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Q3

INTERIM REPORT JANUARY-SEPTEMBER 2021



CASTELLUM

Intense pace of investment and increased Nordic expansion

Important events during the quarter

On 2 August, Castellum announced its plans to submit an offer to Kungsleden's shareholders to acquire all shares in the company. At that point in time, the total value of the offer was estimated at approximately SEK 27 billion. The offer period began in late September and is expected to run through the end of October.

In the third quarter, Castellum acquired a 23,929,430 shares in the Norwegian listed property company Entra at an average price of NOK 209 per share. This means that Castellum's ownership at the end of the period totalled 31.5%. The holdings in Entra thus change their character, as regards reporting, from financial holdings to an associated company in Castellum.

During the quarter, Castellum sold 17 properties in Stockholm, Öresund, Norrköping and Västerås to Oscar Properties. The sale price is SEK 1.7 billion less overheads and deferred tax totalling approximately MSEK 95.

The Board of Directors of Castellum appointed Jakob Mörndal as acting CEO, to take office on 8 October. He succeeds Henrik Saxborn, who announced his departure from the company in April after more than eight years in the position. After the planned combination of Castellum and Kungsleden the intention is to appoint Biljana Pehrsson, current CEO of Kungsleden, as CEO of Castellum.

- Income for the period January–September 2021 totalled MSEK 4,437 (4,488).
- Income from property management amounted to MSEK 2,503 (2,588), equivalent to SEK 9.14 (9.48) per share – a change of -4%.
- Change in value on properties amounted to MSEK 4,531 (816) and on derivatives to MSEK 191 (-212).
- Net income for the period amounted to MSEK 7,064 (2,549), corresponding to SEK 25.79 (9.33) per share.
- Long-term net reinstatement value (EPRA NRV) amounted to SEK 230 per share (200), an increase of 15%.
- Net investments amounted to MSEK -3,374 (1,996) of which MSEK 8,846 (317) pertained to acquisitions, MSEK 2,488 (1,800) to new construction, extensions and reconstructions, and MSEK 14,708 (121) to sales. Moreover, SEK 11.7 billion was invested in the Norwegian listed property company Entra.
- Net lettings for the period were MSEK 93 (191).

KEY METRICS

	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
Income, MSEK	1,501	1,489	4,437	4,488	6,004
Net operating income (NOI), MSEK	1,060	1,122	3,094	3,292	4,335
Income from property management, MSEK	888	899	2,503	2,588	3,380
NOI SEK/share	3.26	3.29	9.14	9.48	12.35
NOI growth	-1%	+8%	-4%	+9%	+7%
Net income after tax, MSEK	1,514	1,015	7,064	2,549	5,615
Net investment, MSEK	5,612	618	-3,374	1,996	4,267
Net lettings, MSEK	27	-9	93	191	239
Loan-to-value ratio ¹⁾	36%	41%	36%	41%	41%
Interest coverage ratio	572%	581%	545%	545%	530%
EPRA NRV, SEK/share	230	200	230	200	214
EPRA NTA, SEK/share	221	191	221	191	205
EPRA NDV, SEK/share	187	157	187	157	168

1. The definition of loan-to-value ratio has been amended to adapt the key metric to investment in financial assets (Entra holding). The new definition is net interest-bearing liabilities in relation to total assets. The comparative figures have been restated.

Front page: WorkOUT® is Castellum's popular concept for outdoor offices. It is a healthy complement to the regular office, with ergonomically designed and activity-based workplaces where people can sit or stand, work alone or in groups, in the sun or in the shade. Naturally, with full access to electricity and WiFi.

This is a translation of the Swedish language original. In the events of any differences between this translation and the Swedish original, the latter shall prevail.

Rapid business tempo during the third quarter of the year

I am writing these comments in my role as acting CEO after Henrik Saxborn stepped down as CEO in early October. I expect that my time as acting CEO will be limited to the point at which a combination with Kungsleden will hopefully become reality.

The third quarter means a continued rapid pace of investment, where our offer for Kungsleden was the single most important event.

The Nordic region's largest listed commercial property company

Castellum's strategy is to be the Nordic region's leading listed commercial property player, with a focus on the most attractive growth regions. We will do this by concentrating our portfolio on regional Nordic growth centres, with a focus on offices and logistics, and ensuring a financial position that involves the greatest possible scope for action. Including our exposure to the Norwegian property market via the holdings in Entra, a combination with Kungsleden would create a Nordic player with a property value of approximately SEK 165 billion.

Our Nordic expansion continued during the quarter with the acquisition of the Finnish company Kielo, with properties in Finland's key growth centres and in the country's fastest-growing university towns. We have also expanded our exposure to Norway by further increasing our ownership in Entra, where we reached 31.7% of the votes and the capital after the end of the quarter.

Strong underlying business

Our underlying business is strong, and we are experiencing a healthy rental and property market, which our net lettings and robust increase in value from the last quarter in particular

testify to. The trend we experienced and announced back in Q2 has thus continued. This, together with a rapid pace of investment in the third quarter (apart from our offer for Kungsleden) – corresponding to an investment volume of SEK 14 billion – bodes well for continued cash-flow growth and a strong finish to the year. We therefore still see no clear negative impact from the pandemic in our business, and will continue to develop our offering in order to meet a transitioning office market over the long term.

The focus of the property portfolio on growth regions, a broad and highly diversified customer basis with a large element of government agencies and departments and a strong balance sheet with an unchanged financial policy are the conditions behind Castellum's rating, which in turn facilitates attractive financing terms and an expanded investor base. The combined company will continue to focus on creating shareholder value and reaching our long-term goal of increasing income from property management per share by 10% annually, while maintaining a dividend of at least 50% of income from property management.

With sustainability in focus

Castellum continues to be an industry leader in sustainability. As proof of this, we have been rated as a world leader in the Office/Industry category (95 points out of 100) in the Global Real Estate Sustainability Benchmark (GRESB) sustainability assessment for the sixth year in a row. In addition, we were named the world's best and most sustainable project developer of offices, according to the GRESB study (99 points out of 100).

Jakob Mörndal
Acting CEO



"Our underlying business is strong and we are experiencing a healthy rental and property market, which our net lettings and robust increase in value from the last quarter in particular testify to."

Proposed combination between Castellum and Kungsleden

On 2 August 2021, Castellum submitted a recommended public offer to the shareholders of Kungsleden to acquire all the shares in the company with the intent to combine the two companies. The combination of Castellum and Kungsleden will create significant value for all stakeholders, where the company's size, strong balance sheet and retained financial strength will result in strengthened competitiveness.

The remuneration in the Offer comprises a combination of shares in Castellum and cash, where each shareholder in Kungsleden is offered 70% of the shares in Castellum (0.525 shares in Castellum per Kungsleden share) and 30% cash (SEK 121 per share in Kungsleden). Castellum is offering Kungsleden's shareholders a "mix and match" opportunity through which each shareholder in Kungsleden can choose either to retain as much share remuneration as possible or as much cash remuneration as possible for their shares in Kungsleden, provided that a 70/30 division is achieved on the whole. This means that for one shareholder to receive more of a particular desired remuneration, other shareholders must thus have made the opposite choice to an equal extent.

The Board of Directors of Kungsleden has unanimously recommended accepting the Offer to Kungsleden's shareholders. The recommendation was supported by a fairness opinion from Handelsbanken Capital Markets. Furthermore, the three largest owners, corresponding to 26% of the capital and votes outstanding in Kungsleden, have signed binding commitments to accept the Offer. Since the publication, Castellum has also acquired Kungsleden shares in the market corresponding to 9.9% of votes and shares outstanding.

Through a combination with Kungsleden, Castellum will strengthen its position as the Nordic region's leading listed commercial property player with a focus on the most attractive growth regions in Sweden, Finland and Denmark as well

as indirectly in Norway (through Castellum's ownership in Entra). Kungsleden's and Castellum's respective portfolios complement each other well, and strengthen their positions in their respective prioritised markets. At the same time, the combination will achieve greater risk spread as a result of a broader customer base. For the purpose of facilitating focus on priority growth cities, the sale of properties in lower-priority areas is planned after the combination. The joint property portfolio comprises primarily offices and warehouse/logistics, where the former segment has a large element of government agencies and departments.

The property industry is in a phase of change, where size together with sustainable and innovative service development is playing a greater role. A player is now being created with a property value of SEK 140 billion based on the Q2 reports of the respective companies (approximately SEK 165 billion including Castellum's share of Entra's property portfolio and transactions in Castellum completed after Q2) combined with a healthy balance sheet, which together with a maintained rating facilitates attractive financing terms and thereby strengthened competitiveness. The combined company will continue to focus on creating shareholder value and reaching Castellum's long-term goal of increasing income from property management per share by 10% annually, while maintaining a dividend of at least 50% of income from property management.

A new, larger company will enable synergies of approximately SEK 285 million on an annual basis, divided into SEK 185 million in operational and administrative synergies and SEK 100 million in financial synergies. The operational and administrative synergies will be found in operation, administration and development. Both Kungsleden and Castellum are leaders in sustainable energy use and efficient property

operation, which is why the combination will create conditions for implementing further reductions in operating property costs. In property management, transactions, project development and administration, the operations are strengthened while opportunities also arise to increase efficiency through exchange of know-how, efficiency enhancements and economies of scale. These synergies are expected to be realised within two to three years.

The financial synergies can be achieved by gradually refinancing Kungsleden's outstanding loans based on Castellum's higher credit rating.

The Offer is not contingent on financing.

TIMETABLE, INDICATIVE

30 September	The offer period begins
29 October	The offer period ends
1 November	The acceptance rate of the offer is published
4 November	Liquid settlement of the offer takes place

Market comments

Swedish, Danish and Finnish economies

Economic activities in 2021 accelerated substantially compared with the negative trend during most of 2020. Growth in the domestic economy is high, driven primarily by increasing consumption and investments. Nonetheless, unemployment in Sweden is expected to rise slightly (to approximately 8.8% in 2021) to subsequently fall to just over 7% in 2022. Sweden's GDP for full-year 2020 fell nearly 3% but is expected to rise drastically and peak (+4.7%) in 2021, after which growth is predicted to decline somewhat to +3.6% in 2022 (Riksbank, September 2021). Low interest rates and very robust monetary policy and fiscal measures have continued to play a part in supporting the financial markets.

The development of the Swedish krona exchange rate has a substantial role in the inflation trend in Sweden - a weak exchange rate normally contributes to higher inflation. In 2021 to date, the krona has traded within a relatively narrow range - 10-10.30 against EUR - after having strengthened in the second half of 2020. According to the Riksbank (September 2021), inflation - expressed in terms of CPIF - was +0.5% in 2020 and is expected to rise to approximately +2.3% in 2021 and +2.1% in 2022.

Following a negative 2020, the Danish and Finnish economies have also recovered substantially as a result of finance policy measures and the favourable effects of a highly expansive monetary policy. The primary scenario for Denmark is that GDP will increase 3.8% in 2021 and 3.1% in 2022 while unemployment will decrease. It is believed that the inflation rate will end up at +1.5% in 2021 and +1.7% in 2022 (Danmarks Nationalbank, September 2021).

In Finland, it is believed that GDP will increase by 3.5% in 2021 and 2.8% in 2022 while unemployment will decrease. It is believed that the inflation rate in 2021 will be +1.9% (Bank of Finland, September 2021).

MACRO INDICATORS - SWEDEN

Unemployment	8.9%	August 2021
Rate of inflation	2.1%	(August 2021 compared with August 2020)
GDP growth	0.9%	Q2 2021 compared with Q1 2021

Source: Statistics Sweden

Rental market

In the locations where Castellum conducts operations, the market has shown resilience to the ongoing pandemic and demonstrated stable market rents.

In Stockholm and Malmö, office vacancy rates stabilised in the respective CBDs. Over the short term, the offering of new construction will remain limited and primarily be let in advance.

Some continued pressure has been noted in the Gothenburg CBD rental market owing to large new production volumes.

In the Helsinki CBD, stabilised office vacancy rates were noted during the quarter. Strong demand has spread from the CBD to the surrounding areas. However, there is a high vacancy rate in secondary areas and properties.

A stabilisation in the office vacancy rate was also noted in the Copenhagen CBD during the quarter. A high level of access to land is a limiting factor for rent potential.

The rental market in Sweden for warehouses/logistics spaces remained positive during the period, with stable to rising rents in prime logistics locations, particularly in semi-central locations with good means of transportation and sorting yards (last-mile locations).

Interest and credit market

In December 2019, Sweden's Riksbank raised interest rates from -0.25% to zero. The Riksbank's latest repo-rate path (September 2021) still indicates that the repo rate will remain at zero through at least the end of 2024.

Swedish long-term interest rates (expressed here as a five-year swap rate) have ranged between +0.1% and +0.5% to date this year, which is slightly higher than in 2020. At the end of the third quarter of 2021, the level was +0.5%, which was approximately 40 basis points higher than at the end of the preceding year. Current levels remain historically very low.

To date in 2021, access to financing - primarily in the euro market, but to some extent also in the Swedish capital market - has been excellent, despite a tendency in the offering of property-related borrowing to continue to increase. Credit spreads remained relatively stable to date this year and are at historically advantageous levels for borrowers.

In Denmark, the CIBOR 3m rate has remained in the range of -0.2% to -0.3% to date during 2021. EURIBOR 3m was also stable, at -0.55%.

Property market

The volume for transactions over MSEK 40 in the transaction market in Sweden is estimated to have amounted to approximately SEK 234 billion (-106) over 507 transactions (281) from January to September 2021.

Sentiment among investors in the Swedish property market remains strong, and there is a great deal of interest in and plenty of capital for property investments.

The share of foreign investors from January to September 2021 was approximately 12% (31). The Nordic property market remains attractive to international investors, but the percentage is low from a historical perspective owing largely to structural transactions in Sweden.

In Castellum's markets, the required yield for office properties was either stable or fell during the period. A number of comparative transactions were completed during the quarter at extremely strong levels, which indicates healthy demand for the best products in all property segments.

Warehouse and logistics properties continue to attract domestic and international investors, driven by the growth of e-commerce. The short supply of attractive logistics properties, in combination with high demand, has resulted in falling required yields.

In Denmark, the transaction volumes totalled approximately DKK 71 billion (-36) from January to September 2021. The mood among investors remains strong. The required yield for offices in the CBD is assessed as remaining stable at 3.5%.

In Finland, the transaction volumes totalled approximately EUR 4.4 billion (-3.4) from January to September 2021. Among investors, there is considerable demand for the most attractive objects, and the required yield for offices in the CBD in Helsinki is estimated at 3.4%, which is roughly on a par with Stockholm.

In all, this shows a strong property market that has had a great deal of resistance to the negative effects of the coronavirus crisis.

Castellum's agenda for the sustainable city

KEY METRICS - SUSTAINABILITY	2021 Q3	2020	2019	2018	2017	Targets
Resource efficiency						
Total energy use, kWh/sq. m., year	85 ¹⁾	75	88	97	94	
Total energy use, degree-day corrected, kWh/sq. m., year	90 ²⁾	87	95	103	100	Max 89 kWh/sq. m. in 2021, and 80 kWh/sq. m. in 2025 (22% reduction 2025 cf. with 2015)
1. of which actual heating	60	50	60	64	64	
2. of which degree-day corrected heating	65	62	67	70	70	
3. of which electricity and cooling	25	25	28	33	30	
Energy savings per year in the like-for-like portfolio, rolling 12 months, % (degree-day corrected)	-3%	-12%	-8%	3%	-6%	-2.5% energy savings/year in the like-for-like portfolio
Energy savings per year in the like-for-like portfolio, rolling 12 months, % (actual energy use)	1%	-11%	-9%	3%	-7%	
Total water use, m ³ /sq. m., year	0.2	0.3	0.3	0.3	0.3	
Water savings per year in the like-for-like portfolio, rolling 12 months, %	-14%	-13%	-3%	-1%	-4%	1% water conservation/year in the like-for-like portfolio
Fossil-free						
Share of non-fossil energy	96%	95%	96%	95%	95%	100% fossil-free energy by 2030
Fossil fuel-free vehicles, %	100%	100%	86%	62%	34%	100% fossil fuel-free vehicles
No. of charging posts for electric vehicles	730	—	—	—	—	New measurement point, 2021
No. of large solar cell facilities installed	42	39	26	22	16	100 solar cell installations by 2025
Road map to climate neutrality by 2030						
Property management - CO ₂ emissions in kg/sq. m., year (market-based) ³⁾	1.2	1.0	1.5	1.2	1.7	1.2 kg/sq. m. 2021 and 0 kg/sq. m. 2030
of which Scope 1	0.1	0.1	0.1	0.2	0.3	
of which scope 2 - market-based	1.1	0.9	1.4	1.0	1.4	
of which scope 2 - location-based	4.5	4.1	8.8	11.3	11	
Project Development - Reduced emissions in project development portfolio (scope 3), %	15%	—	—	—	—	New target from 2021. 15% reduction in CO ₂ emissions per sq. m. in new production of offices
Environmental certification						
Environmental certification, % of sq. m.	46%	39%	36%	33%	29%	50% certified area by 2025
Environmental certification, no. of properties	193	202	164	141	129	
Environmental certification, % of rental income	58%	52%	47%	43%	39%	
Environmental certification, % of property value	60%	55%	51%	48%	43%	
ESG benchmarks						
GRESB points (0-100)	95	91	92	92	95	Global Sector Leader 2021, GRESB, received 15 October 2021
DJSI points (0-100)	TBD	81	79	73	72	Marks for 2021 will be received first during Q3-Q4 2021
CDP mark (A to D-)	TBD	A	A-	B	A-	Marks for 2021 will be received first during Q3-Q4 2021
Social key metrics						
Sick leave, % (long-term and short-term)	2.1%	2.2%	2.9%	3.8%	2.0%	Max 2% short-term and 3% long-term sick leave
Equality, % women and men	43%/57%	40%/60%	39%/61%	42%/58%	38%/62%	Between 40-60%
Diversity, international background, %	8%	8%	6%	6%	No measurement	20% 2025
Apprentices, % of employees	2%	2%	5%	6%	4%	4% per year

Castellum will be one of the most sustainable property companies in Europe. The company's sustainability agenda, "The sustainable city," is divided into four areas of focus: The Planet, Future-Proofing, Well-Being and Social Responsibility. These areas of focus ensure that operations are conducted responsibly, creating long-term solutions from an economic, ecological and social perspective.

For more detailed information, refer to Castellum's Annual Report for 2020.

1. The increase in total energy consumption compared with 2020 is due primarily to the portfolio shift that took place in 2021, and a colder year compared with 2020 resulting in increased heating.

2. The small increase in the degree-day corrected energy consumption is due primarily to the portfolio shift that took place in 2021. Castellum's actual enhancements to energy efficiency in the like-for-like portfolio can be seen further down in the table and totals 3% savings per square metre, rolling 12 months.

3. This list includes all CO₂ emissions from property management (i.e. scopes 1 and 2). Detailed information on Castellum's CO₂ emissions and complete Scope 3 emissions outside of property management can be found in the 2020 Annual Report on page 168. Total energy consumption is the sum of 1 and 3. Total normalised energy use is the sum of 2 and 3.

CERTIFIED PROPERTIES, EXCLUDING PROJECTS AND LAND

MSEK	Offices	Public sector properties	Warehouse/ Logistics	Light industry	Retail	Total	Share of property management portfolio
Rental income	1,284	568	264	22	152	2,290	58%
Direct property costs	-261	-91	-44	-5	-19	-420	51%
of which							
1. Operating costs	-130	-49	-32	-3	-8	-222	47%
2. Maintenance	-21	-10	-4	-1	-2	-38	44%
3. Property tax	-110	-32	-8	-1	-9	-160	63%
Net operating income	1,023	477	220	17	133	1,870	59%
Property value	34,030	13,738	6,595	480	3,146	57,989	60%
New construction, extensions and reconstructions	273	67	83	1	24	448	46%
Lettable area, 1,000 sq. m.	763	388	354	25	122	1,652	46%
No. of properties	77	35	36	6	20	174	35%

EU TAXONOMY - PRELIMINARY GUIDANCE, THIRD QUARTER 2021

MSEK	EPC A	EPC B	EPC C	Total	Share of property management portfolio
Rental income	142	456	981	1,579	40%
Direct property costs	-23	-84	-193	-300	37%
of which					
1. Operating costs	-12	-46	-106	-164	34%
2. Maintenance	-2	-5	-21	-28	33%
3. Property tax	-9	-33	-66	-108	43%
Net operating income	119	372	788	1,279	41%
Property value	2,841	11,865	22,494	37,200	38%
New construction, extensions and reconstructions	12	31	168	211	22%
Lettable area, 1,000 sq. m.	123	407	877	1,407	39%
No. of properties	13	51	110	174	35%

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Castellum continued to receive international recognition for its sustainability efforts. The awards are proof of the company's strong position in sustainability, creating continued drive for leading development in the industry.

Environmental certifications and the EU Taxonomy

Certified properties pertains to the portfolio held at the end of the period as if they have been owned for the entire period. Moreover, land and development properties have been excluded. The same method has been applied to the figures of the EU Taxonomy.

As regards the EU Taxonomy, only preliminary data is presented to provide guidance based on Castellum's current knowledge of which key metrics will govern investment properties. For buildings constructed prior to 31 December 2020, it has been brought to the company's attention that the governing criteria are expected to be Energy Performance Certificate (EPC) ratings A or that the building has a primary energy use among the top 15% of the most energy efficient in the country. In Sweden, all buildings with A, B and occasionally C ratings are assessed as being among the top 15% of the most energy-efficient, which is why properties with A, B and C ratings are regarded as green assets under the EU Taxonomy in our preliminary guidance. For buildings with an EPC rating of C, Castellum has assumed a limit value of a calculated primary energy consumption of lower than 100 kWh per square metre and year if these are to be included in the top 15%.

For new production built after 31 December 2020, the requirement is 10% better than nearly zero-energy buildings (NZEB), which means 10% better than the energy requirement under the building regulations of the National Board of Housing, Building and Planning (BBR in Swedish), which in turn speaks for the fact that the absolute majority of Castellum's new production going forward will meet EU Taxonomy requirements. This is provided that all Do No Significant Harm (DNSH) criteria have been met. Based on current knowledge, this means that under the Taxonomy it will be easier for new production to meet the criteria than for an existing building according to the manner in which the current EPC ratings levels are designed in Sweden.

Castellum has assumed that all rental income, investment and operating costs that are associated with a given economic activity have the same classification as the economic activity. If, for example, a property has the "green" classification under the EU Taxonomy, all rental income, investment and operating costs will also be classified as green.

Condensed consolidated statement of comprehensive income

MSEK	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	Rolling 4 quarters Oct 2020-Sept 2021	2020 Jan-Dec
Rental income	1,356	1,360	4,028	4,075	5,391	5,438
Service income	100	106	295	327	422	454
Coworking income	45	23	114	86	140	112
Income	Note 2	1,501	1,489	4,437	4,488	5,953
Operating costs	Note 3	-171	-142	-550	-472	-732
Maintenance expenses	Note 3	-34	-29	-98	-91	-152
Property tax	Note 3	-97	-95	-283	-278	-376
Coworking expenses	Note 3	-51	-21	-133	-89	-164
Lettings and property administration expenses	Note 3	-88	-80	-279	-266	-392
Net operating income		1,060	1,122	3,094	3,292	4,137
Central administrative expenses	Note 3	-31	-30	-108	-105	-152
Acquisition costs	Note 4	-20	—	-20	—	-45
Income from associated companies	Note 5	-239	—	-239	—	-239
Income from property management		38	—	38	—	38
Change in values on properties		72	—	72	—	72
Tax		-25	—	-25	—	-25
Other		3	—	3	—	3
Impairment of participations in associated companies		-327	—	-327	—	-327
Net financial items	Note 6					
Net interest costs		-188	-187	-562	-581	-767
Dividend		15	—	61	—	61
Financing fees, etc. for acquisitions		-27	—	-27	—	-97
Letting cost/Site leasehold fee		-6	-6	-20	-18	-22
Income incl. associated companies	Note 1	564	899	2,179	2,588	2,876
<i>of which income from property management¹⁾</i>		888	899	2,503	2,588	3,295
Changes in value	Note 7					
Properties		1,409	398	4,531	816	7,578
Financial holdings		-245	—	51	—	51
Impairment of goodwill		-20	—	-73	—	-73
Derivatives		74	-3	191	-212	283
Income before tax		1,782	1,294	6,879	3,192	10,715
Current tax	Note 8	-23	-58	-155	-140	-262
Deferred tax	Note 8	-245	-221	340	-503	-323
Net income for the period/year		1,514	1,015	7,064	2,549	10,130
Other comprehensive income						
<i>Items that can be reclassified to net income for the period</i>						
Translation difference of currencies, etc.		159	31	250	59	-25
Change in values on derivatives, currency hedge		-158	-13	-180	-79	-57
Comprehensive income for the period/year²⁾		1,515	1,033	7,134	2,529	10,048
Average number of shares, thousand		272,075	273,031	273,867	273,115	274,202
Earnings, SEK/share		5.56	3.72	25.79	9.33	36.94
						20.52

COMPARISONS SHOWN IN BRACKETS

Comparisons shown in brackets are made with the corresponding period in the previous year except in sections describing assets and financing, where comparisons are made with the end of the previous year.

1. For calculation, refer to Financial Key Metrics, page 24.

2. Net income and comprehensive income for the period/year are assignable in their entirety to the Parent Company's shareholders.

Accounting policies can be found on page 27.

Performance analysis, January–September 2021

Note 1 Income from property management

Income from property management (i.e. net income excluding acquisition costs and financing fees for acquisitions, changes in value, tax and other items in associated companies as well as impairment of participations in associated companies, changes in value, impairment of goodwill, and tax) for January–September 2021 amounted to MSEK 2,503 (2,588), corresponding to SEK 9.14 per share (9.48) – a change of -4%. Income from property management, rolling four quarters, amounted to MSEK 3,295 (3,354), equivalent to SEK 12.02 per share (12.28).

SEGMENT INFORMATION

MSEK	Income		Income from property management	
	2021 Jan-Sep	2020 Jan-Sep	2021 Jan-Sep	2020 Jan-Sep
Central	1,183	1,192	691	697
West	915	1,027	545	605
Öresund	863	945	498	569
Stockholm-North	1,157	1,204	764	777
Finland	205	34	50	9
Coworking	114	86	-22	-7
Total	4,437	4,488	2,526	2,650

The difference between the income from property management of MSEK 2,526 (2,650) above and the Group's reported income before tax of MSEK 6,879 (3,192) consists of unallocated income from property management of MSEK -23 (-62), acquisition costs of MSEK -20 (-), financing fees of MSEK -27 (-), change in values on properties of MSEK 4,531 (816), change in value on financial holdings MSEK 51 (-), impairment of goodwill of MSEK 73 (-), change in values on derivatives of MSEK 191 (-212) and change in value, impairment, tax and other items in earnings from associated companies of MSEK -277 (-).

Note 2 Income

The Group's income totalled MSEK 4,437 (4,488). Rental income includes discounts of MSEK 75 (88) as well a lump sum of MSEK 21 (15) as a result of early termination of leases.

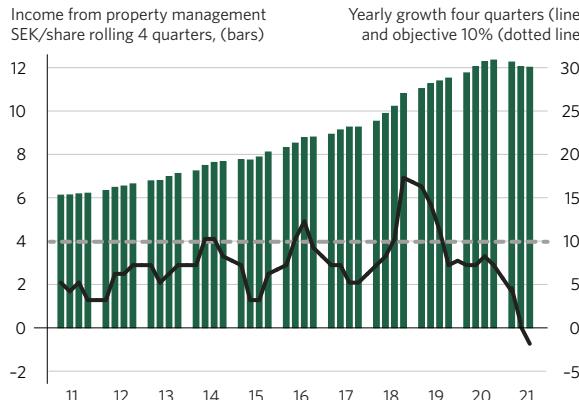
The average economic occupancy rate was 93.0% (93.4). Moreover, the coworking company United Spaces generated income of MSEK 114 (86) in the period.

Rental income in the like-for-like portfolio increased 1.4%, which was due to higher rents but also to lower discounts.

DEVELOPMENT OF INCOME

MSEK	2021 Jan-Sep	2020 Jan-Sep	Change, %
Like-for-like portfolio	3,587	3,539	+1.4%
Development properties	227	231	-
Transactions	509	632	-
Coworking	114	86	-
Income	4,437	4,488	-1.1%

INCOME FROM PROPERTY MANAGEMENT PER SHARE



Note 3 Costs

Direct property costs totalled MSEK 931 (841), corresponding to SEK 326/sq. m. (265). For the like-for-like portfolio, property costs increased 6.6%, which is primarily attributable to higher

costs for heating, electricity and snow removal as a consequence of a colder year compared with the previous year but also to higher energy prices. In addition, expenses for coworking totalled MSEK 133 (89).

Property administration totalled MSEK 279 (266), corresponding to SEK 103 per square metre (85). The increase is attributable primarily to higher costs in Finland.

Central administrative expenses were MSEK 108 (105). Central administrative expenses also included costs related to the earnings and share price-related incentive plans for members of Executive Management of MSEK 7 (10).

COST TRENDS

MSEK	2021 Jan-Sep	2020 Jan-Sep	Change, %
Like-for-like portfolio	728	683	+6.6%
Development properties	60	48	-
Transactions	143	110	-
Direct property costs	931	841	+10.7%
Coworking	133	89	-
Property administration	279	266	-
Central administration	108	105	-
Total costs	1,451	1,301	+11.5%

Consumption for heating during the period has been calculated to 95% (81) of a normal year according to the degree day statistics.

PROPERTY COSTS, Q3 2021

SEK/sq. m.	Offices	Public sector properties	Ware-house/ logistics	Light industry	Retail	Total
Operating costs	239	183	123	130	112	190
Maintenance expenses	45	39	18	29	25	36
Property tax	143	100	28	30	75	100
Property costs	427	322	169	189	212	326
Lettings & prop. admin.						103
Total	427	322	169	189	212	429
NOI Q3 2020	370	312	134	145	230	350

Note 4 Acquisition costs

In the third quarter, Castellum publicised its offer for the listed property company Kungsleden. Costs worked up pertaining to the above total approximately MSEK 20.

The fourth quarter of 2020 was charged with acquisition costs of MSEK 25 attributable to Castellum's attempt to acquire the listed Norwegian property company Entra. The transaction was not completed, however, which was announced in February 2021.

Note 5 Earnings from associated companies

In the third quarter, Castellum increased its holding in the Norwegian listed property company Entra, meaning that the holdings change in character, as regards reporting, from financial holdings to associated company. This means that Castellum's share of Entra's income is recognised from the point in time when its ownership exceeded 20%, which occurred in late August.

Earnings from associated companies totalled MSEK -239 and consisted in part of Castellum's share of Entra's earnings of MSEK 88 and in part of impairment of participations in associated companies of MSEK -327. For further information on Entra, refer to Note 12.

EARNINGS FRÅN ASSOCIATED COMPANIES INCOME

MSEK	2021 Jan-Sep	2020 Jan-Sep
Income from property management	38	—
Change in values on properties	72	—
Tax	-25	—
Other	3	—
Castellum's share of Entra's earnings	88	—
Impairment of participations in associated companies	-327	—
Earnings from associated companies	-239	—

Note 6 Net financial items

Net interest was MSEK -562 (-581). Net interest includes other financial costs of MSEK -17 (-17), which pertain primarily to arrangement fees allocated to the period for credit agreements and costs for bond and commercial paper programmes. During the period, interest totalling MSEK 33 (28) pertaining to projects was capitalised.

The average interest rate over the period was 1.8% (2.0). Net interest was positively affected by approximately MSEK 70 due to the 0.2 percentage point decrease in the average interest rate.

Furthermore, costs for leases amounted to MSEK -20 (-16), of which site leasehold fees were MSEK -16 (-14). During the period, a dividend of MSEK 61 (—) was received from Entra and Kungsleden.

In early August, Castellum signed a credit agreement to ensure financing for the acquisition of Kungsleden. The credit agreement was cancelled in mid-September as a result of financing carried out in the capital market. Net income for the period was charged with MSEK -27 for this credit. Similar costs of MSEK -70 arose in 2020 in conjunction with Castellum's bid for Entra.

Note 7 Changes in value

Interest in property investments remained high while access to capital is good, which has resulted in a stable and strong property market.

Castellum recognised an unrealised change in value of MSEK 3,984 (695), which is largely attributable to changed yield requirements and project gains/building rights. Moreover, a realised change in value of MSEK 547 (121) was recognised, comprising the sale and/or cash settlement of 122 properties.

Castellum recognises an unrealised change in value in financial holdings of MSEK 51 (—), divided between the holding in Entra of MSEK 296 and in Kungsleden of MSEK -245.

Properties were sold during the period, entailing an impairment of goodwill of MSEK -73 (—).

The value of the derivatives changed by MSEK 191 (-212), mainly due to changes in long-term market interest rates and movements in exchange rates.

CHANGE IN VALUES ON PROPERTIES

MSEK	2021 Jan-Sep	2020 Jan-Sep
Cash flow	13	105
Project gains/building rights	788	373
Required yield	3,097	176
Acquisitions	86	41
Unrealised changes in value	3,984	695
%	4.0%	0.7%
Sales	547	121
Total	4,531	816
%	4.5%	0.8%

Note 8 Tax

Recognised tax totalled MSEK 185 (-643), of which MSEK -155 (-140) is current tax. Owing to the possibility of depreciation and direct deductions on certain reconstructions of properties for tax purposes, and utilizing tax loss carry forwards, the tax paid is lower than full nominal tax.

Remaining tax loss carry forwards can be calculated at MSEK 286 (603). Furthermore, there are untaxed reserves of MSEK 936 (671). Fair values for the properties exceed their fiscal value by MSEK 61,050 (63,027) of which MSEK 8,084 (7,872) relates to the acquisition of properties accounted for on the acquisition date as asset acquisitions. Full nominal tax on the net from these items less the deferred tax attributable to the asset acquisitions – that is, MSEK 11,045 (11,376) – is recognised as a deferred tax liability.

Castellum has no ongoing tax disputes.

Condensed Consolidated Balance Sheet

MSEK		30 Sep 2021	30 Sep 2020	31 Dec 2020
ASSETS				
Investment properties	Note 9	104,342	98,076	103,042
Goodwill	Note 10	1,600	1,673	1,673
Leases, right-of-use	Note 11	1,154	898	888
Associated companies	Note 12	11,375	—	—
Financial assets	Note 13	2,460	—	2,729
Other fixed assets		248	182	200
Current receivables		3,108	1,078	1,223
Cash and cash equivalents		2,227	198	161
Total assets		126,514	102,105	109,916
Equity and liabilities				
Equity		62,622	44,502	48,243
Deferred tax liability	Note 8	11,045	10,718	11,376
Other provisions		10	3	3
Interest-bearing liabilities	Note 14	47,987	42,486	45,720
Derivatives		606	871	1,132
Lease liability	Note 11	1,154	898	888
Non-interest bearing liabilities		3,090	2,627	2,554
Total equity and liabilities		126,514	102,105	109,916
Pledged assets (pledged mortgages)		22,574	20,381	21,231
Pledged assets (chattel mortgages)		—	—	—
Contingent liabilities		—	—	—

Note 8 Tax, cont.

TAX CALCULATION 30 SEPTEMBER 2021

MSEK	Basis current tax	Basis deferred tax
Income from property management	2,503	
In associated companies	-38	
Non-deductible interest	67	
Deductions for tax purposes		
Depreciation	-810	810
Reconstructions	-274	274
Transfers to tax allocation reserve	-318	318
Other tax adjustments	-63	138
Taxable income from property management	1,067	1,540
Current tax if tax loss carry forwards not utilised	220	
Sales of properties	—	-7,493
Change in values on properties	—	3,984
Taxable income before tax loss carry forwards	1,067	-1,969
Tax loss carry forwards, opening balance	-603	603
Tax loss carry forwards, closing balance	286	-286
Taxable income	750	-1,652
Tax according to the income statement for the period	-155	340

NET DEFERRED TAX LIABILITY 30 SEPTEMBER 2021

MSEK	Nominal tax liability	Real tax liability
Tax loss carry forwards	286	59
Untaxed reserves	-936	-193
Properties	-61,050	-12,576
Total	-61,700	-12,710
Properties, asset acquisitions	8,084	1,665
In the balance sheet	-53,616	-11,045

Deferred tax is in principle both interest-free and amortisation-free, and can therefore be considered as shareholders' equity. The real deferred tax is lower than nominal partly due to the possibility of selling properties in a tax-efficient way and partly due to the time factor which means that the tax will be discounted. The net estimated real deferred tax liability has been estimated at 4% based on a discount rate of 3%. Furthermore, it has been assumed that tax loss carry forwards are realised in one year with a nominal tax of approximately 21%, that the properties are realised in 50 years and where the entire portfolio is sold indirectly in corporate wrappers, and where the buyer's tax discount is 7%, which is in line with transactions made by Castellum in recent years.

Condensed Changes in Equity

MSEK	Number shares outstanding, thousand	Share capital	Other capital contribution	Currency translation reserve	Currency hedge reserve	Hybrid bonds	Retained earnings	Total equity
Equity, 31 Dec 2019	273,201	137	12,434	366	-316	—	31,156	43,777
Dividend, Mar and Sep 2020 (SEK 6.50/share)	—	—	—	—	—	—	-1,776	-1,776
Repurchase of own shares	-170	—	—	—	—	—	-28	-28
Net income, Jan-Sep 2020	—	—	—	—	—	—	2,549	2,549
Other comprehensive income, Jan-Sep 2020	—	—	—	59	-79	—	—	-20
Equity, 30 Sep 2020	273,031	137	12,434	425	-395	—	31,901	44,502
Share issue in kind	4,062	2	825	—	—	—	—	827
Net income, Oct-Dec 2020	—	—	—	—	—	—	3,066	3,066
Other comprehensive income, Oct-Dec 2020	—	—	—	-275	123	—	—	-152
Equity, 31 Dec 2020	277,093	139	13,259	150	-272	—	34,967	48,243
Dividend, Mar and Sep 2021 (SEK 6.50/share)	—	—	—	—	—	—	-1,888	-1,888
Repurchase of own shares	-5,018	—	—	—	—	—	-1,038	-1,038
Share issue	—	—	—	—	—	10,171	—	10,171
Net income, Jan-Sep 2021	—	—	—	—	—	—	7,064	7,064
Other comprehensive income, Jan-Sep 2021	—	—	—	250	-180	—	—	70
Equity, 30 Sep 2021	272,075	139	13,259	400	-452	10,171	39,105	62,622

In late August, Castellum issued hybrid bonds with a maturity to the first potential redemption of 5.5 years and with a fixed coupon rate of 3.125%. The issue was oversubscribed, and the bonds are listed on Euronext Dublin (Global Exchange Market).

The hybrid bonds are recognised as equity according to IFRS. Moody's gave the instrument a rating of Ba1, and confirmed that they classified 50% as equity and 50% as liabilities.

Note 9 Property portfolio and property value

Investment properties

The property portfolio is located in growth areas in Sweden as well as Copenhagen and Helsinki. The properties' locations vary from city centre locations to well-situated business districts with good means of communication and services.

Investments

During the period, investments totalling MSEK 11,334 (1,996) were made in properties, of which MSEK 8,846 (317) were acquisitions and MSEK 2,488 (1,800) new construction, extensions and reconstructions. After sales and cash settlements of MSEK 14,708 (121), net investments amounted to MSEK -3,374 (1,996).

Moreover, SEK 8.7 billion was invested during the period in the listed property company Entra, meaning that Castellum's ownership share at the end of the period was 31.5%. Refer further to Note 12.

CHANGES IN THE PROPERTY PORTFOLIO

	Fair value, MSEK	Number
Property portfolio on 1 January 2021	103,042	642
+ Acquisitions	8,846	35
+ New construction, extensions and reconstructions	2,488	1
- Sales	-14,162	-122
+/- Unrealised changes in value	3,984	—
+/- Currency translation	144	—
Property portfolio on 30 Sep 2021	104,342	556

MAJOR PROPERTY TRANSACTIONS, JAN-SEP 2021

	Volume, MSEK	Occupied/Vacated
Acquisitions		
Finland	6,433	July 2021
Herrjärva 2, Stockholm	1,045	July 2021
Aprikosen 3, Stockholm	946	Sep 2021
Sales		
Portfolio of 92 properties	9,798	Feb/May 2021
Ferring, Copenhagen	1,069	July 2021
Finland	2,119	July 2021
Portfolio of 17 properties	1,658	Nov 2021

Property value*Internal valuations*

Castellum assesses property values through internal valuations, as of previous year, corresponding to level 3 in IFRS 13. The valuations are based on a 10-year cash flow model with individual valuation for each property of both its future earnings capacity and the 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%.

Ongoing projects have been valued using the same principle, but with deductions for remaining investments. Properties with building rights have been valued on the basis of an estimated market value per square metre, on average approximately SEK 2,400 (1,750) per square metre. In order to ensure and validate the quality of the internal valuations, an external valuation – representing over 50% of the portfolio – is made at year-end. In addition, 25% of the holdings by value are externally assessed at the end of the half-year accounting period.

Based on these internal valuations, property value at the end of the period was assessed at MSEK 104,342 (103,042), corresponding to SEK 26,993 (23,549) per square metre.

Average valuation yield

The average valuation yield for Castellum's property portfolio, excluding development projects and undeveloped land, can be calculated at 4.7% (5.0). The yield has changed as the result of primarily lowered yield requirements, but also changes in the portfolio.

AVERAGE VALUATION YIELD

(excl. projects/land and building rights)	MSEK
Net operating income, properties	3,325
+ Real occupancy rate, 94% at the lowest	186
- Property admin, SEK 30/sq. m.	-88
Normalised net operating income (9 months)	3,423
Valuation (excl. building rights of MSEK 845)	96,594
Average valuation yield	4.7%

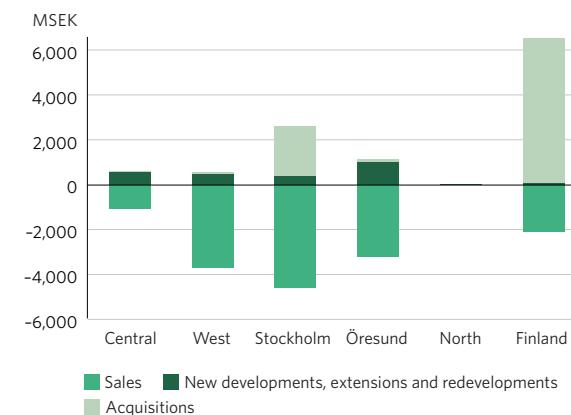
Valuation yield per category	30 Sep 2021	31 Dec 2020
Offices	4.6%	4.9%
Public sector properties	4.6%	4.8%
Warehouse/Logistics	4.8%	5.2%
Retail	5.7%	5.5%
Light industry	5.4%	5.9%
Total	4.7%	5.0%

Uncertainty range

The value of a property can only be established when it is sold. The value range indicated in property valuations, which in a functioning market most often lies within +/- 5-10%, should be regarded as a measurement of the uncertainty in the assumptions and calculations made. In a less liquid market, the range may be wider. For Castellum, an uncertainty range of +/- 10% means a range in value of the property portfolio of MSEK 93,908-114,776, equivalent to +/- MSEK 10,434.

PROPERTY-RELATED KEY METRICS

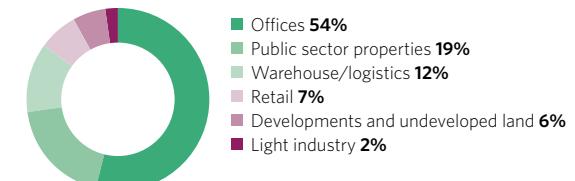
	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
Rental value, SEK/sq. m.	1,689	1,527	1,538
Economic occupancy rate	93.0%	93.4%	93.1%
Property costs, SEK/sq. m.	429	350	369
Net operating income, SEK/sq. m.	1,125	1,051	1,039
Property value, SEK/sq. m.	26,993	22,836	23,549
No. of properties	556	637	642
Lettable area, thousand sq. m.	3,914	4,287	4,447
Average valuation yield	4.7%	5.1%	5.0%

NET INVESTMENTS PER REGION

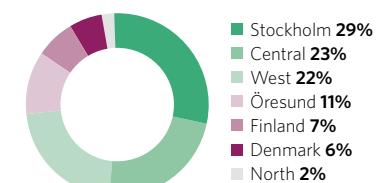
Castellum's property portfolio

Category	30 Sep 2021				January-September 2021						
	Number	Area, thousand sq. m.	Property value, MSEK	NOI SEK/sq. m.	Rental value, MSEK	NOI SEK/sq. m.	Economic occ.rate	Income, MSEK	Property costs, MSEK	NOI SEK/sq. m.	Net operating income, MSEK
OFFICES											
Stockholm	32	326	17,658	54,187	649	2,657	92.3%	592	108	445	484
West	60	356	11,161	31,369	484	1,813	90.1%	439	96	360	343
Central	76	530	11,111	20,959	637	1,602	91.8%	577	141	355	436
Öresund	19	171	5,312	30,956	266	2,071	94.3%	245	48	378	197
North	2	5	104	19,843	6	1,550	97.4%	6	2	404	4
Denmark	15	148	4,995	33,722	236	2,120	93.3%	214	58	521	156
Finland	15	201	6,647	33,137	397	2,638	87.4%	344	103	683	241
Total Office	219	1,737	56,988	32,802	2,675	2,053	91.3%	2,417	556	427	1,861
PUBLIC SECTOR PROPERTIES											
Stockholm	8	60	3,455	57,150	122	2,700	98.5%	118	18	389	100
West	15	95	1,945	20,402	93	1,290	95.9%	88	17	231	71
Central	30	284	8,206	28,855	377	1,769	96.5%	362	74	345	288
Öresund	8	85	3,198	37,699	134	2,106	98.6%	132	19	304	113
North	10	102	2,105	20,714	114	1,502	97.1%	113	21	276	92
Denmark	1	12	624	51,660	23	2,514	98.6%	22	3	374	19
Finland	4	27	458	17,160	33	1,640	86.8%	28	9	457	19
Total Public sector properties	76	665	19,991	30,044	896	1,795	96.8%	863	161	322	702
WAREHOUSE/LOGISTICS											
Stockholm	20	117	2,942	25,119	118	1,344	94.6%	109	17	186	92
West	52	434	6,351	14,648	291	896	92.3%	261	52	159	209
Central	17	85	1,023	12,077	57	887	87.0%	53	11	178	42
Öresund	22	119	1,530	12,905	80	902	92.5%	72	14	161	58
Denmark	1	18	165	9,032	11	812	76.4%	9	4	288	5
Total Warehouse/Logistics	112	773	12,011	15,553	557	962	92.0%	504	98	169	406
RETAIL											
Stockholm	19	128	3,020	23,582	148	1,542	99.2%	143	17	175	126
West	10	43	1,058	24,733	52	1,612	98.4%	50	5	164	45
Central	20	104	1,796	17,302	106	1,360	97.1%	102	19	246	83
Öresund	10	39	791	20,433	44	1,535	87.4%	39	9	294	30
Total Retail	59	314	6,665	21,270	350	1,490	96.9%	334	50	212	284
LIGHT INDUSTRY											
Stockholm	11	40	749	18,972	36	1,217	96.8%	35	7	231	28
West	11	39	487	12,384	26	866	95.8%	24	4	143	20
Central	10	29	417	14,200	23	1,052	98.2%	23	5	213	18
Öresund	1	13	131	9,834	9	854	85.5%	7	1	151	6
Total Light Industry	33	121	1,784	14,686	94	1,024	95.8%	89	17	189	72
Total investment properties	499	3,610	97,439	26,993	4,572	1,689	93.0%	4,207	882	326	3,325
Lettings and property administration expenses											279
Total after lettings and property administration											1,161
Projects	39	304	6,318	—	138	—	—	82	34	—	48
Undeveloped land	18	—	585	—	—	—	—	—	—	—	—
Total	556	3,914	104,342	—	4,710	—	—	4,289	1,195	—	3,094

PROPERTY VALUE BY CATEGORY



PROPERTY VALUE BY REGION



This table relates to the properties owned by Castellum at the end of the period and reflects the income and costs of the properties as if they had been owned during the entire period. The discrepancy between the net operating income of MSEK 3,094 reported above and the net operating income of MSEK 3,094 in the income statement is explained both by the deduction of the net operating income of MSEK 191 in properties sold during the period, by the MSEK 172 upward adjustment of the net operating income on properties acquired/completed during the period, which are recalculated as if they had been owned or been completed during the entire period, and the exclusion of MSEK 19 from the coworking company in the table above.

A more detailed description about property categories is available on page 31, Definitions.

Customers

Customer and lease structure

Castellum's lease portfolio features a good risk exposure. The Group has approximately 5,500 commercial leases and approximately 400 residential leases, and their distribution in terms of size is presented in the table below. The single largest lease accounts for 2% of the Group's total rental income, while the corresponding figure for the single largest customer is 3%. This means that Castellum's exposure to credit risk from a

single customer is very low. The remaining average length of contract was 3.8 years (3.9).

Gross lettings (i.e. the annual value of total lettings) during the period was MSEK 377 (465), of which MSEK 76 (224) pertained to lettings in conjunction with new construction, extensions and reconstructions. Notices of termination amounted to MSEK 284 (274), of which bankruptcies were

MSEK 5 (3) and MSEK 58 (14) were notices of termination with more than 18 months left of contract. Net lettings for the period were thus MSEK 93 (191). The time difference between reported net lettings and the income effect thereof is estimated to be between 9-18 months in investment properties and 12-24 months for investments in new construction, extensions and reconstructions.

LEASE MATURITY STRUCTURE, 30 SEP 2021

MSEK	No. of leases	Lease value, MSEK	Percentage of value
Commercial, term			
2021	292	37	1%
2022	1,876	731	13%
2023	1,276	1,067	19%
2024	1,022	991	18%
2025	540	761	13%
2026+	480	1,815	33%
Total commercial	5,486	5,402	97%
Residential	439	41	1%
Parking spaces and other	5,678	108	2%
Total	11,603	5,551	100%

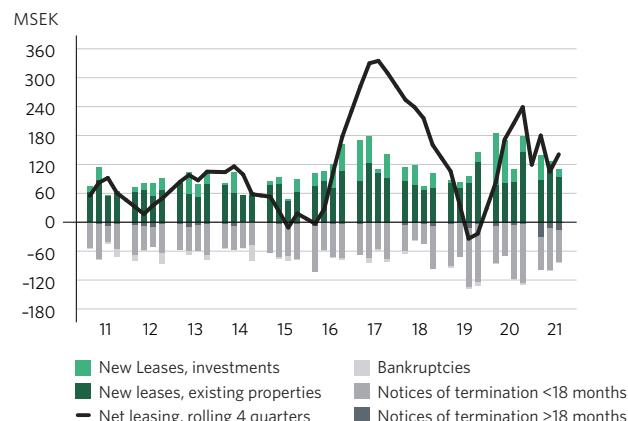
LEASE SIZE 30 SEP 2021

Lease size, MSEK	No. of leases	Lease value, MSEK	Share
Commercial			
<0.25	2,659	23%	3%
0.25-0.5	860	7%	6%
0.5-1.0	796	7%	10%
1.0-3.0	799	7%	25%
>3.0	372	3%	53%
Total	5,486	47%	5,402
Residential	439	4%	1%
Parking spaces and other	5,678	49%	108
Total	11,603	100%	5,551
			100%

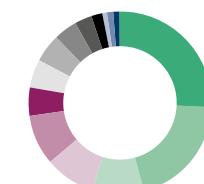
NET LETTINGS JAN-SEP 2021

MSEK	Region						Total
	Central	West	Öresund	Sthlm	North	Finland	
New lettings							
Existing prop.	93	72	58	66	1	11	301
Investments	4	61	11	0	0	0	76
Total	97	133	69	66	1	11	377
Notices of termination							
Existing prop.	-99	-82	-37	-50	-5	-6	-279
Bankruptcies	-4	0	0	-1	0	0	-5
Total	-103	-82	-37	-51	-5	-6	-284
Net lettings	-6	51	32	15	-4	5	93
NOI Q3 2020	77	10	81	14	6	3	191

NET LETTINGS



COMMERCIAL LEASES DISTRIBUTED BY SECTOR



- Public sector 26%
- Commercial services, consultants 20%
- Industrial durables and services 9%
- Retail incl. wholesales 9%
- IT: software, hardware and services 9%
- Automotive: sales, services and manufacturing 5%
- Healthcare 5%
- Bank, finance and insurance 5%
- Hotel, restaurants and leisure 4%
- Energy 3%
- Food: grocery stores and producers 2%
- Transport 1%
- Forestry 1%
- Real estate 1%

Castellum's portfolio is well distributed over various segments, whereby almost half consist of office buildings. Exposure to segments that are particularly affected by the coronavirus crisis is relatively low.

Castellum's development portfolio

	1. Åseby 1:5 GOTHENBURG ■ ONGOING New construction, pub. sector prop. Investment: MSEK 301		2. Sörred 7:23 GOTHENBURG ■ ONGOING New construction, warehouse Investment: MSEK 78		3. Backa 20:5 GOTHENBURG ■ COMPLETED New construction, warehouse Investment: MSEK 71		4. Annedal 21:10 GOTHENBURG ■ ONGOING Reconstruction, pub. sector prop. Investment: MSEK 55		5. Gamlestaden 22:14 GOTHENBURG ■ ONGOING Reconstruction, office Investment: MSEK 73		6. Heliumgasen 11 GOTHENBURG ■ ONGOING New construction, warehouse Investment: MSEK 69		7. Sesamfröet 2 GOTHENBURG ■ ONGOING Reconstruction, pub. sector prop. Investment: MSEK 280		8. Götaland 5 JÖNKÖPING ■ ONGOING New construction, pub. sector prop. Investment: MSEK 323		9. Drevet 1/Långeberga HELSINGBORG ■ ONGOING New construction, logistics Investment: MSEK 261		10. Bollbro 15 HELSINGBORG ■ ONGOING Reconstruction, pub. sector prop. Investment: MSEK 125		11. Jeppe 1/GreenHaus HELSINGBORG ■ ONGOING New construction, office Investment: MSEK 320		12. Sellerin 3 LUND ■ COMPLETED New construction, warehouse Investment: MSEK 91		13. Bolaget 1/Lockarp MALMÖ ■ ONGOING New construction, logistics Investment: MSEK 94		14. Godsfinkan 1 MALMÖ ■ ONGOING New construction, public sector prop. Investment: SEK 1.3 billion		15. Sjöstjärnan/E.ON MALMÖ ■ ONGOING New construction, office Investment: SEK 1.3 billion		16. Dragarbrunn 21:1 UPPSALA ■ ONGOING New/reconstruction, office Investment: MSEK 493		17. Örnäs 1:17 STOCKHOLM ■ ONGOING New construction, logistics Investment: MSEK 221		19. Verkstaden 14 VÄSTERÅS ■ ONGOING New construction, public sector prop. Investment: MSEK 198		20. Hissmontören 4 ÖREBRO ■ ONGOING New construction, office Investment: MSEK 118		21. Korsningen 1 ÖREBRO ■ ONGOING New construction, public sector prop. Investment: MSEK 227
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Larger ongoing projects

LARGER ONGOING INVESTMENTS

No. ¹⁾	Property	Category	Investment type	Location	Completed	Area, sq. m.	Rental value, MSEK	Econ. occup. Oct 2021	Total inv. incl. land, MSEK	Of which built up, MSEK	Remaining inv., MSEK
16	Dragarbrunn 21:1	Offices	New/reconstruction	Uppsala	Q4 2021	14,130	45.0	72%	493	398	95
5	Gamlestaden 22:14	Offices	Reconstruction	Gothenburg	Q1 2022	4,610	5.7	100%	73	58	15
19	Verkstaden 14	Public sector prop.	New construction	Västerås	Q1 2022	5,800	14.3	88%	198	152	46
20	Hissmontören 4	Offices	New construction	Örebro	Q1 2022	3,400	8.7	53%	118	60	58
2	Sörred 7:23	Warehouse	New construction	Gothenburg	Q1 2022	6,220	6.9	100%	78	47	31
6	Heliumgasen 11	Warehouse	New construction	Gothenburg	Q1 2022	4,440	5.9	100%	69	45	24
11	Jeppe 1/GreenHaus	Offices	New construction	Helsingborg	Q2 2022	7,000	20.1	55%	320	278	42
21	Korsningen 1	Public sector prop.	New construction	Örebro	Q2 2022	5,650	15.4	100%	227	126	101
17	Örnäs 1:17	Logistics	New construction	Stockholm	Q2 2022	16,870	15.2	0%	221	87	134
4	Annedal 21:10	Public sector prop.	Reconstruction	Gothenburg	Q2 2022	4,984	4.0	100%	55	2	53
8	Götaland 5	Public sector prop.	New construction	Jönköping	Q3 2022	9,200	22.9	100%	323	121	202
7	Sesamfröet 2	Public sector prop.	Reconstruction	Gothenburg	Q3 2022	5,600	24.0	100%	280	114	166
8	Götaland 5	Public sector prop.	Reconstruction	Jönköping	Q3 2022	7,968	5.8	100%	108	13	95
9	Drevet 1/Långeberga	Logistics	New construction	Helsingborg	Q4 2022	21,784	15.2	0%	261	29	232
13	Bolaget 1/Lockarp	Logistics	New construction	Malmö	Q4 2022	5,135	5.1	100%	94	28	66
15	Sjöstjärnan/E.ON	Offices	New construction	Malmö	Q1 2023	31,460	78.0	91%	1,296	654	642
14	Godsfinkan 1	Public sector prop.	New construction	Malmö	Q1 2023	26,500	81.0	91%	1,270	873	397
10	Bollbro 15	Public sector prop.	Reconstruction	Helsingborg	Q1 2023	3,810	6.8	92%	125	48	77
1	Åseby 1:5	Public sector prop.	New construction	Gothenburg	Q3 2023	14,780	21.0	100%	301	28	273
18	Sorbonne block/Infinity Offices	New construction	Stockholm	Q2 2025	19,800	99.6	0%	1,713	44	1,669	
Total ongoing projects						219,141	500.6	66%	7,623	3,205	4,418
Developments completed or fully/partly occupied											
12	Sellerin 3	Warehouse	New construction	Lund	Q1 2021	5,190	7.0	64%	91	86	5
3	Backa 20:5	Warehouse	New construction	Gothenburg	Q1 2021	4,600	7.0	100%	71	71	0
Total developments, >MSEK 50						228,931	541.6	66%	7,785	3,362	4,423

1. Property numbers on the map on page 16.

Castellum has an ongoing development portfolio of approximately SEK 7.6 billion, of which SEK 3.2 billion is developed. The average economic occupancy rate in September 2021 is 66%.

These projects make possible project gains, based on current market yields, of SEK 2.7 billion, of which SEK 900 million has already been recognised. There is thus the possibility for future project gains of a further SEK 1.8 billion, given current pricing of various property types and that leases are signed.

Two projects were partially completed during the period, with occupation. At the same time, ten new projects were started, which corresponds to a total investment volume of approximately SEK 3.1 billion. During the period, Castellum's single largest project commenced, Infinity in Hagastaden, Stockholm, with a total investment volume of approximately SEK 1.7 billion and scheduled completion in 2025. Furthermore, SEEL's establishment at Gateway Säve commenced during the period, a new production of 14,778 square metres at an investment of approximately MSEK 300. This is an investment that fits in well with Gateway Säve's strategy as a development hub for sustainable transportation in combination with future logistics. Moreover, Castellum has begun new production of three logistics properties with an aggregate investment volume of MSEK 576 for the purpose of meeting the rental market's strong demand.

Castellum has a large volume of building rights – approximately 1.5 million square metres of lettable area. Castellum believes it will be possible to start approximately 900,000 square metres of this over the next four years, corresponding to an investment volume of approximately SEK 20 billion. Out of this volume, approximately 530,000 square metres are logistics and the rest primarily offices. The geographic distribution and the 20 largest projects by area are shown in the following table.

POTENTIAL DEVELOPMENT PROJECTS, 2021-2025

Location	Category	Lettable area, sq. m.	
		Detailed dev. plan exists	Change to detailed dev. plan required
Borås	Other	5,000	—
Gothenburg	Logistics	—	444,000
Gothenburg	Offices	—	25,000
Gothenburg	Other	12,700	9,000
Helsinki	Offices	26,800	—
Jönköping	Offices	24,700	5,600
Copenhagen	Logistics	7,300	—
Linköping	Offices	4,000	8,400
Linköping	Other	8,500	10,000
Lund	Offices	17,200	—
Malmö	Offices	6,200	35,000
Malmö	Logistics	24,000	—
Norrköping	Offices	14,900	—
Stockholm	Offices	8,700	121,600
Stockholm	Logistics	48,100	—
Stockholm	Other	—	7,600
Uppsala	Offices	—	14,400
Uppsala	Logistics	9,000	—
Västerås	Offices	4,000	13,900
Örebro	Offices	14,700	1,700
Örebro	Public sector	8,200	—
Total		244,000	696,200

POTENTIAL CONSTRUCTION START 2021-2025, LARGEST

Projects	Location	Type	Category	Detailed dev. plan	Lettable area, sq. m.
Säve Stage 2	Gothenburg	New construction	Logistics	Ongoing	255,000
Säve Stage 1	Gothenburg	New construction	Logistics	Ongoing	189,000
North of Nordstaden ¹⁾	Gothenburg	New construction	Offices	Ongoing	25,000
Charkuteristerna 1-8	Stockholm	New construction	Offices	Ongoing	25,000
Hälsingland 19	Malmö	New construction	Offices	Not begun	25,000
Werket	Jönköping	Reconstruction	Offices	In effect	20,200
Lindetorp	Stockholm	New construction	Offices	Ongoing	20,000
Forskaren	Lund	New construction	Offices	In effect	17,200
K3	Helsinki	Reconstruction	Offices	In effect	17,200
Vallonsmidet, Stage 1	Stockholm	New construction	Offices	Ongoing	16,000
Hornsberg 10	Stockholm	Reconstruction	Offices	Ongoing	13,000
Sunnanå 8:51	Malmö	New construction	Logistics	In effect	13,000
Brunna Örnäs 1:28	Stockholm	New construction	Logistics	In effect	12,700
Brunna Örnäs 1:29	Stockholm	New construction	Logistics	In effect	12,700
Tistlarna 9	Malmö	New construction	Logistics	In effect	10,970
Boländerna 9:1	Uppsala	Reconstruction	Offices	Ongoing	10,200
Amazonen 3	Linköping	New construction	Offices	Ongoing	10,000
Brunna Tibble 1:648	Stockholm	New construction	Logistics	In effect	10,000
Viitta	Helsinki	New construction	Offices	In effect	9,600
Öskaret Stage 3	Stockholm	Reconstruction	Offices	Ongoing	9,500
Total				721,270	

1. Land allocation agreement

Note 10 Goodwill

Castellum has goodwill of MSEK 1,600 (1,673), of which MSEK 193 (193) is attributable to the acquisition of the coworking company United Spaces in 2019. The remaining goodwill of MSEK 1,407 (1,480) comprises deferred tax from the acquisition in 2016 of the companies CORHEI and Norrporten. Impairment of goodwill arises primarily in the event of a major downturn in the property market or a situation wherein properties included in the transaction above are divested. Goodwill was amortised in the amount of MSEK 73 during the period as the result of divestments of properties.

Note 11 Leases

Castellum values its leases and recognises the right-of-use as an asset with a corresponding liability. At the balance sheet date, the value of Castellum's leases was MSEK 1,154 (888), divided into site leasehold agreements of MSEK 581 (483) and rental agreements in United Spaces, the coworking company, of MSEK 573 (415).

The increase in United Spaces is due primarily to the take-over of three facilities from UMA Workspaces in Stockholm and the opening of a new facility in the Geely Innovation Center in Gothenburg.

Note 12 Associated companies

In the third quarter, Castellum acquired a further 23,929,430 shares in Entra at an average price of NOK 209 per share. This means that ownership at the end of the period totalled 57,400,406 shares, corresponding to 31.5%. As a result, Castellum's ownership in Entra changed its character as regards reporting in the third quarter - from financial holding to associated company. Reporting of earnings from associated holdings is based on Entra's latest published report - in this case, its Q2 report. Castellum reports its Entra holdings as an associated company as of the end of August, meaning that Castellum's share of a month's earnings in Entra is reported in Castellum's income statement. This corresponds to MSEK 88, distributed as follows: income from property management of MSEK 38, change in values on properties of MSEK 72, tax of MSEK -25 and other, MSEK 3. Additionally, Castellum has impaired its participation in the associated company by MSEK -327.

Entra

At the end of the period, Castellum owned 57,400,406 shares in Entra AS, corresponding to 31.5% of the voting rights and capital. After the end of the period, an additional 408,479 shares were acquired, corresponding to a 31.7% ownership.

Entra AS owns and manages modern office properties in central locations close to public transportation. This, together with a strong customer base, lengthy leases and a large, high-quality development portfolio, means that the company is well positioned for the future. The following tables present the composition of Entra's portfolio as of Q2 2021.

For further information, visit the company's web site at www.entra.no.

ENTRA'S PROPERTY PORTFOLIO, Q2 2021

	No. of properties	Area, sq. m.	Occupancy rate, %	Contract length, years	Market value		Rolling 12 months, rent		Market rent		
					MNOK	NOK/sq. m.	MNOK	NOK/sq. m.	Net yield, %	MNOK	NOK/sq. m.
Oslo	36	595,592	98.1	6.7	34,059	57,186	1,493	2,506	4.07	1,553	2,608
Trondheim	11	158,695	96.4	6.7	5,313	33,478	282	1,779	4.99	283	1,781
Bergen	8	114,931	97.6	5.4	5,319	46,280	236	2,051	4.07	288	2,503
Sandvika	9	98,990	97.5	7.1	3,178	32,107	171	1,730	5.10	155	1,564
Stavanger	7	119,366	91.9	6.0	2,973	24,907	171	1,429	5.21	189	1,579
Drammen	8	69,470	98.4	9.0	2,584	37,193	136	1,959	4.98	131	1,889
Property management portfolio	79	1,157,043	97.4	6.7	53,426	46,175	2,489	2,151	4.33	2,598	2,246
Development portfolio	11	182,742		9.4	8,254	45,169					
Development projects	5	109,847		0.2	887	8,078					
Property portfolio	95	1,449,631		6.9	62,568	43,161					

The table above is taken from Entra's report for Q2 2021. For definitions and clarifications, please refer to their report.

ENTRA	Q3 2021	Q3 2020	Q4 2020
Castellum's ownership	31.5%	—	—
ENTRA	Q2 2021	Q2 2020	Q4 2020
Rental income, MNOK	1,193	1,174	2,353
Income from property management, MNOK	740	706	1,451
Net income for the period, MNOK of which minority, MNOK	1,900 98	782 40	5,696 236
Castellum's share (1 month) of:			
Income from property management, MNOK	38	—	—
Net income for the period, MNOK	88	—	—

ENTRA	30 Jun 2021	30 Jun 2020	31 Dec 2020
No. of properties	95	90	90
Property value, MNOK	62,568	50,610	56,746
Lettable area, thousand sq. m.	1,450	1,327	1,345
Contract length, years	6.9	6.8	7.1
Economic occupancy rate	97.4%	97.6%	97.9%
Interest-bearing liabilities, MNOK	25,143	20,695	21,146
Debt maturity, years	5.0	4.8	5.4
Fixed interest rate, years	2.5	2.7	2.4
Loan-to-value ratio	40.2%	40.6%	37.0%
EPRA NRV	198	159	189

Note 13 Financial assets

In the third quarter, as part of the offer for the listed property company Kungsleden, Castellum acquired 21,300,000 shares in Kungsleden at an average price of SEK 127 per share. The holdings correspond to 9.9% of the number of shares outstanding. The fair value of the holdings at the end of the period totalled MSEK 2,460, involving an unrealised change in value of MSEK -245 during the period.

Note 14 Interest-bearing liabilities, cash and cash equivalents

Castellum must maintain a low level of financial risk, meaning a sustainable LTV ratio of less than 50% and an interest coverage ratio of at least 200%.

Interest-bearing liabilities

At the end of the period, Castellum had credit agreements totalling MSEK 70,031 (63,500), of which MSEK 56,031 (46,894) was long-term and MSEK 14,000 (16,606) was short-term. Of the utilised borrowing facilities at the end of the period, MSEK 39,287 (29,693) was long-term and MSEK 8,700 (16,027) short-term.

During the period, new bank credit facilities of approximately MSEK 7,000 were entered into, approximately MSEK 840 were extended or renegotiated, and MSEK 2,430 were terminated.

During the period, Castellum conducted two NOK share issues and one EUR share issue with maturities of 5–8 years at a nominal value of approximately MSEK 8,200 as part of its EMTN programme, while bonds in Castellum's Swedish MTN programme at a nominal amount of MSEK 2,550 has been issued, while bonds with a nominal value of MSEK 3,750 were repaid.

The proportion of secured financing used, with the addition of commercial paper outstanding backed by secured bank credit commitments, was 11% (16) of the properties' value.

KEY METRICS - INTEREST-BEARING FINANCING

	30 Sep 2021	30 Sep 2020	31 Dec 2020
Interest-bearing liabilities, MSEK	47,987	42,486	45,720
Bonds outstanding, MSEK	36,258	29,812	29,127
Commercial paper outstanding, MSEK	3,636	5,263	8,844
Banking credit etc., MSEK	8,093	7,411	7,749
Cash and cash equivalents	2,227	198	161
Unutilised credit facilities, MSEK	22,044	17,161	17,780
Share of unsecured assets	60%	60%	61%
Share of secured borrowing/property value	11%	13%	16%
Share of secured borrowing/total assets	6%	7%	7%
Share of secured credits utilised	17%	13%	17%
Loan-to-value ratio ¹⁾	36%	41%	41%
Interest coverage ratio	545%	545%	530%
Net liability/EBITDA, multiple	11.5	10.0	10.9
Average debt maturity, years	4.2	3.8	3.8
Average credit price tenor, years	3.6	3.2	3.0
Average fixed interest rate term	3.8	3.0	2.6
Credit rating	Baa2, Stable Outlook	Baa2, Stable Outlook	Baa2, Stable Outlook
Average effective rate excl. pledges	1.8%	1.8%	1.7%
Average effective rate incl. pledges	1.9%	1.9%	1.8%
Market value interest rate derivatives	-238	-803	-740
Market value currency derivatives	-368	-68	-392

1. The definition of loan-to-value ratio has been amended to adapt the key metric to investment in financial assets (Entra holding). The new definition is net interest-bearing liabilities in relation to total assets. The comparative figures have been restated. Loan-to-value ratio, Property, consists of the old definition, but remains as part of reporting as it constitutes a covenant.

Currency exposure

Castellum owns properties in Denmark and Finland with a value of MSEK 12,889 (9,091), which means that the Group is exposed to currency risk. The currency risk is primarily attributable to the translation of income statements and balance sheets in foreign currency into Swedish kronor.

CREDIT Maturity STRUCTURE, 30 SEPTEMBER 2021

Credit agreements	MSEK	Utilised in				Share, %
		Bank	MTN/ Comm. paper	Total		
0-1 year	14,000	815	7,885	8,700	18%	
1-2 years	9,150	0	5,250	5,250	11%	
2-3 years	17,713	3,875	7,394	11,269	24%	
3-4 years	9,990	0	3,590	3,590	7%	
4-5 years	6,783	0	6,783	6,783	14%	
>5 years	12,395	3,403	8,992	12,935	26%	
Total	70,031	8,093	39,894	47,987	100%	

INTEREST RATE MATURITY STRUCTURE, 30 SEPTEMBER 2021

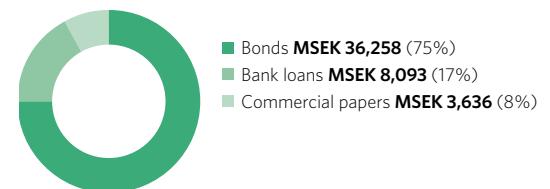
Maturity date	MSEK ¹⁾	Share, %	Average interest rate, % ²⁾	Average fixed interest rate term
0-1 year	18,741	39%	1.8%	0.2
1-2 years	1,948	4%	1.1%	1.5
2-3 years	5,829	12%	2.3%	2.3
3-4 years	1,593	4%	1.3%	3.5
4-5 years	4,872	10%	1.6%	4.8
5-10 years	15,004	31%	1.8%	9.0
Total	47,987	100%	1.8%	3.8

1. Including fees for utilised credit agreements and exchange rate differences for MTNs. In the interest rate maturity structure, interest rate swaps are reported in the earliest time segment in which they can mature. Credit margins and fees are distributed in the table by reported underlying loans.

2. Calculated on the net volume of interest-bearing liabilities and derivatives, excluding costs of credit agreements.

CASTELLUM'S FINANCIAL POLICY AND COMMITMENTS IN CREDIT AGREEMENTS

	Policy	Commitment	Outcome
Loan-to-value ratio, Property	Not exceeding 50%	Not exceeding 65%	43%
Interest coverage ratio	At least 200%	At least 150%	545%
The share of secured borrowing/total assets		Not exceeding 45%	6%
Funding risk			
• average debt maturity	At least 2 years		4.2 years
• proportion maturing within 1 year	No more than 30% of loans outstanding and unutilised credit agreements		16%
• average credit price tenor	At least 1.5 years		3.6 yrs
• liquidity reserve	Secured credit agreements corresponding to MSEK 750 and 4.5 months upcoming loan maturities		Achieved
Interest rate risk			
• average interest duration	1.5-3.5 years		3.8 years
• maturing within 6 months	No more than 50%		35%
Credit and counterparty risk			
• rating restriction	Credit institutions with high ratings, at least S&P BBB+		Achieved
Currency risk			
• translation exposure	Net investments are hedged		Achieved
• transaction exposure	Handled if exceeding MSEK 25		Achieved

DISTRIBUTION OF INTEREST-BEARING FINANCING, 30 SEPT 2021**SECURED CREDIT FACILITIES, 30 JUNE 2021**

Condensed Consolidated Cash Flow Statement

MSEK	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	Rolling 12 months Oct 2020-Sept 2021	2020 Jan-Dec
Net operating income	1,060	1,122	3,094	3,292	4,137	4,335
Central administrative expenses	-31	-30	-108	-105	-152	-149
Reversed depreciation	36	41	-100	71	124	95
Net interest paid	-249	-205	-522	-530	-781	-789
Tax paid	-3	-5	-27	-10	-194	-177
Translation difference of currencies	60	18	151	-20	37	-134
Cash flow from operating activities before change in working capital	873	941	2,688	2,698	3,171	3,181
Change in current receivables	-127	12	-407	-153	-332	-78
Change in current liabilities	356	1	230	-54	125	-159
Cash flow from operating activities	1,102	954	2,511	2,491	2,964	2,944
Investments in new construction, extensions and reconstructions	-809	-595	-2,488	-1,800	-3,200	-2,512
Property acquisitions	-8,511	-25	-8,846	-317	-10,348	-1,819
Change in liabilities at acquisitions of property	-9	-16	137	-163	-4	-304
Sales of properties	3,708	2	14,708	121	15,478	891
Change in receivables at sales of properties	-572	14	-1,478	3	-1,698	-217
Investment in financial assets	-2,730	—	-2,730	—	-2,730	-2,442
Investment in associated companies	-4,941	—	-8,743	—	-11,185	—
Other investments	-76	-45	-148	-62	-191	-105
Cash flow from investment activities	-13,940	-665	-9,588	-2,218	-13,878	-6,508
Change in long-term interest-bearing liabilities	4,865	607	2,086	1,554	5,877	5,345
Change in long-term receivables	4	-10	1	2	10	11
Swap termination	-33	—	-189	—	-189	—
Repurchase of own shares	—	—	-1,038	-28	-1,038	-28
Hybrid share issue	10,171	—	10,171	—	10,171	—
Dividend paid	-939	-888	-1,886	-1,776	-1,886	-1,776
Cash flow from financing activities	14,068	-291	9,143	-248	12,943	3,552
Cash flow for the period/year	1,230	-2	2,066	25	2,029	-12
Cash and cash equivalents, opening balance	997	200	161	173	198	173
Cash and cash equivalents, closing balance	2,227	198	2,227	198	2,227	161

Parent Company

CONDENSED INCOME STATEMENT

MSEK	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep
Income	25	25	75	75
Costs	-48	-47	-157	-159
Net financial items	-53	22	-83	22
Financing fees, acquisitions	-27	—	-27	—
Dividend	15	—	61	—
Impairment of shares in subsidiaries/associated companies	-132	—	-151	—
Change in values on derivatives	-34	-14	69	-233
Change in value, financial investment	-245	—	51	—
Income before tax	-499	-14	-162	-295
Tax	1	4	4	17
Net income for the period/year	-498	-10	-158	-278
Items that will be reclassified into net income				
Translation difference of currencies	82	18	54	36
Unrealised change, currency hedge	-64	-13	-18	-78
Comprehensive income for the period/year	-480	-5	-178	-320

CONDENSED BALANCE SHEET

MSEK	30 Sep 2021	30 Sep 2020	31 Dec 2020
Participations, Group companies	21,010	20,159	20,957
Associated companies	11,375	—	—
Receivables, Group companies	42,647	41,025	43,709
Financial assets	2,483	—	2,729
Other assets	176	121	114
Cash and cash equivalents	0	58	6
Total	77,691	61,363	67,523
Equity	25,507	15,552	18,384
Derivatives	606	871	1,132
Interest-bearing liabilities	39,685	39,723	43,318
Interest-bearing liabilities, Group companies	11,425	4,960	4,126
Other liabilities	438	257	563
Total	77,691	61,363	67,523
Pledged assets (receivables, Group contributions)	18,842	17,174	16,974
Contingent liability (guaranteed commitments for subsidiaries)	6,623	2,202	2,170

Opportunities and risks

Opportunities and risks in the cash flow

Risk and uncertainty factors regarding cash flow from operating activities are mainly attributable to changes in rental levels, vacancy rates and interest rates. The sensitivity analysis below shows how much a change of one percentage point affects cash flow and reported earnings.

SENSITIVITY ANALYSIS - CASH FLOW EFFECT ON INCOME, NEXT 12 MONTHS

	Effect on income, MSEK ±1% (points)	Probable scenario				
		Boom	Recession	-20%	-10%	0%
Rental level/index	+57 / -57	+	-			
Vacancies	+63 / -63	+	-			
Property costs	-16 / +16	-	0			
Interest costs ¹⁾	-149 / +117	0	-			
Valuation, required yield	-24,621 / +18,184	+	-			

1. The asymmetry is due to the fact that at present, Castellum deems the opportunities for fully including negative market rates to be limited.

Opportunities and risks in property values

Castellum reports its properties at fair value with changes in value in the income statement. This means that earnings in particular but also the financial position may be more volatile. Property values are determined by supply and demand, where prices mainly depend on the properties' expected net operating incomes and the buyers' required yield. An increasing demand results in lower required yields and hence an upward adjustment in prices, while a weaker demand has the

opposite effect. In the same way, a positive development in net operating income results in an upward adjustment in prices, while a negative development has the opposite effect.

In property valuations, consideration should be taken of an uncertainty range that in a functioning market should amount to +/- 5-10%, in order to reflect the uncertainty in the assumptions and calculations made.

SENSITIVITY ANALYSIS - CHANGE IN VALUE

Properties	-20%	-10%	0%	+10%	+20%
Change in value, MSEK	-20,868	-10,434	0	10,434	20,868
Loan-to-value ratio	44%	40%	36%	34%	31%

Financial risk

Ownership of properties presumes a working credit market. Castellum's greatest financial risk is lack of access to financing. The risk is reduced by a low loan-to-value ratio and long-term credit agreements.

Sustainability

Sustainability risks refer to risks directly or indirectly associated with environmental risks, climate change, the Code of Conduct and liability risks. For more detailed information about the above and other risks and uncertainties, visit Castellum's website or see Castellum's 2020 Annual Report, "Risk and risk management" on pages 66-73.

Coronavirus pandemic

Society has begun to open up again after having had severe restrictions as a result of COVID-19 – due in great part to vaccinations. In Sweden, the government eased the restrictions in late September and the return to workplaces has now begun even though caution still prevails.

Castellum got through the pandemic very well, and the liquidity relief provided has pertained primarily to moving from quarterly to monthly payments. This relief had already begun to slow down earlier in the year and continued to do so during the third quarter. Similarly, rent payments were stable throughout the pandemic, and extremely few rent losses were noted. All this is an expression of a strong and stable cash flow, a broad customer base, and strong, committed efforts from all employees. Castellum's ongoing projects are progressing according to plan and have already been procured. Rising prices for building materials entail a risk of higher investment costs in new, future new construction and conversions.

Financial Key Metrics

	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Oct 2020-Sep 2021	Rolling 12 months	Jan-Dec 2020
Average number of shares, thousand (related to income statement key metrics)	272,075	273,031	273,867	273,115	274,202	273,628	
Number of shares outstanding, thousand (related to balance sheet key metrics)	272,075	273,031	272,075	273,031	272,075	277,093	

A number of the financial metrics presented by Castellum in the interim report are not defined in accordance with IFRS. However, the company believes that these measures provide useful supplementary information to both investors and Castellum management, as they facilitate evaluation of company performance. It is to be noted that, since not all companies calculate financial measurements in the same manner, these are not always comparable to measurements used by other companies. These financial measurements should therefore not be seen as a substitute for metrics defined according to IFRS. Unless otherwise stated, the table below presents metrics, along with their reconciliation, which are not defined according to IFRS. Definitions for these measures appear on page 31.

Income from property management

	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Oct 2020-Sep 2021	Rolling 12 months	Jan-Dec 2020	
	MSEK	SEK/ share	MSEK	SEK/ share	MSEK	SEK/ share	MSEK	SEK/ share
Income before tax	1,782	6.55	1,294	4.74	6,879	25.12	3,192	11.69
Reversed:								
Acquisition costs	20	0.07	—	—	20	0.07	—	—
Financing fees, etc. for acquisitions	27	0.10	—	—	27	0.10	—	—
Earnings from associated companies excl. acquired earnings	277	1.02	—	—	277	1.01	—	—
Change in values on properties	-1,409	-5.18	-398	-1.46	-4,531	-16.54	-816	-2.99
Change in value on financial holdings	245	0.90	—	—	-51	-0.19	—	—
Impairment of goodwill	20	0.07	—	—	73	0.27	—	—
Change in values on derivatives	-74	-0.27	3	0.01	-191	-0.70	212	0.78
= Income from property management	888	3.26	899	3.29	2,503	9.14	2,588	9.48

EPRA Earnings (Income from property management after tax)

Income from property management	888	3.26	899	3.29	2,503	9.14	2,588	9.48	3,295	12.02	3,380	12.35
Reversed: Current tax, income from property management	-59	-0.21	-91	-0.33	-220	-0.80	-256	-0.94	-264	-0.97	-300	-1.10
EPRA Earnings/EPRA EPS	829	3.05	808	2.96	2,283	8.34	2,332	8.54	3,031	11.05	3,080	11.25

Castellum's operations are focused on cash flow growth from ongoing management operations (i.e. growth in income from property management), the prime yearly objective being a 10% increase in property management income. Income from property management also forms the basis of the annual shareholder dividend: at least 50% of income from property management. Income from property management is calculated before tax paid, as well as after the theoretical tax that Castellum would have paid on income from property management had there been no loss carryforwards.

Net asset value

	30 Sep 2021	30 Sep 2020	31 Dec 2020		
	MSEK SEK/share	MSEK SEK/share	MSEK SEK/share		
Equity according to the balance sheet	62,622	230	44,502	163	48,243
Reversed:					174
Hybrid bonds	-10,171	-37	—	—	—
Declared, undistributed dividend	—	—	—	—	—
Derivatives according to the balance sheet	606	2	871	3	1,132
Goodwill attributable to deferred tax	-1,407	-5	-1,480	-5	-1,480
Deferred tax according to the balance sheet	11,045	40	10,718	39	11,376
Net reinstatement value (EPRA NRV)	62,695	230	54,611	200	59,271
Deduction					214
Goodwill due to acquisition of United Spaces	-193	-1	-193	-1	-193
Estimated real deferred tax, 4% ¹⁾	-2,333	-8	-2,185	-8	-2,284
Net tangible assets (EPRA NTA)	60,169	221	52,233	191	56,793
Reversed:					205
Derivatives according to above	-606	2	-871	-3	-1,132
Deferred tax	-8,712	-36	-8,533	-31	-9,091
Net disposal value (EPRA NDV)	50,851	187	42,829	157	46,570
					168

1. The net estimated real deferred tax liability has been estimated at 4% based on a discount rate of 3%. Further, assessments have been made that tax loss carry forwards are realised in one year with a nominal tax of 20.6%, and that the properties are realised in 50 years and where the entire portfolio is sold indirectly in corporate wrappers where the buyers tax discount is 7%.

Net asset value describes the total equity that the company manages for its owners. Based on this equity, Castellum wants to create return and growth at a low level of risk. Net asset value can be calculated in different ways, where mainly time and turnover in the property portfolio impact on the value. Long-term net reinstatement value (EPRA NRV) is based on the balance sheet, with adjustments for items that will not lead to any short-term payment or that do not belong to owners of ordinary shares. In Castellum's case these would include such items as goodwill, derivatives, deferred tax liability and hybrid bonds. Net tangible assets (EPRA NTA) is the same as long-term EPRA NRV but with the difference that goodwill that is not attributed to deferred taxes is not seen as an asset. Furthermore, the deferred tax should be based on market value according to how the company has completed property transactions in recent years. Net disposal value (EPRA NDV) is equal to equity according to the balance sheet but with adjustment for goodwill.

Financial risk

	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Oct 2020-Sep 2021	Rolling 12 months	Jan-Dec 2020
Interest coverage ratio							
Income from property management, MSEK	888	899	2,503	2,588	3,295	3,380	
Reversed:							
Net interest costs, MSEK	188	187	562	581	767	786	
Income from property management excl. net interest, MSEK	1,076	1,086	3,065	3,169	4,062	4,166	
Interest coverage ratio, %	572%	581%	545%	545%	530%	530%	
Loan-to-value ratio			30 Sep 2021	30 Sep 2020	31 Dec 2020		
Interest-bearing liabilities, MSEK			47,987	42,486	45,720		
Cash and cash equivalents, MSEK			-2,227	-198	-161		
Net interest-bearing liabilities, MSEK	45,760		42,288		45,559		
Total assets, MSEK			126,514	102,105	109,916		
Loan-to-value ratio (%)			36%	41%	41%		
Loan-to-value ratio, Property			30 Sep 2021	30 Sep 2020	31 Dec 2020		
Net interest-bearing liabilities, acc. to above, MSEK			45,760	42,288	45,559		
Investment properties, MSEK			104,342	98,076	103,042		
Acquired properties not taken into possession, MSEK			-137	-141	—		
Divested properties still in Castellum's possession, MSEK			1,698	—	220		
Investment properties, MSEK	105,903		99,935		103,262		
Loan-to-value ratio, Property, %			43%	43%	43%		
Net debt to EBITDA			30 Sep 2021	30 Sep 2020	31 Dec 2020		
Net interest-bearing liabilities, acc. to above, MSEK			45,760	42,288	45,559		
Net operating income, MSEK			3,094	3,292	4,335		
Central administration expenses, MSEK			-108	-105	-149		
Operating income, MSEK	2,986		3,187		4,186		
Net debt to EBITDA			11.5	10.0	10.9		

Direct investments in properties

	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Oct 2020-Sep 2021	Rolling 12 months	Jan-Dec 2020
Net investment, MSEK							
Acquisitions	8,511	25	8,846	317	11,175	2,646	
New construction, extensions and reconstructions	809	595	2,488	1,800	3,200	2,512	
Total investments	9,320	620	11,334	2,117	14,375	5,158	
Net sales prices	-3,708	-2	-14,708	-121	-15,478	-891	
Net investments	5,612	618	-3,374	1,996	-1,103	4,267	
Proportion of the property value, %	6%	1%	-4%	2%	-1%	4%	

Castellum's strategy is to own, develop and manage properties at low financial risk. This is expressed in a loan-to-value ratio not permanently exceeding 50% and an interest coverage ratio of at least 200%. Furthermore, net debt to EBITDA that expresses how many years it takes for a company to repay its interest-bearing debt, is an important financial risk metric.

In order to achieve the overall target of 10% growth in income from property management per share, Castellum will make annual net investments of at least 5% of the property value.

Other key financial metrics

	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Rolling 12 months Oct 2020-Sep 2021	Jan-Dec 2020
Surplus ratio	73%	76%	70%	73%	72%	74%
Interest rate, average	1.8%	1.9%	1.8%	2.0%	1.8%	1.9%
Return on EPRA NRV	10.9%	9.3%	12.1%	8.2%	18.6%	13.4%
Return on total capital	6.4%	5.8%	8.2%	5.2%	9.8%	7.5%
Return on equity	10.8%	9.3%	18.1%	7.9%	20.9%	13.1%
Property value, SEK/share	384	359	384	359	384	372
Gross lettings, MSEK	111	110	377	465	556	644
Net lettings, MSEK	27	-9	93	191	141	239

Accounting policies

Castellum complies with the IFRS standards adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. Disclosures in accordance with IAS 34 Interim Financial Reporting are provided in notes and elsewhere in the interim report. Otherwise, accounting policies and calculation methods remain unchanged compared to last year's Annual Report.

Nomination Committee

At Castellum AB's 2021 Annual General Meeting (AGM) held on 25 March, it was resolved that the Nomination Committee for the 2022 AGM shall consist of the Chairman of the Board and a member appointed by each of the four largest ownership-registered or otherwise known shareholders, as per the last trading day of August 2021. If such a shareholder should not wish to appoint a member, the fifth largest shareholder should be consulted, and so on.

Castellum's Chairman of the Board has contacted the largest shareholders, and the Nomination Committee now consists of the following members:

- Helen Fasth Gillstedt, appointed by Handelsbanken Fonder
- Patrik Essehorn, appointed by Corem Property Group
- Johannes Wingborg, appointed by Länsförsäkringar Fonder
- Mats Gustafsson, appointed by Lannebo Fonder
- Rutger Arnhult, Chairman of the Board

In total, the Nomination Committee represents approximately 32% of the total number of shares and votes in the company. The Nomination Committee will appoint a Chairman from among its members.

The Nomination Committee's task for the 2022 AGM is to propose a Chairman for the AGM, the number of Board members, members of the Board and the Chairman of the Board, as well as the auditors. The Nomination Committee will also propose remuneration to members of the Board and the auditors. Finally, the Nomination Committee will propose principles for appointing the Nomination Committee for the 2023 AGM.

Shareholders are welcome to submit their proposals and views to the Nomination Committee by 6 December 2021, at the latest, to Castellum AB, Attn: Rutger Arnhult, Box 2269, SE-403 14 Gothenburg, or by e-mail to rutger.arnhult@castellum.se.

The Nomination Committee's proposals will be announced in the notice for the 2022 AGM and on the company's website. The AGM for Castellum AB will be held on 24 March 2022.

Gothenburg, 19 October 2021

Jakob Mördal

Acting Chief Executive Officer, Castellum AB

This Interim Report has not been examined by the company's auditors.

This disclosure contains information that Castellum is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact person set out above on Thursday, 19 October 2021 at 8:00 am CEST.

The Castellum share

Castellum is listed on Nasdaq Stockholm Large Cap. At the end of the period the company just under 93,000 shareholders. The ten individual largest owner constellations confirmed as of 30 September 2021 are presented in the table below.

SHAREHOLDERS AS OF 30 SEPTEMBER 2021

Shareholders	Number of shares, thousand	Percentage of voting rights and capital
Rutger Arnhult	58,278	21,4%
APG Asset Management	15,991	5,9%
BlackRock	13,104	4,8%
Handelsbanken Fonder & Liv	9,653	3,6%
Vanguard	9,502	3,5%
Corem Property Group AB	8,880	3,3%
Länsförsäkringar Fonder	8,501	3,1%
Lannebo Fonder	5,000	1,8%
Swedbank Robur Fonder	4,504	1,7%
Folksam	3,746	1,4%
Board and Executive Management Castellum ¹⁾	136	0.0%
Other shareholders registered in Sweden	58,512	21,5%
Shareholders registered abroad	76,268	28.0%
Total shares outstanding	272,075	100.0%
Repurchase of own shares	5,188	
Total shares registered	277,263	

1. Rutger Arnhult's holdings are excluded under Board and Executive Management Castellum. There is no potential common stock (e.g. convertibles).

Source: Holdings by Modular Finance AB. Collected and analysed data from Euroclear, Morningstar, Finansinspektionen, Nasdaq and Millistream.

Acquisitions and transfers of own shares

The 2021 AGM gave a mandate to the Board up until the next AGM to acquire and transfer shares. The acquisition may include no more than the number of shares that corresponds at any time to 10% of the total number of shares outstanding. During the period, 5,017,764 shares were repurchased at an average price of SEK 207. On 30 September 2021, the company's holding of treasury shares amounted to 5,187,967 shares corresponding to 2% of the number of shares registered.

Dividend yield

The recent AGM approved a dividend of SEK 6.90 per share (6.50) corresponding to a dividend yield of 3.2% (3.2) based on the share price at the end of the period. Of the dividend, SEK 3.45 was distributed in late March/early April, and the remainder was disbursed in September.

Total return

During the last 12-month period, the total return on the Castellum share was 8.6% (0), including the dividend.

Net asset yield and earnings incl. long-term change in value

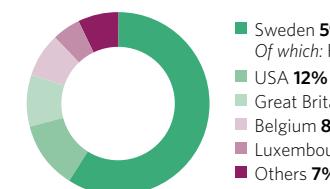
In companies managing real assets, such as property, the income from property management only reflects part – albeit a large part – of the overall result. The definition of a real asset is that its value is protected. This means that over

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 change in value. In order to provide an accurate figure of the yield, the numerator – that is, the income – must be similarly adjusted. Therefore, the recorded income from property management has to be supplemented with a component of changes in value 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. For a long-term player with a stable cash flow and a properly compiled property portfolio, the long-term change in value can be used to adjust the numerator in the equation.

DISTRIBUTION OF SHAREHOLDERS BY COUNTRY, 30 SEPTEMBER 2021



- Sweden 59%
Of which: Funds 16%, other owners 43%
- USA 12%
- Great Britain 9%
- Belgium 8%
- Luxembourg 5%
- Others 7%

THE SHARE				GROWTH, YIELD AND FINANCIAL RISK				NET ASSET YIELD AND EARNINGS INCL. LONG-TERM CHANGE IN VALUE			
	30 Sep 2021	30 Sep 2020	31 Dec 2020		1 year	3 years avg./year	10 years avg./year			Sensitivity analysis	
										-1 pp	-1%-point
Share price, SEK	214.50	204.0	208.70								
Market capitalisation, SEK billion	59.9	55.7	57.9								
Sales, millions	146.3	235	286								
Turnover rate, %	71%	114%	104%								
Share price/EPRA NRV	94%	98%	98%								
Share price/EPRA EPS, RTM	19	18	19								
P/E ratio	6	10	10								
Dividend yield, share	3.2%	3.2%	3.3%								
EPRA KEY RATIOS				30 Sep 2021	30 Sep 2020	31 Dec 2020					
EPRA Earnings (Income from property mgmt after tax paid), MSEK	2,503	2,332	3,080								
EPRA Earnings (EPS), SEK/share	9.14	8.54	11.25								
EPRA NRV (Long-term net reinstatement value), MSEK	62,092	54,611	59,271								
EPRA NRV, SEK/share	228	200	214								
EPRA NTA, MSEK	59,566	52,233	56,793								
EPRA NTA, SEK/share	219	191	205								
EPRA NDV, MSEK	50,248	42,829	46,570								
EPRA NDV, SEK/share	185	157	168								
EPRA Vacancy rate	7%	7%	7%								
EPRA Cost ratio incl. costs for vacancy	27%	22%	24%								
EPRA Cost ratio excl. costs for vacancy	25%	21%	23%								
EPRA Yield	4.5%	4.9%	4.8%								
EPRA "Topped-up" Yield	4.6%	5.1%	4.9%								
Growth											
Rental income SEK/share				1%	3%	4%					
Income from prop. mgmt SEK/share				-2%	6%	7%					
Net income for the year after tax SEK/share				121%	10%	16%					
Dividend SEK/share				6%	9%	8%					
Long-term EPRA NRV, SEK/share				15%	13%	11%					
Property portfolio SEK/share				7%	5%	7%					
Change in values on properties				7.9%	5.6%	3.6%					
Yield											
Return on long-term EPRA NRV				18.6%	15.7%	19.8%					
Return on equity				20.9%	18.4%	16.7%					
Return on total capital				9.8%	9.0%	8.0%					
Total return per share (incl. dividend)											
Castellum				8.6%	14.3%	15.6%					
Nasdaq Stockholm (SIX Return)				31.6%	18.2%	16.4%					
Real Estate Index Sweden (EPRA)				25.1%	20.2%	20.1%					
Real Estate Index Europe (EPRA)				23.0%	5.4%	10.7%					
Real Estate Index Eurozone (EPRA)				14.9%	1.2%	9.9%					
Real Estate Index Great Britain (EPRA)				32.0%	4.9%	9.5%					
Financial risk											
Loan-to-value ratio				36%	41%	47%					
Interest coverage ratio				530%	510%	388%					

Share price trend

DIVIDEND YIELD



SHARE PRICE/NET ASSET VALUE



YIELD, EARNINGS PER SHARE



**THE CASTELLUM SHARE'S PRICE TREND AND TURNOVER FROM THE IPO
ON 23 MAY 1997 UNTIL 30 SEPTEMBER 2021**

Turnover, million share per month



Definitions

SHARE-RELATED KEY METRICS

Data per share

In calculating income and cash flow per share the average number of shares has been used, whereas in calculating assets, equity and net asset value per share the number of shares outstanding has been used.

Dividend payout ratio

Dividend per share as a percentage of income from property management per share.

Dividend yield

Dividend as a percentage of the share price at the end of the period.

EPRA EPS (Earnings Per Share)

Income from property management adjusted for nominal tax attributable to income from property management, divided by the average number of shares. Taxable income from property management means income from property management less deductions for tax purposes of depreciation and reconstruction.

EPRA NDV - Net Disposal Value

Equity as recognised in the balance sheet, less hybrid bonds and adjusted for goodwill that does not constitute deferred tax.

EPRA NRV - Net Reinstatement Value

Equity as recognised in the balance sheet less hybrid bonds and adjusted for interest rate swaps, goodwill relating to deferred tax, and deferred tax in its entirety.

EPRA NTA - Net Tangible Assets

Equity as recognised in the balance sheet less hybrid bonds and following add-back of derivatives and goodwill, adjusted for actual deferred tax instead of nominal deferred tax.

Number of shares

Registered number of shares – the number of shares registered at a given point in time. Number of shares outstanding – the number of shares registered with a deduction for the company's own repurchased shares at a given point in time. Average number of shares – the weighted average number of shares outstanding during a given period.

Total return per share

Share price development with addition of the dividends during the period as if reinvested in shares on the day shares traded ex-dividend.

PROPERTY-RELATED KEY METRICS

Economic occupancy rate

Rental income accounted for during the period, less discounts, 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.

Income from property management

Net income following add-back of acquisition and restructuring costs, revaluation of results due to stepwise acquisitions, impairment of goodwill and changes in value, as well as tax for both the Group and for joint ventures.

Property costs

This item includes both direct property costs, such as operating expenses, maintenance, site leasehold fees and property tax, as well as indirect costs for letting and property administration.

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. Castellum's property types are: office, public sector properties (customers that are directly or indirectly tax funded), warehouse/logistics, light industry, retail and developments and undeveloped land.

Rental income

Rents debited plus supplements such as reimbursement of heating costs and property tax.

Rental value

Rental income plus estimated market rent for vacant premises.

SEK per square metre

Property-related key metrics, 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 completely excluded. Development projects and undeveloped land have been excluded. In the interim accounts, key metrics have been recalculated on an annual basis, disregarding seasonal variations normally occurring in operations.

Surplus ratio

Net operating income as a percentage of rental income.

FINANCIAL KEY METRICS

Interest coverage ratio

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

Loan-to-value ratio

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

Loan-to-value ratio, Property

Interest-bearing liabilities after deduction for cash and cash equivalents as a percentage of the properties' fair value with deduction for acquired properties not taken into possession, and with addition for divested properties still in Castellum's possession.

Net debt to EBITDA

Interest-bearing liabilities after deduction for cash and cash equivalents in relation to net operating income less central administrative expenses.

Return on EPRA NRV

Net income after tax with reversed changes in values on derivatives and deferred tax as a percentage of initial EPRA NRV. 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 total capital

Income before tax with reversed net financial items and changes in values 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.

About Castellum

Castellum is one of the Nordic region's largest listed property companies with a property value of approximately SEK 165 billion, including our participation in the Norwegian company Entra ASA. We are active in attractive Swedish growth regions as well as in Copenhagen and the Helsinki area. 250,000 people go to work every day in our properties. We develop flexible workplaces and logistics solutions with a lettable area of 3.9 million square meters. One of our sustainability goals is to become entirely climate neutral by 2030 at the latest. Castellum is the only Nordic property and construction company elected to the Dow Jones Sustainability Index (DJSI). The Castellum share is listed on Nasdaq Stockholm Large Cap.

Beyond expectations.
www.castellum.se

Financial calendar

Year-end report 2021	21 January 2022
Annual report 2021	7-11 February 2022
Annual General Meeting 2022	24 March 2022
Interim report January–March 2022	22 April 2022
Half-year report January–June 2022	15 July 2022
Interim report January–September 2022	19 October 2022

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