

## The Board of Directors' proposal for a resolution regarding the allocation of the company's profit in accordance with the adopted balance sheet and record dates for dividend, as well as the statement by the Board of Directors in accordance with Chapter 18, Section 4 of the Swedish Companies Act

### Proposed dividend

The Board of Directors has proposed that the retained profits, amounting to SEK 48,775,856,294, shall be allocated as follows:

Dividend to shareholders with SEK 2.48 per share	SEK 1,221,266,202
Carried forward to the new accounts	<u>SEK 47,554,590,092</u>
Sum	SEK 48,775,856,294

The Board of Directors proposes a dividend to the shareholders of SEK 2.48 per share for the financial year 2024. The dividend is distributed to the shareholders in four equal payments of SEK 0.62 per share, entailing a total dividend of SEK 1,221,266,202 distributed on the outstanding shares in the company at the time of the proposal. The Board of Directors proposes that the record dates for the dividend shall be Friday, 9 May 2025, Monday, 30 June 2025, Tuesday, 30 September 2025 and Tuesday, 30 December 2025. The dividend is expected to be distributed by Euroclear Sweden AB on the third banking day after each record date.

Should the Board of Directors utilise the authorisation proposed to be resolved by the Annual General Meeting in accordance with item 17 of the notice convening the Annual General Meeting and resolve to issue new shares and/or convertibles in such time that the newly issued shares are entered in the share register no later than on the record date of the next partial dividend payment in accordance with the record dates set out above, the Board of Directors proposes that the Annual General Meeting resolves that a dividend is to be paid in such an amount that the total dividend still amounts to the sum of the dividend per share resolved in accordance with this item for each partial dividend payment, for both the existing shares and shares that may be issued pursuant to the authorisation. The same shall apply for shares that may be issued through the exercise of convertibles that may be issued pursuant to the authorisation.

This entails that the total dividend proposed to be resolved for the outstanding shares in the company at the time of the proposal (assuming that the authorisation to issue new shares and/or convertibles is fully utilised and that the shares are entered in the share register no later

than on the record date of the first partial dividend payment as set out above) amounts to SEK 1,343,431,361.

As of the date of this dividend proposal, there are in total 492,601,452 shares and votes in the company, of which 155,403 shares are held by the company. Shares that are held by the company are not entitled to dividends. The dividend amounts stated above are based on the outstanding shares in the company, i.e. the total number of shares in the company excluding shares held by the company as of the date of this dividend proposal.

## **Rationale**

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 dividend constitutes 25.3 percent of the Group's income from property management, which is in line with the expressed target to distribute at least 25.0 percent of the Group's income from property management, having considered investment plans, consolidation needs, liquidity and financial position in general. The Group's net income after tax amounted to SEK 2,357 M. The dividend 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 dividend. Such non-affecting cash flow profit or loss have neither been taken into account in previous years' resolutions regarding distribution of profit.

The Board of Directors concludes that the company's restricted equity is fully covered after the proposed dividend.

The Board of Directors also concludes that the proposed dividend to the shareholders is defensible in consideration of the parameters in Chapter 17, Section 3, second and third paragraphs of the Swedish Companies Act (i.e., the requirements in respect of the company's and the Group's equity and the company's and the Group's consolidation needs, liquidity and financial position in general, which is determined by the nature, scope and risks of the business). 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 dividend, 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 climate.

### **Consolidation needs, liquidity and financial position in general**

*Consolidation needs*

The Board of Directors has made a comprehensive assessment of the financial position of the company and the Group, and the possibilities to fulfil their obligations. The proposed dividend constitutes 2.5 percent of the company's equity and 1.5 percent of the Group's equity. In 2024, the Group's loan to value ratio and interest coverage ratio amounted to 35.6 percent and 3.3 percent, respectively. The expressed target for the Group's capital structure, implying a loan to value ratio not exceeding 40 percent on a permanent basis and an interest coverage ratio of at least 3.0 percent, 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 industry. 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 withstand 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 circumstances, 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 defensible.

**Valuation at fair value**

Derivative instruments and other financial instruments have been valued at fair value in accordance with Chapter 4, Section 14 a of the Swedish Annual Accounts Act. The valuation has presented an over value of SEK 1,821 M after tax, which has affected equity by the mentioned amount.

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Gothenburg in April 2025  
CASTELLUM AKTIEBOLAG  
The Board of Directors