997	30,100	54,705	BRI	B
63	Bjurö 12	Flintränneg. 21/Bjurög.	Malmö	<1995	1960/1974	2,979	-	11,479	8,198	-	390	23,046	35,500	75,677	BRI	T
65	Bjälken 3	Skruvgatan 8	Malmö	1998	1962	448	-	2,183	-	-	-	2,631	2,618	6,486	BRI	
66	Dubbelknappen 17	Risxyegatan 6	Malmö	1998	1989	-	-	2,450	-	-	-	2,450	8,472	10,659	BRI	B
67	Finngrundet 1	Blidögatan 30	Malmö	1998	1966	-	-	7,490	-	-	-	7,490	10,000	20,008	BRI	T
68	Flygflyren 1	Flygfältsvägen 1	Malmö	2000	1950/2002	1,690	1,495	8,675	-	-	180	12,040	38,706	51,843	BRI	B
69	Gulsippan 1	Källvattengatan 5	Malmö	2001	1988	-	-	13,993	-	-	-	13,993	38,450	67,687	BRI	B
70	Haken 3	Vinkelgatan 5	Malmö	2008	1993	342	-	-	3,224	-	-	3,566	4,871	10,697	BRI	T
71	Hamnen 22:27	Mercurigatan 3	Malmö	<1995	1952/1976	-	-	-	-	-	-	-	545	299	BRI	T
72	Holklyxan 5	Bronsyxegatan 11	Malmö	<1995	1977/2000	-	-	6,510	-	-	-	6,510	13,035	22,179	BRI	T
73	Kalkgrundet 5	Borrgatan 15/Koksg 1-3/ Väderög.2	Malmö	<1995	1935/1985	669	-	6,734	-	-	-	7,403	14,274	23,809	BRI	T
75	Lillgrund 5	Borrg. 31/Flintränneg. 2	Malmö	2002	1952/1998	-	-	4,430	-	-	-	4,430	4,685	15,611	BRI	
76	Långdansen 1	Sångeleksgatan 9	Malmö	<1995	1980	-	-	1,200	-	-	-	1,200	10,042	8,903	BRI	
77	Murman 7	Murmansg. 124/ Krusegatan 25	Malmö	<1995	1959/1987	1,120	-	5,184	-	-	-	6,304	10,400	18,698	BRI	T
78	Murman 11	Murmansg. 118-120/ Krusegatan 21	Malmö	1998	1960	2,925	-	5,412	-	-	100	8,437	6,475	23,085	BRI	T
79	Revolversvarven 9	Jägershillgatan 16	Malmö	1997	1985	-	-	3,900	-	-	-	3,900	10,932	19,030	BRI	T
114	Revolversvarven 10	Jägershillgatan 14	Malmö	2012	1988	-	-	3,600	-	-	-	3,600	15,570	30,551	BRI	
80	Ringspännat 1	Kantyxeg. 5/ Knackstengsgatan 1	Malmö	2002	2002	-	-	6,700	-	-	-	6,700	15,730	27,547	BRI	
81	Sadelknappen 1	Sadelgatan 9	Malmö	1999	1979	-	-	2,000	-	-	-	2,000	5,284	8,153	BRI	
82	Stångbettet 1	Travbanegatan 1/S krittgatan 11	Malmö	2000	1989	-	-	1,743	-	-	-	1,743	4,051	7,858	BRI	
83	Tistlarna 9	Styrsögatan 4/Väderög./ Kocksg.	Malmö	2000	1991	1,451	-	14,050	-	-	-	15,501	31,020	52,413	BRI	T/B
84	Tägarp 16:22	Företagsvägen 14	Malmö	<1995	1968/1993	1,855	-	8,007	-	-	-	9,862	19,069	28,200	BRI	
86	Akvamarinen 1	Diabasgatan 1	Helsingborg	2000	2007	-	-	4,713	-	-	-	4,713	10,000	25,432	BRI	
87	Bergakungen 1	Måndagsgatan 6	Helsingborg	<1995	1990	478	-	2,465	-	-	-	2,943	6,799	11,295	BRI	
88	Dolken 4	Mörsaregatan 16	Helsingborg	2004	1970/1985	410	-	2,586	-	-	-	2,996	8,240	9,187	BRI	
89	Grusbacken 2	Makadamgatan 15	Helsingborg	2005	2005	-	-	-	13,300	-	-	13,300	27,950	62,480	BRI	
90	Grusbädden 2	Mogatan 2-6	Helsingborg	<1995	1989	1,550	-	7,824	-	-	30	9,404	28,486	41,242	BRI	
91	Grusbädden 3	Makadamgatan 16	Helsingborg	2007	2007/2010	-	-	-	13,705	-	-	13,705	29,334	62,400	BRI	
92	Grusplanen 3	Makadamgatan 19-21	Helsingborg	2005	1990	-	-	2,735	-	-	-	2,735	7,292	10,993	BRI	
93	Hyveljärnet 3	Lastgatan 9	Helsingborg	<1995	1990	-	-	2,276	-	-	-	2,276	6,014	9,597	BRI	
117	Kniven 7	Florettgatan 9	Helsingborg	2014	1979	3,015	-	-	-	-	-	3,015	5,084	11,095	BRI	
113	Kulan 3:2	Garnisonsgatan 5	Helsingborg	2010	2014	-	-	9,689	-	-	-	9,689	35,933	39,200	BRI	
94	Mimer 12	S Tvärgången 3	Helsingborg	<1995	1960	-	-	34	-	-	3,733	3,767	11,721	-	BRI	B
95	Nide 2	Rundgången 10	Helsingborg	<1995	1955/1985	1,824	-	3,703	1,179	-	-	6,706	17,285	21,966	BRI	
96	Topasen 1	Andesitgatan 8	Helsingborg	2003	1989	-	-	-	8,558	-	-	8,558	33,786	44,821	BRI	B
97	Värjan 3	Garnisonsgatan 9	Helsingborg	2002	1969	301	695	3,485	-	-	-	4,481	17,923	15,938	BRI	B
98	Annedal 9	Annedalsvägen 2	Lund	<1995	1990	-	-	1,296	-	-	-	1,296	4,527	6,119	BRI	
99	Räbyholm 5	Landerigränden 2-4/ Borgs väg 9	Lund	1999	1984	2,501	-	7,908	-	-	-	10,409	23,825	62,679	BRI	
101	Välten 4	Traktorvägen 8	Lund	2003	2003	-	-	3,100	-	-	-	3,100	8,003	18,870	BRI	
102	Välten 5	Traktorvägen 10	Lund	2003	1974/1995	-	-	3,645	-	-	-	3,645	8,381	12,120	BRI	
103	Ärdret 12	Höstbruksvägen 14	Lund	<1995	1990	-	-	2,049	-	-	-	2,049	6,206	7,890	BRI	
104	Helgeshöj Allé 38	Helgeshöj Allé 38	Taastrup	2012	1991	6,509	-	10,503	-	-	-	17,012	108,180	163,381	BRI	B
<b>Total warehouse/industrial</b>						<b>30,067</b>	<b>2,190</b>	<b>196,748</b>	<b>48,164</b>	<b>0</b>	<b>4,433</b>	<b>281,602</b>	<b>734,798</b>	<b>1,220,803</b>		
<b>DEVELOPMENT PROJECTS</b>																
110	Ringspännat 5	Kantyxegatan 1 A	Malmö	2006	-	-	-	-	-	-	-	-	8,200	2,010	BRI	
18	Skevodret 1	Kabingatan 9	Malmö	2007	1978/1997	2,158	-	-	-	-	-	2,158	3,000	9,403	BRI	
<b>Total development projects</b>						<b>2,158</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,158</b>	<b>11,200</b>	<b>11,413</b>		

Name of property	Address	Municipality	Acquis- year	Build/ Recon. year	Square metres per type of premises						Total	Site sq.m.	Tax Mgmt. assessment sub-		Note
					Office	Retail	Warehouse	Industrial	Residential	Other			value	sidary	
<b>UNDEVELOPED LAND</b>															
116	Krukskärvan 6	Flintyvegatan 6	Malmö	2012	-	-	-	-	-	-	-	18,086	9,800	BRI	T/B
109	Moränen 1 & 2	Borrgatan 1	Malmö	<1995	-	-	-	-	-	-	-	11,281	6,208	BRI	B
111	Svedjenävan 4	Stenbärsгатan 2	Malmö	2006	-	-	-	-	-	-	-	3,398	2,038	BRI	T/B
112	Höjdpunkten 2	Östra Torn 27:2	Lund	2001	-	-	-	-	-	-	-	15,079	4,385	BRI	B
<b>Total Undeveloped Land</b>					<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>47,844</b>	<b>22,431</b>		
<b>Total Öresund Region</b>					<b>293,010</b>	<b>52,904</b>	<b>268,519</b>	<b>51,463</b>	<b>985</b>	<b>29,011</b>	<b>695,892</b>	<b>1,509,527</b>	<b>4,845,748</b>		



● Office/retail ● Warehouse/Industrial ● Development projects and land



● Office/retail ● Warehouse/Industrial ● Development projects and land

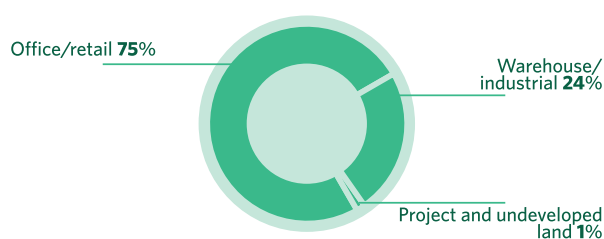
## Castellum's Real Estate Portfolio in Öresund Region 31-12-2015

	No. of properties	Area thous. sq.m	Rental value SEKm	Rental value SEK/sq.m	Economic occupancy rate	Rental income SEKm	Property costs SEKm	Property costs SEK/sq.m	Net operating income SEKm
<b>Office/retail</b>									
Malmö	26	136	195	1,437	86.3%	168	47	350	121
Lund	16	109	171	1,567	84.1%	144	36	325	108
Helsingborg	14	85	87	1,022	83.0%	72	23	272	49
Copenhagen	9	82	89	1,088	81.4%	73	23	282	50
<b>Total office/retail</b>	<b>65</b>	<b>412</b>	<b>542</b>	<b>1,316</b>	<b>84.3%</b>	<b>457</b>	<b>129</b>	<b>314</b>	<b>328</b>
<b>Warehouse/industrial</b>									
Malmö	22	156	110	704	83.1%	91	28	185	63
Helsingborg	14	88	68	776	91.4%	63	12	128	51
Lund	5	21	21	1,018	96.5%	20	3	162	17
Copenhagen	1	17	14	821	100.9%	14	4	228	10
<b>Total warehouse/industrial</b>	<b>42</b>	<b>282</b>	<b>213</b>	<b>757</b>	<b>88.3%</b>	<b>188</b>	<b>47</b>	<b>168</b>	<b>141</b>
<b>Total</b>	<b>107</b>	<b>694</b>	<b>755</b>	<b>1,089</b>	<b>85.4%</b>	<b>645</b>	<b>176</b>	<b>255</b>	<b>469</b>
Leasing and property administration							64	93	- 64
<b>Total after leasing and property administration</b>							<b>240</b>	<b>348</b>	<b>405</b>
Development projects	2	2	2	-	-	0	1	-	- 1
Undeveloped land	4	-	-	-	-	-	-	-	-
<b>Total</b>	<b>113</b>	<b>696</b>	<b>757</b>	<b>-</b>	<b>-</b>	<b>645</b>	<b>241</b>	<b>-</b>	<b>404</b>

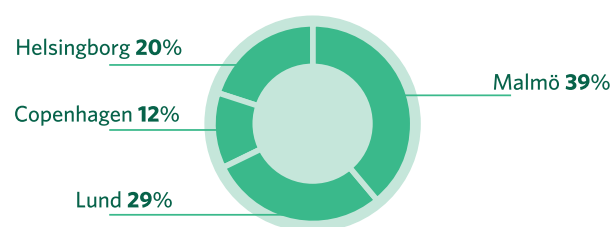
## Property related key ratios

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Rental value, SEK/sq.m.	1,089	1,078	1,121	1,107	1,065	1,060	1,063	989	971	932
Economic occupancy rate	85.4%	85.3%	85.0%	84.5%	85.2%	86.6%	86.5%	88.1%	87.7%	86.8%
Property costs, SEK/sq.m.	348	345	354	331	304	315	320	278	271	256
Net operating income, SEK/sq.m.	583	575	599	605	603	604	601	593	581	553
Number of properties	113	111	117	117	109	101	100	100	97	92
Lettable area, thousand sq.m.	696	646	737	726	678	646	620	621	602	587

Property value by property type

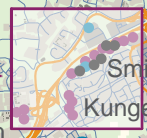
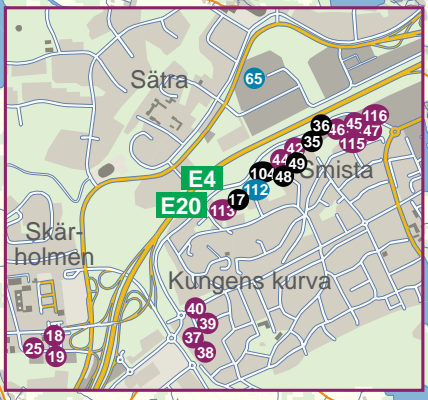
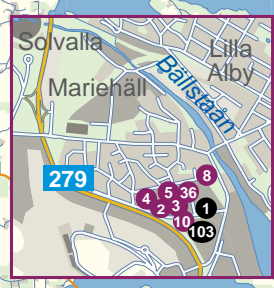
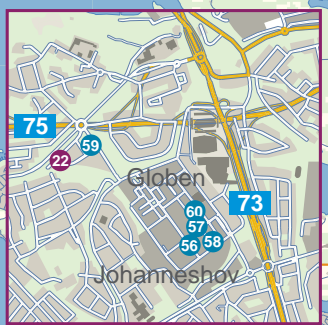
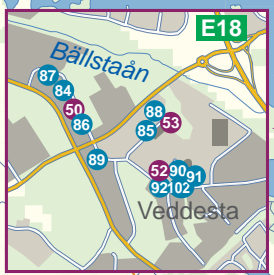


Property value by municipality



# Greater Stockholm

Name of property	Address	Municipality	Acquis- year	Build/ Recon. year	Square metres per type of premises					Total	Site sq.m.	Tax Mgmt. assessment sub-		Note		
					Office	Retail	Warehouse	Industrial	Residential			Other	value		sidary	
<b>OFFICE/RETAIL</b>																
2	Betongblandaren 3	Gårdsfogdevägen 16	Stockholm	2001	1971	2,955	2,782	665	-	-	-	6,402	2,722	43,400	BRO	
3	Betongblandaren 10	Archimedesv 1-3/Gårdsfogdev 8-10	Stockholm	2005	1975/1996	1,675	10,437	2,192	-	-	30	14,334	15,170	111,565	BRO	
4	Betongblandaren 12	Gårdsfogdevägen 18 B	Stockholm	1998	1972	7,056	-	366	-	-	-	7,422	3,679	59,400	BRO	
5	Betongblandaren 13	Adolfbergsvägen 15, 25-31	Stockholm	<1995	1989	7,317	2,335	1,310	-	-	-	10,962	7,690	73,200	BRO	B
6	Domnarvet 18	Fagerstagatan 11-13	Stockholm	2012	1991	5,523	103	-	-	-	260	5,886	6,640	-	BRO	T
7	Domnarvet 36	Fagerstagatan 15	Stockholm	2012	1991	3,590	-	200	-	-	-	3,790	3,071	26,078	BRO	T
27	Domnarvet 39	Gunnebogatan 24-26	Stockholm	<1995	1989	1,251	-	1,386	-	-	-	2,637	1,940	17,811	BRO	T
8	Fredsfors 14	Karlsbodavägen 39-41	Stockholm	<1995	1960	11,169	-	6,864	-	-	1,443	19,476	7,073	108,377	BRO	
9	Lisenen 2	Hässelby Torg 1	Stockholm	2011	1982/1995	2,299	-	-	-	-	-	2,299	1,104	-	BRO	T
10	Vallonsmidet 8	Gårdsfogdevägen 1-7	Stockholm	<1995	1963/1992	13,984	2,765	6,745	-	-	28	23,522	29,425	155,600	BRO	T
18	Getholmen 2	Måsholmstorget 1-13	Stockholm	<1995	1990	5,367	-	356	-	-	-	5,723	3,195	47,600	BRO	T
19	Hästhöjden 2	Ekholmsvägen 23	Stockholm	<1995	1985	1,220	-	-	-	-	-	1,220	1,839	8,841	BRO	T
22	Tjurhornet 15	Huddingevägen 103-109	Stockholm	<1995	1986	18,623	575	3,943	-	-	12	23,153	13,314	219,568	BRO	T
12	Hornsberg 10	Lindhagensgatan 133	Stockholm	2015	1985	10,165	390	547	3,840	-	10	14,952	4,578	239,582	BRO	T
23	Mandelblomman 15	Avestag 29/Kronofogdev 56	Stockholm	<1995	1950/1990	3,321	-	300	-	-	-	3,621	4,364	22,413	BRO	
24	Drevern 1 & Dvärgsp. 1	Gråhundsvägen 82-84	Stockholm	<1995	1970/1995	1,215	2,745	-	-	-	-	3,960	5,729	25,400	BRO	T
25	Getholmen 1	Ekholmsvägen 32-36	Stockholm	1998	1982	5,851	-	2,250	-	-	-	8,101	4,717	58,000	BRO	T
15	Marievik 27	Årstaängsvägen 17-19	Stockholm	2015	1956	10,251	1,175	40	-	-	-	11,466	2,747	196,000	BRO	B
16	Marievik 30	Årstaängsvägen 17-19	Stockholm	2015	-	-	-	22	-	-	1,599	1,621	1,883	10,800	BRO	
109	Rosteriet 5	Lövholmsv. 9, Trekantsv. 9	Stockholm	2012	1956	3,270	-	-	-	-	-	3,270	2,390	43,400	BRO	T
28	Gräslöken 1	Anderstorpsvägen 20-26	Solna	2006	1976	6,142	681	233	-	-	-	7,056	1,288	71,000	BRO	T
29	Råsten 4	Råstensg 1/Stureg 10	Sundbyberg	2007	1929/2001	2,700	-	-	-	-	-	2,700	1,111	33,800	BRO	T
30	Yrket 4	Smidesvägen 10-12	Solna	2006	1982/1984	9,494	-	973	-	-	378	10,845	8,774	121,000	BRO	B
31	Ekplantan 4	Djupdalsvägen 1-7	Sollentuna	1996	1990	8,385	1,291	139	-	-	400	10,215	8,595	73,000	BRO	T
32	Ekstubben 21 & 23	Djupdalsvägen 10-22, 30-32	Sollentuna	1999	1989	6,063	-	212	-	-	110	6,385	3,069	52,568	BRO	
33	Ekstubben 25	Djupdalsvägen 24-26	Sollentuna	2011	1987/1988	1,050	-	-	-	-	-	1,050	534	-	BRO	
37	Altartorpet 22	Jägerhornsväg 6	Huddinge	1996	1986	818	1,267	630	-	-	-	2,715	5,766	34,300	BRO	T
38	Altartorpet 23	Jägerhornsväg 8	Huddinge	1996	1987	1,736	2,485	-	-	-	-	4,221	5,755	54,800	BRO	T
39	Arrendatorn 15	Jägerhornsväg 3-5	Huddinge	2001	1987	490	625	210	-	-	-	1,325	2,422	9,794	BRO	
40	Arrendatorn 16	Jägerhornsväg 1	Huddinge	<1995	1987	628	747	130	-	-	-	1,505	2,803	11,518	BRO	
116	Myren 9	Smista Allé	Huddinge	2011	-	-	589	-	-	-	-	589	12,035	1,775	BRO	
43	Riggen 2	Botkyrkavägen 4	Huddinge	2012	1991	5,255	-	160	-	-	32	5,447	5,901	37,200	BRO	T
113	Spejaren 3	Smista Allé	Huddinge	1997	2014	-	-	-	6,793	-	-	6,793	5,036	30,029	BRO	B
44	Varpen 8 C	Smista Allé 32	Huddinge	1997	2010	-	-	-	1,390	-	-	1,390	3,100	8,929	BRO	
42	Varpen 8	Smista Allé 36	Huddinge	1997	2009	-	-	-	11,290	-	-	11,290	6,900	48,352	BRO	
45	Visiret 2 A	Smista Allé 44	Huddinge	2004	2004	-	-	-	2,690	-	-	2,690	4,890	16,594	BRO	T
46	Visiret 2 B&C	Smista Allé 42	Huddinge	1997	2006	-	-	-	7,500	-	-	7,500	13,747	44,800	BRO	T
115	Visiret 2 D	Smista Allé	Huddinge	1997	2013	-	-	-	-	-	12,357	12,357	5,000	30,130	BRO	T
47	Visiret 2 F	Smista Allé 38-50	Huddinge	1997	2009	-	-	-	4,895	-	-	4,895	8,241	28,800	BRO	T
50	Veddesta 2:22	Nettovägen 7	Järfälla	<1995	1965/1975	508	-	-	-	-	-	508	1,782	2,765	BRO	
52	Veddesta 2:58	Fakturavägen 5	Järfälla	2007	1985/1995	980	-	-	-	-	-	980	2,452	6,666	BRO	
53	Veddesta 2:66	Girovägen 13	Järfälla	2010	1989	3,196	-	250	-	-	8	3,454	7,422	23,415	BRO	
54	Sicklaön 393:4	Vikdalsvägen 50	Nacka	<1995	1990	3,485	-	549	-	-	-	4,034	10,819	42,822	BRO	
<b>Total office/retail</b>						<b>167,032</b>	<b>30,992</b>	<b>30,672</b>	<b>38,398</b>	<b>016,667</b>	<b>283,761</b>	<b>250,712</b>	<b>2,251,092</b>			
<b>WAREHOUSE/INDUSTRIAL</b>																
56	Charkuteristen 5	Hallvägen 21	Stockholm	2001	1955	1,520	-	5,447	-	-	-	6,967	4,213	11,348	BRO	T
57	Charkuteristen 6	Slakthusgatan 20	Stockholm	2001	1955	-	1,066	1,139	186	-	-	2,391	1,665	8,034	BRO	T
58	Charkuteristen 8	Slakthusgatan 22	Stockholm	2001	1968	548	-	4,667	-	-	-	5,215	2,582	16,793	BRO	T
60	Sandhagen 6	Slakthusgatan 9	Stockholm	2001	1967	1,531	-	2,659	-	-	-	4,190	1,728	15,464	BRO	T
61	Domnarvet 4	Domnarvsgatan 27-29	Stockholm	<1995	1987	1,682	-	5,427	-	-	642	7,751	8,605	37,200	BRO	T
62	Domnarvet 27	Fagerstagatan 19 B	Stockholm	<1995	1982	-	-	-	1,970	-	-	1,970	4,337	11,665	BRO	T
63	Domnarvet 28	Fagerstagatan 19 C	Stockholm	2010	1986	-	-	-	3,720	-	-	3,720	7,272	19,992	BRO	T



● Office/retail ● Warehouse/Industrial ● Development projects and land

0 2000 m 4000 m 6000 m 8000 m

Name of property	Address	Municipality	Acquis- year	Build/ Recon. year	Square metres per type of premises						Total	Site sq.m.	Tax Mgmt.			
					Office	Retail	Warehouse	Industrial	Residential	Other			assessment	sub-	sidary	Note
64	Mandelblomman 16	Kronofogdevägen 62	Stockholm	2007	1974	1,011	-	1,938	940	-	-	3,889	4,125	15,650	BRO	
65	Stensättra 7	Strömsättravägen 16	Stockholm	1999	1974	-	-	5,288	-	-	-	5,288	10,212	24,292	BRO	T
66	Dagskiftet 4	Elektravägen 10	Stockholm	2007	1945	358	-	1,352	-	-	-	1,710	1,892	7,871	BRO	T
67	Elektra 3	Västbergavägen 25	Stockholm	<1995	1946	1,144	280	6,652	-	-	-	8,076	10,106	41,985	BRO	
68	Godståget 1	Transportvägen 7-9	Stockholm	<1995	1985	1,785	-	11,211	70	-	5	13,071	31,392	107,976	BRO	T
69	Furudal 4	Fagerstagatan 10	Stockholm	2010	2008	-	-	-	1,237	-	-	1,237	2,051	9,506	BRO	T
70	Lagerhallen 2	Brunnbysvägen 2-4/Parti-handlarvägen 27-45	Stockholm	2004	1975	2,194	-	7,560	-	-	3,609	13,363	9,512	57,200	BRO	T
71	Ostmästaren 2	Ostmästargränd 4	Stockholm	2012	1980	-	-	-	3,292	-	-	3,292	5,915	22,000	BRO	T
72	Torngluggen 1	Bällstavägen 159/ Tornväktargränd 1-9	Stockholm	<1995	1963/1983	-	-	1,900	-	-	-	1,900	3,898	9,551	BRO	T
73	Tornluckan 1	Tornväktargränd 6	Stockholm	<1995	1960	-	-	810	-	-	-	810	927	3,144	BRO	T
74	Vagnhallen 19	Jämtlandsgatan 131	Stockholm	2006	1963/1974	-	-	-	5,544	-	-	5,544	5,177	22,371	BRO	T
108	Elementet 3	Bäckvägen 20	Sollentuna	2012	1963	722	-	1,597	799	-	-	3,118	2,624	13,769	BRO	
76	Elementet 4	Bäckvägen 18	Sollentuna	<1995	1960	1,084	245	9,794	-	-	-	11,123	18,469	56,325	BRO	
77	Revisorn 4	Bergskällavägen 33	Sollentuna	2011	1988	-	-	-	2,635	-	-	2,635	6,915	17,955	BRO	B
78	Tidskriften 2	Kuskvägen 2	Sollentuna	1997	1976	1,235	2,894	5,673	-	-	-	9,802	18,203	64,341	BRO	
79	Rosersberg 2:21-22	Rosersbergsvägen 43-45	Sigtuna	1996	1990	-	-	2,126	-	-	-	2,126	5,240	12,047	BRO	
81	Rosersberg 11:34	Tallbacksgatan 14	Sigtuna	1996	1987/1990	464	-	36,015	-	-	-	36,479	92,299	189,828	BRO	
114	Rosersberg 11:94	Skansvägen 25	Sigtuna	2014	2008	-	-	9,353	-	-	-	9,353	19,971	61,400	BRO	B
83	Bredgården 1:7	Jättevägen 4	Järfälla	2010	1978	111	294	-	3,057	-	260	3,722	9,213	14,000	BRO	
102	Veddesta 1:9	Fakturavägen 2	Järfälla	2007	1965	-	-	285	1,918	-	-	2,203	3,731	19,131	BRO	
84	Veddesta 2:17	Nettovägen 9	Järfälla	2006	1968	-	-	1,338	-	-	-	1,338	5,350	7,527	BRO	
85	Veddesta 2:19	Girovägen 9	Järfälla	<1995	1964	-	-	2,556	-	-	-	2,556	10,000	16,067	BRO	
86	Veddesta 2:21	Nettovägen 5	Järfälla	<1995	1965/1988	460	-	1,495	-	-	-	1,955	5,000	9,705	BRO	
87	Veddesta 2:26	Nettovägen 11	Järfälla	<1995	1968	465	190	2,288	-	-	-	2,943	7,000	15,224	BRO	
88	Veddesta 2:49	Girov 11	Järfälla	2010	1981	-	-	1,329	2,350	-	-	3,679	9,250	22,281	BRO	T
89	Veddesta 2:50	Kontov 7/Veddestav 23-25	Järfälla	<1995	1964	1,339	-	2,884	565	-	-	4,788	21,889	32,164	BRO	B
90	Veddesta 2:60	Fakturavägen 4	Järfälla	2007	1987	175	-	155	644	-	-	974	1,099	4,561	BRO	T
91	Veddesta 2:68	Fakturavägen 6	Järfälla	2012	1990	239	-	-	2,546	-	-	2,785	2,801	13,136	BRO	
92	Veddesta 2:77	Fakturavägen 1-3	Järfälla	2007	1994/1997	1,000	-	4,215	-	-	-	5,215	14,857	36,440	BRO	
106	Elektronen 1	Hovslagarevägen 5	Sollentuna	2012	1957/1987	261	-	-	2,112	-	-	2,373	3,639	11,278	BRO	
107	Elektronen 4	Hovslagarevägen 3A-B	Sollentuna	2012	1958/1992	855	-	1,267	1,710	-	-	3,832	5,273	19,255	BRO	
34	Ringpärmen 3	Bergskällavägen 30	Sollentuna	2005	1986	895	-	2,047	997	-	240	4,179	7,918	23,091	BRO	
41	Ellipsen 3	Ellipsvägen 11	Huddinge	2001	1993	2,319	-	1,139	-	-	-	3,458	3,904	16,828	BRO	
-	Dumpern 7	Speditionsvägen 36	Huddinge	2014	2009	-	-	6,792	-	-	-	6,792	12,035	36,605	BRO	
112	Palissaden 4	Smista Allé 30	Huddinge	1997	2013	-	-	-	2,198	-	-	2,198	3,285	17,885	BRO	
-	Slipsteningen 1	Fräsarv. 19/Slipstensv. 4-8	Huddinge	2012	2006	-	2,808	-	-	-	-	2,808	11,442	17,208	BRO	
93	Skälby 2:9	Instrumentvägen 2	Uppl-väsby	2010	1984	697	-	-	2,486	-	-	3,183	7,720	19,997	BRO	T
94	Hantverkaren 2	Hantverkarevägen 9	Botkyrka	<1995	1976/1979	-	-	-	5,790	-	-	5,790	11,672	24,497	BRO	T
95	Kumla Hage 3	Kumla Gårdsväg 24 A-B	Botkyrka	<1995	1985	-	-	1,889	-	-	-	1,889	3,959	8,370	BRO	
96	Kumla Hage 13	Kumla Gårdsväg 24 C	Botkyrka	<1995	1990	-	-	1,630	-	-	-	1,630	3,258	8,151	BRO	
98	Saltmossen 3	Kumla Gårdsväg 21	Botkyrka	<1995	1983/1986	-	-	24,079	2,453	-	-	26,532	57,214	151,801	BRO	
110	Segersby 1	Kumla Gårdsväg 10	Botkyrka	2012	1976	325	-	3,384	8,310	-	-	12,019	24,104	45,304	BRO	
105	Åby 1:223	Cementvägen 7	Haninge	2011	2013	-	-	-	6,553	-	-	6,553	10,209	40,600	BRO	
-	Skarpnäs 5:10	Skarpövägen 14	Nacka	2010	2008	2,301	-	2,247	1,274	-	120	5,942	7,491	31,349	BRO	
<b>Total warehouse/industrial</b>						<b>26,720</b>	<b>7,777</b>	<b>181,627</b>	<b>65,356</b>	<b>0</b>	<b>4,876</b>	<b>286,356</b>	<b>542,643</b>	<b>1,520,162</b>		
<b>DEVELOPMENT PROJECTS</b>																
1	Archimedes 1	Gårdsfogdevägen 2-6	Stockholm	1996	1979	11,328	2,144	4,345	310	-	-	18,127	13,663	100,479	BRO	B
11	Bangården 4	Huvudstagatan 5	Solna	2015	1968	5,465	-	-	300	-	-	5,765	1,977	53,204	BRO	T
<b>Total development projects</b>						<b>16,793</b>	<b>2,144</b>	<b>4,345</b>	<b>610</b>	<b>0</b>	<b>0</b>	<b>23,892</b>	<b>15,640</b>	<b>153,683</b>		
<b>UNDEVELOPED LAND</b>																
13	Kranbilen 2	Lyftkransvägen 11	Huddinge	2015	-	-	-	-	-	-	-	-	17,066	11,000	BRO	B
104	Smista Park	Smista Allé	Huddinge	2011	-	-	-	-	-	-	-	-	30,955	-	BRO	
17	Spejaren 4	Smista Allé	Huddinge	2011	-	-	-	-	-	-	-	-	23,499	46,000	BRO	B
35	Varpen 10	Smista Allé 36	Huddinge	2011	-	-	-	-	-	-	-	-	5,715	-	BRO	
36	Varpen 11	Smista Allé 36	Huddinge	2011	-	-	-	-	-	-	-	-	6,082	-	BRO	B
48	Visiret 3	Smista Allé	Huddinge	2011	-	-	-	-	-	-	-	-	3,122	4,120	BRO	B
49	Visiret 4	Smista Allé	Huddinge	2011	-	-	-	-	-	-	-	-	2,566	3,386	BRO	B
35	Rosersberg 11:130	Metallvägen	Sigtuna	2015	-	-	-	-	-	-	-	-	23,315	-	BRO	B
59	Linde Torp 8	Bolidenvägen 8-10	Stockholm	<1995	-	-	-	-	-	-	-	-	5,537	6,050	BRO	B
36	Vallonsmidet 11	Gårdsfogdevägen 1-7	Stockholm	<1995	-	-	-	-	-	-	-	-	-	8,200	BRO	B
<b>Total undeveloped land</b>						<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>117,857</b>	<b>78,756</b>		
<b>Total Greater Stockholm</b>						<b>210,545</b>	<b>40,913</b>	<b>216,644</b>	<b>104,364</b>	<b>0</b>	<b>21,543</b>	<b>594,009</b>	<b>926,852</b>	<b>4,003,693</b>		



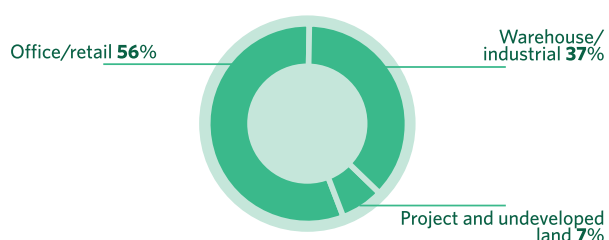
**Castellum's Real Estate Portfolio in Greater Stockholm 31-12-2015**

	No. of properties	Area thous. sq.m	Rental value SEKm	Rental value SEK/sq.m	Economic occupancy rate	Rental income SEKm	Property costs SEKm	Property costs SEK/sq.m	Net operating income SEKm
<b>Office/retail</b>									
North	6	23	30	1,325	83.7%	25	6	287	19
West	15	136	195	1,438	89.4%	175	45	329	130
South	22	125	187	1,494	90.9%	170	33	262	137
<b>Total office/retail</b>	<b>43</b>	<b>284</b>	<b>412</b>	<b>1,453</b>	<b>89.7%</b>	<b>370</b>	<b>84</b>	<b>296</b>	<b>286</b>
<b>Warehouse/industrial</b>									
North	22	121	123	1,017	93.8%	115	24	199	91
West	8	27	25	935	88.2%	22	6	228	16
South	21	139	147	1,058	90.4%	133	30	213	103
<b>Total warehouse/industrial</b>	<b>51</b>	<b>287</b>	<b>295</b>	<b>1,029</b>	<b>91.7%</b>	<b>270</b>	<b>60</b>	<b>208</b>	<b>210</b>
<b>Total</b>	<b>94</b>	<b>571</b>	<b>707</b>	<b>1,240</b>	<b>90.5%</b>	<b>640</b>	<b>144</b>	<b>252</b>	<b>496</b>
Leasing and property administration							47	82	- 47
<b>Total after leasing and property administration</b>							<b>191</b>	<b>334</b>	<b>449</b>
Development projects	2	23	29	-	-	10	6	-	4
Undeveloped land	10	-	-	-	-	-	-	-	-
<b>Total</b>	<b>106</b>	<b>594</b>	<b>736</b>	<b>-</b>	<b>-</b>	<b>650</b>	<b>197</b>	<b>-</b>	<b>453</b>

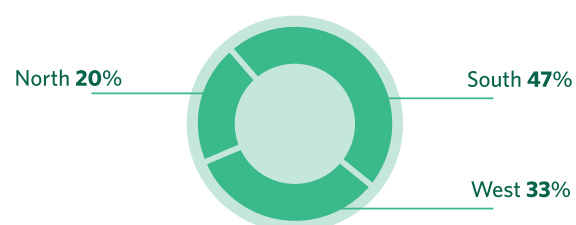
**Property related key ratios**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Rental value, SEK/sq.m.	1,240	1,199	1,198	1,203	1,181	1,154	1,175	1,144	1,090	1,038
Economic occupancy rate	90.5%	85.4%	83.1%	82.8%	82.2%	82.8%	84.8%	84.0%	81.2%	81.3%
Property costs, SEK/sq.m.	334	326	337	344	362	345	347	343	325	338
Net operating income, SEK/sq.m.	788	697	658	652	609	611	650	618	560	506
Number of properties	106	106	105	109	100	97	90	90	87	80
Lettable area, thousand sq.m.	594	649	639	650	573	569	534	535	517	501

**Property value by property type**



**Property value by municipality**



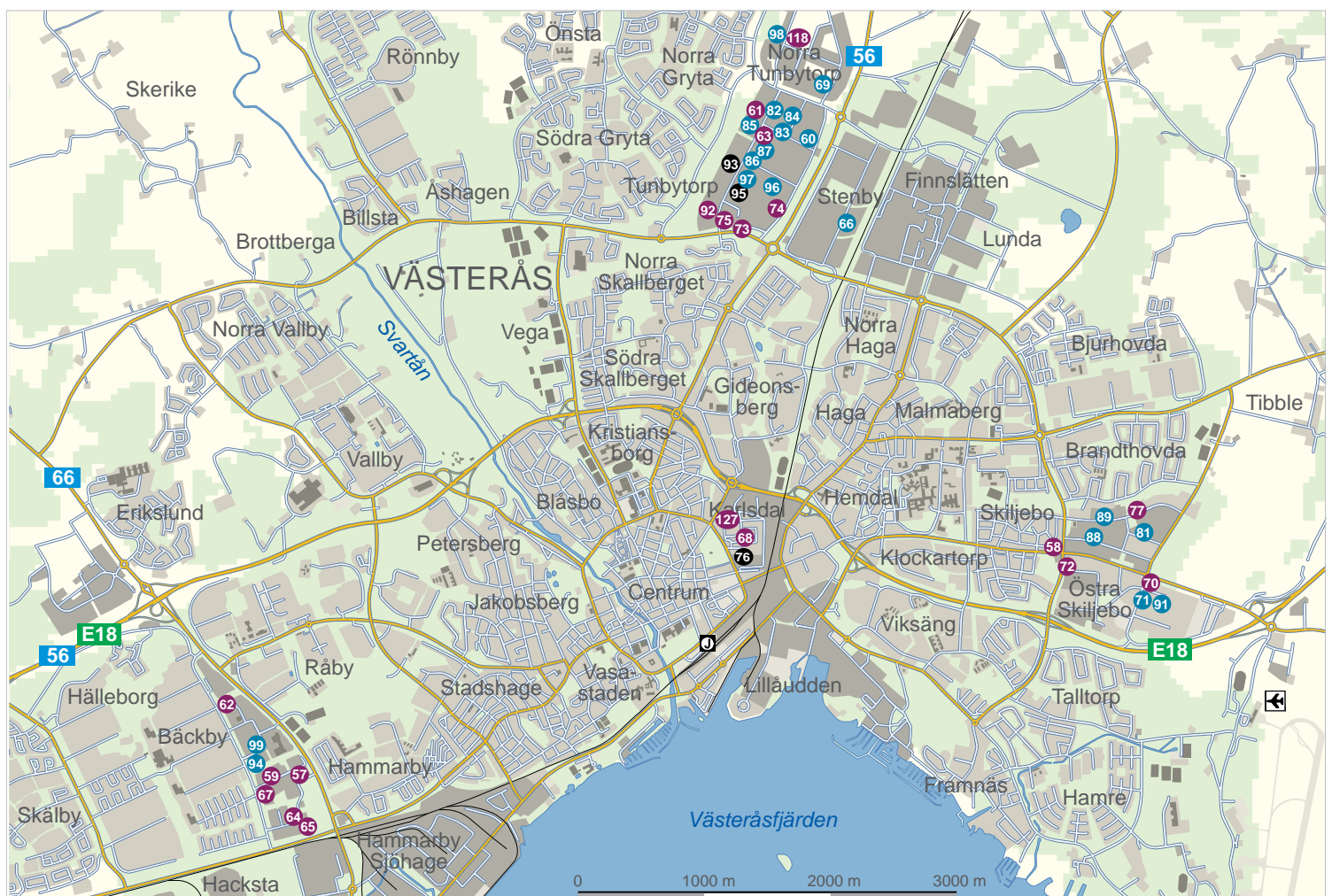
# Mälardalen

Name of property	Address	Municipality	Acquis- Build/		Square metres per type of premises						Tax Mgmt.					
			year	Recon. year	Office	Retail	Warehouse	Industrial	Residential	Other	Total	Site sq.m.	assessment value	sub-sidiary	Note	
<b>OFFICE/RETAIL</b>																
1	Boländerna 5:12	Fälhagsleden 51	Uppsala	2010	1983/1996	5,984	-	286	-	-	-	6,270	15,251	42,380	ASP	B
2	Boländerna 8:6	Knivstagatan 6	Uppsala	2008	1990	2,431	-	18	-	-	-	2,449	3,806	20,674	ASP	
3	Boländerna 8:11	Bergsbrunnagatan 15	Uppsala	2008	1975	3,989	485	3,376	-	-	-	7,850	11,535	16,853	ASP	
4	Boländerna 9:1	Märstagatan 2	Uppsala	2008	1946/2005	1,737	-	537	-	-	-	2,274	2,890	-	ASP	
5	Boländerna 11:5	Märstagatan 7	Uppsala	2011	1975	2,407	-	-	-	-	-	2,407	4,346	14,509	ASP	B
6	Boländerna 28:3	Stångjärnsgatan 10	Uppsala	2000	1971	-	24,655	1,064	-	-	-	25,719	64,871	241,200	ASP	B
8	Boländerna 28:4 A	Stångjärnsgatan 8B	Uppsala	2003	1987	-	-	4,100	-	-	-	4,100	10,981	44,592	ASP	B
7	Boländerna 28:4 B	Verkstadsgratan 11	Uppsala	2003	2002	2,124	-	-	-	-	-	2,124	4,500	25,000	ASP	
9	Boländerna 35:1	Bolandsgratan 18	Uppsala	2006	2006	-	8,466	250	-	-	-	8,716	26,193	71,018	ASP	B
11	Boländerna 36:2	Danmarksgatan 20	Uppsala	2011	1982	360	1,581	396	-	-	-	2,337	3,204	15,400	ASP	
12	Dragarbrunn 16:2	Dragarbrunns Torg 2-6/ Klostergatan 13-15	Uppsala	2004	1963	4,616	1,798	184	-	-	129	6,727	2,209	119,000	ASP	
13	Dragarbrunn 20:2	Kungsgatan 43/ St Persgatan 17	Uppsala	1999	1963	2,479	767	46	-	-	-	3,292	921	-	ASP	
14	Dragarbrunn 20:4	Dragarbrunnsgatan 34	Uppsala	2010	2010/2014	9,375	3,134	456	-	1,305	-	14,270	4,472	104,400	ASP	
120	Dragarbrunn 21:1 & 21:5	S:t Persgatan 21	Uppsala	2012	1970	6,516	-	617	-	-	-	7,133	4,747	8,930	ASP	B
17	Kungsången 35:3	Kungsgatan 76	Uppsala	1998	2001	3,030	-	-	-	-	-	3,030	4,547	32,234	ASP	
18	Kvarngärdet 64:3	Sportfältsvägen 3	Uppsala	1996	1991	1,959	-	15	-	-	-	1,974	2,955	14,475	ASP	
19	Årsta 36:2	Möllersvärdsgatan 12	Uppsala	<1995	1978/1989	1,319	-	1,538	-	-	-	2,857	5,143	19,816	ASP	
21	Årsta 67:1	Stålgatan 8-12	Uppsala	<1995	1988	540	9,962	932	-	-	-	11,434	31,608	85,951	ASP	
22	Årsta 72:3	Svederusgatan 1-4	Uppsala	1997	1990	1,817	1,792	1,136	3,511	-	224	8,480	10,792	44,770	ASP	
23	Årsta 74:1	Fyrilundsgatan 68	Uppsala	1999	1985	177	6,665	6	-	-	-	6,848	15,268	37,000	ASP	
24	Årsta 74:3	Axel Johanssons Gata 4-6	Uppsala	<1995	1990	13,088	238	321	-	-	753	14,400	17,212	83,000	ASP	
25	Årsta 78:1	Fyrilundsgatan 73	Uppsala	2011	2000	2,838	-	-	-	-	-	2,838	4,156	16,146	ASP	
26	Basen 10	Fridhemsgatan 2-4	Örebro	<1995	1900/1990	6,244	-	-	-	-	-	6,244	4,997	39,200	ASP	
27	Borgaren 1	Fabriksgratan 1 A	Örebro	2008	1969/2001	6,545	-	1,100	-	-	847	8,492	3,375	63,548	ASP	
123	Bromsgården 1	Drottninggatan 11	Örebro	2015	1929	1,187	1,269	33	-	566	-	3,055	1,144	27,227	ASP	
124	Gillet 22	Olaigatan 15	Örebro	2015	1978	4,591	562	9	-	-	362	5,524	1,217	49,400	ASP	
125	Hållstugan 28	Kungsgatan 3	Örebro	2015	1929	1,889	2,167	-	-	1,272	2,462	7,790	7,149	64,627	ASP	
28	Inköparen 1	Rörvägen 1	Örebro	2007	2008	3,586	5,853	-	-	-	-	9,439	22,500	81,054	ASP	
-	Järnmalmen 1	Osmundgatan 10	Örebro	2006	1967/1995	2,695	-	8,249	-	-	-	10,944	4,714	31,768	ASP	B
30	Konstruktören 11	Söderleden 14	Örebro	<1995	1987	2,255	-	-	-	-	-	2,255	7,876	9,915	ASP	
31	Kontrollanten 9	Åbyvägen 3	Örebro	2007	1992	3,679	-	1,106	-	-	-	4,785	11,974	15,881	ASP	
32	Lagerchefen 3	Aspholmsvägen 3	Örebro	1996	1957/1985	-	1,900	-	-	-	-	1,900	9,213	12,961	ASP	B
33	Lantmannen 7	Boställsvägen 10	Örebro	<1995	1985	72	2,248	250	-	-	-	2,570	8,573	10,117	ASP	
114	Litografen 1&2	Adolfsbergsvägen 4	Örebro	2012	1964	3,710	7,414	9,960	-	-	957	22,041	122,107	120,127	ASP	
34	Motormannen 1	Radiatorvägen 1	Örebro	<1995	1966	284	3,436	410	-	-	12	4,142	10,501	17,875	ASP	
126	Prästgården 12	Drottninggatan 18-20	Örebro	2015	1933	5,042	367	120	-	384	605	6,518	2,861	63,695	ASP	
35	Röda rummet	Radiatorvägen 17	Örebro	1996	2000	3,405	-	-	-	-	-	3,405	7,710	24,650	ASP	
36	Rörläggaren 1	Aspholmsvägen 4	Örebro	<1995	1963/1992	-	-	-	4,480	-	-	4,480	15,881	21,686	ASP	B
37	Rörmokaren 1	Elementvägen 13-15	Örebro	<1995	1963/1986	110	-	-	3,735	-	-	3,845	10,432	16,338	ASP	
38	Rörmokaren 5	Elementvägen 1	Örebro	<1995	1984	1,297	1,023	-	-	-	-	2,320	6,656	12,088	ASP	
40	Stinsen 18	Fabriksgratan 18-22	Örebro	2008	1983/2003	11,942	-	103	-	-	277	12,322	5,008	103,600	ASP	B
41	Svetsaren 4	Elementvägen 12	Örebro	<1995	1976/1984	176	1,695	2,393	-	-	-	4,264	9,644	16,897	ASP	
42	Svetsaren 5	Elementvägen 14	Örebro	<1995	1977/1988	2,970	-	150	-	-	-	3,120	7,355	12,417	ASP	
43	Svetsaren 6	Radiatorvägen 14	Örebro	2000	1962	5,625	-	-	-	-	-	5,625	7,956	50,855	ASP	
44	Svetsaren 7	Elementvägen 16	Örebro	<1995	1960/1983	675	-	180	-	-	-	855	2,658	5,179	ASP	
45	Svetsaren 8	Elementvägen 4	Örebro	<1995	1977	570	3,060	220	-	-	-	3,850	8,074	12,477	ASP	
46	Svänghulet 1	Stubbengatan 2	Örebro	2010	2004	4,755	1,660	2,378	-	-	250	9,043	24,143	34,052	ASP	B
47	Telemontören 1	Nastagatan 2	Örebro	2007	1993	3,620	-	2,882	-	-	-	6,502	30,750	19,406	ASP	B
48	Tryckeriet 2	Stortorget 8	Örebro	2008	1984/1999	1,400	847	-	-	-	387	2,634	1,350	26,724	ASP	
49	Tågmästaren 25	Fabriksgratan 54	Örebro	2008	1986	6,225	-	1,167	-	-	6	7,398	8,110	34,400	ASP	B
51	Virkeshandlaren 7	Radiatorvägen 11	Örebro	<1995	1970/1987	5,911	-	270	-	-	-	6,181	15,377	27,175	ASP	
52	Virkeshandlaren 10	Radiatorvägen 13-15	Örebro	1996	1979	2,683	3,565	1,080	-	-	-	7,328	20,242	30,498	ASP	
53	Ånsta 20:117	Aspholmsvägen 9	Örebro	1996	1990	755	-	-	-	-	-	755	1,907	3,742	ASP	
54	Ölstånkan 11	Järntorpgsgatan 1	Örebro	2008	1939/2003	3,940	-	580	-	-	-	4,520	937	28,800	ASP	
55	Ölstånkan 14	Olaigatan 2	Örebro	2008	1929	2,194	-	-	-	-	-	2,194	852	16,700	ASP	
56	Ölstånkan 15	Olaigatan 4	Örebro	2008	1975/2003	3,101	-	-	-	-	-	3,101	1,517	23,000	ASP	
57	Blästerugnen 2	Kokillgatan 7	Västerås	1997	1991	-	1,894	-	-	-	-	1,894	11,045	8,938	ASP	T
58	Dagslåndan 11	Jonasborgsvägen 26	Västerås	1996	1990	1,106	-	-	-	-	-	1,106	3,651	6,261	ASP	T
59	Degeln 1	Kokillgatan 1-3	Västerås	1996	1984	4,599	1,050	700	181	-	-	6,530	26,917	21,734	ASP	T
60	Elenergien 1	Elledningsgatan 2	Västerås	2008	1976	119	466	-	4,498	-	-	5,083	26,290	18,763	ASP	B
61	Elledningen 4	Tunbytorpsgratan 31	Västerås	<1995	1991	3,586	-	-	-	-	-	3,586	10,256	20,460	ASP	
62	Fallhammaren 1	Fallhammargatan 3	Västerås	<1995	1989	2,425	-	1,655	407	-	-	4,487	10,700	17,729	ASP	
63	Friedningen 13	Tunbytorpsgratan 10	Västerås	1999	1978	390	1,440	750	-	-	-	2,580	7,000	11,864	ASP	T

Name of property	Address	Municipality	Acquis- year	Build/ Recon. year	Square metres per type of premises						Site sq.m.	Tax Mgmt. assessment sub-			
					Office	Retail	Warehouse	Industrial	Residential	Other		Total	value	sidiary	Note
64 Gjutjärnet 7	Gjutjärnsgatan 5	Västerås	<1995	1989	-	2,005	247	260	-	135	2,647	10,517	8,015	ASP	
65 Hjulsmöden 1	Gjutjärnsgatan 8	Västerås	<1995	1990	-	1,112	871	-	-	-	1,983	5,625	8,599	ASP	
66 Jordlinan 2	Stenbygatan 6	Västerås	<1995	1991	179	2,050	6,155	480	-	-	8,864	21,467	27,264	ASP	B
67 Kokillen 1	Kokillgatan 2	Västerås	1996	1988	545	1,165	1,295	-	-	-	3,005	11,975	13,386	ASP	T
68 Kopparlunden	Kopparlunden	Västerås	2001	1890/2000	19,142	-	-	1,524	-	-	20,666	10,256	119,069	ASP	
69 Kraftfältet 5	Omformargatan 2	Västerås	2005	1991	715	836	1,640	729	-	-	3,920	11,221	15,950	ASP	
70 Köpmannen 1	Kranbyggargatan 1	Västerås	<1995	1984	-	320	-	1,095	-	-	1,415	5,804	7,303	ASP	
71 Köpmannen 3	Kranbyggargatan 3	Västerås	<1995	1982	-	875	-	1,545	-	-	2,420	10,073	12,006	ASP	T
72 Ringborren 8&16	Tallmätargatan 1	Västerås	<1995	1956/1988	4,987	-	-	-	-	-	4,987	9,019	14,239	ASP	
73 Tunbytorp 1	Strömledningsgatan 1	Västerås	2005	1965	410	3,797	524	1,278	-	-	6,009	27,584	23,382	ASP	
74 Tunbytorp 7	Strömledningsgatan 3	Västerås	2005	1965	-	360	1,901	5,674	-	-	7,935	31,990	32,271	ASP	T
75 Tunbytorp 19	Tunbytorpsgatan 2 A	Västerås	2005	1990	1,982	-	-	-	-	-	1,982	11,782	6,745	ASP	
76 Verkstaden 14	Kopparlunden	Västerås	2001	2001	6,692	-	-	-	-	-	6,692	40,900	39,934	ASP	
127 Verkstaden 15	Legeringsgatan 2	Västerås	2015	1977/1992	1,071	-	-	-	-	-	1,071	2,960	-	ASP	B
77 Vikingatiden 9	Brandthovdagatan 17 A	Västerås	2007	2004	173	-	438	173	-	-	784	3,477	3,124	ASP	
<b>Total office/retail</b>					<b>218,040</b>	<b>113,979</b>	<b>64,094</b>	<b>29,570</b>	<b>3,527</b>	<b>7,406</b>	<b>436,616</b>	<b>1,009,876</b>	<b>2,622,463</b>		

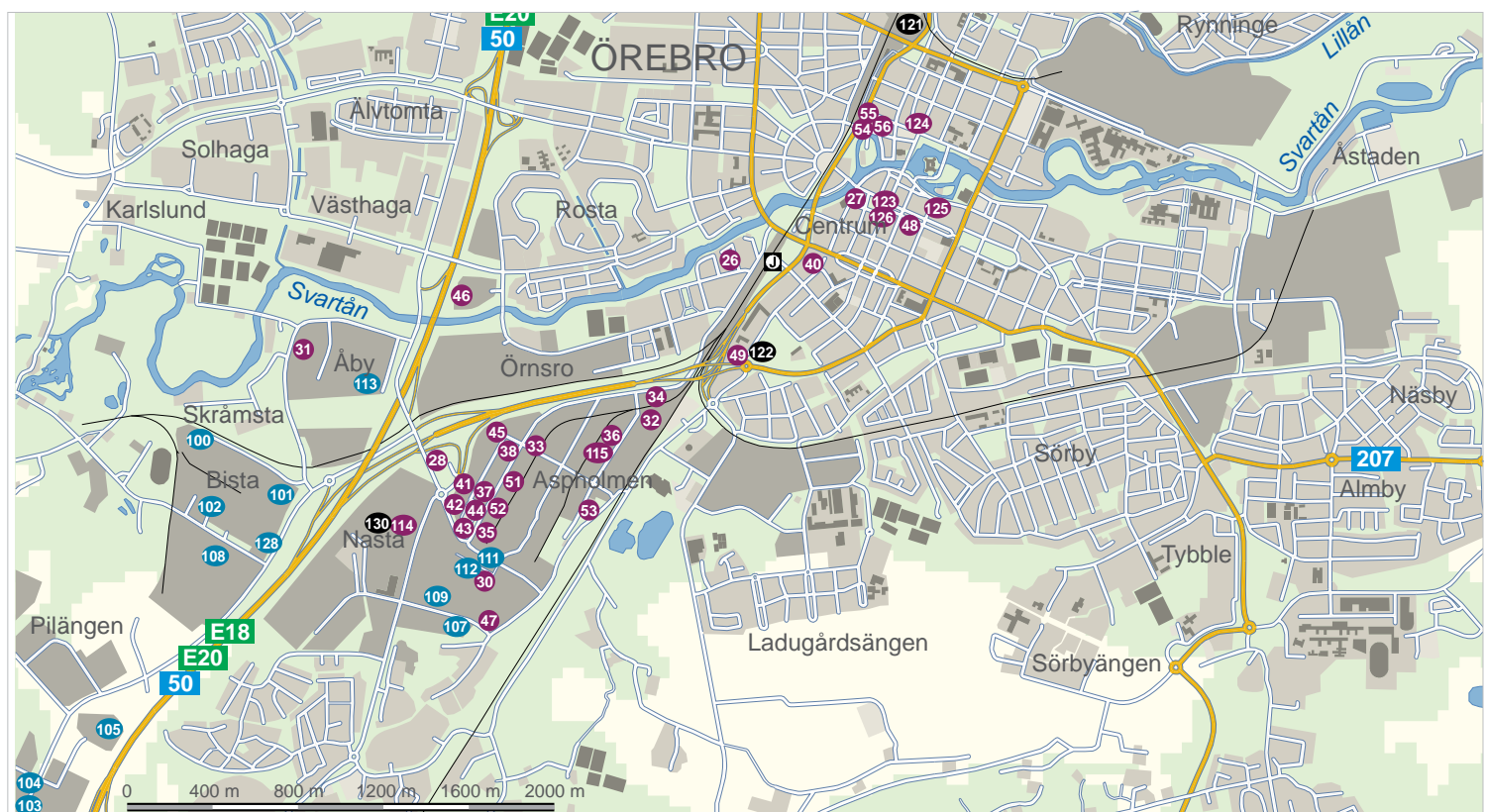
**WAREHOUSE/INDUSTRIAL**

129 Boländerna 11:4	Björkgatan 67 B	Uppsala	2015	1960/2003	600	-	-	1,370	-	230	2,200	5,290	-	ASP	B
78 Boländerna 12:1	Danmarksgratan 24	Uppsala	2011	1979	520	-	4,440	1,730	-	-	6,690	14,136	32,284	ASP	B
79 Husbyborg 1:83	Gamla Börjevägen 4	Uppsala	2008	1972/1988	-	218	747	5,969	-	-	6,934	14,543	37,752	ASP	
20 Årsta 36:7	Hanselligatan 6	Uppsala	2007	1986	388	-	1,873	-	-	-	2,261	3,358	13,526	ASP	
80 Årsta 38:1	Möllersvärdsgatan 5	Uppsala	<1995	1979	-	-	-	2,960	-	-	2,960	8,572	18,160	ASP	B
81 Barkborren 3	Barkborregatan 3	Västerås	<1995	1970/1989	-	-	-	2,950	-	-	2,950	10,000	8,748	ASP	T
82 Elkraften 4	Tunbytorpsgatan 16	Västerås	2005	1976	-	-	946	-	-	-	946	5,673	4,100	ASP	T
83 Elkraften 6	Elledningsgatan 4	Västerås	2008	1981	-	-	1,150	-	-	-	1,150	8,025	4,765	ASP	T
84 Elkraften 7	Energigatan 3 A	Västerås	2005	1976	250	-	-	1,070	-	-	1,320	5,073	4,373	ASP	T
85 Elledningen 1	Tunbytorpsgatan 29	Västerås	1999	1982	-	1,200	710	-	-	-	1,910	8,300	7,225	ASP	T
86 Friledningen 8	Tunbytorpsgatan 6	Västerås	2005	1971	235	-	568	1,539	-	-	2,342	11,243	8,133	ASP	T
87 Friledningen 9	Tunbytorpsgatan 8	Västerås	2005	1968	647	940	2,115	1,500	-	-	5,202	9,995	18,990	ASP	
88 Fältmätaren 29	Fältmätargatan 9	Västerås	2007	1960	810	-	-	2,257	-	-	3,067	10,173	11,032	ASP	T

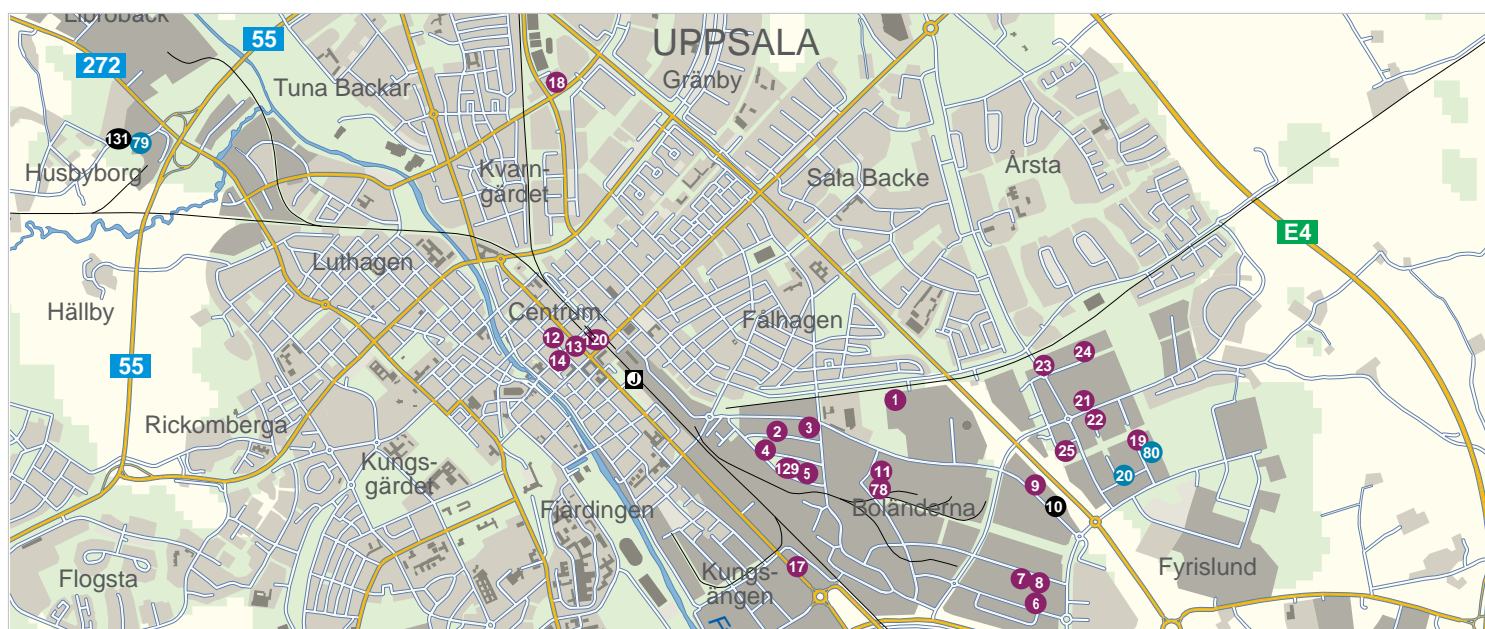


● Office/retail ● Warehouse/Industrial ● Development projects and land

Name of property	Address	Municipality	Acquis- year	Build/ Recon. year	Square metres per type of premises						Tax Mgmt. assessment sub-				
					Office	Retail	Warehouse	Industrial	Residential	Other	Total	Site sq.m.	value	sidary	Note
118 Högspänningen 1	Lågspänningsgatan 8	Västerås	2007	2014	-	-	-	3 911	-	-	3 911	22 500	27 800	ASP	B
89 Järnaldern 6	Brandthovdagatan 11	Västerås	2008	1982	476	-	629	777	-	45	1 927	5 967	7 426	ASP	T
- Krista 1	Saltängsvägen 59	Västerås	2004	2005	-	-	-	2 980	-	-	2 980	11 500	17 398	ASP	
91 Köpmannen 8	Lundby Gårdsgata 4	Västerås	2004	1988	-	-	351	2 334	-	-	2 685	9 957	10 510	ASP	
92 Ledningstråden 1	Tunbytorpsgatan 1-3	Västerås	2005	1967	520	1 011	4 541	-	-	-	6 072	27 410	20 961	ASP	T
94 Lufthammaren 1	Ånghammargatan 2-4	Västerås	1996	1977	3 894	-	1 803	1 646	-	-	7 343	17 055	20 642	ASP	T
96 Tunbytorp 8	Friledningsgatan 3 A	Västerås	2005	1970	-	-	830	-	-	-	830	5 825	3 714	ASP	
97 Tunbytorp 10	Tunbytorpsgatan 4 A	Västerås	2005	1978	957	-	6 324	-	-	211	7 492	24 663	20 400	ASP	
98 Voltmätaren 3	Lågspänningsgatan 7	Västerås	2006	1990	-	-	-	760	-	-	760	2 254	2 645	ASP	
99 Ånghammaren 2	Ånghammargatan 1-9	Västerås	1996	1972/1994	1 181	520	4 744	6 996	-	40	13 481	35 738	32 101	ASP	T
100 Bleckslagaren 1	Handelsgatan 9	Örebro	2012	1970	645	-	3 185	-	-	-	3 830	14 405	-	ASP	
101 Bleckslagaren 6	Handelsgatan 1	Örebro	2008	1982	-	-	-	4 326	-	-	4 326	22 243	16 096	ASP	B
102 Bleckslagaren 8	Vattenverksgatan 8	Örebro	2006	1978/2001	-	-	-	4 750	-	-	4 750	24 878	20 017	ASP	B
103 Chauffören 2	Stuvargatan 3	Örebro	1997	1991	500	-	6 600	-	-	-	7 100	16 974	24 435	ASP	
104 Chauffören 3	Pikullagatan 9	Örebro	2006	1991	-	-	-	1 577	-	-	1 577	5 442	5 519	ASP	
105 Distributören 7	Krangatan 11	Örebro	2012	1989	795	-	6 795	-	-	-	7 590	24 675	24 185	ASP	
- Däcket 1	Dialoggatan 14	Örebro	2008	2012	-	-	740	1 128	-	-	1 868	7 184	10 448	ASP	
108 Elektrikern 3	Vattenverksgatan 3	Örebro	2012	1972	-	-	8 440	-	-	-	8 440	18 823	17 800	ASP	
107 Försäljaren 2	Nastagatan 9	Örebro	2012	2008	-	-	3 049	-	-	-	3 049	9 545	18 130	ASP	B
109 Grosshandlaren 2	Nastagatan 6-8	Örebro	2001	1977	2 008	1 955	19 170	-	-	-	23 133	61 695	93 028	ASP	B
- Gällersta-Gryt 4:9	Gällerstavägen	Örebro	<1995	1969	-	-	-	11 625	-	-	11 625	42 143	24 606	ASP	
111 Konstruktören 9	Söderleden 10	Örebro	1996	1987	-	-	1 260	-	-	-	1 260	3 573	5 838	ASP	
112 Konstruktören 10	Söderleden 12	Örebro	<1995	1987	-	-	-	3 665	-	-	3 665	10 649	16 630	ASP	
113 Kontrollanten 12	Skomaskingsgatan 6	Örebro	2012	1981	3 859	-	6 982	-	-	-	10 841	30 946	33 400	ASP	
115 Rörläggaren 2	Aspholmsvägen 6	Örebro	2004	1984	-	-	2 955	-	-	-	2 955	4 960	12 387	ASP	
- Ånsta 20:148	Berglunda 208	Örebro	2007	1971/1999	1 380	-	2 805	-	-	-	4 185	44 237	23 281	ASP	B
<b>Total warehouse/industrial</b>					<b>19,665</b>	<b>5,844</b>	<b>93,752</b>	<b>67,820</b>	<b>0</b>	<b>526</b>	<b>187,607</b>	<b>619,622</b>	<b>678,485</b>		
<b>DEVELOPMENT PROJECTS</b>															
10 Boländerna 35:2	Bolandsgatan 20	Uppsala	<1995	1981	-	4 118	-	-	-	-	4 118	9 600	35 400	ASP	B
131 Husbyborg 1:83 B	Gamla Börjevägen 4	Uppsala	2008	-	-	-	-	-	-	1	1	31 000	-	ASP	B
93 Ledningstråden 6	Tunbytorpsgatan 23	Västerås	2005	1970	-	-	-	-	-	-	-	8 000	3 550	ASP	T/B
95 Tunbytorp 2	Tunbytorpsgatan 4	Västerås	2005	1970	-	-	-	1 933	-	-	1 933	19 191	12 376	ASP	B
76 Verkstaden 14	Kopparlunden	Västerås	2001	2001	6 163	-	-	-	-	-	6 163	1	-	ASP	B
128 Bleckslagaren 7	Vattenverksgatan 2	Örebro	2015	-	1 295	-	4 315	-	-	200	5 810	22 160	24 488	ASP	B
122 Drottningparken	Fabriksgatan	Örebro	2014	-	4 237	-	-	-	-	-	4 237	8 000	-	ASP	
130 Litografen 1& 2 B	Adolfsbergsvägen 4	Örebro	2012	-	9 350	-	-	-	-	-	9 350	-	-	ASP	B
121 Olaus Petri 3:244 (del av)	Östra Bangatan	Örebro	2014	-	3	-	-	-	-	-	3	5 000	15 000	ASP	B
<b>Total undevelopment projects</b>					<b>21,048</b>	<b>4,118</b>	<b>4,315</b>	<b>1,933</b>	<b>0</b>	<b>201</b>	<b>31,615</b>	<b>102,952</b>	<b>90,814</b>		
<b>Total Mälardalen</b>					<b>258,753</b>	<b>123,941</b>	<b>162,161</b>	<b>99,323</b>	<b>3,527</b>	<b>8,133</b>	<b>655,838</b>	<b>1 732,450</b>	<b>3 391,762</b>		



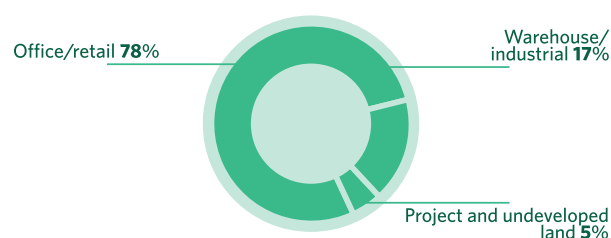
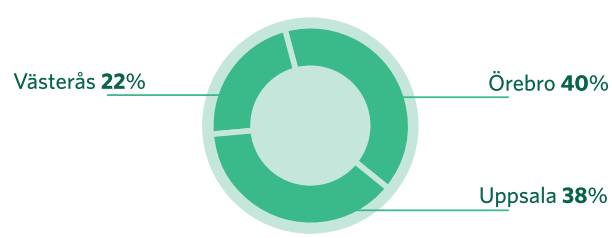
● Office/retail ● Warehouse/Industrial ● Development projects and land


**Castellum's Real Estate Portfolio in Mälardalen 31-12-2015**

	No. of properties	Area thous. sq.m	Rental value SEKm	Rental value SEK/sq.m	Economic occupancy rate	Rental income SEKm	Property costs SEKm	Property costs SEK/sq.m	Net operating income SEKm
<b>Office/retail</b>									
Uppsala	22	148	213	1,441	89.5%	190	51	349	139
Örebro	34	189	208	1,098	94.9%	198	58	303	140
Västerås	22	100	112	1,124	85.8%	96	29	292	67
<b>Total office/retail</b>	<b>78</b>	<b>437</b>	<b>533</b>	<b>1,220</b>	<b>90.8%</b>	<b>484</b>	<b>138</b>	<b>316</b>	<b>346</b>
<b>Warehouse/industrial</b>									
Västerås	18	67	54	818	86.8%	47	15	231	32
Örebro	16	100	67	671	88.8%	60	16	162	44
Uppsala	5	21	23	1,066	93.3%	21	5	215	16
<b>Total warehouse/industrial</b>	<b>39</b>	<b>188</b>	<b>144</b>	<b>767</b>	<b>88.7%</b>	<b>128</b>	<b>36</b>	<b>193</b>	<b>92</b>
<b>Total</b>	<b>117</b>	<b>625</b>	<b>677</b>	<b>1,084</b>	<b>90.4%</b>	<b>612</b>	<b>174</b>	<b>279</b>	<b>438</b>
Leasing and property administration							35	55	-35
<b>Total after leasing and property administration</b>							<b>209</b>	<b>334</b>	<b>403</b>
Development projects	9	31	14			6	5		1
<b>Total</b>	<b>126</b>	<b>656</b>	<b>691</b>	<b>-</b>	<b>-</b>	<b>618</b>	<b>214</b>	<b>-</b>	<b>404</b>

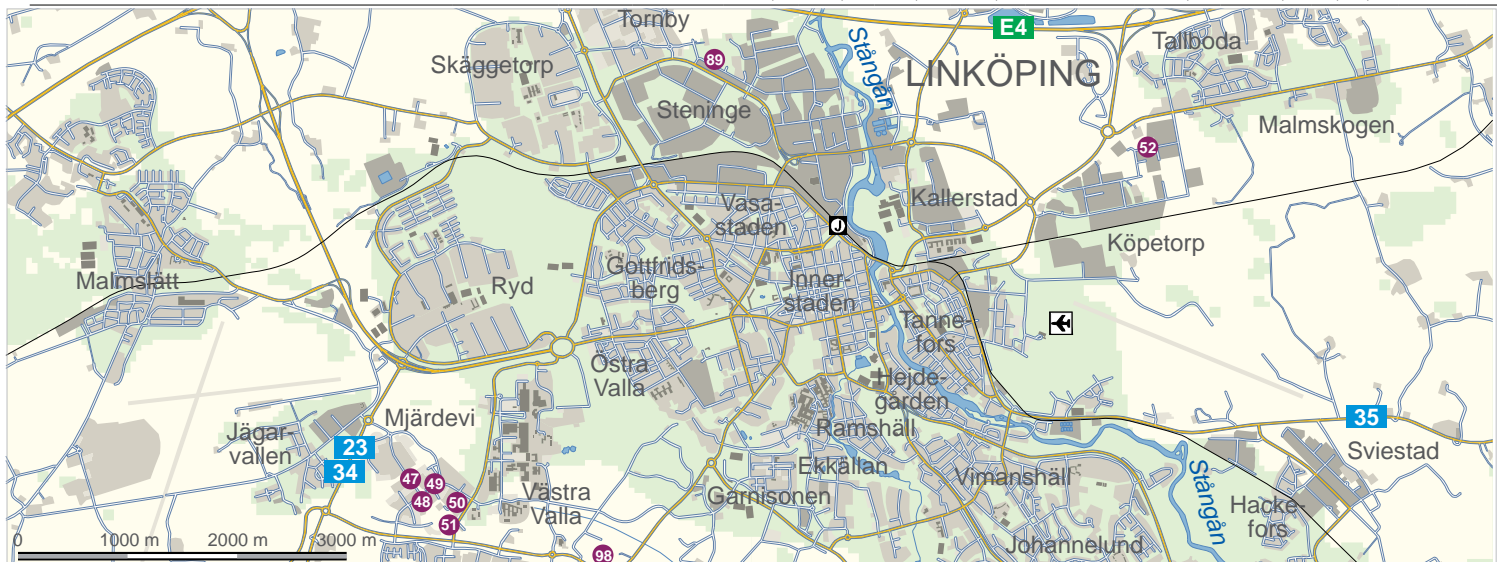
**Property related key ratios**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Rental value, SEK/sq.m.	1,084	1,040	977	967	982	934	928	859	807	778
Economic occupancy rate	90.4%	90.8%	90.5%	92.7%	92.6%	90.6%	92.4%	93.0%	89.3%	88.4%
Property costs, SEK/sq.m.	334	322	324	312	340	325	329	268	247	258
Net operating income, SEK/sq.m.	646	622	560	584	570	521	528	531	474	429
Number of properties	126	118	114	120	120	116	115	117	101	91
Lettable area, thousand sq.m.	656	617	617	624	560	545	516	519	432	410

**Property value by property type**

**Property value by municipality**


# Eastern Götaland

Name of property	Address	Municipality	Acquis- year	Build/ Recon. year	Square metres per type of premises						Total	Site sq.m.	Tax Mgmt. assessment sub-		Note	
					Office	Retail	Warehouse	Industrial	Residential	Other			value	sidary		
<b>OFFICE/RETAIL</b>																
87	Atollen 3	Lantmätargränd 53-63	Jönköping	2011	2013	2,790	2,404	-	-	765	5	5,964	890	90,051	COR	
97	Algen 1	Lantmätargränd 42	Jönköping	2013	-	-	4,236	-	-	-	162	4,398	2,749	60,400	COR	
1	Droskan 12	Slottsgatan 14	Jönköping	1998	1990	9,394	-	-	-	-	-	9,394	4,951	98,400	COR	
2	Elektronen 1	Datorgatan 6	Jönköping	2008	2000	-	-	1,692	-	-	-	1,692	4,237	7,311	COR	B
3	Hotellet 8	V Storgatan 9-13	Jönköping	<1995	1963/1999	2,952	15,701	296	-	-	-	18,949	5,121	208,000	COR	
4	Vagnmakaren 7	Hästhovsvägen 2	Jönköping	<1995	1983/2001	-	9,531	-	-	-	14	9,545	19,226	63,400	COR	
36	Vakten 11	Batterigatan 2	Jönköping	2015	2009	5,261	1,672	-	-	-	-	6,933	10,947	-	COR	
5	Valutan 11	Kompanigatan 1-2	Jönköping	<1995	1992/2001	3,142	1,606	788	-	-	5	5,541	7,763	70,600	COR	
6	Varuhuset 1	Batterigatan 2	Jönköping	2009	2009	-	11,041	-	-	-	-	11,041	42,046	118,000	COR	
75	Vattenpasset 2	Ekhagsringen 17	Jönköping	<1995	1980	1,299	-	1,749	1,073	-	-	4,121	17,884	-	COR	
8	Vilan 7	Huskvarnavägen 58-64	Jönköping	2000	1955/1999	8,946	1,093	4,450	-	-	-	14,489	25,576	72,450	COR	
76	Vingen 4	Linnegatan 1	Jönköping	<1995	1970	1,322	530	-	1,883	-	-	3,735	17,281	14,347	COR	B
9	Visionen 3 A	Bataljonsgatan 10-12	Jönköping	2004	2010	7,406	-	299	-	-	-	7,705	12,269	106,800	COR	
10	Visionen 3 B	Bataljonsgatan 10	Jönköping	2004	1996/1995	9,731	-	423	-	-	-	10,154	27,162	48,612	COR	
96	Visionen 3 C	Bataljonsgatan 10	Jönköping	2004	-	2,472	-	-	-	-	-	2,472	-	-	COR	
11	Vågskålen 3	Huskvarnavägen 40	Jönköping	2003	1983	8,439	-	7,580	-	-	51	16,070	42,536	39,360	COR	
12	Vägporten 5	Vasavägen 4	Jönköping	2003	1955/2004	251	2,076	-	-	-	-	2,327	8,458	12,392	COR	
13	Ögongloben 5	Gräshagsgatan 11	Jönköping	2006	1961	3,512	-	-	-	-	-	3,512	7,346	7,261	COR	
14	Örontofsen 5	Granitvägen 7-9	Jönköping	2006	1976	1,053	880	3,641	-	-	-	5,574	15,061	28,755	COR	
89	Gården 15	Gillbergagatan 37-45	Linköping	2009	2013	6,105	-	3,600	-	-	-	9,705	34,706	65,200	COR	
47	Idémannen 1	Teknikringen 16	Linköping	2007	1990	580	-	-	-	-	-	580	4,212	4,959	COR	
48	Idémannen2, Collegium	Teknikringen 7	Linköping	2007	1989	12,922	4,136	-	-	-	45	17,103	27,823	122,600	COR	
49	Idémannen2, Datalinjen	Datalinjen 1	Linköping	2007	1989/1994	1,593	-	-	-	-	-	1,593	4,590	10,363	COR	
50	Idémannen2, Teknikringen	Teknikringen 1 A-F	Linköping	2007	1984/1996	6,521	-	-	-	-	49	6,570	19,720	43,346	COR	
51	Idémannen2, Vita Huset	Universitetsvägen 14	Linköping	2007	2002	8,136	-	-	-	-	-	8,136	29,597	69,200	COR	B
98	Jägmästaren 1	Djurgården	Linköping	2013	-	-	8,774	-	-	-	-	8,774	36,750	54,109	COR	
52	Magnetjärnet 6	Finnögatan 5 C	Linköping	2010	1996	2,388	-	-	-	-	-	2,388	8,328	10,623	COR	B
<b>Total office/retail</b>							<b>106,215</b>	<b>63,680</b>	<b>24,518</b>	<b>2,956</b>	<b>765</b>	<b>331</b>	<b>198,465</b>	<b>437,229</b>	<b>1,426,539</b>	
<b>WAREHOUSE/INDUSTRIAL</b>																
-	Flahult 21:3	Momarken 42	Jönköping	2001	1980	-	-	3,824	-	-	-	3,824	24,177	15,383	COR	B
-	Flahult 21:5	Betavägen 17	Jönköping	2012	1997/2008	-	-	9,023	-	-	-	9,023	36,847	29,288	COR	B
74	Vargön 4	Vasavägen 5	Jönköping	2003	1989	-	-	3,500	570	-	-	4,070	6,694	12,763	COR	
88	Ättehögen 18	Fordonsvägen 8	Jönköping	2012	2013	-	-	-	3,334	-	-	3,334	11,009	17,794	COR	
78	Österbotten 4	Skeppsbrogatan 6	Jönköping	<1995	1930/1991	503	-	162	2,279	-	-	2,944	6,972	8,319	COR	
79	Överlappen 13	Kalkstensgatan 6-8	Jönköping	2004	1977/1995	2,105	-	275	3,376	-	-	5,756	22,575	27,852	COR	
80	Överstycket 25	Kindregngatan 3	Jönköping	2008	1981	348	-	7,190	-	-	-	7,538	16,342	13,591	COR	B
-	Källemo 1	Källemogatan 12	Vaggeryd	<1995	1956/1988	-	-	7,552	-	-	-	7,552	48,347	11,123	COR	B
-	Yggen 1	Krokvägen 1	Vaggeryd	<1995	1985/1989	-	-	-	6,303	-	-	6,303	18,598	11,581	COR	
<b>Total warehouse/industrial</b>							<b>2,956</b>	<b>0</b>	<b>31,526</b>	<b>15,862</b>	<b>0</b>	<b>0</b>	<b>50,344</b>	<b>191,561</b>	<b>147,694</b>	
<b>DEVELOPMENT PROJECTS</b>																
77	Ögongloben 6	Kindregngatan 4	Jönköping	2008	1997	-	-	-	-	-	-	-	7,500	6,234	COR	B
98	Jägmästaren 1 B	Djurgården	Linköping	2013	-	-	-	-	-	-	-	-	7,631	1,891	COR	B
<b>Total development projects</b>							<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,131</b>	<b>8,125</b>		
<b>UNDEVELOPED LAND</b>																
96	Visionen 4	Bataljonsgatan 10	Jönköping	2013	-	-	-	-	-	-	-	-	4,750	914	COR	
96	Visionen 6	Bataljonsgatan 10-12	Jönköping	2015	-	-	-	-	-	-	-	-	-	1,575	COR	
<b>Total undeveloped land</b>							<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,750</b>	<b>2,489</b>		
<b>Total Eastern Götaland</b>							<b>109,171</b>	<b>63,680</b>	<b>56,044</b>	<b>18,818</b>	<b>765</b>	<b>331</b>	<b>248,809</b>	<b>648,671</b>	<b>1,584,847</b>	

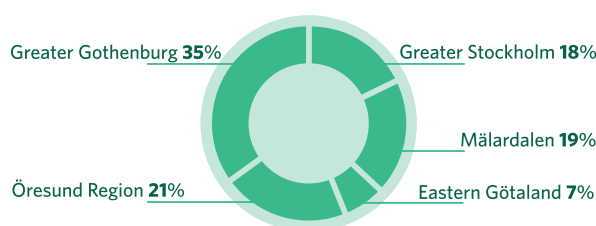




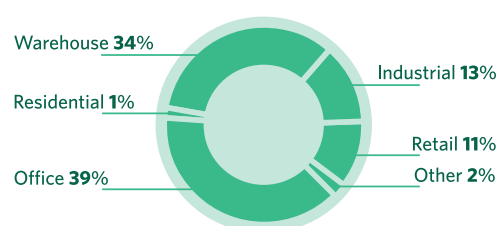
# Castellum's Real Estate Schedule 2015, Summary

	Square metres per type of premises						Total	Site sq.m.	Tax assess- ment value
	Office	Retail	Warehouse	Industrial	Residential	Other			
Greater Gothenburg	464,492	74,166	460,504	174,200	8,246	16,201	1,197,809	2,325,553	7,041,950
Öresund Region	293,010	52,904	268,519	51,463	985	29,011	695,892	1,509,527	4,845,748
Greater Stockholm	210,545	40,913	216,644	104,364	0	21,543	594,009	926,852	4,003,693
Mälardalen	258,753	123,941	162,161	99,323	3,527	8,133	655,838	1,732,450	3,391,762
Eastern Götaland	109,171	63,680	56,044	18,818	765	331	248,809	648,671	1,584,847
<b>Total Castellum</b>	<b>1,335,971</b>	<b>355,604</b>	<b>1,163,872</b>	<b>448,168</b>	<b>13,523</b>	<b>75,219</b>	<b>3,392,357</b>	<b>7,143,053</b>	<b>20,868,000</b>

Distribution by region and sq.m.



Distribution by type and sq.m.



## Properties sold in 2015

Name of property	Address	Municipality	Acquis- year	Build/ Recon.year	Square metres per type of premises						Total	Site sq.m.	Tax assess- ment value	Mgmt subsid.	Note
					Office	Retail	Warehouse	Industrial	Residential	Other					
<b>GREATER GOTHENBURG</b>															
Inom Vallgraven 22:3	Kungsgatan 31-33	Gothenburg	<1995	1929	1,080	488	-	-	-	-	1,568	574	39,600	EKL	
Högsbo 33:1	Gruvgatan 29	Gothenburg	<1995	-	-	-	-	-	-	-	5,483	4,934	HAR	B	
<b>Total Greater Gothenburg</b>					<b>1,080</b>	<b>488</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,568</b>	<b>6,057</b>	<b>44,534</b>		
<b>ÖRESUND REGION</b>															
Tågarp 16:72	Företagsvägen 25	Malmö	<1995	1973/1988	572	-	383	1,099	-	-	2,054	12,656	8,991	BRI	
<b>Total Öresund Region</b>					<b>572</b>	<b>0</b>	<b>383</b>	<b>1,099</b>	<b>0</b>	<b>0</b>	<b>2,054</b>	<b>12,656</b>	<b>8,991</b>		
<b>GREATER STOCKHOLM</b>															
Ekenäs 1	Finlandsgatan 24-48	Stockholm	<1995	2003	18,712	540	-	-	-	8	19,260	9,631	228,600	BRO	T
Ekenäs 2	Finlandsgatan 12-14	Stockholm	<1995	1989	4,594	-	75	-	-	-	4,669	1,987	43,400	BRO	T
Ekenäs 3	Finlandsgatan 10	Stockholm	<1995	1989	3,535	-	756	-	-	-	4,291	4,792	35,600	BRO	T
Ekenäs 4	Finlandsgatan 16-18	Stockholm	<1995	1991	7,531	100	444	-	-	-	8,075	2,255	71,200	BRO	T
Karis 3	Finlandsgatan 62	Stockholm	2001	1989	2,881	-	510	-	-	5	3,396	2,248	30,600	BRO	T
Karis 4	Finlandsgatan 50-60	Stockholm	2000	1985	4,675	466	119	-	-	-	5,260	3,920	44,362	BRO	T
Sätesdalen 2	Norgegatan 2	Stockholm	2006	1990/2001	10,310	500	772	-	-	182	11,764	10,812	106,000	BRO	T
Sjöstugan 1	Sidensvansvägen 8-10	Sollentuna	1996	1990	4,465	-	1,908	-	-	-	6,373	9,156	42,400	BRO	
Hammarby-Smedby 1:454	Johanneslundsvägen 2-6	Uppl-Väsby	2006	1991	8,268	-	120	-	-	-	8,388	10,460	65,600	BRO	
Hammarby-Smedby 1:461	Johanneslundsvägen 3-5	Uppl-Väsby	2006	1988	3,659	676	218	-	-	-	4,553	6,798	35,000	BRO	
Ringpärmen 4	Bergskällavägen 32	Sollentuna	1996	1987	10,828	600	1,173	-	-	-	12,601	12,206	80,000	BRO	
Linde Torp 8	Bolidenvägen 8-10	Stockholm	<1995	1929	574	67	1,141	-	-	-	1,782	7,350	17,526	BRO	B
Rankan 3-4	Sollentunaholmsvägen 1-7	Sollentuna	1997	-	-	-	-	-	-	-	88,355	38,000	BRO	B	
<b>Total Greater Stockholm</b>					<b>80,032</b>	<b>2,949</b>	<b>7,236</b>	<b>0</b>	<b>0</b>	<b>195</b>	<b>90,412</b>	<b>169,970</b>	<b>838,288</b>		
<b>EASTERN GÖTALAND</b>															
Törestorp 2:51	Kulltorpsvägen 25	Gnosjö	<1995	1946	-	-	-	14,310	-	-	14,310	55,273	17,457	COR	
Pagoden 1	Ottargatan 10	Linköping	2008	1972/2002	-	1,732	1,668	-	-	-	3,400	9,000	8,742	COR	B
<b>Total Eastern Götaland</b>					<b>0</b>	<b>1,732</b>	<b>1,668</b>	<b>14,310</b>	<b>0</b>	<b>0</b>	<b>17,710</b>	<b>64,273</b>	<b>26,199</b>		
<b>Total Castellum</b>					<b>81,684</b>	<b>5,169</b>	<b>9,287</b>	<b>15,409</b>	<b>0</b>	<b>195</b>	<b>111,744</b>	<b>252,956</b>	<b>918,012</b>		



# Definitions

## **Actual net asset value (EPRA NNAV)**

Reported equity according to the balance sheet, adjusted for actual deferred tax instead of nominal deferred tax.

## **Counterparty risk/Credit risk**

The risk that a counterparty does not complete delivery or payment.

## **Currency risk**

The risk that changes in the exchange rate will effect income and cash flow.

## **Data per share**

In calculating income and cash flow per share the average number of shares has been used, whereas in calculating assets, shareholders' equity and net asset value per share the number of outstanding shares has been used.

## **Dividend pay out ratio**

Dividend as a percentage of income from property management.

## **Dividend yield**

Proposed dividend as a percentage of the share price at the year end.

## **Economic occupancy rate**

Rental income accounted for during the period as a percentage of rental value for properties owned at the end of the period. Properties acquired/completed during the period have been restated as if they had been owned or completed during the whole year, while properties disposed of have been excluded entirely. Development projects and undeveloped land have been excluded.

## **EPRA EPS (Earnings Per Share)**

Income from property management adjusted for nominal tax attributable to income from property management, divided with the average number of shares. With taxable income from property management means income from property management with a deduction for tax purposes of depreciation and reconstruction.

## **Funding risk**

The risk that no funding is available or very unfavourable at a given point in time.

## **Income from property management**

Net income for the period/year after reversal of changes in value and tax.

## **Interest coverage ratio**

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

## **Interest rate risk**

The risk that changes in the market interest rate will effect income and cash flow.

## **Liquidity risk**

The risk of not having access to liquidity or unutilized credit facilities in order to settle payments due.

## **Loan to value ratio**

Interest-bearing liabilities as a percentage of of the properties' fair value with deduction for acquired properties not taken in possession, and with addition for properties disposed of, still in possession, at the year-end.

## **Long term net asset value (EPRA NAV)**

Reported equity according to the balance sheet, adjusted for interest rate derivatives and deferred tax.

## **Net operating income margin**

Net operating income as a percentage of rental income.

## **Number of shares**

Registered number of shares - the number of shares registered at a given point in time.

Outstanding number of shares - 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 outstanding shares during a given period.

## **Operating expenses, maintenance, etc.**

This item includes both direct property costs, such as operating expenses, maintenance, ground rent and real estate tax, as well as indirect costs for leasing and property administration.

## **Operational risk**

The risk of incurring losses due to insufficient procedures and/or improper actions.

## **Property type**

The property's primary rental value with regard to the type of premises. Premises for purposes other than the primary use may therefore be found within a property type.

## **Rental income**

Rents debited plus supplements such as reimbursement of heating costs and real estate tax.

## **Rental value**

Rental income plus estimated market rent for vacant premises.

## **Return on actual net asset value**

Income after tax as a percentage of initial net asset value during the year, but with actual deferred tax instead of nominal tax. In the interim accounts the return has been recalculated on an annual basis, disregarding seasonal variations normally occurring in operations.

## **Return on equity**

Income after tax as a percentage of average equity. In the interim accounts the return has been recalculated on an annual basis, disregarding seasonal variations normally occurring in operations.

## **Return on long term net asset value**

Income after tax with reversed changes in value of derivatives and deferred tax as a percentage of initial long term net asset value. In the interim reports the return has been recalculated on annual basis, disregarding seasonal variations normally occurring in operations.

## **Return on total capital**

Income before tax with reversed net financial items and changes in value on derivatives during the year as a percentage of average total capital. In the interim accounts the return has been recalculated on an annual basis, disregarding seasonal variations normally occurring in operations.

## **SEK per square metre**

Property-related key ratios, expressed in terms of SEK per square metre, are based on properties owned at the end of the period. Properties acquired/completed during the year have been restated as if they had been owned or completed for the whole year, while properties disposed of have been excluded entirely. Development projects and undeveloped land have been excluded. In the interim accounts key ratios have been recalculated on an annual basis, disregarding seasonal variations normally occurring in operations.

## **Total yield per share**

Share price development with addition of the dividends during the period which was reinvested in shares that day shares traded ex-dividend.

# GRI

Castellum reports on our sustainability activities in accordance with the GRI G4, Core level guidelines. The report covers the Castellum Group sustainability efforts throughout 2015. The table below indicates where you can find the reported information. Regarding specific indicators, the report focuses on what is essential to Castellum's business operations. Castellum's ambition is to provide a full account of all significant indicators within two years. The report has not been reviewed by an external party.

## General standard indicators

GRI-reference	Page/reference
<b>Strategy and Analysis</b>	
G4-1 CEO's comments	2-3
<b>Organizational Profile</b>	
G4-3 Name of the organization	Cover, 38
G4-4 Primary brands, products and/or services	5-8, Cover
G4-5 Location of organization's headquarters	101 (Note 1)
G4-6 Countries where the organization operates	104 (Note 2)
G4-7 Nature of ownership and legal form	59-62
G4-8 Markets	12-15
G4-9 Scale of the organization	93
G4-10 Number of employees by employment type, employment contract, gender and region	15, 38
G4-11 Percentage of total employees covered by collective bargaining agreements	38
G4-12 Describe the organization's supply chain	34
G4-13 Significant changes during the reporting period regarding the organization's size, structure, ownership or supplier chain.	8-9, 19, 21
G4-14 Whether and how the precautionary approach is applied by the organization	32
G4-15 External economic, environmental and social principles to which the organization subscribes or which it endorses	32
G4-16 Membership in projects or committees	32, 34
<b>Identified material aspects and boundaries</b>	
G4-17 Entities included in the reporting, or not	113 (Note 23)
G4-18 Process for defining the report content	32
G4-19 List of identified material aspects	32
G4-20 Each aspects boundaries within the organisation	Website
G4-21 Each aspects boundaries outside the organisation	34, 40-41
G4-22 The effect of any restatement of information provided in previous reports, and the reasons for such restatements	32
G4-23 Significant changes from previous reporting periods in the Scope and Aspect Boundaries	32, HD
<b>Stakeholder engagement</b>	
G4-24 List of stakeholder groups engaged by the organization	Website, 32
G4-25 Identification and selection of stakeholder with whom to engage	Website, 32
G4-26 Approach to stakeholder engagement	Website, 32
G4-27 Key topics and concerns that have been raised through stakeholder engagement	Website, 32
<b>Report profile</b>	
G4-28 Reporting period for information provided	101
G4-29 Date of most recent previous report	2016-02-02
G4-30 Reporting cycle	101
G4-31 Contact point for questions regarding the report or its contents	Cover
G4-32 GRI Content Index and reference	142
G4-33 Policy for external assurance	142, 32
<b>Governance</b>	
G4-34 Governance structure, including committees with responsibility for decision-making on economic, environmental and social impacts	32
<b>Ethics and integrity</b>	
G4-56 Values, principles and codes of conduct	Website, 39

## Specific standard indicators

GRI-reference	Page/reference
<b>DMA Economic Performance</b>	
G4-EC1 Economic value generated and distributed	34
G4-EC3 Coverage of the organization's defined benefit plan obligations	107 (Note 10)
<b>DMA Employment</b>	
G4-LA1 Employee turnover	38-39, SD
<b>DMA Health and Safety</b>	
G4-LA6 Absence due to illness and work-related injuries	38, SD
<b>DMA Training and Education</b>	
G4-LA11 Performance and career development review	39, SD
<b>DMA Diversity and Equal Opportunity</b>	
G4-LA12 Composition of the company	38, 85, 88, SD
<b>DMA Local Communities</b>	
G4-SO1 The company's impact on the communities where it operates	34
<b>DMA Anti-corruption</b>	
G4-SO5 Number of incidents of corruption	39
<b>DMA Customer Health and Safety</b>	
G4-PR1 Significant product and service categories for which health and safety impacts are assessed for improvement	35, 41, 40-41
<b>DMA Product and Service Labeling</b>	
G4-PR5 Results of surveys measuring customer satisfaction	35-36
G4-CRE8 Environmental certifications in new construction, extensions and reconstructions	40-41
<b>DMA Energy</b>	
G4-EN3 Energy consumption within the organization	40-41
G4-EN6 Reduction of energy consumption	40-41
G4-CRE1 Energy intensity buildings	40-41
<b>DMA Water</b>	
G4-EN8 Total water withdrawal by source	41
G4-CRE2 Water intensity buildings	41
<b>DMA Emissions</b>	
G4-EN15 Direct greenhouse gas emissions (Scope 1)	40-41
G4-EN16 Energy indirect greenhouse gas emissions (Scope 2)	40-41
G4-EN17 Other indirect greenhouse gas emissions (Scope 3)	40-41
G4-CRE3 Intensity green house emissions buildings	40-41
<b>DMA Effluents and Waste</b>	
G4-EN23 Total weight of waste by type and disposal method	41, SD
<b>DMA Compliance</b>	
G4-EN29 Monetary value of significant fines and sanctions for non-compliance with environmental laws and regulations	41
<b>DMA Supplier Assessment of labor practices, community and environment</b>	
G4-LA15 Negative Impacts For Labor Practices In The Supply Chain And Actions Taken	34
G4-EN32 Percentage of new suppliers that were screened using environmental criteria	34
G4-SO10 Significant actual and potential negative impacts on society in the supply chain and actions taken	34

For more detailed information regarding GRI and calculation methods see Castellum website section "Sustainable business".  
SD = Sustainability data 2015 GRI-appendix.

## **Annual General Meeting**

---

Castellum AB's Annual General Meeting will take place on Thursday March 17, 2016 at 5 pm in RunAn, Chalmers Kårhus, Chalmersplatsen 1, Gothenburg.

For more information and notification of attendance see [www.castellum.se](http://www.castellum.se).

## **Annual General Meeting calendar and dividend**

---

Notification for the AGM	March 11, 2016
Annual General Meeting	March 17, 2016
Ex-dividend date	March 18, 2016
Record day for the dividend	March 21, 2016
Payment of dividend	March 24, 2016

## **Financial Reporting**

---

Interim Report January - March 2016	April 13, 2016
Half-year Report January - June 2016	July 13, 2016
Interim Report January - September 2016	October 12, 2016
Year-end Report 2016	January 19, 2017
Annual General Meeting 2017	March 23, 2017

## **Contact**

---

For further information please contact CEO Henrik Saxborn, tel +46 31- 60 74 50, or CFO Ulrika Danielsson, tel +46 706-47 12 61, and [www.castellum.se](http://www.castellum.se).



**CASTELLUM  
EKLANDIA**

[www.eklandia.se](http://www.eklandia.se)



**CASTELLUM  
HARRY  
SJÖGREN**

[www.harrysjogren.se](http://www.harrysjogren.se)



**CASTELLUM  
BROSTADEN**

[www.brostaden.se](http://www.brostaden.se)



**CASTELLUM  
BRIGGEN**

[www.briggen.se](http://www.briggen.se)



**CASTELLUM  
CORALLEN**

[www.corallen.se](http://www.corallen.se)



**CASTELLUM  
ASPHOLMEN**

[www.aspholmenfastigheter.se](http://www.aspholmenfastigheter.se)



**CASTELLUM**

Castellum AB (publ) • Box 2269, 403 14 Gothenburg • Visiting address Kaserntorget 5  
Phone +46 31-60 74 00 • Email [info@castellum.se](mailto:info@castellum.se) • [www.castellum.se](http://www.castellum.se)  
Domicile: Gothenburg • Corporate identity no. 556475-5550