

The Castellum share

The Castellum share is listed on Nasdaq Stockholm Large Cap. At the end of the year the company had about 57,000 shareholders. The ten individual largest owner constellations confirmed as of December 31, 2019 are presented in the table below.

SHAREHOLDERS 12-31-2019

	Number of shares, thousand	Percentage of voting rights and capital
Rutger Arnhult	32,434	11.9 %
APG Asset Management	16,498	6.0 %
BlackRock	13,659	5.0 %
PGGM Pensioenfond	9,396	3.4 %
Vanguard	8,883	3.3 %
Szombatfalvy-sfären	8,438	3.1 %
Lannebo Fonder	6,930	2.5 %
AMF Försäkring & Fonder	6,671	2.4 %
Norges Bank	5,721	2.1 %
SHB Fonder & Liv	4,040	1.5 %
Board and Executive Management Castellum	172	0.1 %
Other shareholders registered in Sweden	63,087	23.1 %
Shareholders registered abroad	97,272	35.6 %
Total registered shares	273,201	100 %

*There is no potential common stock (e.g. convertibles)
Source: Holdings by Modular Finance AB. Collected and analyzed data from Euroclear, Morningstar, Finansinspektionen, Nasdaq and Millistream.*

The Castellum share price as of December 31, 2019 was SEK 222,00 (163.35) equivalent to a market capitalization of SEK 60 billion (44.6), calculated on the number of outstanding shares.

Since the beginning of the year a total of 270 million (300) shares were traded, equivalent to an average of 1,080,000 shares (1,201,000) per day, corresponding on an annual basis to a turnover rate of 99 % (110 %). The share turnover is based on statistics from Nasdaq Stockholm, Cboe CXE EU, Turquoise and Cboe BXE EU.

Net asset value

The net asset value is the aggregated capital that the company manages for its owners. From this capital, Castellum wants to generate return and growth at low risk.

The long term net asset value (EPRA NAV) can be calculated to SEK 195 per share (176). The share price at the end of the year was thus 114 % (93 %) of the long term net asset value.

Earnings

Income from property management adjusted for tax attributable to income from property management (EPRA EPS) amounted to SEK 10.44 (9.65) on rolling annual basis. This results in a share price yield of 4.7 % (5.9 %) corresponding to a multiple of 21 (17).

Income from property management must be adjusted by a long-term increase in the property value and effective tax paid.

Net income after tax 2019 to SEK 20.68 per share (27.28), which from the share price gives a yield of 9.3 % (16.7 %), corresponding to a P/E of 11 (6).

Dividend yield

The proposed dividend of SEK 6.50 (6.10) corresponds to a yield of 2.9 % (3.7 %) based on the share price at the end of the year.

Total share yield

During 2019 the total yield of the Castellum share, has been 39 % (22.3 %), including a dividend of SEK 6.10.

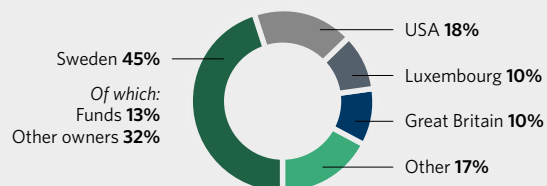
Net asset yield including long-term change in value

In companies managing real assets, such as real estate, the income from property management only reflects part – albeit a large part – of the overall result. The definition of a real asset is that its value is protected. This means that over time – and with proper maintenance – the real asset increases in value to compensate for inflation.

The net asset value – i.e., the denominator of the yield ratio income/capital – is adjusted annually in accordance with IFRS regulations for changes in value. In order to provide an accurate figure of the yield, the numerator – i.e., income – must be similarly adjusted. Therefore, the recorded net income has to be supplemented with a component of value changes as well as with effective tax to provide an accurate view of income and yield.

One problem is that changes in value can vary greatly between years and quarters, thus leading to volatile results. However, by being a long-term player with stable cash flow and a balanced real estate portfolio, Castellum is able to make use of long-term value changes.

DISTRIBUTION OF SHAREHOLDERS BY COUNTRY 12-31-2019



NET ASSET YIELD AND EARNINGS INCLUDING LONG-TERM CHANGE IN VALUE

	Sensitivity analysis		
		-1%-unit	+1%-unit
Income from prop.mgmt rolling 12 months	3,146	3,146	3,146
Changes in value on properties (on average 10 years)	3.3 %	2.3 %	4.3 %
D:o MSEK	2,943	2,051	3,834
Current tax 9 %	- 284	- 284	- 284
Earnings after tax	5,805	4,913	6,696
Earnings SEK/share	21.25	17.98	24.51
Return on actual long-term net asset value	10.0 %	8.6 %	11.5 %
Earnings/share price	9.6 %	8.1 %	11.0 %
P/E	10	12	9

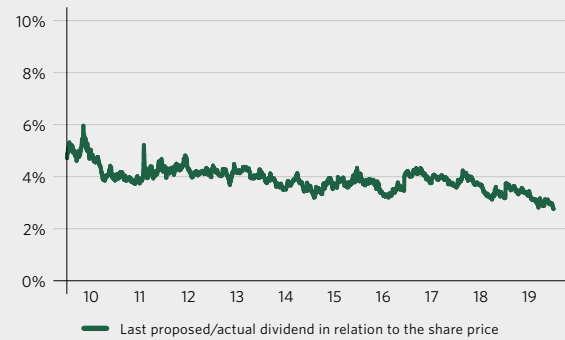
EPRA KEY RATIOS

	Dec 31, 2019	Dec 31, 2018
EPRA Earnings (Income from property mgmt after tax), MSEK	2,853	2,636
EPRA Earnings (EPS), SEK/share	10.44	9.65
EPRA NAV (long term net asset value), MSEK	53,165	48,009
EPRA NAV, SEK/share	195	176
EPRA NNNNAV (net asset value), MSEK	49,223	44,318
EPRA NNNNAV, SEK/share	180	162
EPRA Vacancy rate	7 %	7 %
EPRA Yield	5.0 %	5.1 %
EPRA "Topped-up" Yield	5.2 %	5.2 %

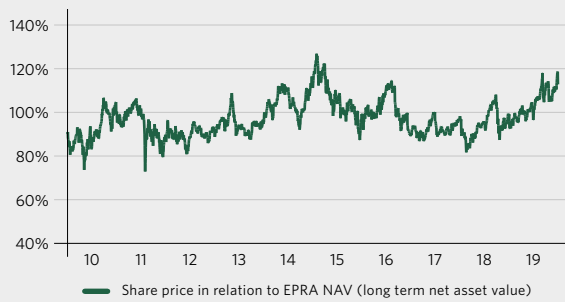
GROWTH, YIELD AND FINANCIAL RISK

	1 year	3 years average/year	10 years average/year
Growth			
Rental income SEK/share	3 %	3 %	4 %
Income from property mgmnt SEK/share	7 %	9 %	7 %
Net income for the year after tax SEK/share	neg.	neg.	neg.
Dividend SEK/share	7 %	9 %	8 %
Long term net asset value SEK/share	11 %	14 %	11 %
Actual net asset value SEK/share	11 %	15 %	11 %
Real estate portfolio SEK/share	6 %	9 %	8 %
Change in property value	4.4 %	5.6 %	3.3 %
Yield			
Return on actual long term net asset value	12.6 %	18.9 %	14.5 %
Return on actual net asset value	15.1 %	20.0 %	15.1 %
Return on total capital	14.5 %	10.9 %	8.3 %
Total yield of the share (incl. dividend)			
Castellum	38.9 %	25.3 %	17.9 %
Nasdaq Stockholm (SIX Return)	35.0 %	12.2 %	12.4 %
Real Estate Index Sweden (EPRA)	53.7 %	27.1 %	21.2 %
Real Estate Index Europe (EPRA)	29.7 %	10.7 %	11.4 %
Real Estate Index Eurozone (EPRA)	21.0 %	9.3 %	10.3 %
Real Estate Index Great Britain (EPRA)	30.6 %	8.6 %	9.5 %
Financial risk			
Loan-to-value ratio	43 %	46 %	49 %
Interest coverage ratio	502 %	439 %	352 %

THE SHARE'S DIVIDEND YIELD



SHARE PRICE/NET ASSET VALUE



YIELD EARNINGS PER SHARE



THE CASTELLUM SHARE'S PRICE TREND AND TURONVER SINCE THE IPO, MAY 23, 1997 UNTIL DECEMBER 31, 2019

