Q2

Half-year report

January–June 2022

CASTELLUM

Strong six months with 47 per cent growth in income from property management, despite turbulence in the world

Important events during the quarter

- Early in the quarter, unsecured bonds totalling SEK 1.6 Bn were issued on the Swedish capital market as part of the existing MTN programme. During the quarter, loan facilities in banks corresponding to SEK 13 Bn were refinanced with margins that were largely unchanged year-on-year.
- A declaration of intent has been signed with a major player for a 25,000-square metre warehouse and logistics facility at Halvorsäng Logistics Park in the Hisingen district.
- Castellum signed a 10-year lease with Martin & Servera that will create a new 5,300-square metre head office in the Västra Kungsholmen district of Stockholm.
- A lease was signed with Blå Stjärnan pertaining to a new 7,000-square metre specialist veterinary hospital in Mölndal. The contract runs for 18 years.
- Our report on the Working Life of the Future was presented, with an analysis that concluded that the office plays a crucial role for companies in building a positive corporate culture.
- A new type of lease appendix for climate neutrality has been developed that commits tenants and landlords to methodically measure and reduce joint greenhouse gas emissions from the premises to net-zero.

- Income for the period January–June 2022 totalled SEK 4,400 M (2,936).
- Income from property management totalled SEK 2,375 M (1,615), corresponding to SEK 7.13 per share (5.88).
- Changes in value on properties amounted to SEK 2,812 M (3,122) and on derivatives to SEK 2,470 M (117).
- Net income for the period amounted to SEK 6,933 M (5,550), corresponding to SEK 20.80 (20.20) per share.
- Long-term net reinstatement value (EPRA NRV) amounted to SEK 263 per share (227), an increase of 16 per cent.
- After new construction, extensions and reconstructions totalling SEK 2,678 M (1,679) in existing portfolios, acquisitions of SEK 147 M (335) and sales of SEK -2,448 M (-10,453), net investments for the period totalled SEK 377 M (-8,986).
- Net lettings for the period were SEK 109 M (66).

KEY METRICS	2022 Apr–Jun	2021 Apr–Jun	2022 Jan–Jun	2021 Jan–Jun	2021 Jan–Dec
Income, SEK M	2,207	1,434	4,400	2,936	6,353
Net operating income, SEK M	1,512	1,015	2,917	2,034	4,346
Income from property management, SEK M	1,226	836	2,375	1,615	3,522
NOI SEK/share	3.73	3.06	7.13	5.88	12.45
NOI growth, %	22	-7	21	-5	1
Net income for the period, SEK M	3,320	1,710	6,933	5,550	11,828
NOI SEK/share	10.11	6.25	20.80	20.20	41.81
NOI growth, %	62	62	3	259	104
Net investment, SEK M	1,409	28	377	-8,986	42,718
Net lettings, SEK M	84	26	109	66	162
Loan-to-value ratio, %	39.4	38.2	39.4	38.2	39.2
Loan-to-value ratio, adjusted, %[1]	38.2	38.2	38.2	38.2	38.5
Interest coverage ratio, multiple	4.7	5.7	4.7	5.3	5.2
EPRA NRV, SEK/share	263	227	263	227	251
EPRA NTA, SEK/share	252	219	252	219	241
EPRA NDV, SEK/share	215	185	215	185	197

1. An adjusted loan-to-value ratio has been introduced as of Q1 2022 in order to adapt the key metric with regard to treasury shares. The shares have been measured at market value as of the balance-sheet date.

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.

Positive net lettings and projects that yield growth

With a boost in earnings capacity from last year's acquisitions and a rental market that has remained strong, income from property management per share increased 21 per cent. With a strong rental market Castellum shows net lettings of MSEK 109.

Strong underlying business

Demand for offices and warehouse/logistics spaces remains strong despite a turbulent business environment. The occupancy rate increased to 93.7 per cent (93.1), which is Castellum's highest ever. Region West and Region Mälardalen representing the largest net lettings during the period.

Rental income in the like-for-like portfolio increased by 4.4 per cent (1.0). Income from property management increased 47 per cent to MSEK 2,375 (1,615). Income from property management per share amounted to SEK 7.13 (5.88), corresponding to an increase of 21 per cent.

Castellum posted strong net lettings of SEK 109 M, with new lettings of SEK 328 M where projects represent a large share. Major new lettings include the Blå Stjärnan veterinary hospital in Mölndal (Region West), with a contract value of approximately SEK 27 M; Martin & Servera in Kungsholmen (Region Stockholm) with a contract value of approximately SEK 22 M; and Alex Andersen Sverige AB in Långeberga (Region Öresund) with a contract value of approximately SEK 10 M.

The company has a highly diversified customer structure. One quarter of the rental income comes from public sector operations and the number of contracts is approximately 8,400; the largest contract represents less than 1.2 per cent of rental income. Together with a healthy geographic spread in Nordic growth regions, this yields an extremely stable cash flow with a positive risk spread.

Equipped for global uncertainty

As a result of the war in Ukraine and increasing inflation, we are facing a period of raised interest rates. The whole industry will feel the interest rate path and that will challenge us all. The capital market during the quarter was volatile, with low levels of liquidity and widening credit margins.

During the quarter, Castellum refinanced and expanded its long-term loan facilities in banks with margins that were largely unchanged year-on-year, and also took out new bond loans on favourable terms. Moreover, strong banking relationships create positive conditions for further increases in borrowing in banks. Castellum has good liquidity preparedness and can with cash and unutilized credit facilities totaling SEK 19.9 Bn handle all maturities in the capital market during the next two years, which provides us with unrivalled scope for action.

Castellum has index-linked its leases up to 99 per cent, which means full compensation for inflation.

Profitable energy investments and synergies from acquisitions

In June, Castellum's Board of Directors took the decision to increase the company's energy efficiency target to 2.5 per cent per year, which will reduce day-to-day energy costs and future-proof the company's properties with improved energy performance.

During the period, Castellum signed its first lease for climate neutrality that commits both landlord and tenant to take concrete steps to measure the outcome for reduced emissions during the period of the lease. This is a net-zero lease that, it is hoped, will serve as a model for many tenants and colleagues in the industry going forward.

The acquisition of Kungsleden was a successful one, and the company is now an integral part of the Castellum Group, where all the minority interests for Kungsleden have been addressed. Synergy effects are already emerging, not only through obtaining larger market shares but also through the exchange of know-how and enhancements to the efficiency of property management. Non-recurrent administrative costs for the combination arose during the current year.

A hesitant transaction market, but projects yield growth

After having seen record-high activity in the transaction market in the preceding year and early in this one, we are now seeing a more hesitant market in which inflation and rising interest rates are putting a damper on activity.

The company's own project development enables robust growth in the portfolio, both for the current and subsequent years. The GreenHaus project in Helsingborg was completed during the period, with an occupancy rate of over 90 per cent and customers that include Grant Thornton and Helsingborg Municipality. The Korsningen project in Örebro was also completed during the first six months of the year, fully let to the Swedish Police. This property is also one of the very first buildings with NollCO_2 certification in the Nordic region, and is constructed entirely of wood.

Castellum's portfolio of ongoing projects totals approximately SEK 6.3 Bn, of which SEK 3.8 Bn is developed. The average occupancy rate for ongoing projects is approximately 80 per cent, and within the next 9 months projects with a total rental value of SEK 337 million will be completed. The aftereffects of the pandemic and the ongoing crisis in Ukraine have had a major impact on the contractor market, with abnormal price increases on materials and energy. Castellum is focusing heavily on risk management based on these challenges, both in ongoing projects and projects under start-up, in order to minimise future consequences.

Castellum's portfolio shift toward higher quality and attractive locations over the last few years, alongside a greater share of own project development, means that the yield requirement remains at 4.7 per cent.

With positive unrealised change in value from own new developments and tenant adaptations, the value of the asset portfolio is now SEK 157 Bn (153). With our holdings in Entra ASA, the total property value is SEK 185 Bn.

Despite turbulence in our sector this first half of the year, we see a continued strong rental market with positive net lettings. With a low loan-to-value ratio of 38.2 per cent, financial muscles in the form of previously negotiated banking facilities that cover all maturities in the next two years, and a core business with strong and stable cash flows, Castellum is well-equipped to face a tougher financial market.

"Despite turbulence in our sector this first half of the year, we see a continued strong rental market with positive net lettings."

Rutger Arnhult
Chief Executive Officer, Castellum AB

Condensed consolidated statement of comprehensive income

SEK M	2022 Apr–Jun	2021 Apr–Jun	2022 Jan–Jun	2021 Jan–Jun	R12, Jul 2021–Jun 2022	2021 Jan–Dec
Rental income	1,948	1299	3,907	2,672	6,958	5,723
Service income	201	95	385	195	651	461
Coworking income	58	40	108	69	208	169
Income	**2,207**	**1,434**	**4,400**	**2,936**	**7,817**	**6,353**
Operating costs	-293	-150	-700	-379	-1,161	-840
Maintenance expenses	-63	-33	-115	-64	-206	-155
Property tax	-128	-92	-257	-186	-472	-401
Coworking expenses	-78	-47	-143	-82	-255	-194
Lettings and property administration expenses	-133	-97	-268	-191	-494	-417
Net operating income	**1,512**	**1,015**	**2,917**	**2,034**	**5,229**	**4,346**
Central administrative expenses	-87	-39	-156	-77	-253	-174
Acquisition costs	—	—	—	—	-76	-76
Income from associated companies	-21	—	917	—	2,059	1,142
Net financial items						
Net interest costs	-334	-179	-648	-374	-1,119	-845
Dividend	—	46	—	46	15	61
Financing fees, etc. for acquisitions	—	—	—	—	-27	-27
Letting cost/Site leasehold fee	-14	-7	-31	-14	-44	-27
Income including associated companies	**1,056**	**836**	**2,999**	**1,615**	**5,784**	**4,400**
of which income from property management[1]	***1,226***	***836***	***2,375***	***1,615***	***4,282***	***3,522***
Changes in value						
Properties	2,370	1,515	2,812	3,122	6,875	7,185
Financial holdings	-229	-195	-58	296	-312	42
Goodwill redeemed	—	-53	-151	-53	-292	-194
Revaluation of earnings due to stepwise acquisition	—	—	—	—	111	111
Derivatives	1,104	98	2,470	117	2,678	325
Income before tax	**4,301**	**2,201**	**8,073**	**5,097**	**14,844**	**11,869**
Current tax	-90	-109	-187	-132	-228	-173
Deferred tax	-891	-382	-953	585	-1,406	132
Net income for the period	**3,320**	**1,710**	**6,933**	**5,550**	**13,210**	**11,828**
Other comprehensive income						
Items that can be reclassified to net income for the period						
Translation difference of currencies, etc.	643	-64	343	91	881	629
Change in values on derivatives, currency hedge	-427	14	-117	-22	-603	-508
Comprehensive income for the period	**3,537**	**1,660**	**7,159**	**5,619**	**13,488**	**11,949**
Average number of shares, thousand	328,401	273,405	333,362	274,783	315,185	282,917
Earnings, SEK/share	10.11	6.25	20.80	20.20	41.91	41.81

1. For calculation, refer to Financial Key Metrics on page 19.

Performance analysis, January–June 2022

Income from property management

The acquisitions of the previous year and a robust earning capacity enabled a 21 per cent increase in income from property management per share despite a temporary increase in administrative costs, which were a result of the combination with Kungsleden as well as drastic price increases for electricity and heating in early 2022. Income from property management for the period totalled SEK 2,375 M (1,615), corresponding to SEK 7.13 per share (5.88).

SEGMENT INFORMATION

	Income	
SEK M	**2022 Jan–Jun**	**2021 Jan–Jun**
Stockholm	1,201	773
West	827	624
Central	800	798
Mälardalen[1]	560	—
Öresund	622	593
Finland	281	79
Coworking	108	69
Total income per segment	**4,400**	**2,936**

1. Mälardalen is a new region for 2022. Comparison figures have not been restated.

Income

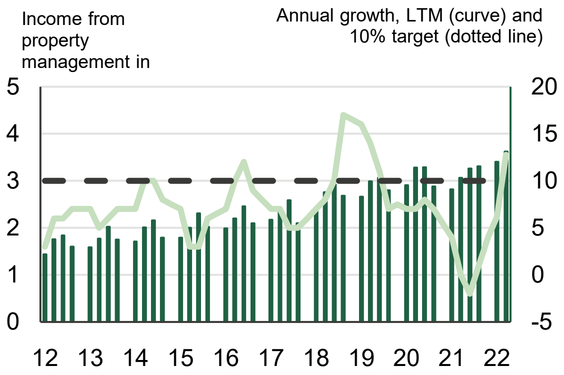
During the period, total income increased by SEK 1,479 M to SEK 4,400 M (2,936). In the like-for-like portfolio of the investment properties, rental income increased by 4.4 per cent (1.0). This increase is attributable to continued robustness in new lettings, successful renegotiation and indexation. After the combination with Kungsleden, the company's investment properties are included in the Group's definition of the like-for-like portfolio for investment properties.

The average economic occupancy rate for the period increased to 93.7 per cent (93.1).

DEVELOPMENT OF INCOME

SEK M	2022 Jan–Jun	2021 Jan–Jun	2021 Jan–Jun incl. KL	*Change in combined company, %*
Like-for-like portfolio	3,688	2,313	3,534	*4.4*
Development properties	221	110	176	
Transactions	383	444	431	
Coworking	108	69	69	
Total	**4,400**	**2,936**	**4,210**	***4.5***

INCOME FROM PROPERTY MANAGEMENT PER SHARE



Costs

Direct property costs totalled SEK 1,072 M (629), corresponding to SEK 380/sq. m. (317). The property costs for the like-for-like portfolio of investment properties have increased 7.5 per cent, primarily as a result of the drastic price performance for electricity and heating. Consumption for heating during the period has been calculated to 105 per cent (97) of a normal year according to the degree day statistics.

The combination with Kungsleden means that Kungsleden's investment properties are included in the Group's definition of the like-for-like portfolio for investment properties.

Property administration amounted to SEK 268 M (191), corresponding to SEK 103 per square metre (108). Central administrative expenses were SEK 156 M (77). A large part of the cost increase is attributable to the combination with Kungsleden.

COST TRENDS

SEK M	2022 Jan–Jun	2021 Jan–Jun	2021 Jan–Jun incl. KL	*Change in combined company, %*
Like-for-like portfolio	865	483	805	*7.5*
Development properties	68	35	62	
Transactions	139	111	100	
Direct property costs	**1,072**	**629**	**967**	***10.9***
Coworking	143	82	82	
Property administration	268	191	245	
Central administration	156	77	124	
Total costs	**1,639**	**979**	**1,418**	***15.6***

PROPERTY COSTS, 12 MONTHS, SEK/SQ. M.

	Offices	Public sector properties	Warehouse/light industry	Retail	Total
Operating costs	307	233	179	163	249
Maintenance expenses	51	36	23	*31*	39
Property tax	133	93	25	70	92
Property costs	**491**	**362**	**227**	**264**	**380**
Lettings & property administration					103
Total					**483**
NOI Q2 2021	*411*	*325*	*180*	*224*	*441*

Income from associated companies and changes in value in financial holdings

Income from associated companies consists of Castellum's share of Entra's earnings. The income includes both income from property management, tax and changes in value in Entra's property portfolio. It is only Castellum's share of the associated company's income from property management that is included in the line item "of which income from property management" in the consolidated statement of comprehensive income. This means that tax and changes in value are excluded. Each quarter Castellum impairment test the share. As of 30 June 2022, previous impairments totalling SEK 86 M (—) have been added back. The add-back was completed in consideration of the excellent increases in value posted by Entra in the first half of 2022 as well as an increase in net asset value per share. Any potential impact on Castellum's holding in Entra from changes in currency rates is recognised in other comprehensive income. For further information on Entra, refer to page 19.

INCOME FROM ASSOCIATED COMPANIES

SEK M	2022 Jan–Jun
Income from property management	293
Change in values on properties	600
Tax	-228
Other	166
Castellum's share of associated company earnings	**831**
Impairment of participations in associated companies	86
Earnings from associated companies	**917**

Net financial items

Net financial items totalled SEK -648 M (-374). The increase is attributable primarily to a larger loan portfolio after the acquisition of Kungsleden as well as to an increase in the average interest rate, which as of 30 June 2022 totalled 1.9 per cent (1.7).

Changes in values on properties

A number of contracts were signed on the property market during the quarter, at robust price levels in Castellum's sub-markets and segments. The property market continued to display robust resistance to the ongoing uncertainties prevailing in the market, and the interest in property investments remained strong despite the challenges in the capital market. Castellum recognised unrealised changes in value of SEK 2,786 M (2,575), which is largely attributable to projects that are nearing completion as well as a strong cash flow. The properties have been valued at an average yield requirement of 4.7 per cent. During the first half of the year, properties corresponding to approximately one third of the property value were externally assessed. The external valuations carried out during the period were on par with the internal valuations, confirming the carrying amount at 30 June 2022.

Moreover, a realised change in value of SEK 26 M (559) was recognised, SEK 57 M of which is attributable to the sale of twelve properties in Gävle early in the year. The remainder pertains to settlement of previously concluded transactions. Apart from transaction costs, the realisable profits were charged with deductions of SEK 90 M for deferred tax for the purchasers. As a result of the sales, goodwill of SEK 151 M related to fully provisioned deferred tax has also been settled over profit or loss, and previous deferred tax of SEK 317 M was added back to the tax line item.

CHANGES IN VALUES ON PROPERTIES

SEK M	2022 Jan–Jun	2021 Jan–Jun
Cash flow	756	-76
Project gains/building rights	1,271	625
Required yield	760	2,006
Acquisitions	76	20
Unrealised changes in value	**2,786**	**2,575**
%	*1.8*	*2.7*
Sales	26	547
Total	**2,814**	**3,122**
%	1.8	*3.3*

Change in values on derivatives

Castellum holds both interest-rate and currency derivatives, which are impacted primarily by long-term market interest rates and exchange rate fluctuations. Total changes in value on derivatives during the six-month period totalled SEK 3,030 M, of which SEK 2,470 M (117) was recognised in profit or loss and the remainder in other comprehensive income. The positive changes in value are attributable primarily to the rise in interest rates on longer maturities during the period.

Tax

Total tax expenses for the period were SEK 1,140 M (-453), of which SEK 187 M (132) pertained to current tax. Applying the tax rate of 20.6 per cent, total theoretical tax expense is SEK 1,663 M. The difference of SEK 523 M at a 20.6 per cent tax rate on income before tax pertains primarily to the add-back of deferred tax of SEK 330 M for properties sold and tax of SEK 189 M on the share of profits from associated companies.

TAX CALCULATION JAN–JUN 2022

SEK M	Basis current tax	Basis deferred tax
Income from property management	2,375	
In associated holdings	*-293*	
Non-deductible interest	16	
Deductions for tax purposes		
depreciation	-970	970
reconstructions	-342	342
Transfers to tax allocation reserve	-78	78
Other tax adjustments	-205	-51
Taxable income from property management	**503**	**1,339**
Current tax if tax loss carry forwards not utilised	*-104*	
Sales of properties		-1,441
Change in values on properties		2,786
Change in values on derivatives	596	1,753
Taxable income before tax loss carry forwards	**1,099**	**4,437**
Tax loss carry forwards, opening balance	-2,236	2,236
Tax loss carry forwards, closing balance	2,046	-2,046
Taxable income	**909**	**4,627**
Tax according to the income statement for the period	**-187**	**-953**

NET DEFERRED TAX LIABILITY, 30 JUNE 2022

SEK M	Basis	Nominal tax liability	Real tax liability
Tax loss carry forwards	2,046	421	421
Derivatives	-1,809	-373	-373
Untaxed reserves	-934	-192	-192
Properties	-98,734	-20,340	-3,557
Total	**-99,431**	**-20,484**	**-3,701**
Properties, asset acquisitions	10,620	2,189	
In the balance sheet	**-88,811**	**-18,295**	**-3,701**

Condensed Consolidated Balance Sheet

SEK M	30 Jun 2022	30 Jun 2021	31 Dec 2021
ASSETS			
Investment properties	156,888	97,250	153,146
Leases, right-of-use	1,746	1,035	1,741
Goodwill	5,392	1,620	5,544
Financial assets	—	6,566	—
Associated companies	14,402	—	13,571
Derivatives	2,886	188	—
Other fixed assets	284	205	467
Other receivables	2,051	2,409	1,966
Cash and cash equivalents	1,290	997	1,197
Total assets	**184,939**	**110,270**	**177,632**
EQUITY AND LIABILITIES			
Equity	84,789	50,926	83,637
Deferred tax liability	18,299	10,794	17,351
Other provisions	27	10	38
Derivatives	419	841	563
Interest-bearing liabilities	74,153	43,023	70,829
Lease liability	1,746	1,035	1,741
Non-interest bearing liabilities	5,505	3,641	3,473
Total equity and liabilities	**184,939**	**110,270**	**177,632**

Condensed Changes in Equity

SEK M	30 Jun 2022	30 Jun 2021	31 Dec 2021
Equity at start of period	83,637	48,243	48,243
Dividend	-2,496	-1,898	-1,888
Repurchase of own shares	-2,752	-1,038	-1,038
Share issue in kind	—	—	26,371
Transactions with non-controlling interest	-830		
Dividend, hybrid capital	-167	—	—
Net income for the period	6,933	5,550	11,828
Other comprehensive income for the period	464	69	121
Equity at end of period	**84,789**	**50,926**	**83,637**

Customers*

*Excluding Castellum's holding in Entra, 30 June 2022.

Castellum's exposure to the credit risks of individual tenants is extremely low, with a lease portfolio that has a large spread across many different tenants, customer sizes and industries. This spreads the risk for rent losses and vacancies. The Group has approximately 8,400 commercial leases and approximately 500 residential leases, and their distribution in terms of size is presented in the table below. The single largest lease accounts for 1.2 per cent of the Group's total rental income, while the corresponding figure for the single largest customer is 2.7 per cent. As at 30 June 2022, the remaining average length of contract was 4.0 years (3.9).

LEASE MATURITY STRUCTURE, 30 JUNE 2022

SEK M	Number of leases	Lease value, SEK M	Proportion of value, %
Commercial, term			
2022	1,813	694	8
2023	2,417	1,614	18
2024	1,574	1,662	19
2025	1,426	1,443	16
2026	496	862	10
2027+	657	2,374	27
Total commercial	**8,383**	**8,648**	**97**
Residential	521	50	1
Parking spaces and other	6,573	190	2
Total	**15,477**	**8,888**	**100**

LEASE SIZE, 30 JUNE 2022

SEK M	Number of leases	Share, %	Lease value, SEK M	Proportion of value, %
Commercial				
<0.25	3,617	23	269	3
0.25–0.5	1,264	8	470	5
0.5–1.0	1,272	8	899	10
1.0–3.0	1,291	8	2,227	25
3.0	939	6	4,782	54
Total	**8,383**	**54**	**8,648**	**97**
Residential	521	3	50	1
Parking spaces and other	6,573	42	190	2
Total	**15,477**	**100**	**8,888**	**100**

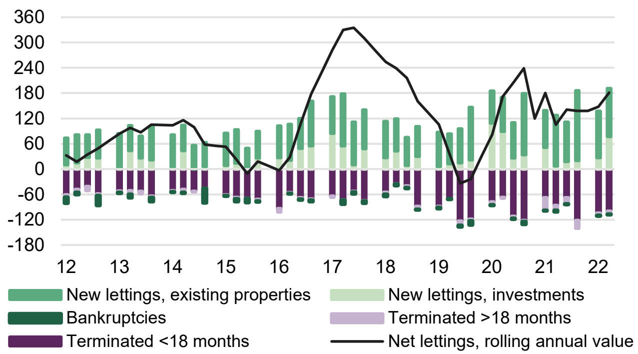
NET LETTINGS JAN–JUN 2022

SEK M	Sthlm	West	Central	Mälardalen	Öresund	Finland	Total
NEW LETTINGS							
Existing property	50	53	37	47	32	5	224
Investments	34	34	10	3	23	—	104
Total	**84**	**87**	**47**	**50**	**55**	**5**	**328**
TERMINATED							
Existing property	-68	-38	-46	-15	-37	-13	-217
Bankruptcies	—	-1	—	—	—	-1	-2
Total	**-68**	**-39**	**-46**	**-15**	**-37**	**-14**	**-219**
Net lettings	**15**	**48**	**1**	**35**	**18**	**-9**	**109**
NOI Q2 2021	*0*	*29*	*16*	*—*	*15*	*6*	*66*

During the period, Castellum signed leases with an annual rental value of SEK 328 M (266). Notices of termination amounted to SEK M 219 (200), of which bankruptcies were SEK 2 M (4) and SEK 13 M (42) were notices of termination with more than 18 months left of contract.

Net lettings for the period thus totalled SEK 109 M (66). 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.

NET LETTINGS



CASTELLUM'S LARGEST TENANTS

Largest tenants	Rental value, SEK M
ABB	242
AFRY Group	186
The Swedish Police Authority	153
The Swedish National Courts Administration	130
Svenska Handelsbanken	116
The Swedish Social Insurance Agency	92
Northvolt	92
The Swedish Migration Board	84
Axis Communications	73
Region Stockholm	73
Total	**1,241**

COMMERCIAL LEASES DISTRIBUTED BY SECTOR

Castellum's property portfolio

	30 Jun 2022				January–June 2022						
Category	Number	Area, 000 sq. m.	Property value, SEK M	NOI SEK/sq. m.	Rental value, SEK M	NOI SEK/sq. m.	Econ. occ. rate, %	Income, SEK M	Property costs, SEK M	NOI SEK/sq. m.	Net operating income, SEK M
OFFICES											
Stockholm	57	679	35,265	51,924	886	2,610	92.4	795	165	486	630
West	77	455	14,065	30,922	414	1,818	92.8	378	89	391	289
Central	75	508	11,010	21,688	417	1,644	92.2	387	105	413	282
Mälardalen	29	374	10,356	27,708	360	1,924	92.3	326	85	455	241
Öresund	41	282	9,145	32,369	297	2,104	92.7	270	63	447	207
Denmark	14	142	5,373	37,772	158	2,222	94.2	145	43	606	102
Finland	14	181	6,867	37,971	266	2,942	92.5	243	93	1,028	150
Total Office	**307**	**2,621**	**92,081**	**35,132**	**2,798**	**2,135**	**92.6**	**2,544**	**643**	**491**	**1,901**
PUBLIC SECTOR PROPERTIES											
Stockholm	7	125	5,337	42,558	130	2,066	97.2	124	21	336	103
West	19	141	2,886	20,504	96	1,364	95.9	91	22	312	69
Central	27	285	9,114	32,028	273	1,920	95.9	260	55	386	205
Mälardalen	8	40	1,054	26,676	34	1,730	98.3	33	5	250	28
Öresund	6	44	1,238	28,125	42	1,892	98.0	41	8	364	33
Denmark	1	12	662	54,809	16	2,672	98.5	16	3	500	13
Finland	4	27	470	17,617	24	1,778	95.5	23	8	593	15
Total Public sector properties	**72**	**674**	**20,761**	**30,803**	**615**	**1,825**	**96.5**	**588**	**122**	**362**	**466**
WAREHOUSE/LIGHT INDUSTRY											
Stockholm	35	180	4,005	22,274	118	1,308	94.9	109	20	222	89
West	86	632	9,161	14,488	301	954	94.2	279	60	190	219
Central	21	109	1,194	10,914	48	880	94.8	44	12	220	32
Mälardalen	29	308	3,984	12,935	169	1,100	96.6	163	54	351	109
Öresund	38	230	2,695	11,720	98	850	91.5	88	19	165	69
Denmark	1	18	161	8,831	8	842	76.4	6	3	333	3
Total Warehouse/Light industry	**210**	**1,477**	**21,200**	**14,353**	**742**	**1,005**	**94.4**	**689**	**168**	**227**	**521**
RETAIL											
Stockholm	23	124	3,362	27,044	100	1,614	98.8	98	11	177	87
West	18	78	1,607	20,496	56	1,418	94.1	52	13	333	39
Central	19	130	2,369	18,262	91	1,400	94.7	83	20	308	63
Mälardalen	11	45	776	17,201	29	1,268	96.1	26	6	267	20
Öresund	17	78	1,574	20,385	57	1,490	95.0	52	10	256	42
Total Retail	**88**	**455**	**9,688**	**21,292**	**333**	**1,464**	**96.0**	**311**	**60**	**264**	**251**
Total investment properties	**677**	**5,227**	**143,730**	**27,498**	**4,488**	**1,717**	**93.7**	**4,132**	**993**	**380**	**3,139**
Lettings and property administration expenses									268	103	268
Total after lettings and property administration expenses	**677**	**5,227**	**143,730**	**27,498**	**4,488**	**1,717**	**93.7**	**4,132**	**1,261**	**483**	**2,871**
Project	49	530	12,084	—	230	—	—	110	50	—	60
Undeveloped land	26		1,073	—	16	—	—	15	5	—	10
Total	**752**	**5,757**	**156,888**		**4,734**			**4,257**	**1,316**		**2,941**

The net operating income of SEK 2,941 M reported above and the net operating income of SEK 2,917 M in the income statement are attributable to the deduction of the net operating income of SEK -23 M in properties sold during the period, the SEK 22 M upward adjustment of the net operating income on properties acquired/completed during the period as if they had been owned or been completed during the entire period, and the exclusion of SEK -25 M from the coworking company in the table.

Investment properties

As of 30 June 2022, after the acquisition of Kungsleden the previous year, Castellum owns a total of 752 properties at a carrying amount of SEK 157 Bn. The property portfolio is located in growth areas in Sweden as well as Copenhagen and Helsinki. The properties are located in city centre locations and well-situated business districts, with excellent public transportation and services. Our ownership is characterised by sustainability and a long-term perspective, and 61 per cent of the value of the asset portfolio is certified for sustainability. We work continually on developing, refining, modernising and customising our properties.

CHANGES IN THE PROPERTY PORTFOLIO

SEK M	Carrying amount, SEK M	Number
Property portfolio on 1 Jan. 2022	153,146	762
+ Acquisitions	147	2
+ New construction, extensions and reconstructions	2,678	—
– Sales	-2,448	-12
+/– Unrealised changes in value	2,786	—
+/– Currency translation	579	—
Property portfolio on 30 June 2022	**156,888**	**752**

PROPERTY-RELATED KEY METRICS

	2022 Jan–Jun	2021 Jan–Jun	2021 Jan–Dec
Rental value, SEK/sq. m.	1,717	1,629	1,648
Economic occupancy rate, %	93.7	93.1	93.2
Property costs, SEK/sq. m.	483	425	425
Net operating income, SEK/sq. m.	1,021	1,073	1,008
Property value, SEK/sq. m.	27,498	25,998	26,667
Number of properties	752	558	762
Lettable area, thousand sq. m.	5,757	3,801	5,853
Average valuation yield, %	4.7	4.8	4.7

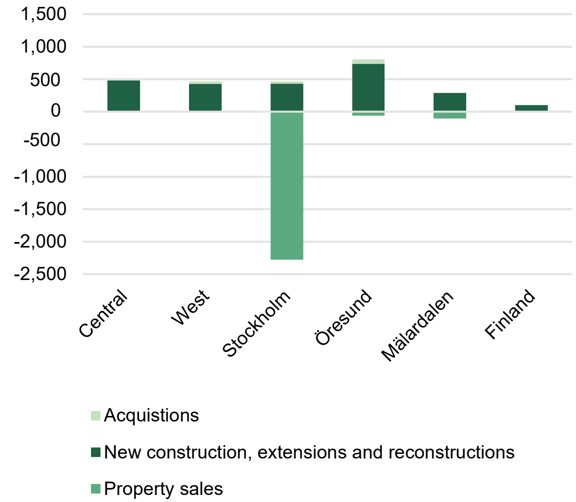
PROPERTY VALUE BY REGION

PROPERTY VALUE BY CATEGORY

Investments

During the period, investments in property totalled SEK 2,825 M (2,014), of which SEK 147 M (335) pertained to minor acquisitions and SEK 2,678 M (1,679) to new construction, extensions and reconstructions. After divestments of SEK 2,448 M (11,000), net investments amounted to SEK 377 M (-8,986).

NET INVESTMENTS PER REGION



Larger ongoing projects

Castellum has a portfolio of ongoing projects totalling approximately SEK 6.3 Bn, of which SEK 3.8 Bn is developed. Average economic occupancy rate for Castellum's larger ongoing projects as of July 2022 totalled 80 per cent. Two major projects were concluded during the second quarter of the year: the GreenHaus office project in Helsingborg and a new office for the Swedish Police in Örebro (Korsningen 1). A major project was inaugurated during the quarter, pertaining to a new veterinary hospital for Blå Stjärnan in Mölndal (Tusenskönan 2). The Infinity project in Stockholm has been put on hold until the lettings requirement has been met.

The aftereffects of the pandemic and the ongoing crisis in Ukraine have had a major impact on the contractor market, with abnormal price increases on materials and delivery problems. Castellum's projects have been impacted as well, to varying extents. At present, we feel that ongoing projects will by and large be completed in accordance with plans. Castellum is focusing heavily on risk management based on these challenges, both in ongoing projects and projects under start-up, in order to minimise future consequences.

Property	Category	Inv. type	Location	Completed	Area, sq. m.	Rental value, SEK M	Econ. occ. rate, %	Total investment, SEK M	Of which invested, SEK M	Remaining to invest, SEK M
Godsfinkan	O/P	N	Malmö	Q1 2023	26,500	84	94	1,310	1,165	145
Sjustjärnan 1	O	N	Malmö	Q1 2023	31,460	78	96	1,296	979	317
Tusenskönan 2	P	N	Mölndal	Q4 2023	10,600	29	100	453	68	385
Effekten 13	O	N	Västerås	Q3 2023	15,400	31	100	445	122	323
Götaland 5	O/P	N/C	Jönköping	Q3 2022	17,200	29	100	437	300	137
Kungsängen Tibble 1:648	Pr	N	Stockholm	Q2 2023	15,150	20	36	301	74	227
Åseby 1:5	O	N	Gothenburg	Q3 2023	14,780	21	100	301	142	159
Werket	O	R	Jönköping	Q1 2026	25,469	47	37	281	59	222
Drevet 1	Pr	N	Helsingborg	Q4 2022	21,784	18	100	276	183	93
Finnslätten 1 (part)	O/I	R	Västerås	Q4 2024	21,000	28	85	250	125	125
Sesamfröet 2	P	R	Mölndal	Q3 2022	5,600	24	100	245	200	45
Hornsberg 10	O	R	Stockholm	Q2 2023	8,680	33	82	238	57	181
Örnäs 1:17	W	N	Upplands Bro	Q3 2022	16,870	15	32	207	171	36
Borgarfjord 5	O	R	Stockholm	Q4 2024	9,300	28	45	162	95	67
Bollbro 15	P	R	Helsingborg	Q1 2023	3,810	7	92	125	77	48
Total larger ongoing projects					**243,603**	**490**	**80**	**6,327**	**3,817**	**2,510**
Developments completed or fully/partly occupied										
Verkstaden 14	P	N	Västerås	Q1 2022	5,800	14	95	198	188	10
Hissmontören 4	O	N	Örebro	Q1 2022	3,400	9	100	118	96	22
Rotterdam 1	O	R	Stockholm	Q4 2022	21,300	69	71	236	187	54
Taktpinnen 1	O	R	Norrköping	Q3 2022	16,300	29	100	136	112	36
Korsningen 1	O/P	N	Örebro	Q2 2022	5,650	15	100	227	211	16
GreenHaus	O	N	Helsingborg	Q2 2022	7,000	22	81	330	309	21
Total projects >SEK 100 M					**303,053**	**648**	**81**	**7,572**	**4,920**	**2,669**
Smaller ongoing projects, SEK M 10–100								**2,278**	**1,540**	**738**

Category: O=Office, W=Warehouse, Lo=Logistics, P=Public sector, I=Industry
Investment type: N=New construction, R=Reconstruction

Development portfolio, 30 June 2022

Godsfinkan 1
Malmö
ONGOING
New construction, pub. sector
Investment: SEK 1.3 Bn

Sjustjärnan/E.ON
Malmö
ONGOING
New construction, office
Investment: SEK 1.3 Bn

Tusenskönan 2
Mölndal
ONGOING
New construction, pub. sector
Investment: SEK 453 M

Effekten 13
Västerås
ONGOING
New construction, office
Investment: SEK 445 M

Götaland 5
Jönköping
ONGOING
Reconstruction, office/ new construction, pub. sector

Kungsängen Tibble 1:648
Stockholm
ONGOING
New construction, office
Investment: SEK 301 M

Åseby 1:5
Gothenburg
ONGOING
New construction, pub. sector
Investment: SEK 301 M

Werket
Jönköping
ONGOING
New construction, pub. sector
Investment: SEK 281 M

Drevet 1/Långeberga
Helsingborg
ONGOING
New construction, logistics
Investment: SEK 261 M

Finnslätten 1 (part)
Västerås
ONGOING
Reconstruction, office/industry
Investment: SEK 250 M

Sesamfröet 2
Gothenburg
ONGOING
Reconstruction, pub. sector
Investment: SEK 250 M

Hornsberg 10
Stockholm
ONGOING
Reconstruction, office
Investment: SEK 238 M

Örnäs 1:17
Stockholm
ONGOING
New construction, logistics
Investment: SEK 218 M

Borgarfjord 5
Stockholm
ONGOING
Reconstruction, office
Investment: SEK 162 M

Bollbro 15
Helsingborg
ONGOING
Reconstruction, pub. sector
Investment: SEK 125 M

Verkstaden 14
Västerås
COMPLETED OR FULLY/PARTIALLY OCCUPIED
New construction, pub.

Hissmontören 4
Örebro
COMPLETED OR FULLY/PARTIALLY OCCUPIED
COMPLETED
New construction, office

Rotterdam 1
Stockholm
COMPLETED OR FULLY/PARTIALLY OCCUPIED
Reconstruction, office

Taktpinnen 1
Norrköping
COMPLETED OR FULLY/PARTIALLY OCCUPIED
Reconstruction, office

Korsningen 1
Örebro
COMPLETED OR FULLY/PARTIALLY OCCUPIED
New construction, pub.

GreenHaus
Helsingborg
COMPLETED OR FULLY/PARTIALLY OCCUPIED
New construction, office

Castellum's project pipeline

Castellum has tremendous potential in its development portfolio, in which it is estimated that approximately 1 million square metres can be started within the next five years depending on the pace of lettings and the progress in detailed development plans. These projects correspond to an investment volume of approximately SEK 27 Bn. Out of this volume, approximately 530,000 square metres are logistics and the rest primarily offices. The geographic distribution and the 20 largest development projects by area are shown in the following table.

FUTURE POTENTIAL DEVELOPMENT PROJECTS, 20 LARGEST BY AREA

Project	Location	Type	Category	Detailed development plan	Lettable area, sq. m.
Säve Stage 2	Gothenburg	N	Pr	Ongoing	221,000
Säve Stage 1	Gothenburg	N	Pr	Ongoing	88,800
Halvorsäng Stage II*	Gothenburg	N	Pr	In effect	50,500
Halvorsäng Stage III*	Gothenburg	N	Pr	In effect	40,000
Läkaren 10	Stockholm	R	O	In effect	38,000
Part of Västerås 3:69**	Västerås	N	Pr	Ongoing	32,000
Finnslätten 1 (several projects)	Västerås	N	O	In effect	31,000
Halvorsäng Stage I*	Gothenburg	N	Pr	In effect	28,000
Charkuteristerna 1–8	Stockholm	R	O	Ongoing	25,000
Norr om Nordstaden**	Gothenburg	N	O	Ongoing	25,000
Hälsingland 19	Malmö	N	O	Not begun	25,000
Infinity	Stockholm	N	O	In effect	19,800
K3	Helsinki	R	O	In effect	17,200
Forskaren	Lund	N	O	In effect	17,200
Vallonsmidet Stage 1	Stockholm	N	O	Ongoing	16,000
Halvorsäng Stage IV*	Gothenburg	N	Pr	In effect	13,000
Hornsberg 10	Stockholm	N	O	Ongoing	13,000
Sunnanå 8:51	Malmö	N	Pr	In effect	13,000
Brunna Örnäs 1:28	Stockholm	N	Pr	In effect	12,700
Brunna Örnäs 1:29	Stockholm	N	Pr	In effect	12,700
Total					**738,900**

*The projects are being administered by JV. Castellum's share is 50 per cent

**Land allocation agreement

FUTURE POTENTIAL DEVELOPMENT PROJECTS BY LOCATION AND CATEGORY

		Lettable area, sq. m.	
Location	**Category**	**Detailed development plan exists**	**Change to detailed dev. plan required**
Gothenburg	Pr*	130,000	310,000
Gothenburg	O	—	25,000
Gothenburg	Oth	12,000	9,000
Helsinki	O	17,200	—
Jönköping	O	—	5,600
Jönköping	Pr	4,000	—
Copenhagen	Pr	7,300	—
Linköping	O	4,000	8,400
Linköping	Oth	8,500	—
Lund	O	17,200	—
Malmö	O	6,200	30,000
Malmö	Pr	13,000	—
Norrköping	O	11,600	—
Stockholm	O	69,600	136,300
Stockholm	Pr	33,100	—
Stockholm	Oth	—	7,600
Uppsala	O	—	15,000
Uppsala	Pr	4,000	—
Västerås	O	46,600	—
Västerås	Pr	—	30,000
Örebro	O	11,100	1,700
Örebro	Oth	8,200	—
Total		**403,600**	**578,600**

*130,000 square metres pertain to projects being carried out by JV, where Castellum's share is 50 per cent

Key metrics – Sustainability

KEY METRICS – SUSTAINABILITY	Q2 2022	2021	2020	2019	2018	Targets/Comments
Resource efficiency						
Total energy use, kWh/sq. m., year[1]	97	91	75	88	97	
Total energy use, degree-day corrected, kWh/sq. m., year	99	92	87	95	103	
1. of which actual heating	66	65	50	60	64	
2. of which degree-day corrected heating	68	66	62	67	70	
3. of which electricity and cooling	31	26	25	28	33	
Energy savings/yr, like-for-like portfolio, LTM, % (deg. day corr.)	0	0	-12	-8	3	–2.5 per cent energy savings/year in the like-for-like portfolio
Energy savings/yr, like-for-like portfolio, LTM, % (actual energy use)	0	13	-11	-9	3	
Total water use, m³/sq. m., year	0.3	0.2	0.3	0.3	0.3	
Water savings/yr, like-for-like portfolio, LTM, %	-2	-6	-13	-3	-1	1 per cent water conservation/year in the like-for-like portfolio
Fossil-free						
Share of non-fossil energy, %	95	95	95	96	95	100% fossil-free energy by 2030
Fossil fuel-free vehicles, %	98	100	100	86	62	100% fossil fuel-free vehicles
Number of charging posts for electric vehicles	689	674	—	—	—	New measurement point, 2021
No. of large solar panels installed	68	55	39	26	22	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)	2.1	1.5	1.0	1.5	1.2	0 kg/sq. m. by 2030
of which scope 1	0.1	0.1	0.1	0.1	0.2	
of which scope 2 – market-based	2	1.4	0.9	1.4	1	
of which scope 2 – location-based	4.6	4.3	4.1	8.8	11.3	
Project Development – Reduced emissions in project development portfolio (scope 3), %	-15	-15	—	—	—	New target from 2021. 15% reduction in CO2 emissions per sq. m. in new production of offices
Environmental certification						
Environmental certification, % of sq. m.	44	48	39	36	33	50% certified area by 2025
Environmental certifications, number	247	206	202	164	141	
Environmental certification, % of rental income	56	61	52	47	43	
Environmental certification, % of property value	61	63	55	51	48	
ESG benchmarks						
GRESB points (0–100)	95	95	91	92	92	Global Sector Leader 2021, GRESB, received 15 October 2021
DJSI points (0–100)	80	80	81	79	73	Only Nordic property company included in DJSI
CDP mark (A to D-)	A-	A-	A	A-	B	Highest marks of all Nordic property companies
Social key metrics						
Sick leave, % (long- and short-term)	3.2	2.9	2.2	2.9	3.8	Max 2 per cent short-term and 3 per cent long-term sick leave
Equality, women/men, %	44/56	43/57	40/60	39/61	42/58	Between 40–60 per cent
Diversity, international background, %	10	9	8	6	6	20% 2025
Apprentices, % of employees	3	4	2	5	6	4 per cent per year

EU Taxonomy Regulation Contextual information with preliminary guidance[4]	Taxonomy-eligible proportion of property management portfolio, Q2 2022
Sales (Turnover)	46
Operating expenses (OpEx)	58
Capital expenses (CapEx)	24

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 and Sustainability Report for 2022. Kungsleden, which was acquired in late 2021, has been included in the company's sustainability key metrics as of Q1 2022.

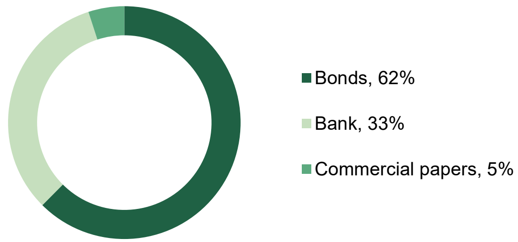
1. The increase in total energy consumption compared with 2021 and 2020 is due primarily to the portfolio shift, including the acquisition of Kungsleden, and acquisitions in Finland that took place in 2021 as well as a colder year, to some extent.
2. The increase in degree day-corrected energy consumption compared with 2021 and 2020 is due primarily to the portfolio shift, including the acquisition of Kungsleden, and acquisitions in Finland that took place in 2021.
3. This list includes all CO_2 emissions from property management (i.e. scopes 1 and 2). Detailed information on Castellum's CO_2 emissions and complete Scope 3 emissions outside of property management will be made available in the 2022 Annual Report.
4. For more information on Castellum's reporting under Article 8 in the Taxonomy Regulation, refer to Castellum's 2021 Annual Report and Sustainability Report.

Financing

The capital market during the quarter was volatile, with low levels of liquidity and widening credit margins. Castellum has a healthy amount of contingency liquidity, and with SEK 19.9 Bn in cash and bank balances as well as unutilised credit facilities it can cover all maturities in the capital market over the next two years. Early in the quarter, unsecured bonds totalling SEK 1.6 Bn were issued on the Swedish capital market as part of the existing MTN programme. The bonds were issued with a credit margin of 1.9 per cent and a tenor of 5 years. During the quarter, loan facilities in banks totalling SEK 13 Bn were refinanced and expanded with margins that were largely unchanged year-on-year. Additionally, a further SEK 4 Bn in expanded credit limits in banks were granted. Signing is expected in the coming quarter. At the end of the second quarter, interest-bearing liabilities totalled SEK 74,153 m (70,829). The interest-bearing liabilities consist of bond loans of SEK 46,314 M (43,088), loans in banks of SEK 24,133 M (17,391) and commercial paper of SEK 3,706 M (10,350). Unsecured liabilities correspond to 67 per cent (76) of interest-bearing liabilities.

The interest coverage ratio during the period was a multiple of 4.7 (5.2) and adjusted loan-to-value ratio less treasury shares totalled 39.0 per cent (37.8). The average remaining interest-rate and debt maturity totalled 2.9 years (3.3) and 3.6 years (3.8) respectively.

Distribution of interest-bearing financing, 30 Jun 2022



INTEREST RATE MATURITY STRUCTURE, 30 JUN 2022

Maturity date	SEK M	Share, %	Average interest rate, %	Average fixed interest rate term, years
0–1 year	35,259	48	2.5	0.3
1–2 years	4,660	6	2.5	1.4
2–3 years	5,007	7	1.6	2.6
3–4 years	1,403	2	0.8	3.3
4–5 years	7,635	10	2.2	4.2
>5 years	20,190	27	0.9	7.4
Total	**74,153**	**100**	**1.9**	**2.9**

KEY METRICS – INTEREST-BEARING FINANCING

	30 Jun 2022	30 Jun 2021	31 Dec 2021
Interest-bearing liabilities, SEK M	74,153	42,026	70,829
Bonds outstanding, SEK M	46,314	29,189	43,088
Commercial paper outstanding, SEK M	3,706	7,302	10,350
Banking credit etc., SEK M	24,133	5,535	17,391
Cash and cash equivalents, SEK M	1,290	997	1,197
Unutilised credit facilities, SEK M	18,668	19,548	26,394
Share of unsecured assets, %	53	60	55
Share of secured borrowing/property value, %	18	6	18
The share of secured borrowing/total assets, %	13	5	9
Share of secured credits utilised, %	33	13	24
Loan-to-value ratio, %	39.4	38.2	39.2
Loan-to-value ratio, %[1]	38.2	38.2	38.5
Interest coverage ratio, multiple	4.7	5.3	5.4
Net liability/EBITDA, multiple	13.2	10.7	16.7
Average debt maturity, years	3.6	3.7	3.8
Average fixed interest rate term, years	2.9	3.2	3.3
Credit rating	Baa2, Stable Outlook	Baa2, Stable Outlook	Baa2, Stable Outlook
Average effective rate excluding pledges, %	1.9	1.7	1.7
Average effective rate including pledges, %	2.0	1.8	1.8
Market value interest rate derivatives, SEK M	1,711	-354	-98
Market value currency derivatives, SEK M	756	-299	-465

1. An adjusted loan-to-value ratio has been introduced as of Q1 2022 in order to adapt the key metric with regard to treasury shares. The shares have been measured at market value as of the balance-sheet date.

For calculation of financial key metrics, refer to page 19; for definitions, refer to page 25.

CREDIT MATURITY STRUCTURE, 30 JUN 2022

Credit agreements	Bank	Bonds	Comm. paper	Total interest-bearing liabilities	Share, %	Unutilised credits	Total available credit facilities
0–1 year	—	7,849	3,706	11,555	16	1,051	12,606
1–2 years	6,890	7,048	—	13,938	19	7,372	21,310
2–3 years	7,123	10,440	—	17,563	24	5,395	22,958
3–4 years	2,450	4,323	—	6,773	9	4,850	11,623
4–5 years	2,046	7,226	—	9,272	13	—	9,272
>5 years	5,624	9,428	—	15,052	20	—	15,052
Total	**24,133**	**46,314**	**3,706**	**74,153**	**100**	**18,668**	**92,821**

SECURED AND UNSECURED CREDITS, 30 Jun 2022

CASTELLUM'S FINANCIAL POLICY AND COMMITMENTS IN CREDIT AGREEMENTS

	Policy	Commitments	Outcome
LTV ratio, Property	Not exceeding 50 per cent	Not exceeding 65 per cent	**47%**
Interest coverage ratio	>2	>1.5	**4.7**
The share of secured borrowing/total assets		Not exceeding 45 per cent	**13%**
Funding risk			
• average debt maturity	At least 2 years		**3.6 years**
• proportion maturing within 1 year	No more than 30 per cent of loans outstanding and unutilised credit agreements		**10%**
• liquidity reserve	Secured credit agreements corresponding to SEK 750 M and 4.5 months upcoming loan maturities		**Achieved**
Interest rate risk			
• average interest duration	1.5–4.5 years		**2.9 years**
• maturing within 6 months	No more than 50 per cent		**39%**
Credit and counterparty risk			
• rating restriction	Credit institutions with high ratings, at least S&P BBB+		**Achieved**
Currency risk			
• net exposure in foreign currency	Maximum 10 per cent of balance sheet total		**Achieved**

Condensed Consolidated Cash Flow Statement

SEK M	2022 Apr–Jun	2021 Apr–Jun	2022 Jan–Jun	2021 Jan–Jun	2021 Jan–Dec
Net operating income	1,512	1,015	2,917	2,034	4,346
Central administrative expenses	-89	-39	-156	-77	-174
Reversed depreciation	22	35	65	64	139
Interest paid	-408	-121	-817	-273	—
Interest received	132	—	235	—	-835
Tax paid	-41	-21	-6	-24	-244
Translation difference of currencies	-58	-64	-13	91	45
Cash flow from operating activities before change in working capital	**1,070**	**805**	**2,225**	**1,815**	**3,277**
Change in current receivables	137	-49	-154	-280	-493
Change in current liabilities	147	-217	436	-126	-181
Cash flow from operating activities	**1,354**	**539**	**2,507**	**1,409**	**2,603**
Investments in new construction, extensions and reconstructions	-1,483	-991	-2,678	-1,679	-3,799
Property acquisitions	-72	-158	-147	-335	-8,889
Change in liabilities at acquisitions of property	-93	19	-138	146	187
Sales of properties	75	1,121	2,377	11,000	17,228
Change in receivables at sales of properties	-1	3,729	69	-906	132
Business combinations	—	—	—	—	-6,484
Transactions with non-controlling interest	-490	—	-830	—	—
Sale of shares in associated companies	133	—	133	—	—
Dividend paid from associated companies	165	—	165	—	—
Investment in financial assets	—	-3,196	—	-3,802	-2,730
Investment in associated companies	—	—	—	—	-9,413
Other investments	-30	-15	-71	-72	-204
Cash flow from investment activities	**-1,796**	**509**	**-1,120**	**4,352**	**-13,972**
Repayment of loans	-5,804	-10	-14,415	-2,779	-650
Drawn loans	6,344	362	16,935	—	6,011
Change in long-term receivables	1	-2	—	-3	—
Derivatives	310	—	-271	-156	-194
Repurchase of own shares	—	-655	-2,752	-1,038	-1,038
Dividend, hybrid bond	—	—	-167	—	10,164
Dividend paid	-624	-949	-624	-949	-1,888
Cash flow from financing activities	**227**	**-1,254**	**-1,294**	**-4,925**	**12,405**
Cash flow for the period	-215	-206	93	836	1,036
Cash and cash equivalents opening balance	1,505	1,203	1,197	161	161
Cash and cash equivalents, closing balance	**1,290**	**997**	**1,290**	**997**	**1,197**
Average number of shares, thousand	328,401	273,405	333,362	273,157	282,917
Cash flow, SEK/share	-0.65	-0.75	0.28	3.06	3.66

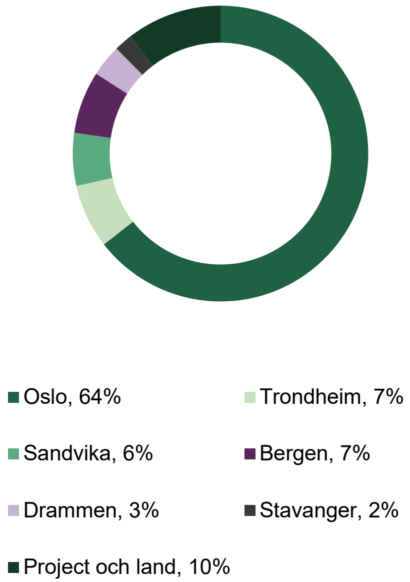
CASTELLUM'S CASH FLOW

The cash flow statement has been prepared according to the indirect method. Net profit or loss is adjusted for effects of non-cash transactions during the period as well as for income or costs associated with the cash flow from investment or financing activities. Operating cash flow after change in operating capital was SEK 2,507 M. SEK 2,678 M has been invested in existing properties and projects. During the first quarter, twelve properties in Gävle were sold and vacated, with a purchase consideration of SEK 2,302 M received. Minor acquisitions were also completed during the half-year. SEK 830 M pertaining to the buy-out of the minority in Kungsleden impacted the cash flow during the six-month period. Routine hedging of currency positions during the period impacted cash flow by SEK 271 M, while a total of SEK 2,752 M in shares was repurchased during the quarter. A dividend of SEK 624 M pertaining to the initial disbursement of dividends for financial year 2021 was paid to shareholders. A dividend of SEK 167 M for the hybrid bond has also been disbursed. Net debt as of 30 June 2022 totalled SEK 74,009 M after an increase in liabilities of SEK 2,520 M and in cash and bank balances of SEK 93 M.

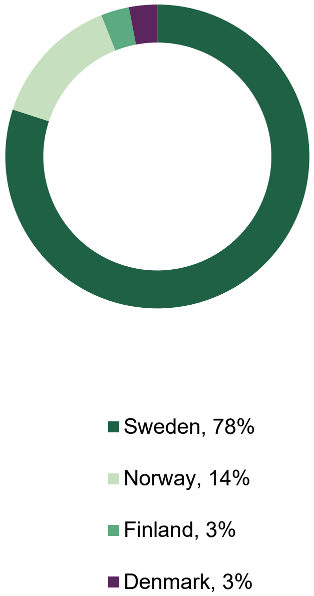
Associated companies

At the end of the period, Castellum owned 60,710,624 shares in Entra, corresponding to 33.3 per cent of the voting rights and capital. Entra owns and manages modern office properties in central locations in Norway 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. Castellum recognises their holdings in Entra in accordance to the equity method.

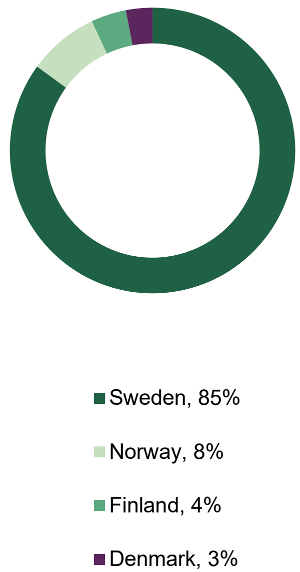
ENTRA'S ASSET PORTFOLIO, 30 JUNE 2022



CASTELLUM'S PROPERTY VALUE BY COUNTRY INCL. ENTRA



CASTELLUM'S LETTABLE AREA BY COUNTRY INCL. ENTRA



Financial key metrics

A number of the financial key metrics presented by Castellum are not defined in accordance with the IFRS accounting standards. However, the company believes that these metrics 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 metrics in the same manner, these are not always comparable to metrics used by other companies. These financial metrics 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. Furthermore, definitions for these metrics also appear on page 25.

Return on equity

	2022 Apr–Jun	2021 Apr–Jun	2022 Jan–Jun	2021 Jan–Jun	R12, Jul 2020–Jun 2021	2021 Jan–Dec
Return on equity, %	16.3	8.3	16.7	19.5	15.9	22.7
Return on total capital, %	33.1	13.8	14.9	23.7	15.9	8.6

Average number of shares, thousand	**328,401**	**273,405**	**333,362**	**274,783**	**315,185**	**282,917**

	2022 Apr–Jun		2021 Apr–Jun		2022 Jan–Jun		2021 Jan–Jun		LTM, Jul 2021–Jun 2022		2021 Jan–Dec	
Income from property management	**SEK M**	**SEK/share**	**SEK M**	**SEK/share**	**SEK M**	**SEK/share**	**SEK M**	**SEK/share**	**SEK M**	**SEK/share**	**SEK M**	**SEK/share**
Income before tax	4,301	13.10	2,201	8.05	8,073	24.22	5,097	18.55	14,844	47.10	11,869	41.95
Reversed:												
Acquisition costs	—	—	—	—	—	—	—	—	76	0.24	76	0.27
Financing fees, etc. for acquisitions	—	—	—	—	—	—	—	—	27	0.09	27	0.10
Revaluation of earnings due to stepwise acquisition	—	—	—	—	—	—	—	—	-111	-0.35	-111	-0.39
Earnings from associated companies excluding acquired earnings	170	0.52	—	—	-624	-1.87	—	—	-1,606	-5.10	-981	-3.47
Change in values on properties	-2,370	-7.22	-1,515	-5.54	-2,812	-8.44	-3,122	-11.36	-6,875	-21.81	-7,185	-25.40
Change in values on financial holdings	229	0.70	195	0.72	58	0.17	-296	-1.08	312	0.99	-42	-0.15
Change in values on derivatives	-1,104	-3.36	-98	-0.36	-2,470	-7.41	-117	-0.43	-2,678	-8.50	-325	-1.15
Changes in value on goodwill	0	0.00	53	0.19	151	0.45	53	0.19	292	0.93	194	0.69
= Income from property management	**1,226**	**3.73**	**836**	**3.06**	**2,375**	**7.13**	**1,615**	**5.88**	**4,282**	**13.59**	**3,522**	**12.45**
EPRA Earnings (Income from property management after tax)												
Income from property management	1,226	3.73	836	3.06	2,375	7.13	1,615	5.88	4,282	13.59	3,522	12.45
Reversed: Current tax, income from property management	-11	-0.03	-78	-0.29	-104	-0.31	-161	-0.59	57	0.18	-246	-0.87
EPRA Earnings/EPRA EPS	**1,215**	**3.70**	**758**	**2.77**	**2,271**	**6.81**	**1,454**	**5.29**	**4,339**	**13.77**	**3,276**	**11.58**

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 minimum 10 per cent increase in property management income. Income from property management also forms the basis of the annual shareholder dividend: at least 50 per cent of

	30 Jun 2022	30 Jun 2021	31 Dec 2021
Number of shares outstanding, thousand	**328,401**	**272,075**	**340,544**

	30 Jun 2022		30 Jun 2021		31 Dec 2021	
Net asset value	**SEK M**	**SEK/share**	**SEK M**	**SEK/share**	**SEK M**	**SEK/share**
Equity according to the balance sheet	84,789	258.19	50,926	187.18	83,637	245.60
Reversed:						
Hybrid bonds	-10,164	-30.95	—	—	-10,164	-29.85
Non-controlling interest	—		—	—	-693	-2.03
Declared, undistributed dividend	1,248	3.80	949	3.49	—	—
Derivatives according to the balance sheet	-2,467	-7.51	653	2.40	563	1.65
Goodwill attributable to deferred tax	-5,199	-15.83	-1,427	-5.24	-5,351	-15.71
Deferred tax according to the balance sheet	18,299	55.72	10,794	39.67	17,351	50.95
Net reinstatement value (EPRA NRV)	**86,506**	**263.42**	**61,895**	**227.49**	**85,343**	**250.61**
Deduction:						
Goodwill due to acquisition of United Spaces	-193	-0.59	-193	-0.71	-193	-0.57
Estimated real deferred tax, 4%	-3,701	-11.27	-2,202	-8.09	-3,160	-9.28
Net tangible assets (EPRA NTA)	**82,612**	**251.56**	**59,500**	**218.69**	**81,990**	**240.76**
Reversed:						
Derivatives according to above	2,467	7.51	-653	-2.40	-563	-1.65
Deferred tax	-14,391	-44.45	-8,592	-31.58	-14,191	-41.67
Net disposal value (EPRA NDV)	**70,481**	**214.62**	**50,255**	**184.71**	**67,236**	**197.44**

Interest coverage ratio	**2022 Apr–Jun**	**2021 Apr–Jun**	**2022 Jan–Jun**	**2021 Jan–Jun**	**LTM, Jul 2021–Jun 2022**	**2021 Jan–Dec**
Income from property management, SEK M	1,226	836	2,375	1,615	4,282	3,522
Reversed:						
Net interest items, SEK M	334	179	648	374	1,119	845
Income from property management excluding net interest, SEK M	**1,560**	**1,015**	**3,023**	**1,989**	**5,401**	**4,367**
Interest coverage ratio, multiple	4.7	5.7	4.7	5.3	4.8	5.2

Loan-to-value ratio	30 Jun 2022	30 Jun 2021	31 Dec 2021
Interest-bearing liabilities, SEK M	74,153	43,023	70,829
Cash and cash equivalents, SEK M	-1,290	-997	-1,197
Net interest-bearing liabilities, SEK M	**72,863**	**42,026**	**69,632**
Total assets, SEK M	**184,939**	**110,082**	**177,632**
Loan-to-value ratio, %	39.4	38.1	39.2

Adjusted loan-to-value ratio	30 Jun 2022	30 Jun 2021	31 Dec 2021
Interest-bearing liabilities, SEK M	74,153	43,023	70,829
Cash and cash equivalents, SEK M	-1,290	-997	-1,197
Treasury shares at market value	-2,278	—	-1,265
Net interest-bearing liabilities excl. treasury shares, SEK M	**70,585**	**42,026**	**68,367**
Total assets, SEK M	**184,939**	**110,082**	**177,632**
Adjusted loan-to-value ratio, %	38.2	38.1	38.5

LTV ratio, Property	30 Jun 2022	30 Jun 2021	31 Dec 2021
Net interest-bearing liabilities, SEK M	**72,863**	**42,026**	**69,632**
Investment properties, SEK M	156,888	97,250	153,146
Acquired properties not taken into possession, SEK M	-49	-146	-187
Divested properties still in Castellum's possession, SEK M	0	1,126	88
Investment properties, SEK M	**156,839**	**98,230**	**153,047**
Loan-to-value ratio, Property, %	46.5	42.8	45.5

Net debt to EBITDA	2022 Jan–Jun	2021 Jan–Jun	2021 Jan–Dec
Net interest-bearing liabilities, SEK M	**72,863**	**42,026**	**69,632**
Net operating income, SEK M	2,917	2,034	4,346
Central administration expenses, SEK M	-156	-77	-174
Operating income, SEK M	**2,761**	**1,957**	**4,172**
Net debt to EBITDA, mult	13.2	10.7	16.7

Net investment, SEK M	2022 Apr–Jun	2021 Apr–Jun	2022 Jan–Jun	2021 Jan–Jun	LTM, Jul 2021–Jun 2022	2021 Jan–Dec
Acquisitions	72	158	147	335	55,959	56,147
New construction, extensions and reconstructions	1,483	991	2,678	1679	4,798	3799
Total investments	**1,555**	**1,149**	**2,825**	**2014**	**60,757**	**59,946**
Net sales prices	-146	-1,121	-2,448	-11,000	-8,676	-17,228
Net investments	**1,409**	**28**	**377**	**-8,986**	**52,081**	**42,718**
Proportion of the property value, %	0.9	0.0	0.2	-9.1	33	27.9

Other key financial metrics	2022 Apr–Jun	2021 Apr–Jun	2022 Jan–Jun	2021 Jan–Jun	LTM, Jul 2021–Jun 2022	2021 Jan–Dec
Surplus ratio, %	71	73	66	69	67	71
Gross lettings, SEK M	192	127	328	266	782	720
Net lettings, SEK M	84	26	109	66	181	162
Return (EPRA NRV), %	25.7	15.4	70.6	17.6	25.7	18.4
Return on total capital, %	33.1	8.3	14.9	19.5	15.9	8.6
Return on equity, %	16.3	13.8	16.7	23.7	15.9	22.7
Property value, SEK/share	478	357	478	357	478	450

The Castellum share

The Castellum share is listed on Nasdaq Stockholm Large Cap. At the end of the period the company had just over 106,000 shareholders. The 15 individual largest owner constellations confirmed as of 30 June 2022 are presented in the table below.

SHAREHOLDERS 30 JUN 2022

Shareholders	Number of shares, thousand	Share of votes/capital, %
Rutger Arnhult with companies	59,225	18.1
APG Asset Management	16,421	4.9
Gösta Welandson with companies	11,668	3.5
BlackRock	10,720	3.2
Vanguard	10,423	3.1
Länsförsäkringar Fonder	9,985	3.0
Corem Property Group	8,880	2.6
Handelsbanken Fonder	8,152	2.4
Swedbank Robur Fonder	7,145	2.1
Norges Bank	5,523	1.6
PGGM Pensioenfonds	4,648	1.4
Folksam	4,478	1.3
Columbia Threadneedle	4,089	1.2
Olle Florén	3,553	1.1
State Street Global Advisors	3,115	0.9
15 largest owners	**168,025**	**49.0**
Foreign owners, other	72,171	21.2
Swedish owners, other	88,205	29.8
Total shares outstanding	**328,401**	**100.0**
Repurchase of own shares	17,331	
Total shares registered	**345,732**	

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

Acquisitions and transfers of own shares

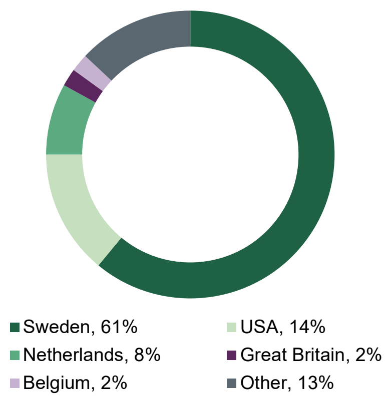
The 2021 AGM gave a mandate to the Board up until the next AGM to acquire and transfer shares. The acquisition may include no more than the number of shares corresponding to approximately 10 per cent of the number of shares outstanding. During the six-month period, 12,143,033 shares were repurchased at an average price of SEK 226. On 30 June 2022, the company's holding of treasury shares amounted to 17,331,000 shares, corresponding to 5 per cent of the number of shares registered.

Dividend yield

The recent AGM approved a dividend of SEK 7.60 per share (6.90) corresponding to a dividend yield of 5.8 per cent (2.8) based on the share price at the end of the period. The dividend will be paid out on four occasions, at SEK 1.90 per share each. A dividend was paid during the quarter with record dates of 31 March and 30 June, and the record dates for the subsequent two disbursements are 30 September and 30 December 2022.

The share	30 Jun 2022	31 Dec 2021
Share Price, SEK	131.45	243.8
Market capitalisation, SEK Bn	45.4	84.3
Sales, millions	154	204
Turnover rate, %	94	71
Share price/EPRA NRV, %	50	97
Share price/EPRA EPS, LTM	11	21
P/E ratio	6	6
Dividend yield	5.8	2.8

SHAREHOLDERS BY COUNTRY, 30 JUN 2022



Parent Company

CONDENSED INCOME STATEMENT

SEK M	2022 Apr–Jun	2021 Apr–Jun	2022 Jan–Jun	2021 Jan–Jun	2021 Jan–Dec
Income	72	25	101	50	167
Central administrative expenses	-19	-51	-83	-109	-283
Financial items	-217	-1	-239	-3	3,589
Income before changes in value and tax	**-154**	**-27**	**-221**	**-62**	**3,473**
Changes in value on financial instruments	1,331	-76	1,600	399	78
Income before tax	**1,177**	**-103**	**1,379**	**337**	**3,551**
Tax	-204	8	-262	3	-5
Net income for the period	**973**	**-95**	**1,117**	**340**	**3,546**
Items that will be reclassified into net income					
Translation difference of currencies	128	-97	128	-28	65
Unrealised change, currency hedge	-89	83	-9	46	-27
Comprehensive income for the period	**756**	**-109**	**1,117**	**358**	**3,585**

CONDENSED BALANCE SHEET

SEK M	30 Jun 2022	30 Jun 2021	31 Dec 2021
Participations in Group companies	47,120	20,971	46,239
Participations in associated companies	12,691	—	12,690
Receivables, Group companies	48,105	37,812	42,903
Financial assets	—	6,566	190
Derivatives	1,953	—	—
Other assets	229	107	140
Cash and cash equivalents	34	5	37
Total assets	**110,132**	**65,461**	**102,199**
Equity	40,835	15,806	45,009
Derivatives	291	653	619
Interest-bearing liabilities	45,095	41,291	42,257
Liabilities, Group companies	21,477	6,505	14,090
Other liabilities	2,434	1,206	224
Total equity and liabilities	**110,132**	**65,461**	**102,199**

*The Parent Company's contingent liabilities increased by SEK 5 Bn over the six-month period, totalling SEK 22 Bn at 30 June 2022. The contingent liabilities are attributable to sureties for subsidiaries.

Other information

Risks and uncertainties

Castellum's operations, earnings and financial position are impacted by a number of risk factors. To facilitate risk management, Castellum has chosen to classify risks into the following categories:

- Business environment – risks due to the influence of external factors and events.
- Strategic risks – risks associated with reputation or the ownership of Castellum's asset portfolio.
- Operational risks – risks associated with routine administration of Castellum's property holdings.
- Sustainability and climate risks – risks associated with the environment, corporate responsibility and/or liability risks
- People – risks associated with our employees and the people in and around our properties.
- Financial risk – risks in Castellum's financing and reporting

The company works actively to identify and manage the risks and opportunities that are of material significance to its operations. More information on Castellum's risks and their management can be found on pages 75–83 of the Annual Report for 2021. We believe that no change has taken place compared with the Annual Report.

Forward-looking information

A number of items recognised in this report are forward-looking, and the actual outcome may differ substantially. Apart from the factors that have expressly been commented on, other factors such as economic growth, interest-rate levels, financing terms, yield requirements on property assets and political decisions may also have a material impact on the actual outcome

Accounting policies

Castellum's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS). The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, and for the Parent Company in accordance with Chapter 9 of the Annual Accounts Act. Moreover, the relevant provisions in the Annual Accounts Act and the Securities Markets Act have been applied. For the Group and the Parent Company, the same accounting policies and bases for calculation as in the latest annual report have been applied. In addition to the financial statements, disclosures in accordance with IAS 34.16A appear in the remainder of this interim report. Preparation of the interim report requires company management to make assessments and estimates, and to make assumptions that have impacted the application of the accounting policies and the recognised amounts of assets, liabilities, income and costs. The actual outcome may deviate from these estimates and assessments. The critical assessments made and the sources of uncertainty in existing estimates are the same as those in the latest published annual report.

Events after balance sheet date

No significant events have occurred after the balance sheet date.

Signing of the Report

The Board of Directors and the CEO give their assurance that the half-year report provides a true and fair view of the Parent Company's and Group's operations, financial position and results and as well as the significant risks and uncertainties facing the Parent Company and companies within the Group.

Gothenburg, 15 July 2022

Per Berggren Chairman of the Board	**Anna-Karin Celsing** Board member	**Anna Kinberg Batra** Board member
Henrik Käll Board member	**Joacim Sjöberg** Board member	**Rutger Arnhult** Chief Executive Officer

This information is information that Castellum AB is obligated to make public pursuant to the EU Market Abuse Regulation and the Swedish Security Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 8:00 a.m. CEST on 15 July 2022.

Review report

Independent Auditor's Report on the review of half-year financial information

To the Board of Directors of Castellum AB (publ) Corp. ID No. 556475-5550

Introduction

We have reviewed the half-year report for Castellum AB (publ) for the period 1 January–30 June 2022. The Board of Directors and the CEO are responsible for the preparation and presentation of this half-year report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this half-year report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review Of Interim Financial Information Performed By The Independent Auditor Of The Entity. A review consists of making inquiries, primarily of persons responsible for preparing financial and accounting matters, and applying analytical and other review procedures.

A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit.

Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the half-year report has not, in all material respects, been prepared for the Group in accordance with IAS 34 and the Annual Accounts Act and for the Parent Company in accordance with the Annual Accounts Act.

Gothenburg, 15 July 2022

Deloitte AB

Harald Jagner

Authorised Public Accountant

Definitions

Alternative key performance indicators

Castellum applies the European Securities and Market Authority (ESMA) guidelines on alternative performance measures. According to these guidelines, an alternative performance measure is a financial measurement of historical or future earnings trends, financial position, financial earnings or cash flows that are not identified or indicated in the applicable rules for financial reporting (IFRS and the Swedish Annual Accounts Act).

Castellum is also a member of the European Public Real Estate Association (EPRA), which is why the financial key metrics EPRA EPS, EPRA NRV, EPRA NTA and EPRA NDV are reported.

Share-related key metrics

Dividend yield

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

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.

Data per share

Calculation of income and cash flow per share uses the average number of shares, and calculation of assets, equity and net asset value per share uses the number of shares outstanding.

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 NRV – Net Reinstatement Value

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

EPRA NDV – Net Disposal Value

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

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.

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/light industry, retail and development projects.

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 lettings and property administration.

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 associated companies/joint ventures. 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.

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

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.

Loan-to-value ratio

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

LTV 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.

Hybrid bond

Castellum has issued hybrid bonds with a maturity to the first potential redemption of 5.5 years and 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 per cent as equity and 50 per cent as liabilities.

Adjusted loan-to-value ratio

Interest-bearing liabilities after deduction for cash and cash equivalents and treasury shares measured at market value at the end of the period, as a percentage of total assets. An adjusted loan-to-value ratio has been introduced as of Q1 2022 in order to adapt the key metric with regard to treasury shares. For the standard definition of loan-to-value ratio, refer to "Loan-to-value ratio" above.

Interest coverage ratio

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

Net debt to EBITDA

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

Financial calendar and dividend

Record date, dividend (III)	30 September 2022
Expected distribution of dividend (III)	5 October 2022
Interim report January–September 2022	20 October 2022
Record date, dividend (IV)	30 December 2022
Expected distribution of dividend (IV)	4 January 2023
Year-end report 2022	13 February 2023
Annual General Meeting 2023	23 March 2023

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Contact details
For more information please contact:

Rutger Arnhult, CEO Castellum AB
tel. +46 70-458 24 70 or Maria Strandberg, CFO
Castellum AB, tel. +46 70-398 23 80.

About Castellum
Castellum is one of the largest listed property companies in the Nordic region that develops flexible workplaces and smart logistics solutions. As of 30 June 2022, the property value, including the ownership share of the Norwegian company Entra ASA, totalled approximately SEK 185 Bn. We are active in attractive Nordic growth regions. One of our sustainability goals is to become entirely climate neutral by 2030 at the latest. Castellum is the only Nordic property and construction company elected to the Dow Jones Sustainability Index (DJSI). The Castellum share is listed on Nasdaq Stockholm Large Cap.

Beyond expectations.
www.castellum.se

CASTELLUM

Castellum AB (publ)
Box 2269, SE-403 14 Gothenburg, Sweden
Office address: Östra Hamngatan 16
Phone: 031-60 74 00
www.castellum.se
Head office: Gothenburg
Corp. ID No.: 556475-5550