CASTELLUM

Press release
Gothenburg, 15 November 2022

The Board of Directors of Castellum proposes that dividends are paused

The Board of Directors of Castellum observes that the bond market is still closed with no signs of recovery in the near future. In order to safeguard the company's credit rating, the Board of Directors has resolved to adopt a stricter financial policy and a savings program with a reduced investment scope for 2023 in order to strengthen the company's balance sheet. Furthermore, the Board of Directors will not propose that the upcoming Annual General Meeting resolves to pay any dividends.

"We are experiencing turbulent times with major uncertainties on the financial market also going forward. In this exceptional situation, we consider that prioritizing a strengthened balance sheet and safeguarding the company's credit rating is what is most favourable for both the shareholders and the bondholders, although the decision to propose that we break the tradition of paying dividends is unpleasant", says Per Berggren, Chairman of the Board of Directors, Castellum AB.

Castellum's financial policy is tightened with requirements for an interest coverage ratio of 300 percent (200) and that the loan-to-value ratio defined as net debt divided by balance sheet total shall not exceed 40 percent (previously 50 percent defined as net debt divided by property value).

"Castellum has sharply reduced the activity in its project business since last summer, not least due to rapidly increasing material costs and rising interest rates. Fully or almost fully leased projects with a total rental value of SEK 280 million per year are currently in progress and will be completed in 2023, but the total investment volume will be cut in half next year and will be focused on the most value-creating projects", says Rutger Arnhult, CEO, Castellum AB.

The resolution does not entail any changes to the dividend that has already been resolved upon, with record date 30 December 2022, and Castellum's dividend policy remains unchanged.

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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 September 2022, the property value totalled approximately SEK 186 billion, including the ownership share of the Norwegian company Entra ASA. 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

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