



This announcement is not an offer, whether directly or indirectly, in Australia, Hong Kong, Japan, New Zealand or South Africa, or in any other jurisdiction where such offer pursuant to legislation and regulations in such relevant jurisdiction would be prohibited by applicable law. Shareholders not resident in Sweden who wish to accept the Offer (as defined below) must make inquiries concerning applicable legislation and possible tax consequences. Shareholders should refer to the offer restrictions included in the section titled "Important information" at the end of this announcement and in the offer document which will be published shortly before the beginning of the acceptance period for the Offer. Shareholders in the United States should also refer to the section titled "Special notice to shareholders in the United States" at the end of this announcement.

Press release
Gothenburg, 2 August 2021

Castellum Aktiebolag announces a recommended public offer to the shareholders of Kungsleden Aktiebolag ("Kungsleden" or the "Company") to acquire all shares in Kungsleden with the intent to combine the two companies

Castellum Aktiebolag¹ ("Castellum") hereby announces a recommended public offer to the shareholders of Kungsleden Aktiebolag², to acquire all shares in Kungsleden (the "Offer"), with the intent to combine the two companies. The shares in Kungsleden are listed on Nasdaq Stockholm, Large Cap. The shares in Castellum are listed on Nasdaq Stockholm, Large Cap.

Summary

- At announcement, the Offer values each Kungsleden share at SEK 124.90 and the Offer's total value is approximately SEK 26,860 million.³
- The Offer consideration consists of a combination of shares in Castellum and cash. Castellum offers each shareholder in Kungsleden the following (the "**Base Case Consideration**"):
 - In respect of 70 percent of the number of Kungsleden shares tendered by such shareholder: 0.525 shares in Castellum per Kungsleden share, and
 - in respect of the remaining 30 percent of the number of Kungsleden shares tendered by such shareholder: SEK 121.00 in cash per Kungsleden share.

¹ Corporate registration number 556475-5550.

² Corporate registration number 556545-1217.

³ The total value of the Offer is based on the closing price of Castellum's shares of SEK 241.10 per share on Nasdaq Stockholm on 30 July 2021, and 215,042,296 shares in Kungsleden. Shares held by Kungsleden have not been included when calculating the value of the Offer (currently 3,361,006 shares).



- Castellum offers the shareholders in Kungsleden a so-called mix & match facility, whereby each shareholder in Kungsleden, subject to the restrictions set out below, may elect to receive as much share consideration as possible or as much cash consideration as possible for their Kungsleden shares (the "**Mix & Match Facility**"). In aggregate, up to a total of 79,028,043 shares in Castellum will be issued as consideration in the Offer, and up to a total of approximately SEK 7,806 million will be paid in cash.⁴ This proportion between shares and cash will not be varied as a result of individual elections made under the Mix & Match Facility. In order for individual shareholders in Kungsleden to receive a higher proportion of a certain requested consideration alternative under the Mix & Match Facility, other shareholders must have made reverse elections to a corresponding extent.
- The Offer represents a premium of:
 - 18.0 percent compared to Kungsleden's EPRA NRV⁵ per share of SEK 105.88 as of 30 June 2021.
 - 21.2 percent compared to Kungsleden's EPRA NTA⁶ per share of SEK 103.02 as of 30 June 2021.
 - 7.5 percent compared to the closing price of Kungsleden's share on Nasdaq Stockholm on 30 July 2021 (the last trading day prior to the announcement of the Offer).
 - 12.5 percent compared to the volume-weighted average share price of Kungsleden's share on Nasdaq Stockholm during the last 30 trading days up to and including 30 July 2021 (the last trading day prior to the announcement of the Offer).
 - 19.8 percent compared to the volume-weighted average share price of Kungsleden's share on Nasdaq Stockholm during the last 90 trading days up to and including 30 July 2021 (the last trading day prior to the announcement of the Offer).
- The board of directors of Kungsleden unanimously recommends the shareholders of Kungsleden to accept the Offer. The recommendation is supported by a fairness opinion provided by Handelsbanken Capital Markets ("**SHB**").
- Gösta Welandson (through companies), Ilija Batljan (through a company) and Olle Florén (directly and through companies), which together are representing approximately 26.0 percent of the outstanding share capital and votes in Kungsleden have irrevocably undertaken to accept the Offer.
- Rutger Arnhult, representing approximately 21.4 percent of the outstanding share capital and votes in Castellum, has undertaken to, at the extraordinary general

⁴ Based on full acceptance in the Offer. At a lower acceptance level, the number of shares to be issued, and the total amount of cash to be paid, will be reduced proportionately to maintain the aggregate proportions of shares in Castellum and cash to be paid in the Offer.

⁵ EPRA Net Reinstatement Value; Reported equity including recognised liability/asset for interest rate swaps and deferred tax.

⁶ EPRA NTA – Net Tangible Assets; Reported equity after adding back reported asset/liability of interest rate derivatives and adjusted for the estimated fair value of deferred tax (3.7 percent for properties).

meeting to be held in Castellum, vote in favour of authorising the board of directors to issue shares in Castellum as consideration for the Offer.

- Corem Property Group AB ("**Corem**"), representing approximately 3.3 percent of the outstanding shares and votes in Castellum, has expressed its support for and is positive to the Offer. Corem has therefore expressed its intention to, at the extraordinary general meeting of Castellum, vote in favour of the proposal to authorise the board of directors to issue shares in Castellum to be used as consideration in the Offer.
- The acceptance period in the Offer is expected to commence on or around 30 September 2021 and end on or around 29 October 2021.
- Castellum reserves the right to extend the acceptance period for the Offer and to postpone the settlement date. In the event that Castellum, after the acceptance period, declares the Offer unconditional and extends the acceptance period, it will for practical reasons not be possible to cater for elections made under the Mix & Match Facility with regard to acceptances received after the initial acceptance period. Shareholders in Kungsleden accepting the Offer during a potential extension will thus receive the Base Case Consideration in the Offer, consisting of 70 percent shares in Castellum and 30 percent cash.

Rutger Arnhult, Chairman of the Board of Castellum, comments:

"Through the combination with Kungsleden, we strengthen our position as the leading Nordic listed commercial property company, with focus on the most interesting growth regions. Together, we create a company with a well-diversified property portfolio, a strong customer focus and an attractive project development portfolio. The real estate industry is going through a period of change, where size along with sustainable and innovative service development becoming more and more important. We are now creating a company with a property value of SEK 157 billion combined with a strong balance sheet, which together with a maintained rating enables attractive financing terms and thus enhanced competitiveness. The focus of the combined company is to continue creating shareholder value and to reach our long-term objective of an annual growth in profit from property management per share of 10 percent, with a maintained dividend of at least 50 percent of profit from property management. I welcome the shareholders of Kungsleden the opportunity to join this growth journey."

Rationale for the proposed combination

Castellum believes that the management and employees of Kungsleden have built a highly successful company with an attractive commercial property portfolio in Sweden. The combination of Castellum and Kungsleden will create significant value for all stakeholders, where the company's size, strong balance sheet and maintained financial strength will result in an enhanced competitive position.

Strengthen the position as the leading listed commercial property company in the Nordics

Castellum will, through the combination with Kungsleden, strengthen its position as the Nordics largest listed commercial property company and the fourth largest listed

commercial property company in Europe.⁷ The combined company will have a continued focus on long-term growth, sustainability and financial stability. The combination is expected to create growth and shareholder value through an efficient common platform within property management, by continued property and project acquisitions as well as development of existing properties and project portfolio. The combined property portfolio consists mainly of offices and warehouses/logistics, where the former segment has a large element of public authorities.

Leading market position in Nordic growth regions through complementing property portfolios

Castellum will, after the combination with Kungsleden, have a high-quality property portfolio focusing on commercial properties with a broad geographic diversification within attractive growth regions in Sweden, Finland and Denmark. Kungsleden's and Castellum's property portfolios complement each other well and thus strengthen the combined company's position on the respective prioritised market. At the same time, the combination provides an increased risk diversification due to a broader customer base. The combination therefore creates opportunities for continued strong growth and an attractive customer offering. In order to enable focus on prioritised growth regions, divestment of properties is planned within less prioritised areas after the combination.

Castellum's and Kungsleden's combined industry experiences unlock full potential from project development

The combined company will have an attractive portfolio with ongoing and upcoming projects of commercial properties which are expected to create a good foundation for future growth and profitability. Castellum, as well as Kungsleden have great experiences from project development and will, through exchange of knowledge and operational synergies, be able to further increase value creation within this business area.

Diversified base of stable and attractive tenants secures continued strong cash flow

The customer base will through the combination be further broadened with stable and well-renowned tenants and the already low tenant concentration will be reduced. The combined company's customer base will mainly consist of public authorities, municipalities and blue-chip corporates. The customers will, through the combination, be offered one of the market's best supplies of sustainable premises with the latest technical solutions intended to simplify the everyday life for both tenants and their employees.

Aligned agenda to become Europe's most sustainable property company

Castellum and Kungsleden are today driving the development of green properties and sustainable urban development. Ambitious sustainability targets, as carbon-neutrality and environmental certification, will enable reduced climate impact. The combined company will become a Nordic industry leader within digitalisation, energy efficiency and service in the continued development of future customer offering.

⁷ In terms of property value, based on the latest information available as of 30 July 2021. The comparison with commercial property companies in the Nordics and Europe excludes public property companies mainly focusing on residential, retail, hotel, or public service properties.

Significant and value creating synergies

The combination enables for great synergies within operation, property management, property development and financing. Both Kungsleden and Castellum are leading in sustainable energy use and efficient property management, and the combination will enable further cost reductions of operating costs. The operation will be strengthened within property management, transactions, project development and administration, at the same time as there will emerge opportunities to increase the efficiency through exchange of knowledge and utilisation of economies of scale. The financial synergies can be achieved by Kungsleden's outstanding loans successively being refinanced based on Castellum's higher rating. Kungsleden's and Castellum's aligned value-driven corporate cultures create great conditions for a successful combination and a successful integration. In aggregate, total annual synergies are estimated to SEK 285 million.

Attractive financial profile with a sustained financial policy and increased access to capital

The combined company will continue to have a strong financial position with the aim to maintain Castellum's rating, meaning an actual loan-to-value ratio below 45 percent. Castellum's policy to have a loan-to-value ratio not exceeding 50 percent remains for the new group, whilst actual loan-to-value ratio is estimated to be below the policy in order to meet the rating requirement. In order to achieve a lower loan-to-value ratio, Castellum plans to issue hybrid bonds during the second half of the year of 2021 while also divesting a property portfolio from the new company. The latter may only occur once the companies have been combined. Furthermore, Castellum's financial target of annual growth in profit from property management per share of 10 percent and dividend of at least 50 percent per share of the profit from property management remains.

The combination is, given the company's size, expected to strengthen the position and competitiveness on the capital markets. The combined company is also expected to gain increased attractiveness from debt investors as a result of a continued strong balance sheet, lower portfolio risk, maintained good rating as well as the possibility of issuing volume with high liquidity. The combination of the companies is therefore assessed to further increase interest in Castellum's shares, both in Sweden and internationally.

Kungsleden has sought and received waivers from Kungsleden's financing banks in respect of provisions such as change of control provisions under existing financing arrangements that may be invoked as a result of the Offer.

Strong and experienced management enables continuity in the combined company

Through the combination, two highly professional and competent organisations are combined. Following the completion of the combination, the board of directors in Castellum will offer Biljana Pehrsson, CEO of Kungsleden, and Ylva Sarby Westman, Deputy CEO and CFO of Kungsleden, to become CEO and Deputy CEO, respectively, for the combined company. Castellum believes that the management and employees of Kungsleden have built a very successful company with an attractive commercial property portfolio in Sweden. Castellum expects that the proposed combination of the businesses will be positive for both companies and lead to attractive opportunities for the employees of Kungsleden and Castellum.

The Offer

Consideration

The consideration in the Offer for the shares in Kungsleden consists of a combination of shares in Castellum and cash. Subject to the potential adjustment of each individual Kungsleden shareholder's consideration due to elections made under the Mix & Match Facility as described below, Castellum is offering each shareholder in Kungsleden the following (the Base Case Consideration):

- In respect of 70 percent of the number of shares in Kungsleden tendered by such shareholder: 0.525 shares in Castellum per share in Kungsleden, and
- in respect of the remaining 30 percent of the number of shares in Kungsleden tendered by such shareholder: SEK 121.00 in cash per share in Kungsleden.

No commission will be charged in respect of the settlement of the consideration of shares in Kungsleden acquired by Castellum under the Offer.

The offered consideration will not be adjusted for dividend previously resolved upon of SEK 0.70 per share in Kungsleden, with record date 30 September 2021, or for dividend previously resolved upon of SEK 3.45 per share in Castellum, with record date 27 September 2021. The offered consideration will be adjusted if Kungsleden or Castellum makes additional dividends or other value transfers to the shareholders before settlement has taken place in relation to Offer and will consequently be reduced by a corresponding amount per share for each such dividend or value transfer made by Kungsleden, or increased by a corresponding amount per share for each such dividend or value transfer made by Castellum.

Bid premium

The Base Case Consideration represents a premium of:⁸

- 18.0 percent compared to Kungsleden's EPRA NRV per share of SEK 105.88 as of 30 June 2021.
- 21.2 percent compared to Kungsleden's EPRA NTA per share of SEK 103.02 as of 30 June 2021.
- 7.5 percent compared to the closing price of Kungsleden's shares on Nasdaq Stockholm on 30 July 2021 (the last trading day before the announcement of the Offer).
- 12.5 percent compared to the volume-weighted average share price of Kungsleden's shares on Nasdaq Stockholm during the last 30 trading days up to and including 30 July 2021 (the last trading day before the announcement of the Offer).
- 19.8 percent compared to the volume-weighted average share price of Kungsleden's shares on Nasdaq Stockholm during the last 90 trading days

⁸ Based on a value of the Offer of approximately SEK 124.90 per share in Kungsleden, as of the day of announcement of the Offer.

up to and including 30 July 2021 (the last trading day before the announcement of the Offer).

The Mix & Match Facility for Kungsleden's shareholders

Castellum offers Kungsleden's shareholders a so-called Mix & Match facility, through which each shareholder in Kungsleden is, subject to the restrictions set out below, given the possibility, should the shareholder prefer a deviation from the Base Case Consideration, to elect either:

- (i) to receive as much consideration in cash as possible for tendered Kungsleden shares (in addition to the default cash entitlement of SEK 121.00 per Kungsleden share in respect of 30 percent of the number of Kungsleden shares tendered), and thus as little consideration in shares as possible,⁹ or
- (ii) to receive as much consideration in shares as possible for tendered Kungsleden shares (in addition to the default share entitlement of 0.525 shares in Castellum per Kungsleden share in respect of 70 percent of the number of Kungsleden shares tendered), and thus as little consideration in cash as possible.¹⁰

In aggregate, up to a total of 79,028,043 shares in Castellum will be issued, and up to a total of SEK 7,806 million will be paid in cash as consideration for the shares in Kungsleden.¹¹ This proportion between shares and cash will not be varied as a result of individual elections made under the Mix & Match Facility. In order for individual shareholders in Kungsleden to receive a higher proportion of a certain requested consideration alternative under the Mix & Match Facility, other shareholders must have made the reverse elections to a corresponding extent.

In the event that Castellum, after the acceptance period, declares the Offer unconditional and thereafter extends the acceptance period, it will for practical reasons not be possible to cater for elections made under the Mix & Match Facility with regard to acceptances received after the initial acceptance period. Shareholders in Kungsleden accepting the Offer during a potential extension after the Offer has been declared unconditional will thus receive the Base Case Consideration in the Offer, consisting of 70 percent shares and 30 percent cash.

⁹ A cash consideration of SEK 121.00 per Kungsleden share would represent a premium of 14.3 percent compared to Kungsleden's EPRA NRV per share of SEK 105.88 as of 30 June 2021, 17.5 percent compared to Kungsleden's EPRA NTA per share of SEK 103.02 as of 30 June 2021, 4.1 percent compared to the closing price for Kungsleden's share on Nasdaq Stockholm on 30 July 2021 (the last day of trading prior to the announcement of the Offer), amounting to SEK 116.20, 9.0 percent compared to the volume-weighted average trading price on Nasdaq Stockholm of SEK 111.00 for Kungsleden's share during the last 30 trading days ended on 30 July 2021 (the last day of trading prior to the announcement of the Offer), and 16.0 percent to the volume-weighted average trading price on Nasdaq Stockholm of SEK 104.30 for Kungsleden's share during the last 90 trading days ended on 30 July 2021 (the last day of trading prior to the announcement of the Offer).

¹⁰ A share consideration of 0.525 Castellum shares per Kungsleden share would represent a premium of 19.5 percent compared to Kungsleden's EPRA NRV per share of SEK 105.88 as of 30 June 2021, 22.9 percent compared to Kungsleden's EPRA NTA per share of SEK 103.02 as of 30 June 2021, 8.9 percent compared to the closing price for Kungsleden's share on Nasdaq Stockholm on 30 July 2021 (the last day of trading prior to the announcement of the Offer), amounting to SEK 116.20, 14.0 percent compared to the volume-weighted average trading price on Nasdaq Stockholm of SEK 111.00 for Kungsleden's share during the last 30 trading days ended on 30 July 2021 (the last day of trading prior to the announcement of the Offer), and 21.4 percent to the volume-weighted average trading price on Nasdaq Stockholm of SEK 104.30 for Kungsleden's share during the last 90 trading days ended on 30 July 2021 (the last day of trading prior to the announcement of the Offer).

¹¹ Based on full acceptance in the Offer. At a lower acceptance level, the number of shares to be issued, and the total amount of cash to be paid, will be reduced proportionately to maintain the aggregate proportions between Castellum shares and cash paid in the Offer.

The shareholders in Kungsleden are made aware that the value of the share consideration will change over time in line with the Castellum share price, entailing that elections made under the Mix & Match Facility may result in a higher or lower value per Kungsleden share than the value of the Base Case Consideration.

In case tenders made by Kungsleden's shareholders under the Mix & Match Facility are not fully matched, they will be scaled down on a pro rata basis in relation to the number of shares tendered by the respective shareholder.

Fractions

No fractions of Castellum shares will be delivered to shareholders in Kungsleden accepting the Offer. If a shareholder in Kungsleden tenders a number of Kungsleden shares in the Offer and the share consideration to be delivered for these shares does not amount to an even number of full new Castellum shares, consideration for excess fractions of shares will be paid in cash.

The total value of the Offer

At announcement, the Offer values each Kungsleden share at 124.90 and the Offer's total value is approximately SEK 26,860 million, based on the closing price of the Castellum share as of 30 July 2021.¹²

Statement from the board of directors of Kungsleden and fairness opinion

The board of directors of Kungsleden has assessed the Offer and informed Castellum that the board of directors of Kungsleden unanimously has resolved to recommend the shareholders of Kungsleden to accept the Offer. Further, the board of directors of Kungsleden has informed Castellum that the board of directors of Kungsleden has obtained a fairness opinion from SHB, according to which the Offer is fair for Kungsleden's shareholders from a financial perspective, based on the conditions set out in the statement.

Castellum's shareholding in Kungsleden

Neither Castellum nor any of its affiliated parties currently holds or controls any shares or any other financial instruments in Kungsleden.

Neither Castellum nor any of its affiliated parties has acquired or agreed to acquire any shares in Kungsleden, or any other financial instruments that give a financial exposure equivalent to a shareholding in Kungsleden, during the six month-period preceding the announcement of the Offer.

Castellum may acquire, or enter into arrangements to acquire, shares in Kungsleden outside the Offer, and any purchases made or arranged will be disclosed in accordance with applicable rules.

Undertakings from shareholders in Kungsleden

Castellum has obtained irrevocable undertakings to accept the Offer from the following shareholders in Kungsleden:

¹² The value of the Offer is based on a closing price of the Castellum share of SEK 241.10 per share on Nasdaq Stockholm on 30 July 2021, and 215,042,296 outstanding shares in Kungsleden as of 30 July 2021. When calculating the total value of the Offer shares held by Kungsleden have not been included (currently 3,361,006 shares).



- Gösta Welandson (through companies) has, on 28 July 2021, undertaken to tender 33,727,023 shares in Kungsleden, corresponding to approximately 15.7 percent of the outstanding shares and votes in Kungsleden;
- Ilija Batljan (through a company) has, on 28 July 2021, undertaken to tender 15,369,397 shares in Kungsleden, corresponding to approximately 7.1 percent of the outstanding shares and votes in Kungsleden; and
- Olle Florén (directly and through companies) has, on 30 July 2021, undertaken to tender 6,750,797 shares in Kungsleden, corresponding to approximately 3.1 percent of the outstanding shares and votes in Kungsleden.

Accordingly, irrevocable undertakings to accept the Offer from shareholders representing in total 55,847,217 shares have been obtained, which corresponds to approximately 26.0 percent of the outstanding shares and votes in Kungsleden. If a third party, prior to the Offer being declared unconditional, makes a public offer to acquire all outstanding shares in Kungsleden (the "**Third Party Offer**"), and the Third Party Offer corresponds to or exceeds 110 percent of the value of the Offer as per the date of the Third Party Offer and Castellum does not match the Third Party Offer within three (3) business days after the announcement of the Third Party Offer, Gösta Welandson (through companies) Ilija Batljan (through a company) and Olle Florén (directly and through companies) have the right to withdraw their acceptance and accept the Third Party Offer.

Conditions for completion of the Offer

Completion of the Offer is conditional upon:

1. the Offer being accepted to such an extent that Castellum becomes the owner of shares representing more than 90 percent of the total number of outstanding shares in Kungsleden;
2. the extraordinary general meeting in Castellum resolves, with the required majority, on the necessary resolutions to enable the issuance of new shares in Castellum in connection with the Offer;
3. no other party announcing an offer to acquire shares in Kungsleden on terms that are more favourable to the shareholders of Kungsleden than the Offer;
4. with respect to the Offer and the acquisition of Kungsleden, receipt of all necessary regulatory, governmental or similar clearances, approvals decisions and other actions from authorities or similar, including from competition authorities, in each case on terms which, in Castellum's opinion, are acceptable;
5. neither the Offer nor the acquisition of Kungsleden being rendered wholly or partially impossible or significantly impeded as a result of legislation or other regulation, any decision of a court or public authority, or any similar circumstance;
6. no circumstances having occurred which could have a material adverse effect or could reasonably be expected to have a material adverse effect on Kungsleden's financial position or operation, including Kungsleden's sales, results, liquidity, equity ratio, equity or assets;



7. no information made public by Kungsleden, or otherwise made available to Castellum by Kungsleden, being inaccurate, incomplete or misleading, and Kungsleden having made public all information which should have been made public; and
8. Kungsleden not taking any action that is likely to impair the prerequisites for making or completing the Offer.

Castellum reserves the right to withdraw the Offer in the event that it is clear that any of the above conditions are not satisfied or cannot be satisfied. However, with regard to conditions 2 – 8 above, the Offer may only be withdrawn where the non-satisfaction of such condition is of material importance to Castellum acquisition of Kungsleden or if otherwise approved by the Swedish Securities Council (Sw. *Aktiemarknadsnämnden*).

Castellum reserves the right to waive, in whole or in part, one, several or all of the conditions set out above, including, with respect to condition 1 above, to complete the Offer at a lower level of acceptance.

Affiliated parties

Charlotta Wikström, member of the board of directors of Kungsleden, is representing Olle Florén with companies, which in relation to Castellum have undertaken to accept the Offer (see above under "Undertakings from shareholders in Kungsleden"). Taking into account the contractual relationship between Castellum and Olle Florén with companies and the Takeover-rules, Charlotta Wikström has not participated, and will not participate, in the handling of or the decision in matters related to the Offer.

Information about Castellum

Castellum is a Swedish public limited liability company incorporated in Sweden and operating under Swedish law. Castellum's registered office is in Gothenburg, Sweden. Castellum shares are admitted to trading on Nasdaq Stockholm's main market under the ticker CAST. For more information, please refer to Castellum's webpage, www.castellum.se.

Castellum is one of the largest listed property companies in the Nordics and develops flexible workplaces and smart logistics solutions with a property value of approximately SEK 97 billion. Castellum is active in 14 Swedish growth regions as well as in Denmark (Copenhagen) and Finland. Castellum focuses on offices, with a large element of public authorities as well as warehouse/logistics, and the property portfolio consists of 558¹³ properties with a total yearly rental value of approximately SEK 5.9 billion.¹⁴ Taking into account Castellum's ownership in Entra and acquisitions carried out in July, the property value amounts to approximately SEK 114 billion.

Castellum's business model is built on investing in and developing commercial premises managed in a decentralised and customer-centric organization focusing on cash flow and low financial risk. The operations comprise three areas: (i) property management, (ii) project development, and (iii) transaction.

Information about Kungsleden

Kungsleden is a Swedish public limited liability company incorporated in Sweden and operating under Swedish law. Kungsleden's registered office is in Stockholm, Sweden.

¹³ Including Castellum's 54 development properties.

¹⁴ Information as of 30 June 2021, rental value for the period January – June 2021 recalculated on an annual basis.

Kungsleden's shares are admitted to trading on Nasdaq Stockholm's main market under the ticker KLED. See also Kungsleden's webpage, www.kungsleden.se.

Kungsleden is a Swedish property company focusing on commercial properties in Swedish growth regions, with a property value of approximately SEK 43 billion. Almost 90 percent of Kungsleden's property portfolio is in Stockholm, Gothenburg, Malmö and Västerås. Kungsleden focuses on a broad spectrum of operations and industries and customers consist of proprietorship to international groups and public administration. Kungsleden's property portfolio consists of 207¹⁵ properties with a total yearly rental value of approximately SEK 2.8 billion.¹⁶

Kungsleden's business model is based on long-term ownership, active management, improvement and development of commercial facilities in growth regions in Sweden as well as delivery of an attractive total return and Kungsleden's business model is based on three key activities: (i) property management close to customer, (ii) value-creating property development and improvement, and (iii) strategic acquisitions and optimisation.

The combined company

The combined company will have a well-diversified property portfolio with a market value of approximately SEK 140 billion divided on 765 properties¹⁷, concentrated to the Nordics' largest growth regions. Taking into account Castellum's ownership in Entra and acquisitions carried out in July, the property value amounts to approximately SEK 157 billion. Two-thirds of the combined property portfolio is located in regions with a growth above the national average. Office properties will amount to approximately 58 percent, public sector properties 13 percent, warehouse, logistics and industry properties approximately 14 percent, retail properties approximately 7 percent, and other properties approximately 2 percent of the property value. In addition, each company contributes with an attractive project portfolio that will correspond to just over 6 percent of the property value.

The combined company will have a broad base of stable and well-renowned tenants, represented by public authorities, municipalities and large corporates. The single largest tenant is estimated to account for approximately 3 percent of the combined rental value. Public authorities and municipalities tenants are estimated to account 23 percent of the combined rental value and the average lease period for the total combined property portfolio is estimated to approximately 3.9 years.

As a result of the combination, the position will be strengthened in attractive growth regions. In order to increase long term growth, with a maintained strong financial position and a strengthened customer offering in prioritised regions, properties in less prioritised regions will be divested.

Through the combination, two highly professional and competent organisations are combined. Following the completion of the combination, the board of directors in Castellum will offer Biljana Pehrsson, CEO of Kungsleden, and Ylva Sarby Westman, Deputy CEO and CFO of Kungsleden, to become CEO and Deputy CEO, respectively, for the combined company. Castellum believes that the management and employees of Kungsleden have built a very successful company with an attractive commercial property portfolio in Sweden. Castellum expects that the proposed combination of the businesses will be positive for both

¹⁵ Including Kungsleden's 15 development properties.

¹⁶ Information as of 30 June 2021, rental value for the period January – June 2021 recalculated on an annual basis.

¹⁷ Including 69 development properties.

companies and lead to attractive opportunities for the employees of Kungsleden and Castellum. The combination of Castellum and Kungsleden and the extraction of synergies will affect employees in both companies. Castellum will prepare an integration plan for the combination of the companies. Decisions regarding the integration plan, and decisions on which specific measures to be taken and its impact on each company's organisations, will be made after the completion of the Offer. Castellum and Kungsleden have aligned corporate cultures and shared core values, both largely focusing on long-term sustainable growth. The combined company will have a business-oriented and customer-oriented organisation within leasing, operations, property management, administration, development and transactions. As a result of the combination, the owner base structure will be broadened with both long-term private owners as well as Swedish and international institutions.

Sustainability will continue to be of great importance, and the companies' common efforts and high sustainability targets promises to accelerate the creation of a European leader within sustainable development of properties and cities. As digital industry leader, Castellum is among the first property company offering their tenants digital locks, AI-tools for efficient use of premises as well as a variety of services, including co-working. Combined with Kungsleden's similar focus on sustainable service development, conditions are created in order to further strengthen the offer to the companies' tenants. Castellum aims to reach climate neutrality in construction and operation by 2030. As early as 2020, Castellum reached the interim target of a reduced energy consumption by 15 percent by 2025. Castellum's share of environmentally certified properties, measured in square meters, amounted to 39 percent compared to the interim target of 50 percent, by 2025. Kungsleden's energy consumption decreased by 28 percent during the period 2014 – 2020, and the number of environmentally certified properties amounted to 45 percent of property value as of 30 June 2021.

Castellum will, after the combination, continue to be based in Gothenburg. The expanded operation that Kungsleden will contribute to means that the combined company will have two headquarters, one in Stockholm and one in Gothenburg.

Castellum will issue hybrid capital in order to further broaden the combined company's capital structure and further strengthen its financial position. The combined company will have a strong financial position with a maximum loan-to-value ratio of less than 50 percent, while the actual loan-to-value ratio after the hybrid issue and divesting of property portfolio has been assessed to be on the lower level required in order for Castellum to maintain its rating. Castellum's board of directors confirms that the long-term financial target of annually grow profit per share from property management with 10 percent and with maintained dividend of at least 50 percent of the profit from property management, will remain.

Synergies

The proposed combination of Castellum and Kungsleden is expected to create significant value through the synergies that arise as a result of the coordination of the companies' operations. In total, the annual synergies with effect on profit for property management, are estimated to approximately SEK 285 million.

Operating and administration synergies: The annual synergies within property management and administration are expected to amount to approximately SEK 185 million annually and are expected to reach full effect within two to three years. These synergies are

expected to arise through cost savings and efficiency gains in property management, reduced central administration and elimination of overlapping functions in the combined company.

Financial synergies: The annual financial synergies are expected to amount to approximately SEK 100 million a year and are expected to reach full effect as Kungsleden's loans expire. The financial synergies are achieved through Kungsleden's outstanding loans successively being refinanced based on Castellum's higher rating.

Preliminary combined financial information

The financial information presented below is based on Castellum's and Kungsleden's unaudited financial reports for the time period 1 January – 30 June 2021, which have been prepared in accordance with IFRS.

The aggregation should not be viewed as pro forma since adjustments have not been made for the effects of the transaction, differences in any accounting policies or transaction costs. The information set forth below does not necessarily reflect the results or the financial position that Castellum and Kungsleden together would have if they had conducted their operations as a group during the same period. For instance, expected synergies have not been taken into account. This information is also not indicative for what the combined company's future earnings will be. The combined financial information has not been audited or otherwise reviewed by Castellum's or Kungsleden's auditors or any other third parties.

The information in this press release includes alternative performance measures (APMs). Such APMs are used by each companies' management in order to enhance the understanding of the respective companies' result as a supplement, but not as a substitute, to the financial statements prepared in accordance with IFRS.

| | Castellum | Kungsleden | The combined company |
|--|-------------------|--------------------|---------------------------------|
| For the period Jan-June 2021 | <i>(reviewed)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Income..... | 2,936 | 1,289 | 4,225 |
| Net operating income..... | 2,034 | 885 | 2,919 |
| Profit from property management.. | 1,615 | 650 | 2,265 |
| Profit for the period..... | 5,550 | 1,711 | 7,261 |
| Property value..... | 97,250 | 42,539 | 139,789 |
| LTV (loan-to-value) ratio ¹ | 38.2% | 42.5% | 39.4% |
| Interest coverage ratio ² | 5.3x | 4.8x | 5.1x |

1) Loan-to-value ratio, defined as interest-bearing liabilities after deduction for cash and cash equivalents as a percentage of total assets.

2) Interest coverage ratio, defined as income from property management after reversal of net financial items and income from property management in joint venture as a percentage of net interest items.

Financial pro forma information will be included in the offer document relating to the Offer and may differ substantially from the combined financial information contained herein. The financial pro forma information included in the offer document relating to the Offer will be prepared in accordance with applicable EU regulations.

Statement from the Swedish Securities Council

The Swedish Securities Council has, in its statement AMN 2021:37, granted Castellum an exemption from the obligation to make the Offer to shareholders domiciled in the United States as well as approved an extension for the period for preparing and filing the offer document with the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) from four weeks after announcement of the Offer to six weeks after such date. For a complete statement (only in Swedish), see www.aktiemarknadsnamnden.se.

Financing of the Offer

The Offer is not subject to any financing condition. The Offer, in regard to the total cash consideration payable under the Offer, is fully financed by Castellum's own available funds and a new bridge facility arranged by Nordea Bank Abp, filial i Sverige, on terms which are customary for the financing of public offers on the Swedish market.

As part of the consideration in the Offer, Castellum may issue up to a total of 79,028,043 new shares in Castellum to the shareholders of Kungsleden for the payment of the total share consideration under the Offer, which would entail that Kungsleden's shareholders have an ownership in the combined company of approximately 22.5 percent of the outstanding capital and votes in Castellum, and existing shareholders of Castellum an ownership in the combined company of 77.5 percent of the outstanding capital and votes in Castellum.¹⁸

Review of information in connection with the Offer

The Offer was preceded by Castellum and Kungsleden conducting mutual limited due diligence reviews of confirmatory nature of each company, respectively. The companies have confirmed that no inside information was made available in connection with the due diligence reviews.

Extraordinary general meeting in Castellum

Castellum's board of directors will, no later than on 3 August 2021, convene an extraordinary general meeting through a separate press release. At the extraordinary general meeting, resolutions to authorise the board of directors to issue shares in Castellum to be used as consideration in the Offer will be processed. The extraordinary general meeting is planned to be held on 27 August 2021.

The largest shareholder in Castellum, Rutger Arnhult representing approximately 21.4 percent of the outstanding votes in Castellum, has undertaken to vote at the extraordinary

¹⁸ Based on full acceptance in the Offer. Based on 272,074,944 Castellum shares, 70 percent of 215,042,296 Kungsleden shares, included in the share consideration as well as an exchange ratio of 0.525 shares in Castellum per Kungsleden share.

general meeting in favour of the proposal to authorise the board of directors to issue shares in Castellum to be used as consideration in the Offer.

Corem, representing approximately 3.3 percent of the outstanding shares and votes in Castellum, has expressed its support of and is positive to the Offer, based on the information known to the board of directors of Corem. Therefore, Corem has expressed its intention to, at the extraordinary general meeting of Castellum, vote in favour of the proposal to authorise the board of directors to issue shares in Castellum to be used as consideration in the Offer.

For further information regarding the extraordinary general meeting, please refer to the notice which will be published in a separate press release no later than on 3 August 2021. A complete agenda with accompanying documents for the extraordinary general meeting will be made available on Castellum's website no later than on 3 August 2021.

Indicative time plan¹⁹

| | |
|--|-------------------------------------|
| Extraordinary general meeting in Castellum | 27 August 2021 |
| Offer document published | 29 September 2021 |
| Acceptance period | 30 September 2021 – 29 October 2021 |
| Payment of consideration | 4 November 2021 |

Castellum reserves the right to extend the acceptance period, and to postpone payment of the consideration. Notice of any such extension or postponement will be published by Castellum by way of press release in accordance with applicable rules and legislation. In the event that Castellum, after the acceptance period, declares the Offer unconditional and thereafter extends the acceptance period, it will, as described above, for practical reasons not be possible to cater for elections made under the Mix & Match Facility with regard to acceptances received after the initial acceptance period. Shareholders in Kungsleden accepting the Offer during a potential extension after the Offer has been declared unconditional will thus receive the Base Case Consideration in the Offer, consisting of 70 percent Castellum shares and 30 percent cash.

Compulsory acquisition and delisting

As soon as possible after Castellum has acquired more than 90 percent of the shares in Kungsleden, Castellum intends to commence compulsory acquisition proceedings under the Swedish Companies Act (2005:551) to acquire all remaining shares in Kungsleden. In connection therewith, Castellum intends to promote delisting of Kungsleden's shares from Nasdaq Stockholm.

Applicable law and disputes

The Offer, as well as any agreements entered into between Castellum and the shareholders in Kungsleden as a result of the Offer, shall be governed by and construed in accordance with substantive Swedish law. Any dispute regarding the Offer, or which arises in

¹⁹ All dates are preliminary and may be changed.

connection therewith, shall be settled exclusively by Swedish courts, and the Stockholm District Court (Sw. *Stockholms tingsrätt*) shall be the court of first instance.

The Takeover Rules, and the Swedish Securities Council's statements and rulings regarding interpretation and application of these rules, apply in relation to the Offer. Furthermore, Castellum has, in accordance with the Act on Public Takeovers on the Stock Market (Sw. *lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*), on 30 July 2021, contractually undertaken to Nasdaq Stockholm AB, in writing, to comply with said rules and statements and to submit to any sanctions that can be imposed by Nasdaq Stockholm AB in event of breach of the Takeover Rules.

Advisers

Lenner & Partners and Nordea Bank Abp, filial i Sverige are acting as financial advisors in connection with the Offer and Roschier Advokatbyrå AB is legal adviser to Castellum in connection with the Offer.

Castellum Aktiebolag

Board of Directors



For further information, please contact:

Rutger Arnhult, chairman
Phone: +46 704-58 24 70

Ulrika Danielsson, CFO
Phone: +46 70 647 12 61, email: ulrika.danielsson@castellum.se

This disclosure contains information that Castellum is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact persons, on 2 August 2021, 07.30 (CEST).

Presentation and telephone conference

In connection with the publication of the offer document Castellum will invite journalists, analysts and investors to participate in a presentation regarding the Offer together with a subsequent Q&A session. An invitation will be published at a later stage.

Information about the Offer:

www.castellum.se

Important information

This press release has been published in Swedish and English. In the event of any discrepancy in content between the two language versions, the Swedish version shall prevail.

Nordea is acting as financial adviser to Castellum, and no one else, in connection with the Offer. Nordea will not consider any other persons as customers in relation to the Offer and is not responsible to anyone other than Castellum for providing the protection Nordea offers to its customers, or to provide advice in connection with the Offer or any other transaction, question or arrangement referenced in this press release. Nordea has not assumed any obligation to independently verify, and disclaims any liability with respect to, the information herein.

The Offer is not capable of being accepted by persons who are located or resident in the United States unless they are qualified institutional buyers ("QIBs") (as defined in Rule 144A under the U.S. Securities Act of 1933, as amended). Any purported acceptance of the Offer by persons located or resident in the United States other than QIBs or which, at the sole discretion of Castellum, appear to be made in respect of Kungsleden shares beneficially held by persons located or resident in the United States other than QIBs will not be accepted. By accepting the Offer, Kungsleden shareholders, unless participating pursuant to the exception for QIBs referred to above, will be deemed to represent and warrant, on behalf of themselves and any person on whose behalf they beneficially hold Kungsleden shares, that they are not located or resident in the United States. (See "Special notice to shareholders in the United States" below.)

The Offer is not being made, directly or indirectly, in or into Australia, Hong Kong, Japan, New Zealand or South Africa by use of mail or any other communication means or instrumentality (including, without limitation, facsimile transmission, electronic mail, telex, telephone and the Internet) of interstate or foreign commerce, or of any facility of national securities exchange or other trading venue, of Australia, Hong Kong, Japan, New Zealand or South Africa, and the Offer cannot be accepted by any such use or by such means, instrumentality or facility of, in or from, Australia, Hong Kong, Japan, New Zealand or South Africa. Accordingly, this press release or any documentation relating to the Offer are not being and should not be sent, mailed or otherwise distributed or forwarded in or into Australia, Hong Kong, Japan, New Zealand or South Africa.

This press release is not being, and must not be, sent to shareholders with registered addresses in Australia, Hong Kong, Japan, New Zealand or South Africa. Banks, brokers, dealers and other nominees holding shares for persons in Australia, Hong Kong, Japan, New Zealand or South Africa must not forward this press release or any other document received in connection with the Offer to such persons.

Persons who receive this press release (including without limitation banks, brokers, dealers, nominees, trustees and custodians) and are subject to the laws and regulations of any such jurisdiction will need to inform themselves about, and observe, any applicable restrictions and requirements. Any failure to do so may constitute a violation of the securities laws or regulations of any such jurisdiction. To the extent permitted by applicable law, Castellum disclaims any responsibility or liability for any violations of any such restrictions and Castellum reserves the right to disregard any purported acceptance of the Offer resulting directly or indirectly from a violation of any of these restrictions.

The Offer, the information and documents contained in this press release are not being made and have not been approved by an authorized person for the purposes of section 21 of the UK Financial Services and Markets Act 2000 (the "FSMA"). Accordingly, the information and documents contained in this press release are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of the information and documents contained in this press release is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is a communication by or on behalf of a body corporate which relates to a transaction to acquire day to day control of the affairs of a body corporate; or to acquire 50 percent or more of the voting shares in a body corporate, within article 62 of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

Statements in this press release relating to future status or circumstances, including statements regarding future performance, growth and other trend projections and other benefits of the Offer, are forward-looking statements. These statements may generally, but not always, be identified by the use of words such as "anticipates", "intends", "expects", "believes", or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of Castellum. Any such forward-looking statements speak only as of the date on which they are made and Castellum has no obligation (and undertakes no such obligation) to update or revise any of them, whether as a result of new information, future events or otherwise, except for in accordance with applicable laws and regulations.

Special notice to shareholders in the United States

The new Castellum shares to be issued in connection with the Offer are not being, and will not be, registered under the Securities Act or under the securities laws of any jurisdiction of the United States. The Offer is not capable of being accepted by persons who are located or resident in the United States unless they are QIBs, and any purported acceptance of the Offer by persons located or resident in the United States other than QIBs or which, at the sole discretion of Castellum, appear to be made in respect of Kungsleden shares beneficially held by persons located or resident in the United States other than QIBs will not be accepted.

The Offer described in this press release is made for the issued and outstanding shares of Kungsleden, a company incorporated under Swedish law, and is subject to Swedish disclosure and procedural requirements, which may be different from those of the United States. The Offer is made in the United States to QIBs pursuant to Section 14(e) of the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act") and Regulation 14E thereunder, to the extent applicable, subject to exemptions provided by Rule 14d-1(d) under the Exchange Act for a "Tier II" tender offer, and otherwise in compliance with the disclosure and procedural requirements of Swedish law, including with respect to withdrawal rights, the Offer timetable, notices of extensions, announcements of results, settlement procedures (including as regards to the time when payment of the consideration is rendered) and waivers of conditions, which may be different from requirements or customary practices in relation to U.S. domestic tender offers. Holders of the shares of Kungsleden domiciled in the United States that are QIBs are encouraged to consult with their own advisors regarding the Offer.

Nordea is not registered as a broker or dealer in the United States and will not be engaging in direct communications relating to the Offer with investors located within the United States (whether on a reverse-inquiry basis or otherwise).

Castellum's and Kungsleden's financial statements and all financial information included herein, or any other documents relating to the Offer, have been or will be prepared in accordance with IFRS and may not be comparable to the financial statements or financial information of companies in the United States or other companies whose financial statements are prepared in accordance with U.S. generally accepted accounting principles. The U.S. shareholders that are QIBs should note that the price for the Offer is being paid in SEK and that no adjustments will be made based on changes in exchange rates.

The Offer is being made to Kungsleden's shareholders resident in the United States that are QIBs on the same terms and conditions as those made to all other shareholders of Kungsleden to whom an offer is made. Any information documents, including the offer document, are being disseminated to U.S. shareholders that are QIBs on a basis comparable to the method pursuant to which such documents are provided to Kungsleden's other shareholders.

The Offer, which is subject to Swedish law, is being made to the U.S. shareholders in accordance with the applicable U.S. securities laws, and applicable exemptions thereunder. To the extent the Offer is subject to U.S. securities laws, those laws only apply to U.S. shareholders and thus will not give rise to claims on the part of any other person. It may be difficult for Kungsleden's shareholders to enforce their rights and any claims they may have arising under U.S. federal or state securities laws in connection with the Offer, since Kungsleden and Castellum are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. Kungsleden's shareholders may not be able to sue Kungsleden or Castellum or their respective officers or directors in a non-U.S. court for violations of U.S. securities laws. Further, it may be difficult to compel Kungsleden or Castellum and/or their respective affiliates to subject themselves to the jurisdiction or judgment of a U.S. court.

To the extent permissible under applicable law or regulations, Castellum and its affiliates or its brokers and its brokers' affiliates (acting as agents for Castellum or its affiliates, as applicable) may from time to time and during the pendency of the Offer, and other than pursuant to the Offer, directly or indirectly purchase or arrange to purchase shares of Kungsleden outside the United States, or any securities that are convertible into, exchangeable for or exercisable for such shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices, and information about such purchases will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of such information. In addition, the financial advisors to Castellum may also engage in ordinary course trading activities in securities of Kungsleden, which may include purchases or arrangements to purchase such securities as long as such purchases or arrangements are in compliance with the applicable law. Any information about such purchases will be announced in Swedish and in a non-binding English translation available to U.S. shareholders through relevant electronic media if, and to the extent, such announcement is required under applicable Swedish or U.S. law, rules or regulations.

The receipt of cash pursuant to the Offer by a U.S. shareholder that is a QIB may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each shareholder is urged to consult an independent professional adviser regarding the tax consequences of accepting the Offer. Neither Castellum nor any of its affiliates and their respective directors, officers, employees or agents or any other person acting on their behalf in connection with the Offer shall be responsible for any tax effects or liabilities resulting from acceptance of this Offer.

NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY U.S. STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE OFFER, PASSED ANY COMMENTS UPON THE MERITS OR FAIRNESS OF THE OFFER, PASSED ANY COMMENT UPON THE ADEQUACY OR COMPLETENESS OF THIS PRESS RELEASE OR PASSED ANY COMMENT ON WHETHER THE CONTENT IN THIS PRESS RELEASE IS CORRECT OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.