



CASTELLUM

CASTELLUM'S
GREEN BONDS

2019

The image shows the property Mässhallen 2 in Malmö, Sweden. The building is certified according to BREEAM Excellent.

Castellum's Green Bonds

As of December 31, 2018 Castellum AB had outstanding bonds amounting to MSEK 1 000 issued in accordance with its Green Bond Framework ("Green Bonds"). Castellum issued the Green Bonds during 2016; one Floating Rate Note, amounting to nominal MSEK 650, and one fixed rate bond amounting to MSEK 350. At the time of issuance the bonds had a maturity of five years (final maturity date for both bonds are October 4, 2021).

All of the net proceeds from the Green Bonds have been allocated to relevant Castellum real estate assets/projects.

Castellum's total real estate portfolio consisted per December 31, 2018 of 647 commercial properties located in Sweden's main growth regions, Copenhagen and Helsinki. The total lettable area of those properties was on the same date 4,283 thousand sq.m.

Castellum has a long history of continued high activity in the area of sustainability. For Castellum, as a long-term real estate owner and urban developer, it is important to contribute to sustainable and environmentally sound development of the communities wherein the Group operates. One tool that Castellum uses in order to achieve this is to environmentally certify all new constructions and larger reconstructions. If the projects are office and retail premises in Sweden, they have to be certified according to Miljöbyggnad level Gold. A lower certification level may only be used if there are special reasons why Gold cannot be achieved. New projects in Denmark and Finland are to be certified according to BREEAM, level Excellent.

The purpose of certification is to reduce the climate impact and the risks in the property portfolio, reduce costs as well as create attractive premises for the customers and their business.

Castellum owns the greatest number of environmentally certified properties among Swedish listed property companies; all together, 33% of the total area — equivalent to

141 buildings (1,407 thousand sq.m.) — is environmentally certified. Further certification is in progress for a further 257,000 sq.m., equivalent to 6%.

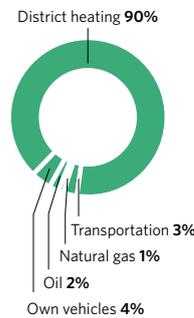
Castellum's target is net-zero carbon emissions and 100% non-fossil fuel energy by 2030. Since 2007 energy consumption has been reduced by 28% and carbon emissions have decreased by 85% per square meter. During 2018 the level for non-fossil fuel energy was 95%.

CASTELLUM'S ENVIRONMENTALLY CERTIFIED PROPERTIES AS OF DECEMBER 31, 2018*

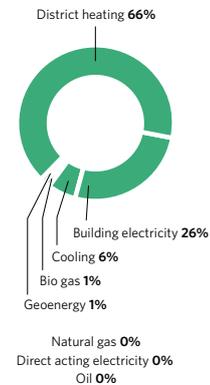
	Completed properties		Ongoing projects	
	Number	sq.m.	Number	sq.m.
EU Green Building	55	460,506	2	18,822
Miljöbyggnad	41	401,856	23	113,113
BREEAM	46	602,467	14	125,181
LEED	5	95,720	0	0
WELL	1	13,409	0	0
Total**	141	1,407,948	39	257,116

* Certifications can refer to property, land or part of property. ** Note that some of Castellum's properties are doubly certified. Hence, the total area is slightly smaller compared with key figures in the text above.

DISTRIBUTION OF CARBON DIOXIDE EMISSIONS

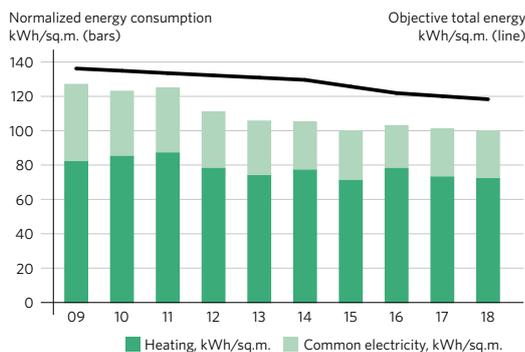


DISTRIBUTION OF TOTAL ENERGY CONSUMPTION



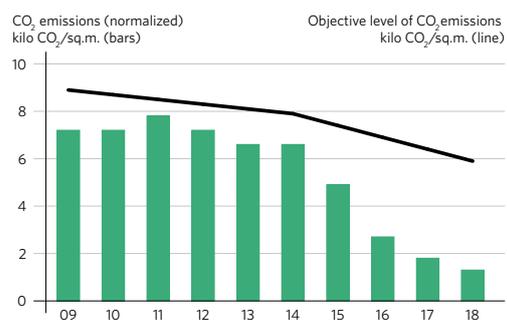
TARGET AND OUTCOME ENERGY CONSUMPTION PER SQ.M.

Absolute consumption per sq.m. in the properties Castellum manages.



The actual change in the like-for-like portfolio was +3%. Castellum began systematically measuring energy consumption and heating in 2007, which is why it is utilized as a base year.

CARBON EMISSIONS



A basic condition for any building or project that shall be financed via Green Bonds is that they comply with the demands set out in Castellum's Green Bond Framework. Castellum's Green Bond Framework has been reviewed by an external party, Sustainalytics, who also has issued a Second Opinion on the Green Bond Framework.

- Castellum's Green Bond Framework can be accessed here: <https://www.castellum.se/globalassets/investor-relations/finansiering/grona-obligationer/green-bond-framework.pdf>
- Sustainalytics Second Opinion can be accessed here: <https://www.castellum.se/globalassets/investor-relations/finansiering/grona-obligationer/second-opinion-by-sustainalytics.pdf>

The demands and criteria applicable for any new development or acquired new buildings that shall be financed via Castellum's Green Bonds, are that they can achieve a third-party certification equivalent to at least "Miljöbyggnad Silver" or "BREEAM Excellent". For existing real estate assets and reconstruction a certification equivalent to at least "Miljöbyggnad Silver" or "BREEAM Very Good", is required.

A summary of the evaluation criteria, as well as the total market value and allocated net Green Bond proceeds to the real estate assets Castellum has financed via Green Bonds,

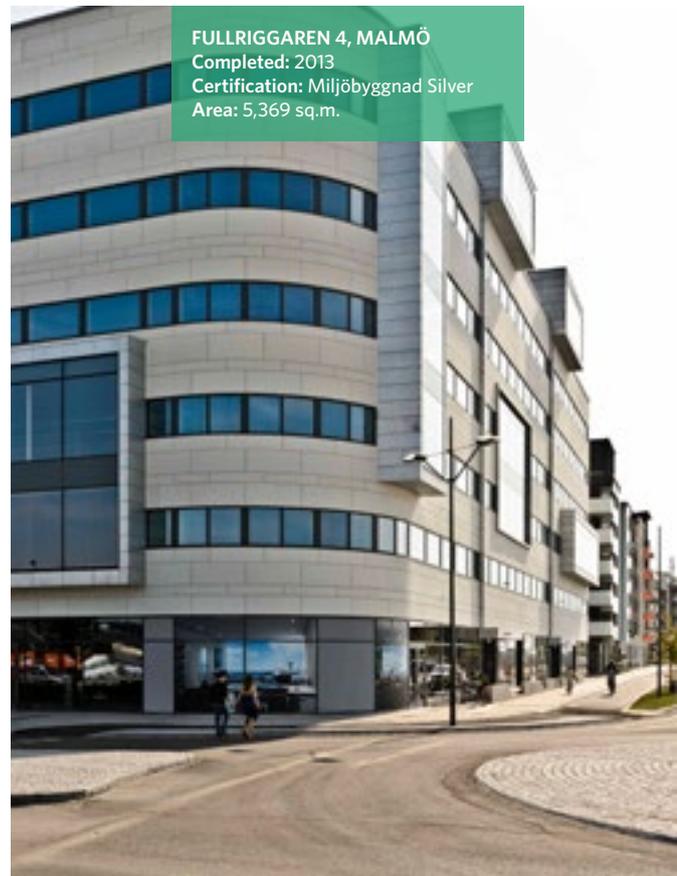
is shown in the file that can be accessed here:

https://www.castellum.se/globalassets/investor-relations/finansiering/grona-obligationer/2019/castellums-green-bonds-annual-report-2019_summary-table-for-criteria-allocations.pdf

Castellum has also committed to see to it that an annual review of its issued outstanding Green Bonds will be conducted by an independent third party. The purpose is to provide bond investors with an objective assessment of how the different criteria and management of the net proceeds from the issued Green Bonds have been conducted by Castellum.

A report relating to the status per year-end 2018, issued by Deloitte, is accessible here: https://www.castellum.se/globalassets/investor-relations/finansiering/grona-obligationer/2019/castellums-green-bonds-annual-report-2019_deloitte-limited-assurance-report.pdf

Below are a couple of examples of buildings/projects which are financed by net proceeds from Castellum's Green Bonds.



Sustainability

Castellum is the Nordic region's most sustainable real estate company; sustainability initiatives are fully integrated into our operations and are ingrained in the ownership, management and development of our property portfolio as well as our customer relations, employees and financing.

At Castellum, sustainability is about managing business operations responsibly and creating long-term solutions from economic, ecological and societal perspectives. As a long-term player and community builder, it goes without saying that we promote the development of a sustainable society. We are convinced that our sustainability investments support profitability.

Castellum's sustainability awards in 2018

In 2018, Castellum continued to garner international attention for its sustainability initiatives.

The only Nordic property and construction company on the Dow Jones Sustainability Index

For the third consecutive year, Castellum kept its position as the only Nordic company in the property and construction sector on the Dow Jones Sustainability Index (DJSI), which includes the companies in all of the world's industries that are the best performers in the field of sustainability. Every year, the DJSI — owned by RobecoSAM — invites over 3,500 listed companies in all industries internationally to take part in the evaluation. The top performers globally qualify for the prestigious index established in 1999 for the purpose of steering investors towards more sustainable investments. Castellum is one of seven Swedish companies that qualified for the index.

Named first in the world by GRESB

Every year, the Global Real Estate Sustainability Benchmark (GRESB) conducts a global review of sustainability efforts in major property companies and funds; 800 property companies around the world took part in this year's study. For the third consecutive year, Castellum was named a global sector leader, which means it ranks first in the world in the office and industrial premises sector.

Member of the Carbon Disclosure Project (CDP)

Castellum is part of the Climate Disclosure Leadership Index, with a rating of B on a scale of A to D-. CDP is an independent non-profit organization with the world's largest collection of information on companies' climate impacts.

Received the EPRA Gold Award for the highest rating among the best sustainability reports in Europe

The European Public Real Estate Association (EPRA) works to improve standards and transparency in the property industry in order to increase reliability and thus increase security for investors. The prize for the best sustainability reporting in Europe, EPRA Gold, is a recognition that Castellum both does what it promises in the area of sustainability and additionally is clear in its communications.

First property company in the Nordic region to have its climate targets approved by Science Based Targets (SBT)

During this period Castellum was also the first property company in the Nordic region to have its climate targets approved by the SBT initiative. Castellum's target is to achieve 100% climate neutrality in its operations by 2030, thereby supporting the UN's climate agreement and the national ambition for a fossil fuel-free Sweden.