

The Castellum share

The Castellum share is listed on Nasdaq Stockholm Large Cap. At the end of the period the company had about 44,200 shareholders. The ten individual largest owner constellations confirmed as of September 30, 2018 are presented in the table below.

SHAREHOLDERS 09-30-2018		
Shareholders	Number of shares, thousand	Percentage of voting rights and capital
Rutger Arnhult	15,500	5.7%
Stichting Pensioenfonds ABP	15,009	5.5%
SEB Fonder & Liv	14,158	5.2%
BlackRock	13,677	5.0%
Szombatfalvy-sphere	8,951	3.3%
Lannebo Fonder	8,901	3.2%
Vanguard	8,839	3.2%
PGGM Pensioenfonds	7,000	2.6%
Sjätte AP-fonden	6,701	2.4%
AMF Försäkring & Fonder	6,547	2.4%
Board and Executive Management Castellum	269	0.1%
Other shareholders registered in Sweden	65,246	23.9%
Shareholders registered abroad	102,403	37.5%
Total registered shares	273,201	100%

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

The Castellum share price as of September 30, 2018 was SEK 159.10 (127.80) equivalent to a market capitalization of SEK 43.5 billion (34.9), calculated on the number of outstanding shares.

Since the beginning of the year a total of 227 million (214) shares were traded, equivalent to an average of 1,207,000 shares (1,140,000) per day, corresponding on an annual basis to a turnover rate of 110% (104%). 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 168 per share (142). The share price at the end of the year was thus 95% (90%) 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 9.52 (8.31) on rolling annual basis. This results in a share price yield of 6.0% (6.5%) corresponding to a multiple of 17 (15).

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

Net income after tax amounted on rolling annual basis to SEK 27.46 per share (21.61), which from the share price gives a yield of 17.3% (16.9%), corresponding to a P/E of 5 (6).

Dividend yield

The recent AGM approved dividend of SEK 5.30 (5.00) corresponds to a yield of 3.3% (3.9%) based on the share price at the end of the period.

Total share yield

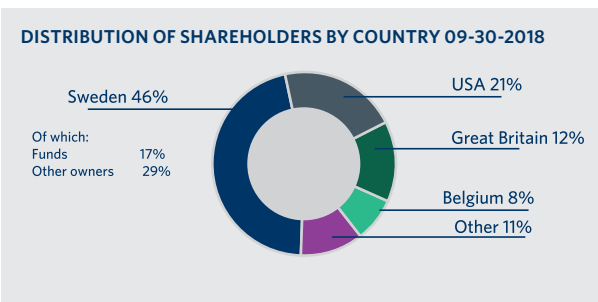
Over the last 12-month period the total yield on the Castellum share was 29% (3.6%), including a dividend.

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 property portfolio, Castellum is able to make use of long-term value changes.



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

	Sensitivity analysis		
	-1%-unit		+1%-unit
Income from prop.mgmt rolling 12 months	2,793	2,793	2,793
Change in property value (on average 10 years)	2.1%	1.1%	3.1%
D:o MSEK	1,719	900	2,537
Current tax 7%	- 207	- 207	- 207
Earnings after tax	4,305	3,486	5,123
Earnings SEK/share	15.76	12.76	18.75
Return on actual long-term net asset value	19.1%	16.8%	21.4%
Earnings/share price	9.9%	8.0%	11.8%
P/E	10	12	8

KEY EPRA METRICS

	Sept 30, 2018	Sept 30, 2017	Dec 31, 2017
EPRA Earnings (Income from property mgmt after tax), MSEK	2,025	1,716	2,291
EPRA Earnings (EPS), SEK/share	7.41	6.28	8.39
EPRA NAV (long term net asset value), MSEK	45,772	38,800	41,834
EPRA NAV, SEK/share	168	142	153
EPRA NNNNAV (net asset value), MSEK	41,809	34,833	37,632
EPRA NNNNAV, SEK/share	153	127	138
EPRA Vacancy rate	7%	10%	9%
EPRA Yield	5.2%	5.4%	5.3%
EPRA "Topped-up" Yield	5.3%	5.5%	5.4%

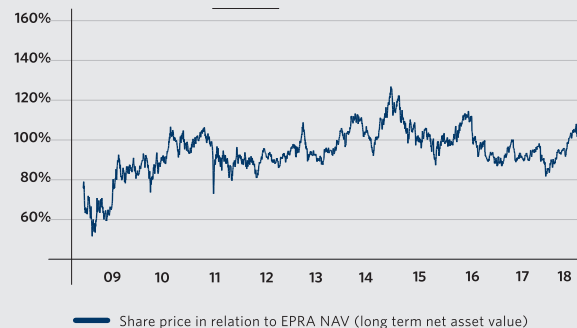
GROWTH, YIELD AND FINANCIAL RISK

	1 year	3 years average/year	10 years average/year
Growth			
Rental income SEK/share	4%	5%	5%
Income from property mgmt SEK/share	10%	8%	7%
Net income for the year after tax SEK/share	27%	22%	27%
Dividend SEK/share	6%	10%	7%
Long term net asset value SEK/share	18%	14%	9%
Actual net asset value SEK/share	20%	15%	8%
Property portfolio SEK/share	13%	13%	8%
Change in property value	7%	5%	2%
Yield			
Return on actual long term net asset value	22.1%	19.7%	12.3%
Return on actual net asset value	24.7%	19.3%	11.7%
Return on total capital	11.2%	9.8%	6.9%
Total yield of the share (incl. dividend)			
Castellum	29.0%	20.2%	16.0%
Nasdaq Stockholm (SIX Return)	8.3%	12.4%	13.5%
Real Estate Index Sweden (EPRA)	21.6%	17.8%	19.1%
Real Estate Index Europe (EPRA)	7.1%	4.0%	8.3%
Real Estate Index Eurozone (EPRA)	8.7%	9.4%	9.7%
Real Estate Index Great Britain (EPRA)	3.8%	-0.9%	4.7%
Financial risk			
Loan to value ratio	46%	49%	50%
Interest coverage ratio	426%	388%	327%

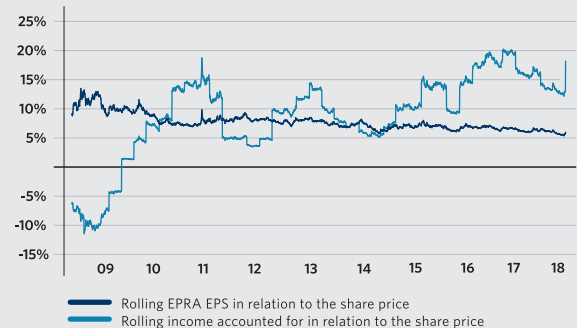
THE SHARE'S DIVIDEND YIELD



SHARE PRICE/NET ASSET VALUE



YIELD EARNINGS PER SHARE



THE CASTELLUM SHARE'S PRICE TREND AND TURNOVER SINCE THE IPO, MAY 23, 1997 UNTIL SEPTEMBER 30, 2018

