

BASE PROSPECTUS



CASTELLUM

CASTELLUM AB

(incorporated with limited liability in Sweden)

CASTELLUM HELSINKI FINANCE HOLDING ABP

(incorporated with limited liability under the laws of the Republic of Finland)

Unconditionally and irrevocably guaranteed by

(in respect of Notes issued by Castellum Helsinki Finance Holding Abp only)

CASTELLUM AB

€3,000,000,000

Euro Medium Term Note Programme

Under this €3,000,000,000 Euro Medium Term Note Programme (the **Programme**), Castellum AB (**Castellum AB**), in its capacity as an issuer, and Castellum Helsinki Finance Holding Abp (**Castellum Finance**) (the **Issuers** and each an **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the relevant Issuer and the relevant Dealer(s) (as defined below). Notes under the Programme may be issued by either Issuer and references in this Base Prospectus to the **relevant Issuer** shall, in relation to any issue or proposed issue of Notes, be references to whichever of Castellum AB or Castellum Finance is specified as the Issuer of such Notes in the applicable final terms document (the **Final Terms**). Notes issued by Castellum Finance will be unconditionally and irrevocably guaranteed by Castellum AB (in its capacity as guarantor of the Notes only, the **Guarantor**).

Notes may be issued in bearer or registered form (respectively **Bearer Notes** and **Registered Notes**). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement (as defined under "*Subscription and Sale*")), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuers (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

This Base Prospectus has been approved as a base prospectus by the Central Bank of Ireland, as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The Central Bank of Ireland only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the Central Bank of Ireland should not be considered as an endorsement of the Issuers, the Guarantor or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes. Such approval relates only to Notes that are to be admitted to trading on the regulated market (the **Euronext Dublin Regulated Market**) of the Irish Stock

Exchange plc trading as Euronext Dublin (**Euronext Dublin**) or on another regulated market for the purposes of Directive 2014/65/EU (**MiFID II**) in circumstances that require the publication of a prospectus.

Application has been made to Euronext Dublin for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to its official list (the **Official List**) and trading on the Euronext Dublin Regulated Market. References in this Base Prospectus to the Notes being **listed** (and all related references) shall mean that, unless otherwise specified in the applicable Final Terms, the Notes have been admitted to the Official List and trading on the Euronext Dublin Regulated Market.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the EEA). The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in the applicable Final Terms which will be delivered to the Central Bank of Ireland and, where listed, Euronext Dublin.

Copies of Final Terms in relation to Notes to be listed on Euronext Dublin will also be published on the website of Euronext Dublin.

The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further stock exchanges and/or quotation systems as may be agreed between the relevant Issuer and the relevant Dealer(s).

The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

Throughout this Base Prospectus, references are made to the voluntary public offer by Castellum to shareholders of Kungsleden Aktiefbolag (**Kungsleden**) to acquire all shares in Kungsleden in exchange for a combined consideration of shares in Castellum and cash (the **Offer**). 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 law 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 qualified institutional buyers (**QIBs**) (as defined in Rule 144A under the Securities Act), 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 is not being made, and any documentation related to the Offer (including copies thereof) must not be mailed or otherwise distributed, forwarded or sent in or into, nor will any tender of share be accepted from or on behalf of holders in the United States or any jurisdiction (including, without limitation, Australia, Hong Kong, Japan, New Zealand or South Africa) in which the distribution of this Base Prospectus or the Offer would require additional measures to be taken or would be in conflict with any law or regulation in any such jurisdiction.

Castellum AB has been rated Baa2 by Moody's Investors Service (Nordics) AB (**Moody's**). The Programme has been rated Baa2 by Moody's. Moody's is established in the EEA and is registered in accordance with

Regulation (EC) No. 1060/2009 (as amended) (the **EU CRA Regulation**). As such Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the EU CRA Regulation. Moody's is not established in the United Kingdom (**UK**) but ratings issued by Moody's will be endorsed by Moody's Investors Service Limited, which is established in the UK and registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**) (the **UK CRA Regulation**). As such, ratings may be used for regulatory purposes in the UK in accordance with the UK CRA Regulation.

Notes issued under the Programme may be rated or unrated by the rating agency referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by Moody's. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Amounts payable on Floating Rate Notes may be calculated by reference to one of EURIBOR, CIBOR, STIBOR and NIBOR as specified in the applicable Final Terms. As at the date of this Base Prospectus, the administrator of EURIBOR, the administrator of CIBOR and the administrator of NIBOR are included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **EU Benchmarks Regulation**). As at the date of this Base Prospectus, the administrator of STIBOR is not included in ESMA's register of administrators under the EU Benchmarks Regulation. As far as the Issuers are aware, the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that the Swedish Financial Benchmark Facility (as administrator of STIBOR) is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

Arranger

J.P. MORGAN

Dealers

**BNP PARIBAS
DANSKE BANK
J.P. MORGAN
SEB**

**CITIGROUP
HANDELSBANKEN CAPITAL MARKETS
NORDEA
SWEDBANK**

The date of this Base Prospectus is 20 August 2021.

IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus in respect of all Notes issued under the Programme for the purposes of Article 8 of the Prospectus Regulation. When used in this Base Prospectus, Prospectus Regulation means Regulation (EU) 2017/1129.

Each Issuer and the Guarantor accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuers and the Guarantor the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The sections of the Kungsleden Q2 Interim Financials (as defined below) that are incorporated by reference herein have been extracted from publicly available information published by Kungsleden. The Issuers and the Guarantor each confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Kungsleden, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that those documents are incorporated and form part of this Base Prospectus.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the Central Bank of Ireland.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuers or the Guarantor in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuers or the Guarantor in connection with the Programme.

No person is or has been authorised by the Issuers or the Guarantor to give any information or to make any representation not contained in or not consistent with this Base Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, the Guarantor or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuers, the Guarantor or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuers and the Guarantor. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuers, the Guarantor or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Issuers and the Guarantor is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuers or the Guarantor during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II product governance / target market – The Final Terms in respect of any Notes may include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance / target market – The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take

into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

Product Classification Pursuant to Section 309b of the Securities and Futures Act (Chapter 289) of Singapore: The Final Terms in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act (Chapter 289) of Singapore (the **SFA**). The relevant Issuer will make a determination in relation to each issue about the classification of the Notes being offered for purposes of section 309B(1)(a). Any such legend included on the relevant Final Terms will constitute notice to "relevant persons" for purposes of section 309B(1)(c) of the SFA.

Notice to Swiss permitted investors - The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (**FinSA**) and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland. No key information document according to the FinSA or any equivalent document under the FinSA has been prepared in relation to the Notes, and, therefore, the Notes may not be offered or recommended to private clients within the meaning of the FinSA in Switzerland.

Notice to Ontario permitted investors - The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

If applicable, pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuers, the Guarantor and the Dealers do not represent that this Base Prospectus may be

lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers, the Guarantor or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the EEA (including Belgium, Sweden and the Republic of Finland), the UK, Singapore and Japan, see "*Subscription and Sale*".

Notes issued as Green Bonds – None of the Dealers accepts any responsibility for any environmental or sustainability assessment of any Notes issued as Green Bonds or makes any representation or warranty or assurance whether such Notes will meet any investor expectations or requirements regarding such "green" or similar labels. None of the Dealers is responsible for the use of proceeds for any Notes issued as Green Bonds, nor the impact or monitoring of such use of proceeds. No representation or assurance is given by the Issuers, the Guarantor or any of the Dealers as to the suitability or reliability of any opinion or certification of any third party made available in connection with an issue of Notes issued as Green Bonds, nor is any such opinion or certification a recommendation by the Issuers, the Guarantor or any Dealer to buy, sell or hold any such Notes. In the event any such Notes are, or are intended to be, listed, or admitted to trading on a dedicated "green" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the relevant Issuer or any of the Dealers that such listing or admission will be obtained or maintained for the lifetime of the Notes.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

Unless otherwise indicated, the financial information in this Base Prospectus relating to Castellum AB has been derived from (i) the audited consolidated financial statements of Castellum AB for the financial years ended 31 December 2020 and 31 December 2019 and (ii) the unaudited interim financial statements of Castellum AB in respect of the six-month period ended 30 June 2021 (together, the **Financial Statements**).

Castellum AB's financial year ends on 31 December, and references in this Base Prospectus to any specific year are to the 12-month period ended on 31 December of such year. The Financial Statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board. Castellum Finance's financial year ends on 31 December, and references in this Base Prospectus to any specific year are to the 12-month period ended on 31 December of such year. As Castellum Finance is a newly incorporated company, it is yet to prepare financial information and as such, this Base Prospectus does not contain separate financial information for Castellum Finance. Following incorporation, Castellum Finance's first financial year-end date is 31 December 2021.

This Base Prospectus includes unaudited pro forma financial information that is presented to illustrate the financial impact on Castellum of the Offer (as defined above) to acquire all the shares in Kungsleden. The unaudited pro forma statement of income for the period 1 January 2021 to 30 June 2021 has been compiled assuming that the Offer had been completed on 1 January 2021 and the unaudited pro forma balance sheet as of 30 June 2021 has been compiled assuming that the Offer had been completed as of 30 June 2021. The unaudited pro forma financial information has been prepared on the basis of the unaudited interim financial statements in respect of the six-month period ended 30 June 2021 of Castellum AB and Kungsleden respectively for illustrative purposes only and on the basis of the notes set out therein. The unaudited pro forma financial information has been prepared in accordance with Annex 20 to Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation and has been compiled in a manner consistent with the accounting principles of Castellum.

Certain terms used in this Base Prospectus and financial measures presented in the documents incorporated by reference are not recognised financial measures under IFRS (**Alternative Performance Measures** or **APMs**) and may therefore not be considered as an alternative to the financial measures defined in the accounting standards in accordance with generally accepted accounting principles. Castellum AB presents APMs because it believes that these and similar measures are used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The APMs may differ from company to company and therefore may not be comparable to other similarly titled measures of other companies. The APMs may also have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Group's operating results as reported under IFRS. For definitions and further explanations of Alternative Performance Measures, see "*Alternative Performance Measures and other Key Performance Indicators*", below.

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed to them in "*Terms and Conditions of the Notes*" or any other section of this Base Prospectus. In addition, the following terms as used in this Base Prospectus have the meanings defined below:

References to:

- **DKK** refer to Danish Krone;

- **NOK** refer to Norwegian Krone;
- **SEK** refer to Swedish Krona; and
- **EUR, euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

References to a **billion** are to a thousand million.

Certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

References to **Castellum** and the **Group** are to Castellum AB and its consolidated subsidiaries, including Castellum Finance.

In this Base Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

SUITABILITY OF INVESTMENT

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

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OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The relevant Issuer, the Guarantor (if applicable) and any relevant Dealer(s) may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, and if appropriate, a new Base Prospectus or a supplement to the Base Prospectus, will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980.

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Issuers:	Castellum AB Castellum Helsinki Finance Holding Abp
Guarantor:	Castellum AB, in respect of Notes issued by Castellum Helsinki Finance Holding Abp only
Legal Entity Identifier (LEI):	Castellum AB: 549300GU5OHTR1T5IY68 Castellum Helsinki Finance Holding Abp: 743700WAF2AHZ4LRAR98
Risk Factors:	There are certain factors that may affect an Issuer's ability to fulfil its obligations under Notes issued under the Programme. There are also certain factors that may affect the Guarantor's ability to fulfil its obligations under the guarantee contained in the deed of guarantee dated 20 August 2021 (the Guarantee), if applicable. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. These are set out under " <i>Risk Factors</i> ".
Description:	Euro Medium Term Note Programme
Arranger:	J.P. Morgan AG
Dealers:	BNP Paribas Citigroup Global Markets Europe AG Citigroup Global Markets Limited Danske Bank A/S J.P. Morgan AG Nordea Bank Abp Skandinaviska Enskilda Banken AB (publ) Svenska Handelsbanken AB (publ) Swedbank AB (publ) and any other Dealers appointed in accordance with the Programme Agreement.

Certain Restrictions: Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*"), including the following restrictions applicable at the date of this Base Prospectus:

Notes having a maturity of less than one year

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the UK, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (FSMA) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".

Issuing and Principal Paying Agent: Citibank, N.A., London Branch

Programme Size: Up to €3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuers and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

Distribution: Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Currencies: Subject to any applicable legal or regulatory restrictions, Notes may be denominated in any currency agreed between the relevant Issuer and the relevant Dealer.

Maturities: The Notes will have such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency.

Issue Price: Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

Form of Notes The Notes will be issued in either bearer or registered form as described in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*.

Fixed Rate Notes: Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined:

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or
- (b) on the basis of the reference rate set out in the applicable Final Terms.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Step Up Rating Change and/or Step Down Rating Change:

The applicable Final Terms will specify whether a Step Up Rating Change and/or Step Down Rating Change will apply to the Notes, in which case the rate of interest in respect of the Notes may be subject to adjustment as specified in the applicable Final Terms. See Condition 5.4 (*Adjustment of Rate of Interest for Fixed Rate Notes and Floating Rate Notes*).

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Redemption:

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders and/or the Noteholders on a Change of Control, in each case upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the relevant Issuer and the relevant Dealer.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions - Notes having a maturity of less than one year*" above.

Denomination of Notes:

The Notes will be issued in such denominations as may be agreed

between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions - Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

- Taxation: All payments in respect of the Notes by or on behalf of the relevant Issuer or the Guarantor (as applicable) will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 8 (*Taxation*). In the event that any such deduction is made, the relevant Issuer or the Guarantor (as applicable) will, save in certain limited circumstances provided in Condition 8 (*Taxation*), be required to pay additional amounts to cover the amounts so deducted.
- Negative Pledge: The terms of the Notes will contain a negative pledge provision as further described in Condition 4.1 (*Negative Pledge*).
- Financial Covenants: The terms of the Notes will contain certain financial covenants as further described in Condition 4.2 (*Financial Covenants*).
- Cross Default: The terms of the Notes will contain a cross default provision as further described in Condition 10 (*Events of Default and Enforcement*).
- Status of the Notes: The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1 (*Negative Pledge*)) unsecured obligations of the relevant Issuer and will rank *pari passu* among themselves and (save for any obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer, from time to time outstanding.
- Status of the Guarantee: Notes issued by Castellum Finance will be unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under the Guarantee will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1 (*Negative Pledge*)) unsecured obligations of the Guarantor and (save for any obligations required to be preferred by law) will rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.
- Substitution: The terms of the Notes permit the substitution of the relevant Issuer, without the consent of the Noteholders, for a subsidiary of Castellum AB as principal debtor in respect of any Series of Notes issued under the Programme, subject to satisfaction of the conditions as described in Condition 16 (*Substitution*).
- Rating: The Programme has been rated Baa2 by Moody's. Series of Notes

issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the rating assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Listing:

Application has been made for Notes issued under the Programme to be admitted to the Official List and to trading on the Euronext Dublin Regulated Market.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the relevant Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Governing Law:

The Notes, the Guarantee and any non-contractual obligations arising out of or in connection with the Notes and the Guarantee will be governed by, and shall be construed in accordance with, English law.

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA (including Belgium, Sweden and the Republic of Finland), the UK, Singapore and Japan, and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".

United States Selling Restrictions:

Regulation S, Category 2. TEFRA C/TEFRA D/TEFRA not applicable, as specified in the applicable Final Terms.

Bearer Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the **Code**) (**TEFRA D**) unless (i) the applicable Final Terms states that the Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (**TEFRA C**) or (ii) the Notes are issued other than in compliance with TEFRA D or TEFRA C but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 (**TEFRA**), which circumstances will be referred to in the applicable Final Terms as a transaction to which TEFRA is not applicable.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider the risk factors associated with any investment in the Notes, the business of the Group and the industry in which it operates together with all other information contained in this Base Prospectus, including, in particular, the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.

In purchasing Notes, investors assume the risk that the relevant Issuer and, if applicable, the Guarantor, may become insolvent or otherwise be unable to make all payments due in respect of the Notes or under the Guarantee. There are a wide range of factors which individually or together could result in an Issuer or, as the case may be, the Guarantor becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the relevant Issuer and, if applicable, the Guarantor may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the relevant Issuer's and, if applicable, the Guarantor's, control. The Issuers and, as the case may be, the Guarantor have identified in this Base Prospectus a number of factors which could materially adversely affect their business and ability to make payments due under the Notes or the Guarantee.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

FACTORS THAT MAY AFFECT THE GROUP AND THE ABILITY OF THE RELEVANT ISSUER TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME AND (IF APPLICABLE) THE ABILITY OF THE GUARANTOR TO FULFIL ITS OBLIGATIONS UNDER THE GUARANTEE

Risks related to the Issuers, the Guarantor and the Group

The Group's operations are affected by macroeconomic factors.

Castellum owns and manages commercial properties in selected growth regions in Sweden, Denmark and Finland and its operations are therefore affected by macroeconomic factors that are beyond its control. These factors include but are not limited to growth measured as gross domestic product (**GDP**), inflation and possible deflation, as well as general difficulties in securing financing (or financing on terms acceptable to Castellum). For instance, weak economic growth has a negative impact on the demand for commercial premises, which in turn may lead to higher vacancy rates, declining market rents and foregone indexation income from existing leases. The risk of payment difficulties (or even bankruptcies) also increases, which has an immediate negative effect on cash flow. Limited access to capital due to general difficulties in securing financing (or financing on terms acceptable to Castellum), for example, impedes Castellum's ability to conduct its operations. General economic downturns may also have an adverse effect on the market value of Castellum's properties. For example, during 2020 and continuing into 2021 the Covid-19 pandemic has caused extensive economic turbulence leading to a deterioration of global and regional economic conditions, including in Europe and the Nordic region. While the pandemic had a sharp negative impact on the European and Nordic financial markets during 2020, the impact on Castellum's earnings has, to date, been limited with slightly lower rental income. The direct and indirect impact of Covid-19 remains uncertain, however a prolongation of the Covid-19 pandemic could significantly negatively impact economic growth, business operations and real estate markets. This could have a material adverse effect on the financial

performance and the cost of funding for Castellum. If any of these risks should materialise, it may have a materially adverse effect on Castellum's operations, earnings and financial position.

Supply and demand for properties, and therefore the yield on property investments, varies between different geographic markets and property categories, and can thus develop differently within such geographic markets and property categories. There is a risk that demand will fall and the market's yield requirement will therefore increase within those geographic markets and property categories in which Castellum operates. This may have a material adverse impact on Castellum's operations, earnings and financial position.

The commercial property sector is competitive and Castellum may have difficulties competing successfully in the future.

Castellum operates in a competitive sector. Among other things, Castellum's competitiveness depends on its ability to attract and retain tenants, to anticipate future changes and trends in the sector, and to rapidly adapt to both current and future market needs. Furthermore, Castellum's competitors may have more resources at their disposal and may have the capacity to better withstand market downturns, to compete more successfully, to better retain skilled personnel, and to respond more rapidly to evolving tenant needs. Accordingly, Castellum may have to make investments, restructurings or price reductions in order to adapt to a changed competitive situation, for example through the renegotiation of lease terms. There is a risk that Castellum will not be able to successfully counteract the effects of competition. If Castellum is unable to successfully compete, this failure may materially impact on rent levels and vacancy rates, and Castellum's revenues could decline, which in turn may have a materially adverse impact on Castellum's operations, earnings and financial position.

Castellum's income is dependent on tenants meeting their rental obligations.

Castellum's income primarily comprises rental income from its properties. A failure by tenants to pay rents or otherwise to perform their obligations to Castellum may lead to lower rental income and increased bad debt losses. Castellum-specific factors may also affect the rental income negatively. For example bad customer care or property maintenance may result in unsatisfied customers and ultimately an increased vacancy rate which in turn will lead to lower rental income. There is also a risk that Castellum's tenants will not renew or extend their leases as they expire. Furthermore, there is a risk that it will not be possible to find new tenants, or that new tenants will not pay the same rents as the previous tenants, which may result in a higher vacancy rate and lower rental income. If tenants fail to perform their obligations at all, for example in the event of bankruptcy, or only after debt collection measures have been taken, this may also result in loss of revenue and an increased vacancy rate, with lower property values as a consequence. If tenants fail to renew or extend their leases as they expire, or fail to pay agreed rents on time or otherwise fail to perform their obligations, this may have a material adverse impact on Castellum's operations, earnings and financial position.

Operational business risks.

For Castellum, the successful composition of its property portfolio is dependent on the properties in question having the right characteristics in terms of location and segment, and on the properties being able to meet customer preferences and technology requirements over time.

The performance of Castellum's property portfolio may be affected by a flaw in its geographical distribution, *i.e.* by Castellum owning properties in the wrong submarket or in the wrong city or location with regard to future growth and strong ongoing urbanisation trends, or by Castellum owning properties that do not meet evolving customer preferences, technology requirements, micro-location, demand or flexibility of use and contractual flexibility. Trends and demand may also change over time and it may not be possible to accurately predict future developments. For example, it remains to be seen what, if any, long term impact the Covid-19 pandemic will have on demand for properties both in terms of desired specifications and locations of properties and rental volumes more generally. Properties that cannot meet such requirements over time

entail a higher risk of increased vacancies, which in turn may precipitate a decline in the value of the property in question, or a need on the part of Castellum to make costly investments. In addition, Castellum's property portfolio is divided into six segments. Focus is on office, public sector properties, warehouse/logistics, and also project development, while retail and light industry is considered non-core and likely to be reduced over time. If Castellum makes inaccurate judgements regarding which regions and segments have the right characteristics for continued holding of portfolio properties, or if Castellum does not succeed in ensuring that its properties meet customer demand over time despite the fact that they are located in regions and exist within segments that have the right characteristics with regard to economic growth, rental market conditions, collaborative climate and infrastructure connections, this may have a materially adverse effect on Castellum's operations, earnings and financial position.

Increasing operating and maintenance costs may affect Castellum's financial position.

Castellum's operating expenses mainly comprise tariff-based costs such as costs for heating, electricity, water and waste. There are a limited number of suppliers in respect of some of these utilities and services, which could result in an increased cost to Castellum. Notwithstanding that some of Castellum's leases are structured in such a manner that the tenant defrays a significant part of these costs, there may be a material adverse impact on Castellum's operations, earnings and financial position in case that it is not possible to receive increased rental payments to cover any such increased costs incurred by Castellum.

Measures aimed at maintaining the standard of Castellum's properties in the long-term and/or modernising properties require maintenance and renovation expenditures. Such expenditures as are necessary to satisfy market or legal requirements may be significant and unforeseen. There is a risk that, in respect of large-scale operating expenses, maintenance or renovation work, it may not be possible to (i) pass on the associated costs to Castellum's tenants through increased rents or (ii) receive compensation through insurance indemnification. This may have a material adverse impact on Castellum's operations, earnings and financial position.

Defects in or damage to Castellum's properties may result in unforeseen costs.

There are risks associated with the technical operation of properties, such as the risk of structural defects, other defects or deficiencies, damage (for example, through fire or other forces of nature) and contamination. Climate change also presents a risk of property damage caused by weather conditions, increased water levels and changes in other physical environments that affect real estate. These risks could increase in the long run and this could mean increased investment requirements for properties located in vulnerable areas, to prevent such properties from becoming obsolete. Although Castellum seeks to invest in properties of a sound technical standard, there remains a risk that unforeseen costs could arise. In the event that such technical problems arise and the costs cannot be fully or partially covered by insurance, this may have a material adverse impact on Castellum's operations, earnings and financial position.

Business disruptions and operational shortcomings in Castellum's IT systems or control systems may have a negative impact on its operations.

All operational activities are subject to the risk of incurring losses due to deficient routines and/or the business being detrimentally affected by disruptions caused by shortcomings or internal or external events. The term operating risk refers mainly to the risk of financial consequences and consequences related to the loss of trust which ensue from such shortcomings in internal routines and systems, including IT systems. Operational certainty, achieved through sound internal control, appropriate administrative systems and access to reliable valuation and risk models, is required to mitigate such risks and reduce the risk to Castellum's administrative security and control. Castellum's ability to effectively run its organisation and to maintain effective internal control depends on having a functional IT environment and IT operations, and on having control systems that are integrated throughout the entire organisation. Failures or disruptions in Castellum's IT systems or control systems may also impact Castellum's ability to submit correct financial reports or to submit such reports in a timely manner, both internal and external. To the extent that Castellum

experiences a serious failure or disruption in any of its systems or some other technological resource or experiences a cyber-security breach, it may be rendered incapable of effectively running and managing its operations. Business disruptions and shortcomings in operational security including serious failures and disruptions in Castellum's IT systems or control systems may also impact its customer relationships, reputation, risk management and profitability, which may in turn have a materially adverse effect on Castellum's operations, earnings and financial position.

Property valuation relies on factors which are subject to change.

Castellum is exposed to changes in the market value of its property portfolio. Castellum reports its property holdings at fair value in accordance with IAS 40 *Investment Property*, such that the book value in respect of the Group's properties corresponds to their assessed market value. Castellum uses an internal valuation process to assess the market value of its properties. In addition to this internal valuation, an external valuation is also carried out each year by independent appraisers. There is still a risk that the valuation of some of the properties may be incorrect or may decline over time. The value of the properties is affected by, and any assessment made in the light of, a number of factors such as market supply, vacancy rate, rent level and operating expenses, residual value, yield requirement, general economic trends, interest rates and inflation. Whilst the liquidity of properties such as those in the Group's portfolio has increased over recent years, there is no guarantee that there will be a market for such properties going forward. There is a risk that changes in any of these factors may have a negative effect on property values. This could have a material adverse impact on Castellum's earnings and financial position (for example, large write downs could negatively affect Castellum's loan to value ratio, as defined under "*Alternative Performance Measures and other Key Performance Indicators*", below) as well as credit rating.

Property transactions involve uncertainties which could adversely impact Castellum's business.

Property transactions, primarily acquisitions, represent an important part of Castellum's day-to-day business operations and will continue to constitute a part of Castellum's growth strategy going forward. Property transactions also entail inherent risks concerning uncertainties and there is a risk that Castellum may be (i) unable to find suitable acquisition properties, (ii) unable to finance property acquisitions on terms acceptable to Castellum or (iii) that desired property sales cannot be completed on terms acceptable to Castellum. All property investments are associated with uncertainty and assumptions. The market's yield requirement, future vacancies, the tenants' payment capability, environmental conditions as well as technical defects constitute some of the uncertain elements associated with property transactions. There is a high degree of competition for desirable acquisition targets and, even where a suitable target has been identified, there is a risk that Castellum may fail to complete property transactions. Any of these factors may have a material adverse impact on Castellum's operations, financial position and earnings.

In addition, property-owning and property-acquiring companies are exposed to risks in relation to non-identified risks linked to businesses that are acquired, either because of a lack of information or due to the fact that assumptions made may turn out to be erroneous. For example, there may be difficulties integrating operations and employees, tenants may be lost, the accounts of the acquired business may be erroneous and/or the business may be the subject of unforeseen environmental or tax claims. When an acquisition or investment includes expansion into a new geographical market in which Castellum has limited or no experience it may also increase Castellum's operational risk, as well as its financial risk including increased exposure to changes in currencies and funding conditions. Furthermore, other circumstances may exist that have an adverse impact on the value of the business or property being acquired. Notwithstanding the fact that, prior to each investment, Castellum makes an evaluation aimed at identifying and, if possible, mitigating the risks that may be associated with the investment, there remains a risk that future businesses or properties that are added through acquisitions may have a material adverse impact on Castellum's operations, earnings and financial position.

In several of the sales agreements entered into by Castellum, the purchaser may present warranty claims, such as that the property's use has deviated from an applicable zoning plan in violation of stipulated

warranties; that, contrary to stipulated warranties, all charges relating to road construction/ maintenance costs and connection fees relating to the period prior to the completion date have not been paid in full; or that, contrary to stipulated warranties concerning the property, a public authority order to take measures has not been performed in full prior to the completion date. While Castellum has not been the subject of any material unsettled warranty claims with respect to sold properties and companies in the last few years, there is a risk that any claims in the future may have a material adverse impact on Castellum's business, financial position and earnings. Correspondingly, there is a risk that the possibility of obtaining compensation in the case of a warranty claim will be limited if an acquisition was made from a vendor which is, or will be, in financial difficulties or if there is a cap in respect of the amount of compensation that may be claimed – this may contribute to increased uncertainty and increased costs for Castellum, which in turn may have a material adverse impact on its operations, earnings and financial position.

Castellum may occasionally sell properties for a variety of reasons including to optimise and adapt its property portfolio to the needs of customers or to finance its investments, for instance the purchase of new properties or new constructions, extensions and reconstructions. As such, Castellum is dependent on a liquid property market, a matter which in turn depends on a number of different factors, such as macroeconomic conditions, changes in the financial position of potential buyers and their prospects for securing financing, changes in domestic or international economic conditions, and changes to legislation, regulations or tax policy in Sweden, Denmark and Finland. An illiquid property market may therefore have a materially adverse effect on Castellum's operations, earnings and financial position.

Risks relating to the Offer – the Offer is subject to significant uncertainties.

On 2 August 2021, Castellum announced a voluntary public offer (the **Offer**) to shareholders of Kungsleden Aktiebolag (**Kungsleden**) to acquire all shares in Kungsleden in exchange for a combined consideration of shares in Castellum and cash. At this stage there can be no assurance that the acquisition will proceed on the basis of the terms of the Offer or alternative terms. Completion of the Offer is subject to customary conditions including, but not limited to, approval of the issuance of shares as consideration in the Offer by Castellum's shareholders, the Offer being accepted to such an extent that Castellum becomes the owner of shares representing more than 90 per cent. of the total number of outstanding shares in Kungsleden, and receipt of all necessary regulatory and governmental approvals. The acceptance period of the Offer is expected to commence on or around 30 September 2021 and end on or around 29 October 2021, however, the process is currently at a very early stage. There can be no assurance as to the timeline for completion of the Offer nor can there be any assurance that the acquisition of Kungsleden will occur even if the Offer is accepted.

Due to conditions out of the control of Castellum, there is a risk that the acquisition may not be completed. The uncertainty related to the completion of the Offer could result in an adverse impact on the price of Castellum's shares and debt securities. If the acquisition is completed, Kungsleden's business will become a part of the Group's business. There is a risk that this process is made more difficult by factors currently unknown to Castellum. Whether or not synergies may be realised depends on a number of factors and is based on Castellum's assessment of future circumstances and there is a risk that synergies may not be fully realised. Successful integration is required upon the acquisition of a new company to enable synergies in the new business. If the acquisition of Kungsleden does proceed, or an integration process continues for a longer period of time than expected, there is a risk that the combined company may be adversely affected. Information on Kungsleden has been derived from public sources and has not been independently verified by Castellum. As a result, following completion of the acquisition, the Group may become subject to liabilities or obligations of Kungsleden about which it was previously unaware. If the consideration paid by Castellum to acquire Kungsleden proves over time to be too high then this could lead to write-downs in the future. All of the above factors may have a material adverse effect on the Group's business, results of operations and financial condition.

Project development poses risks to Castellum.

The construction, refurbishment and extension of properties constitute a part of Castellum's regular business operations. Project development is inherently associated with uncertainties and risks as regards costs and delays (among other things). Major projects can involve significant investments, which may lead to an increased credit risk if tenants fail to perform their obligations to pay rent and Castellum is unable to find other tenants for the premises in question, if Castellum fails to let the premises upon completion of a project, or if the demand or price of properties generally changes during the course of a project. Furthermore, although Castellum monitors development projects closely, projects may be delayed, become more expensive or the quality may not be as expected, which may result in increased costs or reduced income. In addition, Castellum may be dependent on procuring the necessary public authority permits, permits and other licences for carrying out property development projects or carrying out its operations generally. There is a risk that Castellum will not succeed in implementing its property projects, which may have a material adverse impact on its operations, earnings and financial position.

Loss of key personnel may undermine Castellum's operations.

Castellum's business is dependent on experienced employees possessing relevant skills. Such key individuals are included among senior executives as well as the Group's employees in general. There may be a risk that, over time, Castellum is unable to retain or recruit qualified personnel to the desired extent. In particular, Henrik Saxborn and Ulrika Danielson will step down as CEO and CFO, respectively, in the autumn of 2021 however, as at the date of this Base Prospectus, no replacements have been formally appointed. In the event that the Offer is successful, and that they each respectively accept the offer to do so, the current CEO of Kungsleden, Biljana Pehrsson, will replace Henrik Saxborn as CEO of Castellum and the current Deputy CEO and CFO of Kungsleden, Ylva Sarby Westman, will replace Ulrika Danielsson as CFO of Castellum. Any disruption caused by the departure of one or more key individuals, including any delay in securing highly skilled replacements, could have an impact on Castellum's ability to implement its strategy in the near-term which could have a material adverse impact on Castellum's operations, earnings and financial position.

Castellum could incur losses not covered by, or exceeding the coverage limits of, its insurance.

Castellum's management believes that its risks are covered by appropriate insurance coverage in line with market practice. Castellum has insurance policies, for example, in respect of property, business interruption and liability for damages. However, the actual losses suffered by Castellum could exceed its insurance coverage and could be material. Furthermore, certain types of risks (such as war, acts of terror, insufficient preparation in the event of natural disasters or extreme weather events, such as floods) may be or may in the future be impossible or too costly for Castellum to insure itself against. If damage should occur to a property and subsequently lead to tenants terminating or not renewing their leases, there is also a risk that Castellum's insurance cover will not cover the consequent loss of rental income. If uninsured damage should occur, or if a damage event should exceed the insurance cover, Castellum may lose the capital invested in the property in question as well as future revenues from such property. Furthermore, Castellum may become liable to repair damage caused by uninsured risks. Castellum may also become liable for debts and other financial obligations with regard to damaged buildings. The realisation of one or more damaging events for which Castellum has no insurance coverage or for which Castellum's insurance coverage is insufficient could have a material adverse effect on Castellum's business, financial condition and results of operations.

Interests of Castellum's shareholders may conflict with those of the holders of the Notes.

The interests of Castellum's shareholders, in certain circumstances, may conflict with those of the holders of the Notes, particularly if Castellum encounters financial difficulties or is unable to pay its debts when due. In addition, Castellum's shareholders may have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, even though such

transactions might involve risks to the holders of the Notes. Any of these actions could have an adverse effect on Castellum's operations, earnings, financial position and future prospects.

Castellum has a holding company structure in which Castellum AB's subsidiaries conduct the Group's operations and own all the Group's properties.

Castellum AB has no significant assets other than the equity interests in and receivables vis-à-vis its subsidiaries. As a result, its ability to make required payments under the Notes or the Guarantee (as the case may be) depends on the performance of its subsidiaries and their ability to distribute funds to it. Such cash flows will depend on the business and financial condition of each of its subsidiaries. In addition, the ability of certain subsidiaries to pay dividends and distributions may be limited by applicable laws and any indebtedness those subsidiaries have incurred. If for any reason Castellum AB's subsidiaries do not pay any dividends or distributions, or do so irregularly, its ability to make required payments under the Notes or the Guarantee (as the case may be) may be adversely affected.

Further, Castellum AB's right to receive payment of provided financing from the liquidation of one of its subsidiaries, and therefore the right of Noteholders to participate in those proceeds, will be structurally subordinated to the claims of other creditors of that subsidiary (see *"The claims of holders of the Notes are structurally subordinated"*, below). In addition, even if Castellum AB is a creditor of any of its subsidiaries, its rights as a creditor would be subordinated to any existing security interest in the assets of such subsidiary.

Financial risks

Castellum may not be able to refinance its existing loans on competitive terms or at all.

External borrowing accounts form a large part of Castellum's supply of capital. As these loans mature, they must be repaid, extended or renewed in order to secure Castellum's need for long-term financing and liquidity. Castellum is continuously engaged in the renegotiation of credit facilities and the addition of new facilities as needed. The conditions for Castellum refinancing loan facilities as they expire depend on access to financing at the time and Castellum's financial position. Although Castellum has access to long-term financing at the moment, it is possible that Castellum may in future breach the financial obligations pursuant to its credit agreements, which may cause the lenders in question to terminate the agreements. In the event that Castellum is unable to secure refinancing or can only obtain refinancing at substantially increased costs, this may have a material adverse impact on Castellum's operations, earnings and financial position.

Fluctuations in market interest rates and loan margins may adversely affect Castellum's business.

Castellum's operations are primarily financed through equity and interest-bearing debts. Interest expenses represent Castellum's single largest cost item. As a consequence, Castellum is exposed to the risk of changes in market interest rates and loan margins. The risk is also affected by the strategy Castellum chooses in respect of fixed-interest periods. Increased interest expenses may have a material adverse impact on Castellum's operations, earnings and financial position.

Changes in the value of financial derivative instruments may result in losses for Castellum.

Castellum has a large number of loans with short fixed-interest periods and uses interest rate derivatives (mainly interest rate swaps) as an element in the management of interest-rate risk. Interest rate derivatives are regularly reported at fair value in the balance sheet, with changes in value being reported in the income statement. In the event that market rates fall, the market value of Castellum's interest rate derivatives will decrease, which may have a material adverse impact on Castellum's operations, earnings and financial position.

Castellum is exposed to credit and counterparty risk.

There is a risk that Castellum's counterparties within its financing operations will fail to perform their financial obligations to Castellum. Castellum's financing activities include, among other things, the execution of long and short-term loan agreements, the execution of interest rate derivatives, as well as the investment of liquidity surpluses through cash, deposits in banks and investments in T-bills and bank CDs. There is a risk that Castellum's counterparties will fail to perform their financial obligations to Castellum, which may have a material adverse impact on Castellum's operations, earnings and financial position.

Breach of financial covenants may lead to Castellum's creditors accelerating its loans.

Castellum's bank loan agreements usually include both financial and other covenants. Such covenants may, for example, relate to an interest-coverage ratio or loan volumes relative to the fair value of Castellum's properties.

As security for bank loans, Castellum may grant mortgages over certain properties or security interests in intragroup claims against subsidiaries, or Castellum may issue shares in its subsidiaries, or provide guarantees.

In the event that Castellum breaches its financial covenants in a loan agreement, this may lead to the acceleration of loans or to credit institutions having recourse to pledged assets, which may have a material adverse impact on Castellum's operations, earnings and financial position.

A change in the controlling ownership of Castellum AB could result in the requirement for Castellum to repay under the terms of its existing financing agreements and Notes issued under the Programme and adversely affect its ability to secure subsequent refinancing.

If, for whatever reason, an individual investor or specific group of investors were to form a controlling majority shareholder in Castellum AB, this could trigger terms in loan agreements or other instruments that result in the termination or repayment of such agreements or instruments or a need to renegotiate them. Such a provision is included in Castellum AB's domestic MTN programme (the **Domestic MTN Programme**), some loan agreements in place with lenders and the Programme. Furthermore, such an event could result in a changed credit rating of Castellum AB. In the event of a change in controlling ownership, Castellum's ability to secure refinancing may be adversely affected, which could indirectly affect the Group's ownership of properties and therefore have a material adverse impact on the Group's operations, earnings and financial position.

The terms and conditions of the notes issued under the Domestic MTN Programme stipulate that Noteholders are entitled to early redemption if one or more shareholders, individually or jointly, directly or indirectly, were to own shares representing more than 50 per cent. of the voting capital in Castellum AB. For Notes issued under the Programme, there is a similar provision set out at Condition 7.6 (*Redemption at the option of the Noteholders upon a Change of Control (Change of Control Put)*) of the Terms and Conditions of the Notes, which provides for a change of control where one or more persons acting together acquire shares representing more than 50 per cent. of the voting capital in Castellum AB and includes (in summary) the added requirement for a downgrade in Castellum AB's credit rating following the relevant change of control before Noteholders are entitled to early redemption. Given this difference in the change of control event and the additional credit rating downgrade requirement, there is a risk to Noteholders that creditors under existing financings may exercise their right to repayment ahead of Noteholders in the event that the change of control under the Programme is not triggered, for example because there has not been a credit rating downgrade following a change in controlling ownership of Castellum AB. This could result in the claim for repayment by Noteholders on a subsequent winding up of Castellum AB being prejudiced as other unsecured creditors under existing financings may have been repaid prior to the Noteholders' claim, thereby reducing the assets available to Castellum AB to satisfy such claims by the Noteholders.

Major unforeseen payment obligations may impact on Castellum's liquidity.

Major payment obligations may arise in conjunction with the refinancing of loans in the event that lenders demand a lower loan-to-value ratio or if the relevant property falls in value following the drawing of the relevant loan by Castellum. In addition, Castellum's payment obligations primarily comprise operating expenses, such as costs for heating, electricity, water and refuse collection, agreed maintenance charges, investments in project development and other investments, as well as interest on, and the repayment of, debts. Major unforeseen payment obligations may arise for Castellum, and there remains a possibility of non-payment to Castellum of large rent amounts. There is a risk that Castellum's liquidity will be insufficient to cover the performance of its payment obligations, which may have a material adverse impact on Castellum's operations, earnings and financial position.

Movements in exchange rates may adversely affect Castellum's business.

The Swedish krona is Castellum's reporting currency, but the Group also has revenues, expenses, assets and liabilities in currencies other than the Swedish krona. Castellum's currency exposure is currently limited to the Danish krone, the Euro and the Norwegian krone and relates to the properties that the Group owns in Denmark and Finland and a shareholding in Entra A/S Norway. Currency exposure arises in connection with the purchase and sale of goods and services in currencies other than the local currency of Castellum's relevant subsidiary, as well as dividend payments (transaction exposure), and the translation into Swedish krona of the balance sheets and income statements of the relevant foreign subsidiaries that are reported in foreign currency (translation exposure). In cases where currency derivatives are used, Castellum typically practices hedge accounting for net investments in foreign operations. Castellum's interest rate derivatives or currency derivatives change in value in the event of changes in the exchange rate between DKK and SEK and EUR and SEK and NOK and SEK. Accordingly, Castellum is exposed to exchange rates movements that could affect its income statement and balance sheet, which may have a material adverse impact on Castellum's operations, earnings and financial position.

Legal risks

Changes in legislation may adversely affect the Group's results of operations and increase its costs

Castellum's operations are subject to Swedish, Danish and Finnish laws and regulations, relating to for example construction documents and zoning, building standards, safety and protection regulations, health and environmental regulations, regulations concerning permitted construction materials, building classifications and rental legislation. Castellum is subject to legal restrictions in connection with the structuring of property transactions, and may become subject to additional such restrictions in the future. In addition, Castellum's operations may be affected by regional and supranational regulatory frameworks such as EU legislation. There is a risk of non-compliance with existing regulatory frameworks, which may result in sanctions being imposed on Castellum. Further, new legislation and other regulatory frameworks may be implemented in the future, and existing legislation and other regulatory frameworks may change and there is a risk that Castellum will be unable to comply with such changed requirements without having to implement far-reaching measures and incurring significant costs. Adapting Castellum's operations to correspond with these legal requirements may cause Castellum to incur additional costs, which in turn may have a materially adverse effect on Castellum's operations, earnings and financial position.

Castellum is subject to future possible change in tax laws and regulations.

Castellum conducts operations in several jurisdictions. Castellum's operations are affected by the applicable corporation tax, value added tax and property tax rules in force from time to time in the jurisdictions in which it operates. This is also the case as regards other governmental and municipal charges and contributions. Notwithstanding that Castellum's operations are conducted in accordance with Castellum's interpretation of applicable laws and rules in respect of taxes, there is a risk that its interpretation is incorrect or that applicable tax law and rules may be amended with possible retroactive effect. In addition, future

changes to applicable tax laws and rules may affect the conditions for Castellum's operations, earnings and financial position.

In June 2015 the Swedish Government appointed a committee to analyse the possibility to divest properties through tax exempt disposals of shares in companies holding properties and, if considered necessary, to propose new legislation to prevent such transactions. The investigation also reviewed whether acquisitions through land parcelling procedure are being abused to avoid stamp duty. The result of the review was presented on 30 March 2017. The committee's main proposal is that upon a change of control in a company holding assets that mainly consist of properties, the properties will be considered as divested and re-acquired for a price corresponding to the market value of the properties. The divested real estate company should also report a taxable notional income (instead of stamp duty) corresponding to 7.09 per cent. of the highest amount of the market value and the tax assessment value of the properties. Further, stamp duty is proposed to be introduced on acquisitions of properties by land parcelling procedures. The proposals by the committee were circulated for formal consultation and the consultation period ended on 15 September 2017. The rules were initially proposed to enter into force on 1 July 2018, though this has not yet occurred, and it is currently unclear if, and to what extent, the proposals will result in new legislation.

In Finland, the real estate taxation regime is intended to be reformed so that the tax values better reflect the price level and construction costs in different areas. As the tax values of real estate would for the most part increase, the lower and upper limits of municipal real estate tax rates are intended to be lowered accordingly. The aim of the reform is not to raise or lower the real estate tax, but the tax burden would be partly distributed in a new way between various properties. As a result, the tax on an individual property could rise or fall. The reform is intended to take effect as of tax year 2023. The government proposal concerning the reform is intended to be issued in 2021.

There can be no assurance that tax rates will not be increased in the future or that the changes described above or other changes in tax laws/regulations will not occur which will affect the ownership of real estate properties or real estate transactions resulting in unforeseen or higher tax liabilities. If any such risks materialise, it could have a material adverse impact on Castellum's operations, earnings and financial position.

Disputes and legal proceedings could have a material adverse effect on Castellum.

This risk relates to the costs that the Group may incur as a consequence of being party to legal proceedings, settlement costs, as well as costs in respect of awarded damages and other obligations which may be imposed on Castellum. Companies within the Group may, from time to time, become involved in disputes within the scope of normal business operations and run the risk, similarly to other companies within Castellum's industry, of being the subject of claims with respect to, for example, contractual issues, warranty claims, alleged errors in the provision of services, environmental issues and intellectual property rights. Such disputes and claims may be time-consuming, disrupt normal operations, involve large amounts, detrimentally affect customer relations and result in significant costs. In the event such disputes arise and Castellum is held liable in damages or enters into a settlement agreement, there is a risk that claims will not be covered in full by Castellum's insurance. In addition, the outcome of complicated disputes may be difficult to predict. Potential disputes and legal proceedings brought against Castellum may have a material adverse impact on Castellum's operations, earnings and financial position.

Environmental risks and related regulatory risks.

Castellum is subject to extensive and increasingly stringent environmental, health and safety legislation and regulations relating to its acquisition, ownership, possession and management of properties. Properties affect the environment through their construction, on-going maintenance and through the activities conducted within them. According to the Swedish Environmental Code (*Miljöbalken (SFS 1998:808)*), persons who pursue activities that have contributed to contamination are responsible for remedying any harm caused. In Castellum's case, it would normally be its tenants who are pursuing such activities. However, if the person

pursuing the activity is unable to investigate, carry out or defray the cost of remediation, responsibility for the investigation and after-treatment may be imposed on a party that has acquired the property after 31 December 1998 and, at the time of the acquisition, was aware or should have been aware of the contamination. Furthermore, by acquiring a business and/or a company, a party may assume responsibility for environmental liability for contaminations which the operations and the businesses previously have contributed to. Thus, Castellum could be held liable for contaminations caused by operations acquired through previous business and real estate transfers. Responsibility may also be imposed on Castellum as a developer if actions for the development cause existing contaminations to spread to surrounding areas. Accordingly, there is a risk that in certain circumstances claims may be brought against Castellum for investigations, remedying and monitoring contamination or for the clean-up of contamination that has taken place, in order to maintain or restore properties to a condition that complies with the Environmental Code. In the event such liability is imposed on Castellum, it may have a material adverse impact on its operations, earnings and financial position.

In addition, Castellum is subject to legislation and permit requirements relating to the operation of airports and flight operations due to Castellum's ownership of Gothenburg City Airport (Sw. *Säve flygplats*). In the event the operations are subject to change, Castellum as the operator may be required to obtain new or amended environmental and/or operational permits. Permit processes entail a general risk that the permit applied for is not granted, which may affect the development of Castellum's operations.

Harm to Castellum's reputation may have a negative impact on its competitiveness, consume the time and resources of Castellum management, and give rise to additional costs.

Castellum's ability to attract and retain tenants is to a certain extent dependent on its reputation, including the positive reputation of its trademarks and business name, as a consequence of which its operations are sensitive to risks related to reputational harm. For instance, Castellum's reputation may be adversely affected by rumours, negative publicity or other factors that could lead to Castellum no longer being considered as being a competent and reputable operator on the market. If Castellum's reputation should deteriorate, or if Castellum should experience negative publicity, this may reduce Castellum's competitiveness, take up the time and resources of Castellum's management and impose additional costs on Castellum, which may have a materially adverse effect on Castellum's potential to achieve its growth targets and its operations, earnings and financial position. Similarly, there is a risk that a third party may challenge the validity of Castellum's trademark registrations or right to use its distinctive marks. Defending itself in proceedings regarding the validity of distinctive marks or registrations may be costly and, in the event Castellum is required to cease using its business names or valuable trademarks, this may have a material adverse impact on Castellum's operations, earnings and financial position.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features which may occur in relation to any Notes:

If the relevant Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature is likely to limit the market value of Notes. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market value of any specific Series of Notes issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Usually, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities. Any such price volatility may have an adverse effect on the market value of any specific Series of Notes issued at a substantial discount or premium to their nominal amount.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks".

Interest rates and indices which are deemed to be "benchmarks", (including the Euro Interbank Offered Rate (**EURIBOR**), the Copenhagen Interbank Offered Rate (**CIBOR**), the Stockholm Interbank Offered Rate (**STIBOR**) and the Norwegian Interbank Offered Rate (**NIBOR**)) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a benchmark.

The EU Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**) applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the UK Financial Conduct Authority (the **FCA**) or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark, in particular if the methodology or other terms of

the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

The euro risk-free rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

It is not possible to predict with certainty whether, and to what extent, any benchmark, including EURIBOR, CIBOR, STIBOR and NIBOR will continue to be supported going forwards. This may cause any such benchmark to perform differently than they have done in the past, and may have other consequences which cannot be predicted.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark.

Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark. The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a published benchmark such as EURIBOR, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable. Depending on the manner in which the benchmark rate is to be determined under the conditions of the Notes, this may (i) if ISDA Determination applies, be reliant upon the provision by reference banks of offered quotations for the benchmark rate which, depending on market circumstances, may not be available at the relevant time or (ii) if Screen Rate Determination applies, include the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate (each as defined in the Terms and Conditions) and that such Successor Rate or Alternative Rate may be adjusted (if required) in order to reduce or eliminate any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the Original Reference Rate (as defined in the Terms and Conditions). In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate based on the rate for Floating Rate Notes which was observed on the Relevant Screen Page applied in the previous period when the Original Reference Rate was available (as further described in Condition 5.2 (*Interest – Interest on Floating Rate Notes*)). In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Floating Rate Notes. Moreover, any of the foregoing or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the relevant Issuer or the Guarantor to meet its obligations under the Floating Rate Notes or the Guarantee (as the case may be) or could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes. Investors should consider these matters when making their investment decision with respect to the relevant Floating Rate Notes.

Risks related to the Notes generally

Set out below is a description of material risks relating to the Notes generally:

The claims of holders of the Notes are structurally subordinated.

As is common for property companies, Castellum AB's operations are principally conducted through subsidiaries. Accordingly, Castellum AB is, and will be, dependent on its subsidiaries' operations to service its payment obligations in respect of the Notes and the Guarantee (if applicable). The Notes and the Guarantee (if applicable) are structurally subordinated to the claims of all holders of debt securities and other creditors, including trade creditors, of Castellum AB's subsidiaries, and structurally and/or effectively subordinated to the extent of the value of collateral to all Castellum AB's and its subsidiaries' secured creditors. The Notes will not be guaranteed by any of Castellum AB's subsidiaries or any other company or person. In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding up of the business of any of Castellum AB's subsidiaries, unsecured creditors of such subsidiaries, secured creditors and obligations that may be preferred by provisions of law that are mandatory and of general application will generally have the right to be paid in full before any distribution is made to Castellum AB.

The Notes will be effectively subordinated to any of Castellum's existing secured and future secured indebtedness.

The Notes are unsecured obligations of the relevant Issuer and the Guarantee (if applicable) is an unsecured obligation of the Guarantor. The Notes and the Guarantee (if applicable) are therefore effectively subordinated to Castellum's existing secured indebtedness and future secured indebtedness. Accordingly, holders of Castellum's secured indebtedness will have claims that are superior to the claims of Noteholders to the extent of the value of the assets securing such other indebtedness. In the event of a bankruptcy, liquidation or dissolution of Castellum, the assets that serve as collateral for any secured indebtedness of Castellum would be available to satisfy the obligations under the secured indebtedness before any payments are made on the Notes and/or under the Guarantee (if applicable). Other than as set out in Condition 4.1 (*Negative Pledge*) and Condition 4.2 (*Financial Covenants*), the Terms and Conditions do not prohibit the relevant Issuer or the Guarantor (if applicable) from incurring and securing future indebtedness. To the extent that either of the Issuers or the Guarantor were to secure any of their future indebtedness, to the extent not required to secure the Notes, their obligations, in respect of the Notes or the Guarantee (as the case may be), would be effectively subordinated to such secured indebtedness to the extent of the value of the security securing such indebtedness.

Castellum Finance is a special purpose vehicle and investors should therefore consider the financial condition and liquidity of Castellum and the Group in addition to that of Castellum Finance.

Castellum Finance was incorporated on 28 June 2021 and is yet to prepare financial information. As such, this Base Prospectus does not contain separate financial information for Castellum Finance. At the date of this Base Prospectus, Castellum Finance is a holding company within the Group without significant business activities or holdings and, accordingly, Castellum Finance's ability to pay interest and repay principal in respect of its borrowings, including the Notes issued by it, depends upon the financial condition and liquidity of Castellum AB and the Group. Notes issued by Castellum Finance will be guaranteed unconditionally and irrevocably by the Guarantor. The Group further intends to provide Castellum Finance with liquidity on an ongoing basis by way of intra-group arrangements or other transfers of value in order for Castellum Finance to fulfil its obligations under the Notes issued by it. However, if the Group does not provide liquidity, or due to other circumstances, conditions, laws or regulations is prevented from providing liquidity to Castellum Finance, there is a risk that Castellum Finance will not fulfil its obligations under the Notes. Therefore, investors in Notes issued by Castellum Finance should consider the risk factors, financial condition and liquidity of the Guarantor and the Group in addition to that of Castellum Finance.

The Terms and Conditions of the Notes contain provisions which may permit their modification without the consent of all investors.

The Terms and Conditions of the Notes contain provisions for calling meetings (including by way of conference call or by way of a videoconference platform) of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including (i) Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and (ii) those Noteholders who voted in a manner contrary to the majority.

In certain instances, the relevant Issuer could substitute the obligor under the Notes without the consent or approval of the Noteholders

The relevant Issuer may, without the consent of the Noteholders or the Couponholders, substitute itself with a Substitute in respect of all rights and obligations arising under or in connection with the Notes. Any such substitution will be subject to the conditions set out in the Terms and Conditions of the Notes which include, among other things, that where the Substitute is not Castellum, the obligations of the Substitute under the Deed Poll, the Agency Agreement, the Deed of Covenant, the Notes and the Coupons shall be unconditionally and irrevocably guaranteed by Castellum. The substitution of the relevant Issuer under the Notes could have an adverse effect on Noteholders.

The value of the Notes could be adversely affected by a change in English law or administrative practice.

The Guarantee and the Terms and Conditions of the Notes and any non-contractual obligations arising out of or in connection with them are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Enforceability of judgments.

The UK left the EU on 31 January 2020 and the transitional period agreed in the withdrawal agreement during which EU law continued to apply in the UK expired on 31 December 2020.

As of the date hereof, the only treaty providing for reciprocal recognition and enforcement of judgments rendered in connection with civil and commercial disputes between the UK and Sweden and the UK and Finland is the Hague Convention of 30 June 2005 on Choice of Court Agreements (the **Hague Convention**). Pursuant to the provisions of the Hague Convention, a judgment entered against a Swedish or Finnish entity in the courts of a Contracting State (as defined in the Hague Convention) and which is enforceable in such Contracting State will be directly enforceable in Sweden or Finland, as applicable, only upon the satisfaction of certain requirements, one of which is that the relevant judgment relates to an agreement which includes an exclusive choice of court provision (as described in the Hague Convention). As such, a judgment entered against the Issuers or the Guarantor based on an asymmetric jurisdiction clause (i.e. a jurisdiction clause which is non-exclusive), as is the case in relation to the Terms and Conditions of the Notes and the Guarantee, would fall outside of the application of the Hague Convention. Absent any agreement, treaty or other instrument on mutual recognition and enforcement of judgments applicable in relation to the Notes or the Guarantee between the UK and Sweden or the UK and Finland, as the case may be, a final judgment in civil or commercial matters relating to the Notes or the Guarantee obtained in the English courts against Castellum or Castellum Finance, will, in principle, neither be recognised nor enforceable in Sweden or Finland, as applicable. However, if a Noteholder brings a new action in a competent court in Sweden or Finland, as applicable, the final judgment rendered in an English court may be submitted to the Swedish or Finnish court, as applicable, but will only be regarded as evidence of the outcome of the dispute to which it relates, and the Swedish or Finnish court, as applicable, has full discretion to rehear the dispute ab initio. Any retrial on a judgment's merits could therefore significantly delay or prevent the enforcement by

Noteholders of the relevant Issuer's obligations under the Notes or the Guarantor's obligations under the Guarantee.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

In respect of any Notes issued as Green Bonds, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor.

The Final Terms relating to any specific Tranche of Notes may provide that it will be the relevant Issuer's intention to apply the proceeds from an offer of those Notes specifically for projects and/or activities that promote climate-friendly and other environmental purposes (either in those words or otherwise) (**Green Projects**). Prospective investors should have regard to the information in the applicable Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular no assurance is given by the relevant Issuer or any of the Dealers that the use of such proceeds for any Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, the relevant Green Project). Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Green Projects will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the so called EU Taxonomy) or Regulation (EU) 2020/852 as it forms part of UK domestic law by virtue of the EUWA) or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Green Projects.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the relevant Issuer) which may be made available in connection with the issue of any Notes and in particular with any Green Projects to fulfil

any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the relevant Issuer or any of the Dealers or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as of the date that such opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the relevant Issuer or any of the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the relevant Issuer or any of the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the relevant Issuer to apply the proceeds of any Notes so specified for Green Projects in, or substantially in, the manner described in the applicable Final Terms, there can be no assurance that the relevant intended project(s) or use(s) the subject of, or related to, any Green Projects will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Green Projects. Nor can there be any assurance that such Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the relevant Issuer. Any such event or failure by the relevant Issuer will not constitute an Event of Default under the Notes.

Any such event or failure to apply the proceeds of any issue of Notes for any Green Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the relevant Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Green Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes.

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed

secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The relevant Issuer will pay principal and interest on the Notes and the Guarantor (if applicable) will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the relevant Issuer to make payments in respect of the Notes or the Guarantor (if applicable) to make any payments under the Guarantee. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings assigned to the Issuers, the Guarantor or any Notes may not reflect all the risks associated with an investment in those Notes.

One or more independent credit rating agencies may assign credit ratings to the Issuers, the Guarantor or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country non-EEA credit rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Notes changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published shall be incorporated in, and form part of, this Base Prospectus:

- (a) Castellum's audited consolidated financial statements (including the auditors' report thereon and notes thereto) extracted from Castellum's annual report in respect of the financial year ended 31 December 2020 as set out on the following pages of the 2020 Annual Report.

Consolidated Statement of Comprehensive Income	Page 128
Consolidated Balance Sheet	Page 129
Change in Equity	Page 132
Cash Flow Statement	Page 133
Accounting Policies and Notes	Pages 134 – 152
Auditor's Report	Pages 156 – 158

This document is available for viewing on the following website:

https://www.castellum.se/globalassets/investor-relations/arsredovisningar/2020/castellum_annualreport_2020.pdf

- (b) Castellum's audited consolidated financial statements (including the auditors' report thereon and notes thereto) extracted from Castellum's annual report in respect of the financial year ended 31 December 2019 as set out on the following pages of the 2019 Annual Report.

Consolidated Statement of Comprehensive Income	Page 153
Consolidated Balance Sheet	Page 154
Change in Shareholders' Equity	Page 157
Cash Flow Statement	Page 158
Accounting Policies and Notes	Pages 159 – 175
Auditor's Report	Pages 179 – 182

This document is available for viewing on the following website:

https://vp244.alertir.com/afw/files/press/castellum/Castellum_AR_2019_PRINT_ENG_index.pdf

- (c) The unaudited consolidated interim financial statements of Castellum in respect of the six months ended 30 June 2021 as set out on the following pages of the Interim Report Jan-June 2021.

Consolidated Statement of Comprehensive Income	Page 8
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Consolidated Balance Sheet	Page 11
Changes in Equity	Page 12
Cash Flow Statement	Page 20
Notes to the Financial Statements	Pages 9-12, 18

This document is available for viewing on the following website:

<https://vp244.alertir.com/afw/files/press/castellum/202107054349-1.pdf>

- (d) The unaudited consolidated interim financial statements of Kungsleden in respect of the six months ended 30 June 2021 (**Kungsleden Q2 Interim Financials**) as set out on the following pages of the Interim Report Jan-June 2021.

Consolidated Income Statement	Page 4
Consolidated Statement of Comprehensive Income	Page 4
Consolidated Statement of Financial Position	Page 7
Group Changes in Equity	Page 7
Group Cash Flow	Page 16 ¹

This document is available for viewing on the following website:

<https://www.kungsleden.se/contentassets/d435219e3bd94a379e1b0996e28f6e03/interim-report-january---june-2021>

The Kungsleden Q2 Interim Financials have been included for information and illustration purposes in relation to the Offer. Castellum has not been involved in the preparation of, nor has it verified the contents of, the Kungsleden Q2 Interim Financials, and cannot give any assurance as to their accuracy.

- (e) The Terms and Conditions of the Notes contained in the previous Base Prospectus dated 2 November 2018, pages 45 to 82 (inclusive) prepared by Castellum AB in connection with the Programme. This document is available for viewing on the following website:

https://www.ise.ie/debt_documents/Base%20Prospectus_83003347-48c7-48e6-b6c4-7ddb5e52535b.PDF

Following the publication of this Base Prospectus a supplement may be prepared by the Issuers and the Guarantor and approved by the Central Bank of Ireland in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

¹ For the avoidance of doubt, the sections entitled "Cash Flow and Loan-to-Value Ratio" and "Change in Net Debt January-June 2021" appearing beneath Group Cash Flow on page 16 shall not be incorporated by reference.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

The Issuers and the Guarantor will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which may affect the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Notes will be issued outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**).

Bearer Notes

Each Tranche of Bearer Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Bearer Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Bearer Global Note** and, together with a Temporary Bearer Global Note, each a **Bearer Global Note**) which, in either case, will:

- (a) if the Bearer Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**); and
- (b) if the Bearer Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for Euroclear and Clearstream, Luxembourg.

Where the Bearer Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Bearer Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Bearer Global Notes are to be so held does not necessarily mean that the Bearer Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note if the Temporary Bearer Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note if the Permanent Bearer Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 10 (*Events of Default and Enforcement*)) has occurred and is continuing, (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes) and interest coupons and talons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes or interest coupons or talons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes or interest coupons or talons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Notes

The Registered Notes of each Tranche will initially be represented by a global note in registered form (a **Registered Global Note**).

Registered Global Notes will be deposited with a common depository or, if the Registered Global Notes are to be held under the new safe-keeping structure (the **NSS**), a common safekeeper, as the case may be for Euroclear and Clearstream, Luxembourg, and registered in the name of the nominee for the Common Depository of, Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form. Where the Registered Global Notes issued in respect of any Tranche is intended to be held under the NSS, the applicable Final Terms will indicate whether or not such Registered Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Registered Global Notes are to be so held does not necessarily

mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any time during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The common safekeeper for a Registered Global Note held under the NSS will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6.4 (*Payments - Payments in respect of Registered Notes*)) as the registered holder of the Registered Global Notes. None of the Issuers, the Guarantor, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.4 (*Payments - Payments in respect of Registered Notes*)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for a common depository or a Common Safekeeper for Euroclear and Clearstream, Luxembourg, the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10 (*Events of Default and Enforcement*). In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then from 8.00 p.m. (London time) on such day holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg as the case may be, will become entitled to proceed directly against the relevant Issuer or, as appropriate, the Guarantor, on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 20 August 2021 and executed by the Issuers, and (if applicable) the terms of a deed of guarantee (the **Guarantee**) dated 20 August 2021 and executed by the Guarantor.

The relevant Issuer and the Guarantor (if applicable) may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event, a new Base Prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes.

APPLICABLE FINAL TERMS

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)]/[MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any [distributor]/[person subsequently offering, selling or recommending the Notes (a **distributor**)] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes

(by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **SF (CMP) Regulations**)), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that the Notes are ["prescribed capital markets products"/["capital markets products other than prescribed capital markets products"] (as defined in the SF (CMP) Regulations) and [are] [Excluded]/[Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]²

[Date]

[Castellum AB / Castellum Helsinki Finance Holding Abp]

Legal Entity Identifier (LEI): [549300GU5OHTR1T5IY68] / [743700WAF2AHZ4LRAR98]

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] [Green Bonds]
[unconditionally and irrevocably guaranteed by Castellum AB]
under the €3,000,000,000
Euro Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the **Conditions**) set forth in the Base Prospectus dated 20 August 2021 [and the supplement[s] to it dated [date] [and [date]]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). [This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information.]³ [The Base Prospectus has been published on the website of the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) at www.euronext.ie.]

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the **Conditions**) set forth in the Base Prospectus dated [[2 November 2018]] which are incorporated by reference in the Base Prospectus dated 20 August 2021. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated 20 August 2021 [and the supplement[s] to it dated [date] [and [date]]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus, in order to obtain all the relevant information. [The Base Prospectus has been published on the website of the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) at www.euronext.ie.]

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]

² Delete where the Notes are not offered to Singapore investors.

³ Delete where the Notes are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation.

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

1. (a) Issuer: [Castellum AB] / [Castellum Helsinki Finance Holding Abp]

[(b) Guarantor: Castellum AB]

(Delete in the case of Notes issued by Castellum AB)
2. (a) Series Number: []

(b) Tranche Number: []

(c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with *[identify earlier Tranches]* on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below, which is expected to occur on or about *[date]*][Not Applicable]
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:

(a) Series: []

(b) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
6. (a) Specified Denominations: []

(N.B. Notes must have a minimum denomination of €100,000 (or equivalent))

(Note – where Bearer multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed:

"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].")

(b) Calculation Amount (in relation to calculation of interest on Notes in global form see Conditions): []

(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor.

Note: There must be a common factor in the case of two or more Specified Denominations.)

7. (a) Issue Date: []
- (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]
(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
8. Maturity Date: *Specify date or for Floating Rate Notes – Interest Payment Date falling in or nearest to [specify month and year]]*
9. Interest Basis: [[] per cent. Fixed Rate]
[[[] month
[EURIBOR/CIBOR/STIBOR/NIBOR]] +/- [] per cent. Floating Rate]
[Zero coupon]
(see paragraph [14]/[15]/[16] below)
10. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
11. Change of Interest Basis: *[Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 14 and 15 below and identify there][Not Applicable]*
12. Put/Call Options: [Issuer Call]
[Issuer Par Call]
[Investor Put]
[Change of Control Put]
[Clean-Up Call]
(see paragraph [18]/[19]/[20]/[21]/[22] below)]
13. (a) Status of the Notes: Senior
- [(b) Status of the Guarantee: Senior]
- (c) Date Board approval for issuance of Notes [and the Guarantee] obtained: []
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date

- (b) Interest Payment Date(s): [] in each year up to and including the Maturity Date
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[] per Calculation Amount]
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []][Not Applicable]
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) Determination Date(s): [[] in each year][Not Applicable]
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)
- (g) Step Up Rating Change and/or Step Down Rating Change: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraph of this paragraph)
- (h) Step Up Margin: [[] per cent. per annum]
15. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Specified Period(s)/Specified Interest Payment Dates: [] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable]
- (c) Additional Business Centre(s): []
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [] (the **Calculation Agent**)

- (f) Screen Rate Determination:
- Reference Rate: [] month [EURIBOR/CIBOR/STIBOR/NIBOR]
 - Interest Determination Date(s): []
(The second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR, second Copenhagen business day prior to the start of each Interest Period if CIBOR, second Stockholm business day prior to the start of each Interest Period if STIBOR and second Oslo business day prior to the start of each Interest Period if NIBOR)
 - Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (g) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (h) Linear Interpolation: [Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (i) Margin(s): [+/-] [] per cent. per annum
- (j) Minimum Rate of Interest: [] per cent. per annum
- (k) Maximum Rate of Interest: [] per cent. per annum
- (l) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]
 Actual/365 (Fixed)
 Actual/365 (Sterling)
 Actual/360
 [30/360][360/360][Bond Basis]
 [30E/360][Eurobond Basis]
 30E/360 (ISDA)]
- (m) Step Up Rating Change and/or Step Down Rating Change: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraph of this paragraph)
- (n) Step Up Margin: [[] per cent. per annum]

16. Zero Coupon Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraph of this paragraph)
- (a) Accrual Yield: [] per cent. per annum
- (b) Reference Price: []
- (c) Day Count Fraction in relation to Early Redemption Amounts: [30/360]
 [Actual/360]
 [Actual/365]

PROVISIONS RELATING TO REDEMPTION

17. Notice periods for Condition 7.2: Minimum period: [30] days
 Maximum period: [60] days
18. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount: [[] per Calculation Amount][Early Redemption Amount calculated in accordance with Condition 7.8(b)][Spens Amount][Make-whole Amount]
- (A) Reference Bond []/[Not Applicable]
- (B) Redemption Margin []
- (C) Quotation Time []
- (c) If redeemable in part: [Not Applicable]
- (i) Minimum Redemption Amount: []
- (ii) Maximum Redemption Amount: []
- (d) Notice periods: Minimum period: [] days
 Maximum period: [] days
(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent.)
19. Issuer Par Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining

subparagraphs of this paragraph)

(a) Par Call Period: From (and including [] (the **Par Call Period Commencement Date**) to (but excluding) the Maturity Date

(b) Notice Periods: Minimum period: [] days
Maximum period: [] days
(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent.)

20. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

(a) Optional Redemption Date(s): []

(b) Optional Redemption Amount: [[] per Calculation Amount][Early Redemption Amount calculated in accordance with Condition 7.8(b)]

(c) Notice Periods: Minimum period: [] days
Maximum period: [] days
(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent.)

21. Change of Control Put [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

Change of Control Redemption Amount: [[] per Calculation Amount][Early Redemption Amount calculated in accordance with Condition 7.8(b)]

22. Clean-Up Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

(a) Optional Redemption Amount: [[] per Calculation Amount][Early Redemption Amount calculated in accordance with Condition 7.8(b)]

- (b) Notice periods: Minimum period: [] days
Maximum period: [] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent.)

23. Final Redemption Amount: [] per Calculation Amount
24. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [[] per Calculation Amount][Condition 7.8 applies]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes:

- (a) Form: [Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event]

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes upon an Exchange Event]

[Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005⁴]

(N.B. The option for an issue of Notes to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].".)

[Registered Notes:

[Global Note registered in the name of a nominee for

⁴ Include for Notes that are to be offered in Belgium.

[a common depositary for Euroclear and Clearstream, Luxembourg][a common safekeeper for Euroclear and Clearstream, Luxembourg]

(b) New Global Note: [Yes][No]

(c) New Safekeeping Structure: [Yes][No]

26. Additional Financial Centre(s): [Not Applicable/give details]
(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraphs 15(c) relates)

27. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

[THIRD PARTY INFORMATION]

[[*Relevant third party information*] has been extracted from [*specify source*]. [Each of the][The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of [**Castellum AB (publ)**] / [**Castellum Helsinki Finance Holding Abp**] as Issuer:

By: By:
Duly authorised *Duly authorised*

[Signed on behalf of **Castellum AB (publ)** as Guarantor

By: By:
Duly authorised *Duly authorised*]

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i) Listing and Admission to trading [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of Euronext Dublin and listing on the Official List of Euronext Dublin with effect from [].]

[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of Euronext Dublin and listing on the Official List of Euronext Dublin with effect from [].]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

[Not Applicable]

(ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

Ratings: [The Notes to be issued [[have been]/[have not been]/[are expected to be]] rated]:

[insert details] by [insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms].

[Each of][*defined terms*] is established in the [EEA] and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**)]

[Each of][*defined terms*] is established in the United Kingdom and is registered under Regulation (EC) No. 1060/2009 (as amended) as it forms part of UK domestic law by virtue of [the European Union (Withdrawal) Act 2018]/[the EUWA] (the **UK CRA Regulation**)]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the

Programme generally or, where the issue has been specifically rated, that rating.)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for the fees [of [*insert relevant fee disclosure*] payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business - *Amend as appropriate if there are other interests*]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)]

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

(i) Reasons for the offer: [See "Use of Proceeds" in the Base Prospectus.]
[The Notes are intended to be issued as Green Bonds, [*further particulars to be provided*].]

(ii) Estimated net proceeds: []

5. YIELD (*Fixed Rate Notes Only*)

Indication of yield: []

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. OPERATIONAL INFORMATION

(i) ISIN: []

(ii) Common Code: []

(iii) CFI: [[See/[*include code*] ⁵, as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(iv) FISN: [[See/[*include code*] ⁶, as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(v) Any clearing system(s) other than Euroclear and Clearstream, [Not Applicable/*give name(s) and number(s)*]

⁵ The actual code should only be included where the issuer is comfortable that it is correct.

⁶ The actual code should only be included where the issuer is comfortable that it is correct.

Luxembourg and the relevant identification number(s):

- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): []
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] *[include this text for Registered Notes which are to be held under the NSS]* and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/
- [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper]*[include this text for Registered Notes]*. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Stabilisation Manager(s) (if any): [Not Applicable/*give name*]
- (iv) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (v) U.S. Selling Restrictions: Reg. S Compliance Category 2; [TEFRA D/TEFRA C/TEFRA not applicable]
- (vi) Prohibition of Sales to EEA Retail [Applicable/Not Applicable]

Investors:

(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)

(vii) Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]

(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)

(viii) Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]

(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Castellum AB (**Castellum**, and in its capacity as guarantor of Notes issued by Castellum Finance, the **Guarantor**) or Castellum Helsinki Finance Holding Abp (**Castellum Finance**, and together with Castellum, the **Issuers** and each an **Issuer**) pursuant to the Agency Agreement (as defined below).

References herein to the **relevant Issuer** shall be references to whichever of Castellum AB and Castellum Finance is specified as the Issuer in the applicable Final Term (as defined below). If the relevant Issuer of a Series of Notes is Castellum AB, references herein to the **Guarantor** and the **Guarantee**, and related expressions, are not applicable and shall be disregarded in respect of such Series.

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note;
- (c) any definitive Notes in bearer form (**Bearer Notes**) issued in exchange for a Global Note in bearer form; and
- (d) any definitive Notes in registered form (**Registered Notes**) (whether or not issued in exchange for a Global Note in registered form).

The Notes and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 20 August 2021 and made between the Issuers, the Guarantor, Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and as transfer agent (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents), the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents) and Citigroup Global Markets Europe AG as registrar (the **Registrar**, which expression shall include any successor registrar). The Principal Paying Agent, the Calculation Agent (if any is specified in the applicable Final Terms), the Registrar, the Paying Agents and the Transfer Agents are together referred to as the **Agents**. The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The payment of all amounts in respect of Notes issued by Castellum Finance have been unconditionally and irrevocably guaranteed by the Guarantor pursuant to a deed of guarantee dated 20 August 2021 (such deed of guarantee, as modified and/or supplemented and/or restated from time to time, the **Guarantee**) and executed

by the Guarantor. The original of the Guarantee is held by the Principal Paying Agent on behalf of the Noteholders and the Couponholders at its specified office.

Interest bearing definitive Bearer Notes have interest coupons (**Coupons**) and, in the case of Bearer Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Notes and Global Notes do not have Coupons or Talons attached on issue.

Any reference to **Noteholders** shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 20 August 2021 and made by the Issuers. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement, the Guarantee and the Deed of Covenant are (i) available for inspection during normal business hours at the specified office of each of the Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to any Paying Agents or the relevant Issuer and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent or the relevant Issuer, as the case may be). If the Notes are to be admitted to trading on the regulated market of Euronext Dublin the applicable Final Terms will be published on the website of Euronext Dublin. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Guarantee, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The relevant Issuer, the Guarantor and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the relevant Issuer, the Guarantor and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the relevant Issuer, the Guarantor and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

2. TRANSFERS OF REGISTERED NOTES

2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note of the same series only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

2.2 Transfers of Registered Notes in definitive form

Subject as provided in paragraph 2.3 below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part

(in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the relevant Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 6 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 7 (*Redemption and Purchase*), the relevant Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the relevant Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

3. STATUS OF THE NOTES AND GUARANTEE

3.1 Status of the Notes

The Notes and any relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1 (*Negative Pledge*)) unsecured obligations of the relevant Issuer and rank *pari passu* among themselves and (save for any obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer, from time to time outstanding.

3.2 Status of the Guarantee

The payment of principal and interest in respect of the Notes issued by Castellum Finance has been unconditionally and irrevocably guaranteed by the Guarantor pursuant to the Guarantee. The obligations of the Guarantor under the Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1 (*Negative Pledge*)) unsecured obligations of the Guarantor and (save for any obligations required to be preferred by law) rank equally with all other present and future unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.

4. COVENANTS

4.1 Negative Pledge

So long as any of the Notes remains outstanding (as defined in the Agency Agreement) neither the relevant Issuer nor the Guarantor shall, and each of the relevant Issuer and the Guarantor shall procure that none of its respective Subsidiaries (as defined below) shall, create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**), other than a Permitted Security Interest, upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the relevant Issuer or the Guarantor (as the case may be), in the case of the creation of the Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (i) all amounts payable by it under the Notes and the Coupons or, as the case may be, the Guarantee, are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
- (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

4.2 Financial Covenants

So long as any Note remains outstanding:

- (a) Castellum will not, and will not permit any Subsidiary to, incur directly or indirectly any Financial Indebtedness (excluding for the purposes of this Condition 4.2(a) Permitted Refinancing Indebtedness) if, on the date of such incurrence and after giving pro forma effect thereto (including pro forma application of the proceeds), the Consolidated Solvency Ratio would exceed 65 per cent.;
- (b) Castellum will not, and will not permit any Subsidiary to, incur directly or indirectly any Secured Indebtedness (excluding for the purposes of this Condition 4.2(b) Permitted Refinancing Indebtedness) if, on the date of such incurrence and after giving pro forma effect thereto (including pro forma application of the proceeds), the Secured Solvency Ratio would exceed 45 per cent.; and
- (c) Castellum undertakes that on each Testing Date the Consolidated Coverage Ratio will be not less than 1.5:1.

4.3 Interpretation

For the purposes of these Conditions:

Consolidated Adjusted Income from Property Management means, in respect of any Testing Date, the number set out under the heading "Income from property management incl. results joint venture – of which income from property management" (or any equivalent line item) in the consolidated financial statements of the Group, to which Net Interest Charges should be added, in each case as set out in the most recent annual or interim, as the case may be, consolidated financial statements of the Group;

Consolidated Coverage Ratio means, in respect of any Testing Date, the ratio of (i) the aggregate amount of Consolidated Adjusted Income from Property Management to (ii) the aggregate amount of Net Interest Charges;

Consolidated Solvency Ratio means (i) the Consolidated Total Indebtedness (less cash and cash equivalents) divided by (ii) Consolidated Total Assets;

Consolidated Total Assets means the value of the consolidated total assets of the Group as shown in the most recent annual or interim, as the case may be, consolidated financial statements of the Group;

Consolidated Total Indebtedness means the total Financial Indebtedness (on a consolidated basis) of the Group as determined by reference to the most recent annual or interim, as the case may be, consolidated financial statements of the Group;

Financial Indebtedness means any indebtedness of any Person for money borrowed or raised including (without limitation) for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (e) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles applicable to the Group, be treated as finance or capital leases;
- (f) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 90 days; and
- (g) without double-counting, any guarantee or indemnity in respect of indebtedness of the type referred to in the above items (a) – (f).

For the avoidance of doubt, "indebtedness" shall be determined by reference to IFRS (or such accounting standards as are applicable to Castellum at the relevant time);

Group means Castellum AB and its consolidated Subsidiaries;

Net Interest Charges means (i) the number set out under the heading "Net Interest" (or equivalent line item) or (ii) where no equivalent single line item to "Net Interest" is included in the consolidated financial statements of the Group, the net amount calculated as the number set out under the heading "Interest Cost" (or equivalent line item) from which is deducted the number set out under the heading "Interest Income" (or equivalent line item), in each case as set out in the most recent annual or interim, as the case may be, consolidated financial statements of the Group;

Permitted Refinancing Indebtedness means any Financial Indebtedness of Castellum or any of its Subsidiaries raised or issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, exchange or discharge other Financial Indebtedness of Castellum or any member of the Group (other than intra-Group Financial Indebtedness); provided that:

- (a) the aggregate principal amount (or accretable value) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Financial Indebtedness renewed, refunded, refinanced, replaced, exchanged or discharged (plus all accrued interest on the Financial Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);
- (b) such Permitted Refinancing Indebtedness has a final maturity date, or may only be redeemed or repaid at the option of Castellum or any of its Subsidiaries, either (i) no earlier than the final maturity date of the Financial Indebtedness being renewed, refunded, refinanced, replaced, exchanged or discharged or (ii) after the final maturity date of the Notes;
- (c) if the Financial Indebtedness being renewed, refunded, refinanced, replaced, exchanged or discharged is expressly, contractually subordinated in right of payment to the Notes, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes; and
- (d) if Castellum was the obligor in respect of the Financial Indebtedness being renewed, refunded, refinanced, replaced, exchanged or discharged, such Financial Indebtedness is incurred by Castellum;

Permitted Security Interest means a Security Interest on the undertaking or assets of any Person existing at the time such Person is acquired by and becomes a Subsidiary of the relevant Issuer or the Guarantor, provided such Security Interest was not created in contemplation of such acquisition and the principal amount secured has not been increased in contemplation of or since such acquisition;

Person means any individual, company, corporation, firm, unincorporated association or body, partnership, trust fund, joint venture or consortium, association, organisation, government state or agency of a state or other entity, whether or not having separate legal personality;

Relevant Indebtedness means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) which is in the form of or represented by any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being, or capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness;

Secured Consolidated Total Indebtedness means such amount of Consolidated Total Indebtedness that is Secured Indebtedness;

Secured Indebtedness means any Financial Indebtedness that is secured in whole or in part by a Security Interest granted over any assets of the Group;

Secured Solvency Ratio means (i) the Secured Consolidated Total Indebtedness divided by (ii) Consolidated Total Assets;

Subsidiary means in relation to any Person (the **first Person**) at any particular time, any other Person:

- (i) which is a subsidiary (Sw. *dotterföretag*) to the first Person, directly or indirectly, as defined in the Swedish Companies Act (Sw. *aktiebolagslagen 2005:551*); or
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person; and

Testing Date means each day which is (i) the last day of Castellum's financial year in any year or (ii) the last day of the first three quarters of Castellum's financial year in any year.

5. INTEREST

5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Fixed Rate Notes represented by such Global Note or (B) such Registered Notes; or
- (b) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the aggregate outstanding nominal amount of Fixed Rate Notes which are Registered Notes in definitive form or to the Calculation Amount in the case of Fixed Rate Notes which are Bearer Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In these Conditions:

Calculation Amount has the meaning given in the applicable Final Terms;

Day Count Fraction means, in respect of the calculation of an amount of interest, in accordance with this Condition 5.1 (*Interest on Fixed Rate Notes*):

- (i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
 - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest

Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

5.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 5.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (other than TARGET2 System) specified in the applicable Final Terms;
- (b) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open; and
- (c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

- (i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period

will (subject to Condition 5.2(e) below) be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or the Calculation Agent, as applicable, under an interest rate swap transaction if the Principal Paying Agent or the Calculation Agent, as applicable, were acting as Calculation Agent (as defined in the ISDA Definitions (as defined below)) for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either EURIBOR, CIBOR, STIBOR or NIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (Brussels time, in the case of EURIBOR, Copenhagen time, in the case of CIBOR or Stockholm time, in the case of STIBOR) or 12.00 noon (Oslo time, in the case of NIBOR) (the **Specified Time**) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent or the Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of subparagraph (A) above, no offered quotation appears or, in the case of subparagraph (B) above, fewer than three offered quotations appear, in each case as at the Specified Time, the Principal Paying Agent or the Calculation Agent, as applicable, shall request each of the Reference Banks (as defined

below) to provide the Principal Paying Agent or the Calculation Agent, as applicable, with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent or the Calculation Agent, as applicable, with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent or the Calculation Agent, as applicable, with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent or the Calculation Agent, as applicable, by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), the Danish inter-bank market (if the Reference Rate is CIBOR), the Swedish inter-bank market (if the Reference Rate is STIBOR) or the Norwegian inter-bank market (if the Reference Rate is NIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent or the Calculation Agent, as applicable, with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the relevant Issuer suitable for the purpose) informs the Principal Paying Agent or the Calculation Agent, as applicable, it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), the Danish inter-bank market (if the Reference Rate is CIBOR), the Swedish inter-bank market (if the Reference Rate is STIBOR) or the Norwegian inter-bank market (if the Reference Rate is NIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

Reference Banks means (i) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, (ii) in the case of a determination of CIBOR, the principal Copenhagen office of four major banks in the Danish inter-bank market, (iii) in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Swedish inter-bank market and (iv) in the case of a determination of NIBOR, the principal Oslo office of four major banks in the Norwegian inter-bank market, in each case selected by the relevant Issuer.

(c) **Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with

the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Principal Paying Agent or the Calculation Agent, as applicable, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent or the Calculation Agent, as applicable, will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount (A) of the Notes represented by such Global Note or (B) such Registered Notes; or
- (ii) in the case of Floating Rate Notes which are Bearer Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 5.2 (*Interest on Floating Rate Notes*):

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Interest Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D₁ is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Interest Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D₁ is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

- (vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Interest Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D₁ is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

(e) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent or the Calculation Agent, as applicable, by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent or the Calculation Agent, as applicable, shall calculate the Rate of Interest at such time and by reference to such sources as the relevant Issuer, in consultation with an Independent Adviser acting in good faith and in a commercially reasonable manner as an expert determines appropriate.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) Benchmark Event

Notwithstanding the provisions above in this Condition 5.2, if a Benchmark Event occurs in relation to an Original Reference Rate, then the following provisions shall apply:

- (i) the relevant Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine a Successor Rate, failing which an Alternative Rate and in either case, an Adjustment Spread and any Benchmark Amendments (each as defined and as further described below) no later than 5 Business Days prior to the Interest Determination Date relating to the next succeeding Interest Period (the **IA Determination Cut-off Date**) for purposes of determining the Rate of Interest (or a relevant component part thereof)

applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 5.2(f));

- (ii) if the relevant Issuer, following consultation with the Independent Adviser and acting in good faith, determines that:
 - (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5.2(f)(iv)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5.2(f)); or
 - (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5.2(f)(iv)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5.2(f));
- (iii) if the relevant Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate or, in either case, an applicable Adjustment Spread, prior to the IA Determination Cut-off Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period);
- (iv) if a Successor Rate or Alternative Rate is determined in accordance with this Condition 5.2(f), the Independent Adviser acting in good faith shall determine an Adjustment Spread (which may be expressed as a specified quantum of, or a formula or methodology for determining, such Adjustment Spread), which Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable);
- (v) if any Successor Rate, Alternative Rate or Adjustment Spread and (in either case) the applicable Adjustment Spread is determined in accordance with this Condition 5.2(f) and the Independent Adviser acting in good faith determines (i) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the relevant Issuer may also, following consultation with the Principal Paying Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), take necessary action to effect such Benchmark Amendments (and for the avoidance of doubt, the Principal Paying Agent shall, at the direction and expense of the relevant Issuer, consent to and effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 5.2(f)). No Noteholder consent shall be required in connection with effecting such Benchmark Amendments; and
- (vi) the relevant Issuer shall promptly following the determination of any Successor Rate, Alternative Rate or Adjustment Spread give notice thereof and of any Benchmark

Amendments to the Principal Paying Agent and the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any and will be binding on the relevant Issuer, the Paying Agents and the Noteholders.

Without prejudice to the obligations of the relevant Issuer under Conditions 5.2(f)(i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in Conditions 5.2(b)(ii) will continue to apply unless and until the Principal Paying Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), any Adjustment Spread (if applicable) and Benchmark Amendments (if applicable), in accordance with Condition 5.2(f)(vi).

For the purposes of this Condition 5.2(f):

Adjustment Spread means either a spread (which may be positive or negative or zero), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser acting in good faith determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (b) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser acting in good faith determines is recognised or acknowledged as being in customary usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (c) (if no such customary market usage is recognised or acknowledged) the Independent Adviser acting in good faith determines to be appropriate;

Alternative Rate means an alternative to the Reference Rate which the Independent Adviser acting in good faith determines in accordance with Condition 5.2(f)(ii) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes or, if the Independent Adviser determines there is no such rate, such other rate as the Independent Adviser acting in good faith determines is most comparable to the relevant Reference Rate;

Benchmark Amendments has the meaning given to it in Condition 5.2(f)(iv);

Benchmark Event means:

- (a) the Original Reference Rate ceasing to exist, be permanently administered or be published (in the latter case, for a period of at least 5 Business Days); or
- (b) the later of (i) the making of a public statement by the administrator or an insolvency official with jurisdiction over the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the date specified in (b)(i); or

- (c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued; or
- (d) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the date specified in (i) above;
- (e) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (ii) the date falling six months prior to the date specified in (e)(i); or
- (f) it has, or will prior to the next Interest Determination Date, become unlawful for any Paying Agent, Calculation Agent, the relevant Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable); or
- (g) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate announcing that such Original Reference Rate will, on or before a specified date, no longer be representative or may no longer be used and (ii) the date falling six months prior to the date specified in (g)(i) above;

Independent Adviser means an independent financial institution of international repute or an independent financial adviser with the appropriate expertise appointed by the relevant Issuer at its own expense. For the avoidance of doubt, an Independent Adviser appointed pursuant to this Condition 5.2(f) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the relevant Issuer, the Paying Agents, the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 5.2(f);

Original Reference Rate means the originally-specified Reference Rate used to determine the Rate of Interest (or any component part thereof) on the Notes;

Relevant Nominating Body means, in respect of a Reference Rate:

- (a) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or
- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

Successor Rate means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(g) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent or the Calculation Agent, as applicable, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be

notified to the relevant Issuer, the Guarantor and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14 (*Notices*). For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(h) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2 (*Interest on Floating Rate Notes*) by the Principal Paying Agent or the Calculation Agent, as applicable, shall (in the absence of wilful default, bad faith or manifest error) be binding on the relevant Issuer, the Guarantor, the Principal Paying Agent, the other Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the relevant Issuer, the Guarantor, the Noteholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent, as applicable, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 14 (*Notices*).

5.4 Adjustment of Rate of Interest for Fixed Rate Notes and Floating Rate Notes

If a Step Up Rating Change and/or Step Down Rating Change is specified as being applicable in the applicable Final Terms, the following terms relating to the Rate of Interest for the Notes shall apply:

- (a) The Rate of Interest payable on the Notes will be subject to adjustment from time to time in the event of a Step Up Rating Change and/or a Step Down Rating Change, as the case may be.
- (b) Subject to Condition 5.4(d) and 5.4(h) below, from and including the first Interest Payment Date falling on or after the date of a Step Up Rating Change, the Rate of Interest (in the case of Fixed Rate Notes) or the Margin (in the case of Floating Rate Notes) payable on the Notes shall be increased by the Step Up Margin.
- (c) Subject to Condition 5.4(d) and 5.4(h) below, in the event of a Step Down Rating Change following a Step Up Rating Change, with effect from and including the first Interest Payment Date falling on or after the date of such Step Down Rating Change, the Rate of

Interest (in the case of Fixed Rate Notes) or the Margin (in the case of Floating Rate Notes) payable on the Notes shall be decreased by the Step Up Margin back to the initial Rate of Interest (in the case of Fixed Rate Notes) or the initial Margin (in the case of Floating Rate Notes).

- (d) If a Step Up Rating Change and, subsequently, a Step Down Rating Change occur during the same Fixed Interest Period (in the case of Fixed Rate Notes) or the same Interest Period (in the case of Floating Rate Notes), the Rate of Interest (in the case of Fixed Rate Notes) or the Margin (in the case of Floating Rate Notes) on the Notes shall be neither increased nor decreased as a result of either such event.
- (e) Castellum shall use all reasonable efforts to maintain credit ratings for its senior unsecured long-term debt from Moody's and, if an additional Rating Agency is appointed to rate Castellum's senior unsecured long-term debt by or with the consent of Castellum, such additional Rating Agency. If, notwithstanding such reasonable efforts, any Rating Agency fails or ceases to assign a credit rating to Castellum's senior unsecured long-term debt, Castellum shall use all reasonable efforts to obtain a credit rating of its senior unsecured long-term debt from a Substitute Rating Agency, and references herein to such Rating Agency or the credit ratings thereof, shall be to such Substitute Rating Agency or, as the case may be, the equivalent credit ratings thereof as specified in or determined in accordance with the remainder of this Condition 5.4.
- (f) Castellum will cause the occurrence of a Step Up Rating Change or a Step Down Rating Change giving rise to an adjustment to the Rate of Interest (in the case of Fixed Rate Notes) or the Margin (in the case of Floating Rate Notes) payable on the Notes pursuant to this Condition 5.4 to be notified to the Principal Paying Agent and (in accordance with Condition 14 (*Notices*)) the Noteholders as soon as reasonably practicable after the occurrence of such Step Up Rating Change or Step Down Rating Change, but in no event later than the fifth London Business Day thereafter.
- (g) If the rating designations employed by any Rating Agency are changed from those which are described in this Condition or if a rating is procured from a Substitute Rating Agency other than S&P or Fitch, Castellum shall determine the rating designations of such Rating Agency or Substitute Rating Agency (as the case may be) as are most equivalent to the prior rating designations of the existing Rating Agency (or Rating Agencies, as the case may be).
- (h) Notwithstanding any other provision contained herein, there shall be no limit on the number of times that the Rate of Interest may be adjusted pursuant hereto during the term of the Notes provided that at no time during the term of the Notes will the Rate of Interest be (i) less than the initial Rate of Interest or (ii) more than the initial Rate of Interest plus the Step Up Margin specified hereon.

Where:

Rating Agency, Fitch, Moody's, S&P and Substitute Rating Agency have the meanings given to such terms in Condition 7.6 (*Redemption at the option of the Noteholders upon a Change of Control (Change of Control Put)*);

Step Down Rating Change means the first public announcement by Moody's and, if applicable, each other Rating Agency appointed by or with the consent of Castellum, after a Step Up Rating Change, that the credit rating of Castellum's senior unsecured long-term debt is at least Baa3 in the case of Moody's and, if applicable, at least BBB- in the case of S&P and at least BBB- in the case of Fitch with the result that, following such public announcement, no Rating Agency assigns a credit rating below the aforementioned levels or

any equivalent rating. For the avoidance of doubt, any further increase in the credit rating of Castellum's senior unsecured long-term debt above Baa3 in the case of Moody's and, if applicable, at least BBB- in the case of S&P and at least BBB- in the case of Fitch and in respect of any other Substitute Rating Agency, an equivalent rating or above shall not constitute a further Step Down Rating Change;

Step Up Margin means the rate per annum specified in the applicable Final Terms; and

Step Up Rating Change means the first public announcement by Moody's or, if applicable, any other Rating Agency appointed by or with the consent of Castellum of a decrease in the credit rating of Castellum's senior unsecured long-term debt to below Baa3 (in the case of Moody's) or below BBB- (in the case of S&P) or below BBB- (in the case of Fitch). For the avoidance of doubt, any further decrease in the credit rating of Castellum's senior unsecured long-term debt below Baa3 in the case of Moody's or, if applicable, below BBB- in the case of S&P or below BBB- in the case of Fitch and in respect of any other Substitute Rating Agency, an equivalent rating or below shall not constitute a further Step Up Rating Change.

6. PAYMENTS

6.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (Taxation) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto (any such withholding or deduction, a **FATCA Withholding**).

6.2 Presentation of definitive Bearer Notes and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured

Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8 (Taxation)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9 (*Prescription*) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

6.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

6.4 Payments in respect of Registered Notes

Payments of principal in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of

the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**). Payment of the interest due in respect of each Registered Note on redemption will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

None of the relevant Issuer, the Guarantor or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

6.5 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the relevant Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the relevant Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the relevant Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the relevant Issuer and the Guarantor, adverse tax consequences to the relevant Issuer or the Guarantor.

6.6 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 9 (*Prescription*)) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):
 - (i) in the case of Notes in definitive form only, in the relevant place of presentation; and
 - (ii) in each Additional Financial Centre (other than TARGET2 System) specified in the applicable Final Terms;
- (b) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open; and
- (c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

6.7 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 8 (*Taxation*);
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) the Change of Control Redemption Amount (if any) of the Notes; and
- (f) any premium and any other amounts (other than interest) which may be payable by the relevant Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 (*Taxation*).

7. REDEMPTION AND PURCHASE

7.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the relevant Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

7.2 Redemption for tax reasons

The Notes may be redeemed at the option of the relevant Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice each as specified in the applicable Final Terms to the Principal Paying Agent and, in accordance with Condition 14 (*Notices*), the Noteholders (which notice shall be irrevocable), if:

- (a) on the occasion of the next payment due under the Notes, the relevant Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) or the Guarantor is unable to procure payment by the relevant Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (b) such obligation cannot be avoided by the relevant Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the relevant Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due or, as the case may be, a demand under the Guarantee then made.

Prior to the publication of any notice of redemption pursuant to this Condition, the relevant Issuer shall deliver to the Principal Paying Agent to make available for inspection at its specified office to the Noteholders (i) a certificate signed by two Authorised Signatories of the relevant Issuer or, as the case may be, two Authorised Signatories of the Guarantor, stating that the relevant Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the relevant Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the relevant Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 7.2 (*Redemption for tax reasons*) will be redeemed at their Early Redemption Amount referred to in Condition 7.8 (*Early Redemption Amounts*) below together with any interest accrued to (but excluding) the date of redemption.

7.3 Redemption at the option of the relevant Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, the relevant Issuer may, having given not less than the minimum period nor more than the maximum period of notice each as specified in applicable Final Terms to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable (other than in the circumstances set out in the next sentence) and

shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) each as specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

Where the Optional Redemption Amount is Spens Amount or Make-whole Amount, any such notice of redemption may, at the relevant Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the relevant Issuer's discretion, the Optional Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the relevant Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the relevant Issuer in its sole discretion) by the Optional Redemption Date, or by the Optional Redemption Date so delayed. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

The Optional Redemption Amount will either be the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms or, if either Spens Amount or Make-whole Amount is specified in the applicable Final Terms, will be:

- (a) if Spens Amount is specified as being applicable in the applicable Final Terms, the higher of (i) 100 per cent. of the nominal amount outstanding of the Notes to be redeemed and (ii) the nominal amount outstanding of the Notes to be redeemed multiplied by the price, as reported to the relevant Issuer by the Determination Agent, at which the Gross Redemption Yield to maturity or, if a Par Call Period is specified in the applicable Final Terms, the Gross Redemption Yield to the Par Call Period Commencement Date on such Notes on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at the Quotation Time on the Reference Date of the Reference Bond, plus the Redemption Margin; or
- (b) if Make-whole Amount is specified as applicable in the applicable Final Terms, the higher of (i) 100 per cent. of the nominal amount outstanding of the Notes to be redeemed and (ii) the sum of the present values of the nominal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Notes (exclusive of interest accrued to the date of redemption) and such present values shall be calculated by discounting such amounts to the date of redemption on an annual basis (based on the Day Count Fraction specified in the applicable Final Terms) at the Reference Bond Rate, plus the Redemption Margin, all as determined by the Determination Agent.

In this Condition:

DA Selected Bond means a government security or securities (which if the Specified Currency is euro, will be a German *Bundesobligationen*) selected by the Determination Agent as having an actual or interpolated maturity comparable with the remaining term of the Notes, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the remaining term of the Notes;

Determination Agent means a leading investment bank or financial institution of international standing selected by the relevant Issuer;

Gross Redemption Yield means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Determination Agent on the basis set out by the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices

from Yields", page 5, Section One: Price/Yield Formulae "Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date" (published 8 June 1998 and updated on 15 January 2002, 16 March 2005 and as further amended or updated from time to time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) or, if such formula does not reflect generally accepted market practice at the time of redemption, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Determination Agent;

Make-whole Amount has the meaning given to it in Condition 7.3(b) above;

Quotation Time shall be as set out in the applicable Final Terms;

Redemption Margin shall be as set out in the applicable Final Terms;

Reference Bond shall be as set out in the applicable Final Terms or the DA Selected Bond;

Reference Bond Price means, with respect to any date of redemption, (a) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (b) if the Determination Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

Reference Bond Rate means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption;

Reference Date will be set out in the relevant notice of redemption;

Reference Government Bond Dealer means each of five banks selected by the relevant Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

Reference Government Bond Dealer Quotations means, with respect to each Reference Government Bond Dealer and any date of redemption, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time on the Reference Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer;

Remaining Term Interest means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term to maturity of such Note (or, if Issuer Par Call is specified as being applicable in the applicable Final Terms, the remaining term up to the Par Call Period Commencement Date as specified in the applicable Final Terms and as if the Notes were to be redeemed on such day) determined on the basis of the rate of interest applicable to such Note from and including the date on which such Note is to be redeemed by the relevant Issuer pursuant to this Condition 7.3 (*Redemption at the option of the relevant Issuer (Issuer Call)*); and

Spens Amount has the meaning given to it in Condition 7.3(a) above.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or

Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 (*Notices*) not less than 15 days prior to the date fixed for redemption.

7.4 Redemption at the option of the relevant Issuer (Issuer Par Call)

If Issuer Par Call is specified as being applicable in the applicable Final Terms, the relevant Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable and specify the date fixed for redemption), redeem the Notes then outstanding in whole, but not in part, at any time during the Par Call Period specified as being applicable in the applicable Final Terms, at the Final Redemption Amount specified in the applicable Final Terms, together (if appropriate) with interest accrued but unpaid to (but excluding) the date fixed for redemption.

7.5 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the relevant Issuer in accordance with Condition 14 (*Notices*) not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the relevant Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2 (*Transfers of Registered Notes in definitive form*). If this Note is in definitive bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg, or any common depository or common safekeeper, as the case may be for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Note pursuant to this Condition 7.5 (*Redemption at the option of the Noteholders (Investor Put)*) shall be irrevocable except where, prior to the due date of

redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the relevant Issuer to withdraw the notice given pursuant to this Condition 7.5 (*Redemption at the option of the Noteholders (Investor Put)*) and instead to declare such Note forthwith due and payable pursuant to Condition 10 (*Events of Default and Enforcement*).

7.6 Redemption at the option of the Noteholders upon a Change of Control (Change of Control Put)

If a Change of Control Put is specified in the applicable Final Terms, upon the occurrence of a Change of Control Put Event (as defined below), each Noteholder will have the option (the **Change of Control Put Option**) to require the relevant Issuer to redeem or, at the relevant Issuer's option, purchase (or procure the purchase of) that Noteholder's Notes on the Change of Control Put Date (as defined below) at the Change of Control Redemption Amount together with interest accrued to but excluding the date of redemption or purchase.

Promptly upon the relevant Issuer or the Guarantor becoming aware that a Change of Control Put Event has occurred and, in any event, within 5 days of the relevant Issuer and/or the Guarantor becoming aware that such Change of Control Put Event has occurred, the relevant Issuer and/or the Guarantor shall give notice (a **Change of Control Put Event Notice**) to the Noteholders in accordance with Condition 14 (*Notices*) specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar, on any Payment Day (as defined in Condition 6.6 (*Payment Day*)) at the place of such specified office falling within the Change of Control Put Period (as defined below), a duly signed and completed notice of exercise in the form (for the time being current obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Change of Control Put Exercise Notice**) and in which the holder must specify a bank account (or, if payment is to be made by cheque, an address) to which payment is to be made under this Condition 7.6 (*Redemption at the option of the Noteholders upon a Change of Control (Change of Control Put)*) and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2 (*Transfers of Registered Notes in definitive form*). If this Note is in definitive bearer form, the Change of Control Put Exercise Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following the delivery of the Change of Control Put Exercise Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption or, as the case may be, purchase of this Note under this Condition 7.6 (*Redemption at the option of the Noteholders upon a Change of Control (Change of Control Put)*) the holder of this Note must, within the Change of Control Put Period, give notice to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) of such exercise in accordance with the standard procedures of Euroclear and/or Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear and/or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) by electronic means) in a form acceptable to Euroclear and/or Clearstream, Luxembourg from time to time.

A Change of Control Put Exercise Notice given by a holder of any Note shall be irrevocable except where, prior to the due date of redemption or purchase, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the relevant Issuer to withdraw the Change of Control Put Exercise Notice given pursuant to this Condition 7.6 (*Redemption at the option of the Noteholders upon a Change of Control (Change of Control Put)*) and instead treat its Notes as being forthwith due and payable pursuant to Condition 10 (*Events of Default and Enforcement*).

Any Note which is the subject of a Change of Control Put Exercise Notice which has been delivered as described above prior to the expiry of the Change of Control Put Period shall be redeemed or, as the case may be, purchased by (or on behalf of) the relevant Issuer on the date which is the seventh Business Day as defined in Condition 5.2(a) (*Interest Payment Dates*) immediately following the last day of the Change of Control Put Period (the **Change of Control Put Date**).

If 75 per cent. or more in nominal amount of the Notes outstanding on the date on which the Change of Control Put Exercise Notice is given have been redeemed pursuant to this Condition 7.6 (*Redemption at the option of the Noteholders upon a Change of Control (Change of Control Put)*), the relevant Issuer may on not less than 30 or more than 60 days' notice to the Noteholders given within 30 days after the Change of Control Put Date, redeem or purchase all outstanding Notes at the Change of Control Redemption Amount together with interest accrued to but excluding the date of such redemption.

In these Conditions:

a **Change of Control Put Event** will be deemed to occur if:

- (a) any Person or any Persons acting in concert shall acquire (A) shares in the issued or allotted share capital of Castellum carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of Castellum or (B) the power to appoint or remove the majority of the members of the board of directors of Castellum (each such event being, a **Change of Control**); and
- (b) on the date (the **Relevant Announcement Date**) that is the earlier of (1) the date of the earliest Potential Change of Control Announcement (as defined below) (if any) and (2) the date of the first public announcement of the relevant Change of Control, the Notes carry:
 - (i) an investment grade credit rating (*Baa3/BBB-/BBB-*, or equivalent, or better) (an **Investment Grade Rating**) from any Rating Agency (provided by such Rating Agency at the invitation or with the consent of Castellum) and, within the Change of Control Period, any such Rating Agency downgrades its rating of the Notes to a non-investment grade credit rating (*Ba1/BB+/BB+* or equivalent, or worse) or withdraws its rating of the Notes and such rating is not within the Change of Control Period (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an Investment Grade Rating by such Rating Agency; or
 - (ii) a non-investment grade credit rating (*Ba1/BB+/BB+* or equivalent or worse) from any Rating Agency (provided by such Rating Agency at the invitation or with the consent of Castellum) and such rating from any Rating Agency is within the Change of Control Period downgraded by one or more notches (*for illustration, Ba1/BB+/BB+ to Ba2/BB/BB being one notch*) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; or

- (iii) no credit rating from any Rating Agency and a Negative Rating Event also occurs within the Change of Control Period,

and

- (c) in making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the relevant Issuer or the Guarantor that such downgrading and/or withdrawal resulted, directly or indirectly, from the Change of Control or the Potential Change of Control Announcement (whether or not the Change of Control shall have occurred at the time such rating is downgraded and/or withdrawn). Upon receipt by the relevant Issuer or the Guarantor of any such written confirmation, the relevant Issuer shall forthwith give notice of such written confirmation to the Noteholders in accordance with Condition 14 (*Notices*)

If the rating designations employed by Moody's, S&P or Fitch are changed from those which are described in paragraph (b) of the definition of "Change of Control Put Event" above, or if a rating is procured from a Substitute Rating Agency, Castellum shall determine the rating designations of Moody's, S&P or Fitch or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's, S&P or Fitch and this Condition 7.6 (*Redemption at the option of the Noteholders upon a Change of Control (Change of Control Put)*) shall be construed accordingly.

Change of Control Period means the period commencing on the Relevant Announcement Date and ending 120 days after the occurrence of the Change of Control or, where a Rating Agency has publicly announced that the Notes are under consideration for rating review or, as the case may be, being assigned a solicited rating (such public announcement being within the period ending 120 days after the Change of Control), the later of (i) such 120th day after the Change of Control and (ii) the date falling 60 days after such public announcement;

Change of Control Put Period means the period from, and including, the date of a Change of Control Put Event Notice to, but excluding, the 45th day following the date of the Change of Control Put Event Notice or, if earlier, the eighth day immediately preceding the Maturity Date;

Fitch means Fitch Ratings Limited;

Moody's means Moody's Investors Service Ltd;

Negative Rating Event shall be deemed to have occurred if (i) the relevant Issuer does not, prior to or not later than 21 days after the occurrence of the relevant Change of Control, seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Notes or (ii) if the relevant Issuer does so seek and use all such reasonable endeavours, it is unable to obtain such rating of at least investment grade (*Baa3/BBB-/BBB- or equivalent or better*) by the end of the Change of Control Period and the relevant Rating Agency announces publicly or confirms in writing to the relevant Issuer or the Guarantor that the failure to issue a rating of at least investment grade (*Baa3/BBB-/BBB- or equivalent or better*) was as a result, directly or indirectly, of the Change of Control or the Potential Change of Control Announcement (whether or not the Change of Control had occurred at such time);

Potential Change of Control Announcement means any public announcement or statement by or on behalf of Castellum, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs; and

Rating Agency means Moody's, S&P or Fitch or any of their respective successors or any other rating agency (a **Substitute Rating Agency**) of equivalent international standing specified by the relevant Issuer from time to time; and

S&P and Standard & Poor's means S&P Global Ratings Europe Limited.

7.7 Clean-Up Call

If Clean-Up Call is specified as being applicable in the applicable Final Terms, in the event that 75 per cent. or more in principal amount of the Notes then outstanding have been redeemed pursuant to Condition 7.5 (*Redemption at the option of the Noteholders (Investor Put)*) or purchased and cancelled pursuant to Condition 7.9 (*Purchases*), the relevant Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Principal Paying Agent and the Noteholders in accordance with Condition 14 (*Notices*), redeem or, at the relevant Issuer's option, purchase (or procure the purchase of) all but not some only of, the Notes then outstanding at the Optional Redemption Amount specified in the applicable Final Terms together with interest accrued to but excluding the date of such redemption. The notice referred to in the preceding sentence shall be irrevocable and shall specify the date fixed for redemption.

7.8 Early Redemption Amounts

For the purpose of Condition 7.2 (*Redemption for tax reasons*) and Condition 10 (*Events of Default and Enforcement*):

- (a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount as specified in the applicable Final Terms; or
- (b) each Zero Coupon Note will be redeemed at its Early Redemption Amount being an amount calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

RP means the Reference Price;

AY means the Accrual Yield (as specified in the applicable Final Terms) expressed as a decimal;
and

y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

7.9 Purchases

The relevant Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the relevant Issuer, the Guarantor or the relevant Subsidiary surrendered to any Paying Agent and/or the Registrar for cancellation.

7.10 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7.9 above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

7.11 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7.1 (*Redemption at maturity*), 7.2 (*Redemption for tax reasons*), 7.3 (*Redemption at the option of the relevant Issuer (Issuer Call)*) or 7.4 (*Redemption at the option of the relevant Issuer (Issuer Par Call)*) or upon its becoming due and repayable as provided in Condition 10 (*Events of Default and Enforcement*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.8(b) as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 14 (Notices).

8. TAXATION

All payments of principal and interest in respect of the Notes and Coupons by or on behalf of the relevant Issuer or the Guarantor will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the relevant Issuer or, as the case may be, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) presented for payment in a Tax Jurisdiction; or
- (b) the holder of which is liable for such taxes or duties in respect of such Note or Coupon by reason of the holder's having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or

- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.6 (Payment Day)).

Notwithstanding any other provision of these Conditions, in no event will the relevant Issuer or any other person be required to pay any additional amounts in respect of the Notes and Coupons for, or on account of, any FATCA Withholding.

As used herein:

- (i) **Tax Jurisdiction** means the Kingdom of Sweden (in the case of payments by Castellum) or the Republic of Finland (in the case of payments by Castellum Finance) or, in either case, any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction (or any political subdivision or any authority thereof or therein having power to tax) to which payments made by the relevant Issuer or the Guarantor of principal and interest on the Notes or under the Guarantee become generally subject; and
- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14 (*Notices*).

9. PRESCRIPTION

The Notes (whether in bearer or registered form) and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 (*Presentation of definitive Bearer Notes and Coupons*) or any Talon which would be void pursuant to Condition 6.2 (*Presentation of definitive Bearer Notes and Coupons*).

10. EVENTS OF DEFAULT AND ENFORCEMENT

10.1 Events of Default

If any one or more of the following events (each an **Event of Default**) occurs and is continuing:

- (a) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or
- (b) if Castellum fails to maintain the Consolidated Coverage Ratio in accordance with Condition 4.2(c) (*Financial Covenants*) and such breach continues for 90 days;
- (c) if the relevant Issuer or the Guarantor fails to perform or observe any of its other obligations under these Conditions or the Guarantee and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues unremedied for the period of 30 days next following the

service by a Noteholder on the relevant Issuer or, as the case may be, the Guarantor of written notice requiring the same to be remedied; or

- (d) if (i) any Financial Indebtedness of the relevant Issuer or the Guarantor or any of their respective Subsidiaries becomes due and repayable prior to its stated maturity by reason of an event of default (however described); (ii) the relevant Issuer, the Guarantor or any of their respective Subsidiaries fails to make any payment in respect of any Financial Indebtedness on the due date for payment (as extended by any originally applicable grace period); (iii) any security given by the relevant Issuer, the Guarantor or any of their respective Subsidiaries for any Financial Indebtedness becomes enforceable and steps are taken to enforce the same; or (iv) default is made by the relevant Issuer, the Guarantor or any of their respective Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Financial Indebtedness of any other person; provided that no event described in this subparagraph 10.1(d) shall constitute an Event of Default unless the relevant amount of Financial Indebtedness, either alone or when aggregated (without duplication) with other amounts of Financial Indebtedness in respect of which one or more of the events set out in this Condition 10.1(d) occurs amounts to at least 1 per cent. of the Consolidated Total Assets; or
- (e) if any order is made by any competent court or resolution passed for the winding up or dissolution of the relevant Issuer, the Guarantor or any Material Subsidiary, save for the purposes of reorganisation, amalgamation, adjustment or restructuring of the Group whilst solvent on terms previously approved by an Extraordinary Resolution; or
- (f) if the relevant Issuer, the Guarantor or any Material Subsidiary ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of any reorganisation, amalgamation, adjustment or restructuring of the Group whilst solvent or on terms previously approved by an Extraordinary Resolution, or the relevant Issuer, the Guarantor or any Material Subsidiary becomes insolvent or is unable to, or admits inability to, pay its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (g) if (i) proceedings are initiated against the relevant Issuer, the Guarantor or any Material Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the relevant Issuer, the Guarantor or any Material Subsidiary or, as the case may be, in relation to the whole or any part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or any part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any part of the undertaking or assets of any of them and (ii) in any case (other than the appointment of an administrator) is not discharged within 60 days; or
- (h) if the relevant Issuer, the Guarantor or any Material Subsidiary (or their respective directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or

- (i) if the relevant Issuer (where the relevant Issuer is Castellum Finance) ceases to be a subsidiary wholly owned and controlled, directly or indirectly, by the Guarantor; or
- (j) if the Guarantee ceases to be, or is claimed by the relevant Issuer or the Guarantor not to be, in full force and effect,

then any holder of a Note may, by written notice to the relevant Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

10.2 Definitions

For the purposes of the Conditions:

Material Subsidiary means, at any particular time, a Subsidiary of Castellum:

- (a) whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose rental revenue (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case not less than 10 per cent. of the consolidated total assets or, as the case may be, consolidated rental revenue of the Group, all as calculated respectively by reference to the then latest audited financial statements (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated financial statements of the Group, *provided that* in the case of a Subsidiary of Castellum acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Group relate, the reference to the then latest audited consolidated financial statements of the Group for the purposes of the calculation above shall, until consolidated financial statements for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned financial statements as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited financial statements, adjusted as deemed appropriate by Castellum;
- (b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of Castellum which immediately prior to such transfer is a Material Subsidiary pursuant to (a) above, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (b) on the date on which the consolidated financial statements of the Group for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated financial statements have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition; or
- (c) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, generated (or, in the case of a transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Group relate, generate rental revenue equal to) not less than 10 per cent. of the consolidated rental revenue, or represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets, of the Group, all as calculated as referred to in subparagraph (a) above, provided that the transferor Subsidiary (if a Material Subsidiary) shall upon such transfer forthwith cease to be a

Material Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate rental revenue equal to) not less than 10 per cent. of the consolidated rental revenue, or its assets represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets, of the Group, all as calculated as referred to in subparagraph (a) above, and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (c) on the date on which the consolidated financial statements of the Group for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition,

all as more particularly defined in the Agency Agreement.

A report by two Authorised Signatories (as defined in the Agency Agreement) of Castellum that in their opinion a Subsidiary of Castellum is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary, shall, in the absence of manifest error, be conclusive and binding on all parties.

11. REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the relevant Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

12. AGENTS

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The relevant Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent and a Registrar;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction(s) in which the relevant Issuer and the Guarantor are incorporated.

In addition, the relevant Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.5 (*General provisions applicable to payments*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the relevant Issuer in accordance with Condition 14 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the relevant Issuer and the Guarantor and do not assume any obligation to, or relationship of agency or trust with, any Noteholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

13. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9 (*Prescription*).

14. NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The relevant Issuer or the Guarantor shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the

case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

15. MEETINGS OF NOTEHOLDERS AND MODIFICATION

15.1 Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the relevant Issuer or the Guarantor and shall be convened by the relevant Issuer if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons or amending the Deed of Covenant or the Guarantee), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding.

The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Principal Paying Agent) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Couponholders.

15.2 Modification

The Principal Paying Agent and the relevant Issuer may agree, without the consent of the Noteholders or Couponholders, to:

- (a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Coupons, the Deed of Covenant, the Guarantee or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Coupons, the Deed of Covenant, the Guarantee or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

16. SUBSTITUTION

The relevant Issuer, or any previously substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons, a Subsidiary of Castellum (the **Substitute**), provided that no payment in respect of the Notes or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the **Deed Poll**), to be substantially in the form exhibited to the Agency Agreement, and may take place only if:

- (i) the Substitute shall have become party to the Agency Agreement *mutatis mutandis*, as if it had been an original party thereto and shall assume the obligations of the relevant Issuer under the Deed of Covenant relating to the Notes;
- (ii) the Substitute shall, by means of the Deed Poll, agree to indemnify each Noteholder and Couponholder against any withholding, tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and/or, if different, of its incorporation with respect to any Note, Coupon or Deed of Covenant and which would not have been so imposed had the substitution not been made, as well as against any withholding, tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;
- (iii) where the Substitute is not Castellum AB and in the event that all the assets and liabilities of Castellum AB are not assumed by the Substitute, the obligations of the Substitute under the Deed Poll, the Agency Agreement, the Deed of Covenant, the Notes and the Coupons shall be unconditionally and irrevocably guaranteed by Castellum AB substantially in the form of the guarantee contained in the Deed Poll;
- (iv) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Agency Agreement, the Deed of Covenant, the Notes and Coupons represent valid, legally binding and enforceable obligations of the Substitute and (in the case of Notes issued by Castellum Finance) in the case of the Deed Poll of Castellum have been taken, fulfilled and done and are in full force and effect;
- (v) the Substitute, if incorporated in a jurisdiction other than England, shall have appointed an agent to receive, for and on its behalf, service of process in any proceedings in England;
- (vi) each listing authority and stock exchange (if any) on which the Notes are then admitted to listing or trading shall have confirmed that, following the proposed substitution, the Notes will be admitted to listing or trading by such listing authority or stock exchange;
- (vii) the Substitute shall have delivered to the Principal Paying Agent a certificate signed by two authorised signatories of the Substitute that the Substitute is solvent at the time at which the substitution is proposed to be effected;
- (viii) legal opinions, subject to customary assumptions and qualifications, addressed to the Noteholders shall have been delivered to them (care of the Principal Paying Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (ii) above and in England confirming, as applicable, (A) that the Substitute has obtained all necessary approvals for its assumptions of its duties and liabilities as the Substitute and, where relevant, Castellum AB has obtained all necessary approvals for its giving of the guarantee referred to in (iii) above and (B) any documents to which the Substitute is a party under paragraphs (i) and (ii) above and to which Castellum AB is a party under (iii) above,

as the case may be, constitute legal, valid, binding and enforceable obligations of the Substitute or Castellum AB, as the case may be; and

- (ix) the relevant Issuer shall have given at least 14 days' prior notice in accordance with Condition 14 (*Notices*) of such substitution to the Noteholders stating that copies, or, pending execution, the agreed text of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents.

References in Condition 10 (*Events of Default and Enforcement*) to obligations under the Notes shall be deemed to include obligations under the Deed Poll.

17. FURTHER ISSUES

The relevant Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

19.1 Governing law

The Agency Agreement, the Deed of Covenant, the Guarantee, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Guarantee, the Deed of Covenant, the Notes and the Coupons are governed by, and construed in accordance with, English law.

19.2 Submission to jurisdiction

- (a) Subject to Condition 19.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a **Dispute**) and accordingly each of the relevant Issuer, the Guarantor and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 19.2 (*Submission to jurisdiction*), the relevant Issuer and the Guarantor each waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

19.3 Appointment of Process Agent

The relevant Issuer and the Guarantor each irrevocably appoints The Swedish Trade and Invest Council at 5 Upper Montague Street, London W1H 2AG as their agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of The Swedish Trade and Invest Council being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The relevant Issuer and the Guarantor agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

19.4 Other documents

The relevant Issuer and the Guarantor have in the Agency Agreement, the Guarantee and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the relevant Issuer for its general corporate purposes, which include making a profit, unless otherwise specified in the applicable Final Terms.

In particular, if so specified in the use of proceeds section of the applicable Final Terms, the relevant Issuer intends to apply an amount equal to the net proceeds from an issue of Notes specifically for Green Projects as set out in Castellum's Green Bond Framework (as amended, supplemented or replaced from time to time, the **Framework**) which is available for viewing on Castellum's website at <https://www.castellum.se/en/Investorrelations/financing/green-bonds/>. Such Notes may also be referred to as **Green Bonds**.

Eligible Projects and Eligible Assets (each as such terms are defined and used in the Framework) have been (or will be, as the case may be) selected by Castellum from time to time in accordance with the categorisation of eligibility for Green Bonds set out in the Framework which sets out the added environmental criteria required for such issuances (the **Green Terms**). The criteria for qualification as an Eligible Project or Eligible Asset under the Framework may change from time to time. Recognising that the green bond market and best practices are still evolving, Castellum will strive to monitor market developments and, when deemed necessary, make appropriate updates to the Framework in order to reflect best market practice.

Castellum has obtained a second-party opinion from Sustainalytics to confirm the Framework's alignment with the International Capital Markets Association (**ICMA**) Green Bond Principles 2016. The second party opinion and the Framework are, and any updates to the Framework will be, available for viewing on Castellum's website at <https://www.castellum.se/en/Investorrelations/financing/green-bonds/>.

Decisions relating to the choice and financing of Eligible Projects and Eligible Assets will be made by Castellum's Group Finance Department and the Sustainability Department. The allocation of proceeds from Green Bonds will be carefully managed and overseen by the Group Finance Department according to specific Green Bond procedures.

Castellum will publish a yearly report which will describe the use of proceeds and adherence to the green terms set out in the Framework. The report will include details of the Eligible Projects and Eligible Assets including information on certain key environmental indicators (such as energy consumption and carbon footprint), and will be published annually and be generally available on Castellum's website at <https://www.castellum.se/en/Investorrelations/financing/green-bonds/> for so long as Castellum has Green Bonds outstanding.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by Castellum) which may be made available in connection with the issue of any Green Bonds and in particular with any Eligible Projects and Eligible Assets to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, neither any such opinion or certification nor the Framework are, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Neither such opinion or certification nor the Framework are, nor should be deemed to be, a recommendation by Castellum or any of the Dealers or any other person to buy, sell or hold any such Green Bonds. Any such opinion or certification is only current as at the date that opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Green Bonds. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. See further information under the risk factor above headed, "*Risk Factors - In respect of any Notes issued as Green Bonds, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor.*"

DESCRIPTION OF CASTELLUM HELSINKI FINANCE HOLDING ABP

General

Castellum Helsinki Finance Holding Abp (**Castellum Finance**) is an indirect wholly-owned subsidiary of Castellum AB. Castellum Finance is incorporated under the laws of the Republic of Finland with business identity code 3220837-5. Castellum Finance was incorporated pursuant to a memorandum of association dated 28 June 2021 and was established upon registration with the Finnish Trade Register Authority on 14 July 2021 under the Finnish Act on Limited Liability Companies (624/2006, as amended) as a public limited liability company. The address of its registered office and domicile is Lautatarhankatu 6, 00580 Helsinki, Finland and its telephone number is +358 9 25146111.

All transactions between Castellum AB and Castellum Finance are carried out on an arm's length basis.

The issued share capital of Castellum Finance is ultimately beneficially owned and controlled by Castellum AB (through its shareholding in Fastighets AB Regeringsgatan 3). The rights of Fastighets AB Regeringsgatan 3 as a direct shareholder in Castellum Finance are regulated in the Finnish Act on Limited Liability Companies and in the memorandum of association of Castellum Finance. The management of Castellum Finance is organised in accordance with its memorandum of association and the laws of the Republic of Finland.

Business

According to article 3 of Castellum Finance's memorandum of association, Castellum Finance engages in the business of directly or indirectly through wholly or partly owned companies acquiring, managing and holding participations and shares in subsidiaries. Further, Castellum Finance may also engage in financing activities of group companies, such as borrowing and lending, and grant guarantees or provide collateral on behalf of group companies' obligations. Castellum Finance may also own securities and real estate in Finland and abroad, issue securities and take part in other financing arrangements. As at the date of this Base Prospectus, Castellum Finance is planning to engage in group administration and to act as a financing company on behalf of Castellum AB and the Group.

Board of Directors

As at the date of this Base Prospectus, the members of the Board of Directors of Castellum Finance are as follows:

<u>Name</u>	<u>Board member since</u>	<u>Title</u>
Henrik Stadigh	2021	Board Member
Kristina Sawjani	2021	Deputy Board Member

None of the members of the Board of Directors listed above have any activities outside the Group which are significant with respect to the Group.

The business address of each member of the Board of Directors of Castellum Finance is c/o Castellum Oy, Lautatarhankatu 6. 00580 Helsinki, Finland.

There are no potential conflicts of interest between the duties to Castellum Finance of any of the members of the Board of Directors listed above and their private interests and/or other duties.

Share Capital

The authorised share capital of Castellum Finance is EUR 80,000 divided into 1,000 ordinary shares. The shares have no par value. Castellum Finance's issued and fully paid up share capital is EUR 80,000.

Financial Information

Castellum Finance's annual financial year-end date is 31 December. The initial accounting period of Castellum Finance commenced on 28 June 2021 (being its date of incorporation) and ends on 31 December 2021, due to which, at the date of this Base Prospectus, it has not yet prepared any financial information.

DESCRIPTION OF CASTELLUM

General

Castellum AB was incorporated on 24 September 1993 as a public limited liability company under the laws of the Kingdom of Sweden (**Sweden**) pursuant to the Swedish Companies Act (Sw. *aktiebolagslagen 2005:551*) and registered in Sweden with registration number 556475-5550. The address of its registered office and domicile is Östra Hamngatan 16, Gothenburg, Sweden, its telephone number is +46 31 60 74 00 and its website is www.castellum.se. Castellum was listed on the Stockholm stock exchange (**Stockholm NASDAQ**) on 23 May 1997.

Castellum is one of the largest listed real estate groups in Sweden by reported property market value⁷. As at 30 June 2021, Castellum's property values amounted to SEK 97.2 billion. Castellum owns, develops and manages a real estate portfolio comprising office, warehousing/logistics and public sector properties. The property portfolio is owned and managed under the Castellum brand through a decentralised organisation with a strong and clear local presence in 15 cities in Sweden and also in Copenhagen, Denmark as well as, after the acquisition of the real estate company Kielo in early July 2021 Helsinki, Tampere, Turku and Lahti. As at 30 June 2021 Castellum's property portfolio comprised 558 properties with a total leasable area of 3.8 million square metres generating total income of SEK 5,941 million over the prior twelve month period.

Ownership structure

As at 30 June 2021 Castellum AB had approximately 89,000 shareholders, with 30 per cent. of shares registered to non-Swedish international investors. In Sweden, the lowest threshold for disclosure of holdings (so called 'flagging') is five per cent. of all shares or votes in a company. One Swedish shareholder, Rutger Arnhult, has disclosed ownership of over twenty per cent. and two foreign shareholders, APG Asset Management and BlackRock have disclosed a holding of five per cent or more.

The following tables provide a summary of the consolidated statement of comprehensive income, balance sheet and key performance indicators of the Group for the years ended and as at 31 December 2020 and 31 December 2019:

Consolidated statement of comprehensive income in summary

SEK million	Jan-Dec 2019	Jan-Dec 2020
Rental income	5,265	5,438
Service income	452	454
Co-working income	104	112
Income	5,821	6,004
Operating expenses	-711	-654
Maintenance	-157	-145
Property tax	-367	-371

⁷ Based on Castellum's calculations based on publicly available information.

Co-working expenses	-99	-120
Letting and property administration	<u>-374</u>	<u>-379</u>
Net operating income	4,113	4,335
Central administrative expenses	-163	-149
Acquisition costs	-9	-25
Interest income	2	6
Interest cost	<u>-784</u>	<u>-792</u>
Financing fees etc for acquisitions	-	-70
Letting cost / Site leasehold fee	-22	-20
Income from property management including acquisition costs / financing costs	3,137	3,380
<i>-of which income from property management*</i>	3,146	3,380
Goodwill, impairment	-179	-
<i>Changes in value</i>		
Properties	3,918	3,863
Derivatives	<u>-111</u>	<u>-120</u>
Income before tax	6,765	7,028
Current tax	-165	-247
Deferred tax	<u>-950</u>	<u>-1,166</u>
Net income for the period/year	5,650	5,615
Other total net income		
Items that will be reclassified to net income for the year		
Translation difference of currencies etc.	92	-216
Change in values on derivatives, currency hedge	<u>-47</u>	<u>44</u>
Total net income for the period/year**	<u>5,695</u>	<u>5,443</u>

* For calculation of key performance indicators see "Alternative Performance Measures and other Key Performance Indicators", below.

** Net income and total net income for the period/year is entirely assignable to the parent company's shareholders.

Consolidated balance sheet

SEK million	31 Dec 2019	31 Dec 2020
ASSETS		
<i>Fixed assets</i>		
Investment properties	95,168	103,042
Tangible fixed assets	156	170
Leases, right-of-use	846	888
Financial assets	-	2,729
Goodwill	1,691	1,673
Other fixed assets	23	30
Total fixed assets	97,884	108,532
<i>Current assets</i>		
Rent receivables	70	47
Receivables, property sales	3	220
Other receivables	430	554
Repaid expenses and accrued income	425	402
Cash and cash equivalents	173	161
Total current assets	1,101	1,384
TOTAL ASSETS	98,985	109,916
 SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	43,777	48,243
Liabilities		
<i>Long term liabilities</i>		
Deferred tax liability	10,153	11,376
Other provisions	5	3

Derivatives	715	1,132
Long-term interest bearing liabilities	40,826	45,720
Other long-term liabilities / lease liabilities	<u>846</u>	<u>888</u>
Total long-term liabilities	<u>52,545</u>	<u>59,119</u>
<i>Short-term liabilities</i>		
Accounts payable	203	126
Tax liabilities	256	423
Other liabilities	685	623
Accrued expenses and prepaid income	1,519	1,382
<i>Total short-term liabilities</i>	<u>2,663</u>	<u>2,554</u>
Total liabilities	<u>55,208</u>	<u>61,673</u>
TOTAL EQUITY AND LIABILITIES	<u>98,985</u>	<u>109,916</u>
Pledged assets (property mortgages)	20,903	21,231
Pledged assets (chattel mortgages)	-	-
Contingent liabilities	-	-

Key performance indicators

For definitions of key performance indicators please see “*Alternative Performance Measures and other Key Performance Indicators*”, below.

	June 2021	June 2020
	(unaudited)	
EPRA NRV (SEK million)	61,895	54,233
EPRA NRV SEK/share	227	199
EPRA NTA SEK/share	219	190
EPRA Vacancy Rate	7%	6%
Financial		
Net operating income margin	69%	72%
Interest coverage ratio	532%	529%
Net investments (SEK million)	-8,986	1,378

Loan to value ratio (vs. total assets only)	38%	41%
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Property related

Rental value, SEK/square metre	1,629	1,533
Economic occupancy rate	93.1%	93.9%
Property costs, SEK/square metre	425	363
Property value, SEK/square metre	25,998	22,541

History

1997	Castellum listed on the Stockholm NASDAQ's O-list.
2016	Castellum acquired Norrporten AB and divested properties in northern parts of Sweden.
	Castellum divested significant parts of the logistics portfolio.
2020-2021	Castellum acquired approximately 18 per cent of the shares in ENTRA ASA.

Business model and Strategic Plan

The Group's operations comprise the ownership, management, development of and investment in commercial premises through a decentralised and customer focused organisation with a focus on ensuring stable cash flow and operating with low financial risk.

Castellum's strategic plan, which is reviewed annually by the Board of Directors, consists of a number of building blocks designed to achieve the overall objective of ten per cent. annual growth in income from property management on a SEK per share basis in order to create shareholder value.

Castellum's objective is to create successful and sustainable workplaces in Nordic growth regions by keeping close to its customers and their needs, while at the same time being at the forefront of innovation in terms of expertise and service offerings to customers.

Castellum has sought to implement the strategic plan through various means, in particular by ensuring that its sustainability work is an integrated part of the Group's daily operations, for example, ensuring that processes become more energy efficient and that less water is used across the Group's portfolio, as well as choosing renewable energy sources over non-renewable ones. Castellum also certifies all new developments according to various environmental standards (both international (e.g. BREEAM⁸) and domestic (e.g. Miljöbyggnad⁹)), as well as carrying out ecosystem surveys.

⁸ BREEAM is a leading sustainability assessment method for projects, infrastructure and buildings. It recognises and reflects the value in higher performing assets across the built environment lifecycle, from new construction to in-use and refurbishment.

⁹ The Sweden Green Building Council is a non-profit organisation owned by its members, open to all companies and organisations within the Swedish construction and real estate sector who wish to develop and influence environmental and sustainability work in the industry. It has been an established member of the World Green Building Council since 2011.

Business strategy and operations

At an operational level, Castellum's business strategy consists of five core elements:

Product strategy

The growth of e-commerce has had, and continues to have, a significant impact on the retail and logistics sectors. Castellum has partly pre-empted and also been actively responding to this evolution. Castellum has for a number of years been reducing the proportion of pure retail space in its portfolio and simultaneously developed its logistics portfolio. Castellum considers itself to be well positioned to take a leading role in the e-commerce logistics chain, due to its well-located buildings and land, including major hubs along the key logistics routes down to consumer handling in the major cities.

Customer strategy

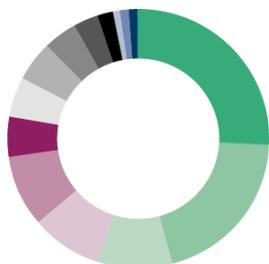
Castellum's customers consist primarily of tenants from the following sectors: public sector agencies and authorities; commercial services, consultants and retail, including wholesalers. Castellum aims to tailor its offering to existing and potential customers by offering premises that meet the customers' specific needs and objectives. Castellum seeks to maintain a broad customer base that provides risk diversification across industry, lease maturity and the individual tenants.

A clear customer focus is achieved through building long-term relationships, maintaining a local presence and providing high service levels in order to meet customer expectations. Customer requirements change over time and Castellum's property portfolio offers energy efficient, versatile and sustainable premises to meet customer requirements. In addition, Castellum aims to provide innovative solutions to changing customer demands. Through its customer focussed offering, Castellum's goal is to position the Group as the first choice for Nordic enterprises, authorities and municipalities.

More specifically, Castellum has sought to establish an active dialogue with customers through the Group's team of property managers and maintenance teams who are typically employed directly by Castellum rather than by third party service providers. This allows Castellum both to collect data and intelligence about its customers' needs and to be proactive in meeting those needs. This knowledge and experience of customer behaviours, needs and demands provides useful insights for Castellum's innovation lab, Next20.

The table below shows the breakdown of Castellum's commercial leases distributed by sector (as a percentage of total rental income) as at 31 December 2020:

Commercial Leases distributed by customer category



- Public Sector **26%**
- Commercial services, consultants **20%**
- Industrial durables and services **9%**
- Retail incl. wholesales **9%**
- IT: software, hardware and services **9%**
- Automotive: sales, services and manufacturing **5%**
- Healthcare **5%**
- Bank, finance and insurance **5%**
- Hotel, restaurants and leisure **4%**
- Energy **3%**
- Food: grocery stores and producers **2%**
- Transport **1%**
- Forestry **1%**
- Real estate **1%**

Portfolio strategy

Castellum develops and manages its property portfolio to support growth in income from property management. Castellum initiates and implements transactions locally, regionally, nationally and internationally throughout the Nordic region. Castellum's properties are located in cities with strong economic growth in Sweden as well as Copenhagen and Finland with a focus on Helsinki, and the property portfolio is well-diversified in terms of regions, cities, tenants and use of premises. Castellum acquired its first properties in Copenhagen in 2011, and as at 30 June 2021 those properties had a market value of approximately SEK 5.4 billion. In 2018, Castellum also entered the Finnish market and has lately continued to expand its property asset base there to a current value of some SEK 7 billion with a focus on Helsinki but also the cities Tampere, Turku and Lahti. Castellum aims to further increase its office property portfolio in Helsinki over the medium-long term.

As a result of strategic investments and divestments that Castellum has made over the past years, as at 30 June 2021 the market value of Castellum's total property portfolio was SEK 97.2 billion.

Castellum's strategy is to improve the quality of its portfolio through the development of new modern properties and also through the refurbishment and extension of its existing properties in an economically efficient manner while also maintaining its sustainability commitment which enables it to command rent increases.

Castellum's aim is for such investments to contribute to achieving its overall growth target for income from property management within three years. Investments are normally financed with internally generated funds and external loan financing from banks as well as from the money and capital markets.

Growth strategy

In order to achieve the goal of ten per cent. growth in income from property management per share, annual net investments should amount to approximately five per cent. of the property value. Castellum's operations focus on growth in cash flow which, together with low financial risk are what Castellum believes to be the preconditions for healthy value growth in the Group alongside competitive dividends to its shareholders. To improve its cash flow and quality, the intention is that the property portfolio should continually be refined and improved through new investments as well as divestments in order to raise the quality and density of the portfolio. The Group aims to create sustained growth through increased rental levels, higher rents, and cost efficiency measures, as well as new construction, extensions and reconstructions that provide a high return and increase the quality of the property portfolio. In order to achieve its overall growth objective, as described above, Castellum has pursued investment opportunities outside Sweden, in Copenhagen and Finland with a focus on Helsinki.

Funding strategy

Castellum's goal is to maintain low financial risk. The chosen main key ratios for risk measurement are the loan-to-value ratio and the interest-coverage ratio. The funding strategy is further addressed in the section entitled "*Financing and capital structure*", below.

Development portfolio

In order to promote long-term and sustainable growth Castellum aims to continuously refine and develop its real estate portfolio by investing in new developments, extensions and redevelopments, as well as making new acquisitions. Castellum ensures that investments must be sustainable, while meeting customer demand and matching tenants' requirements for premises and workplaces. New developments are gradually added to Castellum's real estate portfolio through the acquisition of suitable properties as well as unutilised building rights.

Enhancement of the real estate portfolio requires annual investments in new developments, extensions and redevelopments of properties in the existing portfolio. An example of a major ongoing project is S ave Airport, a three million-square metre space just outside Gothenburg known as Castellum S ave which was acquired in 2018-2019 and is expected to be developed substantially in the coming years. In 2020 work began on the structural plan for the entire area and there are plans to construct an approximately 800,000 square metre modern logistics and business premises at Castellum S ave, in stages over a ten-year period. An innovation cluster for developing sustainable transportation and mobility, as well as testing grounds for air and ground vehicles, is expected to be created in parallel with the long-term development in the area.

Transaction Activities and Investments

Property acquisitions and the reallocation of capital through divestments of property has been an important strategy for Castellum's portfolio growth and continues to be a central part of the Group's strategy, particularly in terms of realising its portfolio strategy. Castellum has invested SEK 67 billion over the last ten years (2011 – 2020), an average of SEK 6.7 billion per year. During the same period Castellum disposed of properties with a total value of approximately SEK 21 billion.

Normally annual net investments amount to approximately five per cent. of the Group's total property value (on a rolling basis though typically with reference to the latest calendar year-end).

Sustainability

Castellum seeks to promote sustainable development and strives to integrate its sustainability initiatives into its operations. It is Castellum's aim that sustainability should characterise its entire business from ownership, property management and property portfolio development to customer relationships, employees and

financing. Corporate social responsibility is crucial to Castellum's short and long-term success. Castellum's commitment to this goal is intended to increase profitability through having an offering with a clear sustainable focus (e.g. environmental certified buildings, sustainable building materials, renewable energy sources, nearly zero energy buildings, ecosystem services and incentives for entrepreneurs to create job opportunities in Castellum developments).

In 2017, new sustainability goals were adopted by the Board of Directors and incorporated into the current sustainability policy. Castellum's "agenda for the sustainable city" consists of a number of on-going goals and sub-goals until 2030. The table below sets out the goals which are divided into four sections and which are measured on a quarterly or annual basis. The four sections are: future-proofing, the planet, social responsibility and well-being. Castellum's agenda is ambitious and includes challenging objectives such as achieving net-zero CO2 emissions by 2030 and reaching a gender-equal organisation for all occupational categories at all levels of seniority by 2030.

Future-proofing

Goal
50 per cent. of the real estate portfolio in square metres will be environmentally certified by 2025.
100 per cent. in all new developments and in larger redevelopments to be environmentally certified
Ecosystem services shall be evaluated in new developments and in larger redevelopments

The Planet

Goal
1 per cent. water-use reduction per year
1.5 per cent. energy-efficiency improvement per year
100 per cent. non-fossil fuel powered vehicles by 2020
15 per cent. lower energy consumption compared with 2015
Net-zero carbon dioxide emissions by 2030
Net zero in Property management (Scope 1 & 2): <1.3 Kg CO2e per square metre
Net zero in Project development (Scope 3): 15 per cent. reduction in CO2e emissions per square metre in new production of office.
100 per cent. non-fossil fuel energy by 2030

Social responsibility

Goal
4 per cent. of Castellum's workforce are to be apprentices on an annual basis

Create job opportunities in projects for young people and the long term unemployed
Bonus to entrepreneurs who hire apprentices for our projects
100 per cent. of Castellum's employees to undergo training in Castellum's code of conduct

Well-being

Goal
Equality among all occupational categories by 2025 (representing women and men, 40-60 per cent.)
20 per cent. employees with international background by 2025
Short-term absenteeism (<2 per cent.)
Long-term absenteeism (<3 per cent.)

FINANCING AND CAPITAL STRUCTURE

Castellum's overarching goal is to maintain a low level of financial risk which is reflected in a target average loan to value ratio not exceeding 50 per cent. and an interest coverage ratio of at least 200 per cent. as stipulated in Castellum's financial policy, which is set out below. As at 30 June 2021, the loan to value ratio was 38 per cent. (expressed in relation to Total Assets) and the interest coverage ratio was 532 per cent.

Castellum's funding strategy is designed to support the business operations and manage the Group's financial risks. This strategy is reflected in a finance policy, which is set and reviewed annually by the Board of Directors. The policy governs the allocation of responsibilities and risk mandates and establishes principles regarding monitoring, reporting, and control of financing activities and sources.

The general funding strategy includes diversification among funding sources and securing liquidity-reserves, which together with strong financial key ratios and high transparency versus relevant stakeholders such as lenders and investors, is intended to contribute to high financial flexibility.

The following table sets out the key requirements contained in the finance policy and Castellum's performance in respect of each as at 30 June 2021.

	Policy	Covenant Commitment	Performance
	<i>as at 30 June 2021</i>		
Loan to value ratio (vs. Property value only)	Not exceeding 50 per cent.	Not exceeding 65 per cent.	43 per cent.
Interest coverage ratio	At least 200 per cent.	At least 150 per cent.	532 per cent.
Secured debt/total assets	–	Not exceeding 45 per cent.	5 per cent.
Funding risk			
- average capital tied up	At least 2 years	–	3.7 years
- proportion maturing within 1 year	No more than 30 per cent. of outstanding loans and unutilised	–	18 per cent.

- average maturing credit price - liquidity reserve	credit agreements At least 1.5 years Committed credit agreements corresponding to SEK 750 million and 4.5 months upcoming loan maturities	- -	3.0 years Achieved
Interest rate risk - average interest duration - proportion maturing within 6 months	1.5-4.5 years No more than 50 per cent.	- -	3.2 years 42 per cent.
Credit and counterparty risk - rating restriction	Credit institutions with high ratings, at least S&P BBB+	-	Achieved
Currency risk - translation exposure - transaction exposure	Net investments are hedged Handled if exceeding SEK 25 million	- -	Achieved Achieved

Castellum's financial activities are conducted in accordance with the finance policy to meet long and short-term funding requirements and ensure liquidity while maintaining low and stable net interest costs. Castellum's current external borrowing includes a combination of bank lending through revolving credit facilities and term-loans, and bonds issued in international capital markets as well as the domestic Swedish capital market, and also commercial paper issued in the domestic Swedish capital markets. In addition to external borrowing, Castellum manages its capital structure through share repurchases, sales of treasury shares and issuances of new shares to provide finance for investments as required.

The Group manages financial risks through close control and monitoring. Financial risks are managed through ongoing monitoring of Castellum's financing activities which are reported quarterly to both the Audit and Finance Committee as well as the Board of Directors. Castellum regularly monitors future funding needs based on assumptions about earnings, net investment volume, property value growth and maturity profile of the existing debt portfolio, as well as covenants in loan agreements and interest-rate risk exposure. Furthermore, sensitivity analyses are conducted to understand how changes in the real estate portfolio, as well as movements in market interest rates and property values, affect the balance sheet and earnings.

Interest bearing liabilities

As at 31 December 2020, Castellum had available credit facilities totalling SEK 63,500 million* (31 December 2019: SEK 60,604 million), of which SEK 46,894 million (31 December 2019: SEK 49,433 million) was long-term and SEK 16,606 million (31 December 2019: SEK 11,171 million) was short-term. As at 31 December 2020 the average duration of Castellum's credit agreements was 3.8 years (3.8 years as at 31 December 2019). As at 30 June 2021 Castellum had credit facilities totalling SEK 61,574 million of which SEK 44,582 million was long term and SEK 16,992 million was short term. The average duration of Castellum's utilised facilities was 3.7 years.

The table below shows the structure of Castellum's interest bearing liabilities as at 30 June 2021:

CREDIT MATURITY STRUCTURE (REMAINING TERM) as at 30 JUNE 2021

<u>Credit agreements</u>	<u>Total available*</u>	<u>Bank utilised</u>	<u>MTN/CP issued**</u>	<u>Total utilised</u>
(SEK million)				

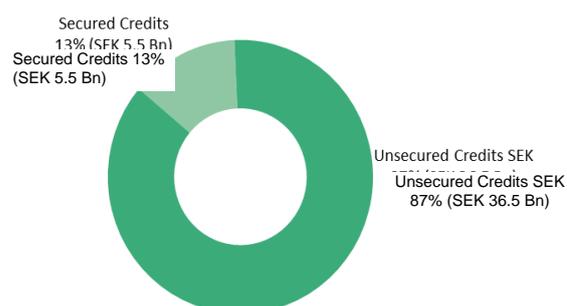
0 - 1 year	16,992	-177	10,870	10,694
1 - 2 years	10,410	11	6,499	6,510
2 - 3 years	12,086	879	6,807	7,686
3 - 4 years	5,550	11	3,539	3,550
4 - 5 years	7,721	1,461	3,310	4,771
> 5 years	8,815	3,350	5,466	8,815
Total	61,574	5,535	36,491	42,026

* Total available bank credit facilities plus utilised issuance under the domestic commercial paper programme and domestic medium term note programme and the EMTN programme.

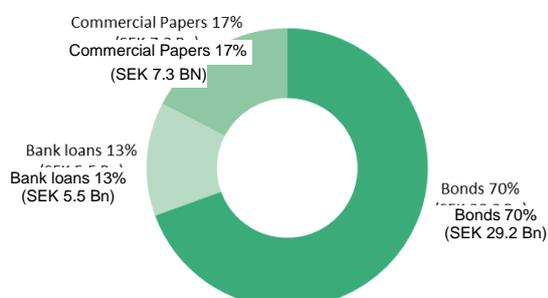
** Total issuances under the domestic commercial paper programme and domestic medium term note programme and the EMTN programme.

The charts below show the composition of Castellum's interest bearing debt as at 30 June 2021.

Distribution of Interest bearing liabilities, 30 June 2021



Utilised Credit facilities, 30 June 2021



Interest rate maturity structure

In order to secure a stable and low net interest cash flow, the interest rate maturity schedule is distributed over time. As at 31 December 2020 the average fixed interest term was 2.6 years (3.3 years as at 31 December 2019) and the average effective interest rate, excluding cost for unutilised bank credit

facilities, was 1.82 per cent. (1.99 per cent. as at 31 December 2019). As at 30 June 2021 the average fixed interest term was 3.2 years and the average effective interest rate excluding cost for utilised bank credit facilities, was 1.66 per cent. Castellum utilises interest rate derivatives to achieve the desired interest rate maturity structure. Castellum sees interest rate derivatives as cost efficient and flexible tools to achieve the desired fixed interest term.

The table below shows Castellum's interest rate maturity structure as at 30 June 2021.

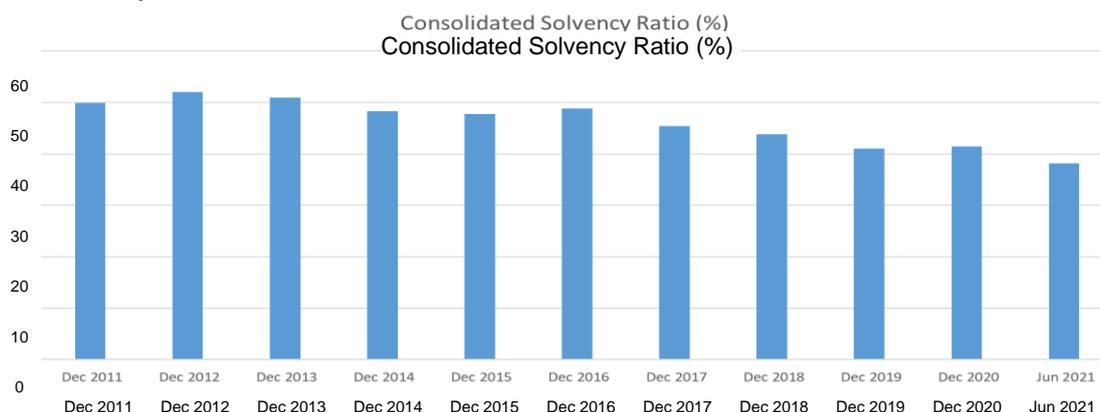
<u>Maturity</u>	<u>SEK million*</u>	<u>Share (%)</u>	<u>Average interest rate (%)**</u>	<u>Average fixed interest rate term (years)</u>
0 - 1 year	18,862	45	1.75	0.2
1 - 2 years	3,499	8	0.93	1.5
2 - 3 years	4,892	12	2.40	2.4
3 - 4 years	2,296	6	1.38	3.5
4 - 5 years	999	2	1.49	4.4
5-10 years	11,478	27	1.50	8.6
Total	42,026	100	1.66	3.2

* Including exchange rate differences for MTNs

** Calculated on the net volume of interest-bearing liabilities and derivatives

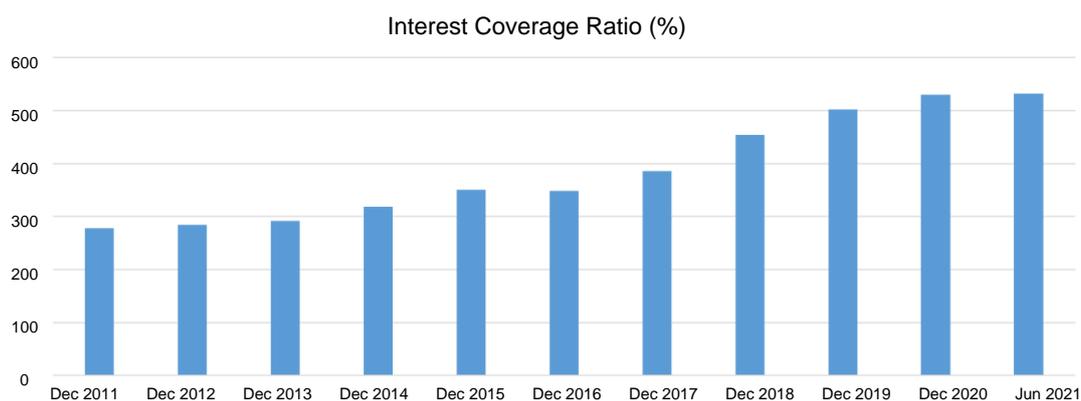
Consolidated Solvency Ratio

The following graph sets out Castellum's consolidated total debt to total assets ratio as at 31 December in each of the years between 2011 and 2020 and as at 30 June 2021.



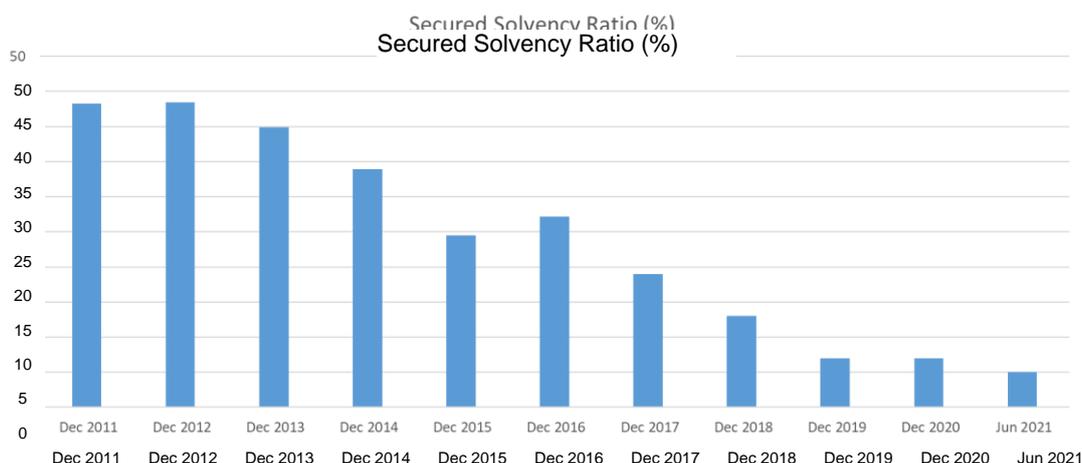
Interest coverage ratio (Consolidated Coverage Ratio)

The following graph sets out Castellum's interest coverage ratio as at 31 December in each of the years between 2011 and 2020 and as at 30 June 2021.



Secured debt in relation to total assets

The following graph sets out Castellum's consolidated secured debt to total assets ratio as at 31 December in each of the years between 2011 and 2020 and as at 30 June 2021.



Unencumbered assets

As at 31 December 2020 Castellum had an Unencumbered Assets Ratio (as defined in "*Alternative Performance Measures and other Key Performance Indicators*", below) equivalent to 61 per cent. As at 30 June 2021 the equivalent ratio was 60 per cent.

MARKET OVERVIEW

The Group's operations are affected by macroeconomic trends, particularly in Sweden, Denmark and Finland and by the development of the local property markets in those jurisdictions. Castellum considers that big cities provide the greatest growth potential, due to their larger population relative to other parts of the country, which generates and supports a larger labour market, a more diversified trade and industry structure and thus opportunities for research and a greater range of trade, entertainment and culture.

The local property markets in medium-sized cities may also offer opportunities for growth as they often show a positive correlation with increasing economic activity, which is influenced by factors such as well-developed infrastructure, well trained manpower, population growth and low unemployment. The recent macroeconomic trends in Castellum's relevant geographies have been supportive of growth, despite the impact of the Covid-19 pandemic. Negative effects on GDP-growth during 2020, as well as a small increase

in unemployment levels, have, as at the date of this Base Prospectus not had any major negative effects on Castellum's overall business.

Competition

Market share

In Sweden, Castellum's market share among the 200 largest property owners amounts to approximately four to five per cent. for office, logistics and public sector properties in terms of value of the real estate assets (according to Castellum's estimates based on publicly available information). Apart from the dozen or so Swedish listed companies, the largest real estate owners in Sweden are public corporations and Swedish and foreign institutional investors. In addition, there are also a number of smaller real estate owners such as real estate and construction companies, and individuals. Competition in the transaction market for properties is considerable in the Nordic region. The competition in Sweden differs from Helsinki and Copenhagen, where the competition mainly consists of institutions and larger funds. In Helsinki and Copenhagen, foreign investors generally account for a larger share of the total transaction volume compared to Sweden. Castellum's market share in Copenhagen for offices is between 1.5-3 per cent. by value based on Castellum's calculations for the central business district (CBD) or Greater Copenhagen area. Castellum's market share for the office market in Finland is estimated to be between 2-3 per cent. by value. Historically the transaction volume in the Nordic region has been high. This has particularly been the case in Sweden over the last 4-5 years and there has been considerable competition for attractive properties.

Rental market

Office properties

In Castellum's submarkets in Sweden, the rental market for office space showed more uncertainty in 2020 compared to previous years due to the ongoing Covid-19 pandemic. Whilst it is still too early to conclusively discuss the long-term effects of Covid-19 on rental and vacancy levels, at the start of the Covid-19 pandemic Castellum had historically low vacancy levels and record high rental levels in all markets, and as at the date of this Base Prospectus Castellum continues to offer office space at similar rental levels as prior to the Covid-19 pandemic. Despite the persisting uncertainty, Castellum continues to conduct viewings of premises and conduct business transactions and in the first half of 2021, net lettings were positive. It remains to be seen what, if any, lasting consequences the Covid-19 pandemic will have on tenant behaviour and requirements and thus on demand for office space.

Rental levels remained stable in the Swedish major cities Stockholm, Gothenburg and Malmö in 2020 and the first half of 2021 as a result of continued low vacancy rates in the CBDs and the most attractive submarkets. In the short term, the offering of new construction will be limited and primarily let in advance. Office rents in regional cities have remained stable in 2021. In Helsinki's CBD, office rents remained stable in 2020 and consolidated on previous levels in the first half of 2021. Whilst strong demand has spread from the CBD in Helsinki to the surrounding areas, there is a higher vacancy rate in secondary areas, as well as in properties of lower quality. In Copenhagen's CBD, office rents also remained stable in the first half of 2021. The high number of access to land and building rights in and around the city, however, tends to be a limiting factor for rent potential.

Logistics and warehouse facilities

The warehouse and logistics property segment is experiencing strong demand, based mainly on the growth in e-commerce. The strongest underlying factor driving logistics market performance in 2020 was the continuing shift from retail space to storage space. The Covid-19 pandemic accelerated this process, and the structural changes have been constant over time. Increasing demands from consumers for shorter lead times from ordering a product online to receiving the product, results in particularly strong demand and rental growth of warehouse and logistics properties with goods sorting yards located close to the city centres with

easy access to densely populated areas – so called “last mile” hubs. If Sweden continues to follow more mature markets where goods can be delivered within one hour, the logistics market is expected to continue to transform at a high pace and demand is expected to increase.

Demand for logistics facilities has historically been and is still highest in the Gothenburg area, where the largest port in the Nordics is located. Other strategic logistic locations in Sweden include the Greater Stockholm area, Örebro, Helsingborg, Malmö and Jönköping areas.

Larger, general purposes logistic facilities which do not need to be city-proximate and where land is available for new construction have shown a stable to slightly growing rent trend over the past three or four years, while the "last mile-segment" has seen more profound growth in rent levels due to an increase in demand combined with a lack of available land for building new logistic facilities close to the bigger cities.

New developments in Sweden continue with approximately 550,000 square metres (properties >10,000 square metres) being completed in 2020 (2019: 650,000 square metres, which was slightly short of the record volumes produced in 2018). A total of almost 780,000 square metres (properties >10,000 square metres) is expected to be delivered in Sweden in 2021 according to Intelligent Logistik. The majority of new developments are constructed in the regions of Östergötland and Öresund. Between 2009 and 2020, Stockholm and Gothenburg accounted for almost 50 per cent. of the total construction in Sweden. Despite the increase in construction volumes, vacancy rates continue to be at low levels due to strong demand.¹⁰

Transaction market

The property transactions market remained strong in 2020 and during the first half of 2021, despite increased uncertainty due to the Covid-19 pandemic and the fact that the full macroeconomic effects of the Covid-19 pandemic remain uncertain. Interest from investors in the Swedish property market remained strong, especially in regards to those property market categories with secure cash flows, such as public sector properties and logistics properties.

The table below shows the market yield in Castellum’s key cities in the office segment over the past ten years:

Year	Yield (per cent.)				
	Stockholm ⁽¹⁾	Gothenburg ⁽¹⁾	Malmö ⁽¹⁾	Copenhagen ⁽²⁾	Helsinki ⁽²⁾
2011	4.75	5.5	5.75	5.00	5.00
2012	4.7	5.5	5.75	5.00	5.00
2013	4.7	5.5	5.75	5.00	5.00
2014	4.4	5.25	5.5	4.75	4.75
2015	3.75	4.5	5	4.50	4.50
2016	3.5	4.25	4.25	4.25	4.25
2017	3.25	4.00	4.25	4.00	4.00
2018	3.25	3.8	4.25	3.75	3.60

¹⁰ Unless otherwise indicated, data included in the "Rental Market" section represents Castellum’s assessment based on publicly available information.

2019	3.25	3.8	4.25	3.75	3.4
2020	3.25	3.8	4.25	3.50	3.4

⁽¹⁾ Source: Forum Fastighetsekonomi.

⁽²⁾ Source: Jones Lang Lasalle.

The volume of transactions with a transaction value of over SEK 40 million in Sweden during 2020 totalled approximately SEK 183 billion (compared to SEK 218 billion for 2019) with over 447 transactions (compared to 440 transactions in 2019). The transaction market has remained strong in 2021; during the first half of 2021, major portfolio transactions continued to take place in the warehouse/logistics segment at historically low yields and several transactions were also concluded in the office segment at favourable levels.

The share of foreign investors in 2020 was approximately 27 per cent., which was a historically high figure and demonstrates that the Nordic property market remains attractive to international investors.

In Castellum's Swedish markets (Stockholm, Gothenburg, Uppsala and Malmö) the required yield for office properties remained stable during 2020, however the number of comparative transactions following the outbreak of the Covid-19 pandemic has remained somewhat limited for the office segment. Properties with secure cash flows such as public sector properties, and compound property portfolios that generate healthy cash flows, are attractive to investors in the low interest rate environment, which results in falling required yields.

Warehouse and logistics properties continue to attract a growing number of both domestic and international investors, driven largely by the growth of e-commerce, a trend that has strengthened during the Covid-19 pandemic. Low levels of supply among attractive logistics properties, together with high investor demand, resulted in a fall in required yields in 2020.

In Denmark, the transaction volumes in the property market totalled approximately DKK 65 billion in 2020 and the mood among investors remains strong. The required yield for offices in the CBD in Copenhagen remained stable around 3.5 per cent in the first half of 2021.

In Finland, the transaction volume in the Finnish property market totalled approximately EUR 5.0 billion in 2020. There is considerable demand among investors for the most attractive objects, and the required yield for offices in the CBD of Helsinki is estimated to be 3.4 per cent., which is roughly on a level with Stockholm. Increased investor interest has been noted for secondary and development properties as well.¹¹

PROPERTY PORTFOLIO

The Castellum property portfolio is located in expected growth areas in Sweden, Finland with a focus on Helsinki, and Copenhagen in Denmark. As at 30 June 2021 the commercial portfolio consisted of 54 per cent. offices, 19 per cent. public sector properties (customers that are directly or indirectly tax funded), 12 per cent. warehouse and logistics, 7 per cent. retail and 2 per cent. light industry. This refers to the property's primary rental value with regard to the type of premises.

Property locations range from inner-city sites to well-situated working-areas with good public transportation and services. The remaining 6 per cent. consists of developments and undeveloped land.

¹¹ All data in the "Transaction market" section has been sourced from Newsec except for (i) data relating to Finland which has been sourced from KTI, Finland and (ii) the yield data contained in the table which is as per the footnotes below the table.

Castellum's property portfolio as at 30 June 2021

Below is a table illustrating Castellum's regions with focus on the distribution of properties.

Category	30 June 2021						January-June 2021				
	No. of properties	Area thousand sq.m.	Property value, MSEK	NOI SEK/ sq. m.	Rental value, MSEK	NOI SEK/ sq. m.	Occupancy rate	Income, MSEK	Property costs, MSEK	NOI SEK/ sq. m.	Net operating income MSEK
OFFICES											
Stockholm	33	323	16,450	50,900	410	2,537	90.9%	369	74	459	295
West	63	360	11,234	31,207	333	1,848	89.6%	302	64	355	238
Central	77	536	11,321	21,131	431	1,611	91.9%	392	100	371	292
Öresund	25	128	5,824	26,699	209	1,919	92.8%	189	41	377	148
North	2	5	103	20,506	4	1,618	97.1%	4	1	467	3
Denmark	15	148	4,628	31,249	153	2,061	92.6%	137	38	516	99
Finland	7	58	2,758	47,419	79	2,707	93.8%	71	21	710	50
Total Office	222	1,648	52,318	31,739	1,619	1,964	91.5%	1,464	339	411	1,125
PUBLIC SECTOR PROPERTIES											
Stockholm	9	61	3,363	54,686	83	2,689	98.4%	80	12	385	68
West	11	77	1,593	20,653	52	1,360	91.3%	47	9	226	38
Central	30	283	7,874	27,865	248	1,756	96.5%	238	50	355	188
Öresund	8	86	3,086	35,948	89	2,080	98.5%	88	13	303	75
North	10	100	2,102	20,985	76	1,510	97.1%	75	14	286	61
Denmark	1	12	620	51,305	15	2,535	98.6%	15	2	404	13
Total Public sector properties	69	619	18,638	30,095	563	1,820	96.7%	543	100	325	443
WAREHOUSE/LOGISTICS											
Stockholm	20	119	2,960	24,936	78	1,320	94.3%	72	12	199	60
West	53	445	6,339	14,242	196	881	92.5%	176	37	166	139
Central	18	101	1,082	10,741	41	803	86.3%	35	9	172	26
Öresund	22	119	1,543	13,015	55	919	92.4%	49	10	175	39
Denmark	1	18	164	8,968	7	811	76.5%	6	3	288	3
Total Warehouse/Logistics	114	802	12,088	15,084	377	940	91.9%	338	71	176	267
RETAIL											
Stockholm	23	131	3,207	24,470	107	1,636	98.8%	103	13	199	90
West	11	50	1,097	21,741	38	1,502	97.5%	37	3	128	34
Central	22	118	1,909	16,242	77	1,317	97.5%	74	15	255	59
Öresund	12	51	944	18,672	39	1,538	87.7%	33	8	309	25
Total Retail	68	350	7,157	20,467	261	1,496	96.6%	247	39	224	208
LIGHT INDUSTRY											
Stockholm	11	40	748	18,955	24	1,204	96.4%	23	5	257	18
West	11	39	485	12,347	17	865	95.1%	16	3	152	13
Central	8	23	317	13,584	11	992	97.9%	11	3	222	8
Öresund	1	13	129	6	6	856	83.7%	5	1	163	4
Total Light industry	31	115	1,679	14,554	58	1,007	95.1%	55	12	205	43
Total investment properties	504	3,534	91,880	25,998	2,878	1,629	93.1%	2,647	561	317	2,086
Lettings and property administration expenses									191	108	-191
Total after lettings and property administration									752	425	1,895
Projects	36	267	4,785	-	-	68	-	45	18	-	27
Undeveloped land	18	-	585	-	-	-	-	-	-	-	-
Total	558	3,801	97,250	2,946	-	-	-	2,692	770	-	1,922

The table above relates to the properties owned by Castellum at the end of the period and reflects the income and costs of the properties as if they had been owned during the entire period. The discrepancy between the net operating income of MSEK 1,922 reported and the net operating income of MSEK 2,304 in the income statement is explained by the deduction of the net operating income of on properties sold during the period, by the MSEK 2 upward adjustment of the net operating income on properties acquired/completed during the period, which are recalculated as if they had been owned or completed during the whole period and the exclusion of MSEK -13 from the coworking company.

Property valuation

Castellum undertakes internal valuations of the entire property portfolio on a quarterly basis. Castellum records the investment properties at fair value and had as of 31 December 2020 conducted internal valuations of all properties in its portfolio. The valuations were carried out in a uniform manner, based on a 10-year cash flow model and on an individual assessment for each property, reflecting both future earnings capacity and required market yield. In the valuation of a property's future earnings capacity, consideration is taken of potential changes in rental levels, occupancy rates and property costs as well as an assumed inflation level of 1.5 per cent. Property valuations are calculations performed according to accepted principles and on the basis of certain assumptions, including a value range of +/- 5-10 per cent. to reflect the uncertainty existing in the various assumptions and calculations

In order to corroborate the internal valuations, Castellum arranges valuations by external providers of at least 50 per cent. by value of the portfolio each year, carried out pursuant to professional industry standards. As at 31 December 2020 (the date of the latest external valuation) Forum Fastighetsekonomi in Sweden, and CBRE in Denmark had between them valued 54 per cent. of Castellum's property portfolio and these reports showed a net deviation for the portfolio being approximately SEK 746 million lower in aggregate than Castellum's internal valuations (a net deviation of 1.4 per cent.).

Portfolio and asset management initiatives

While Castellum has an overarching portfolio strategy, it also has more nuanced asset management initiatives in each of its geographic regions, driven by specific regional challenges and opportunities. The table below summarises the key initiatives in each region:

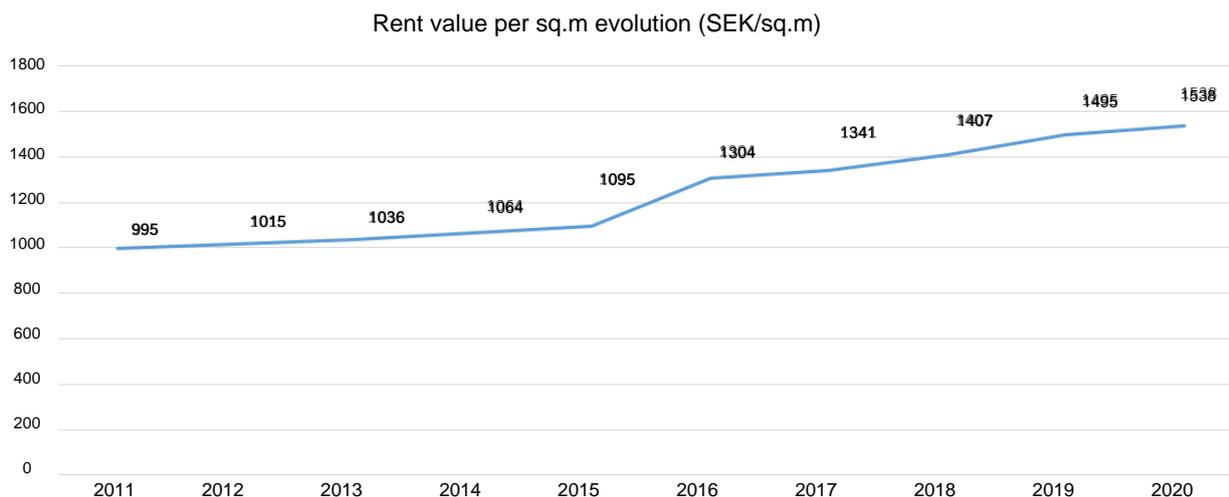
Stockholm	<ul style="list-style-type: none"> • Ongoing portfolio recycling to move the concentration of the portfolio to more central locations. • A focus on strong net leasing and renegotiating (due to the strong rental market). • Active role in urban development: looking for land and projects to develop.
Öresund	<ul style="list-style-type: none"> • Ongoing portfolio recycling to achieve a higher density in specific locations. • Active role in urban development: looking for land and projects to develop.
West	<ul style="list-style-type: none"> • Active role in urban development: looking for land and projects to develop. • A focus on strong net leasing and renegotiating (due to the strong rental market). • Ongoing portfolio recycling to achieve a higher density in specific locations.
North	<ul style="list-style-type: none"> • Active role in urban development: looking for land and projects to develop.
Central	<ul style="list-style-type: none"> • A focus on strong net leasing and renegotiating (due to the strong rental market). • Active role in urban development: looking for land and projects to develop.
Helsinki	<ul style="list-style-type: none"> • Grow the office and logistics segment and over time to become one of the biggest real estate owners major Finnish growth areas/cities.

Tenants and lease structure

Total income

The total income, including services income, as at 31 December 2020 amounted to SEK 6,004 million (31 December 2019: SEK 5,821 million). Total average rental level for the total portfolio, including charged heating, cooling and property tax amounted to SEK 1,538 per square metre as at 31 December 2020 (31 December 2019: SEK 1,495).

Rental levels have in the comparable portfolio increased by approximately 2 per cent. compared with 2019 levels, which has been driven by, *inter alia*, indexation and renegotiations carried out. The chart below shows the average rent per square metre across Castellum's property portfolio over the past ten years.



The chart below shows the rental income broken down by geographic region as at 31 December 2020.

Region	Total rental income (SEK million)
Central	1,595
West	1,365
Öresund	1,262
Stockholm-North	1,611
Finland	59
Co-working	112
Total	6,004

Tenants and customers

Castellum's property portfolio is well distributed over various segments, with almost half comprising office buildings and a quarter comprising public sector properties. The latter provide a stable and secure income base, in the form of customers as well as longer contract durations. As at 30 June 2021 Castellum's exposure to the retail segment (including grocery stores and car dealerships) represented 7 per cent. of income value. Another type of retail exposure also occurs in the warehouse and logistics segment in the form of storage and distribution from the rapidly-growing e-commerce segment, which has had a positive effect on rental growth and contributes to the transformation of well-located properties for the "last mile segment" (see "*Competition – Rental Market – Logistics and warehouse facilities*", above). No industry sector is above 26 per cent. of lease value concentration and no single tenant is above 4 per cent. of lease value concentration.

Lease structure

Castellum's contract portfolio as at 30 June 2021, comprising approximately 5,300 commercial contracts and approximately 400 residential leases consists of a well-diversified and large customer base. Castellum has a balanced risk diversification in the contract portfolio regarding geography, type of premises, size, term to maturity and customer industry. Castellum's customers represent a broad segment of Swedish, Danish and Finnish trade and industry. The single largest lease accounted for 2 per cent of the Group's total rental

income, while the corresponding figure for the single largest customer was 4 per cent. of the Group's total rental income for the financial year ended 31 December 2020, meaning that Castellum's exposure to a single customer credit risk is low.

The table below presents Castellum's lease size structure for the following categories: Commercial, Residential and Parking spaces and other.

LEASE SIZE as at 30 June 2021

(SEK million)	No. of leases	Share (%)	Lease value (SEK million)	Share (%)
Commercial				
< 0.25	2,590	23	187	3
0.25-0.5	851	7	314	6
0.5-1.0	791	7	560	11
1.0-3.0	738	6	1,262	24
< 3.0	351	3	2,815	53
Total	5,	46	5,138	97
Residential	443	4	42	1
Parking spaces and other	5,752	50	110	2
Total	11,516	100	5,290	100

Castellum's rental agreements are based on standard agreements produced by the Swedish Property Federation in cooperation with the Federation of Swedish Merchants. Commercial leases are generally signed for three to five years, with a nine-month notice period, and rents are paid quarterly, in advance. The rental level can change when the lease in question is due for renegotiation. As at 30 June 2021 the average remaining lease duration in the portfolio was 3.9 years (31 December 2020: 3.9 years).

Leases usually include a base rent i.e. the rent agreed upon when signing the contract and an index clause that provides an annual adjustment of the rent: either as a certain percentage of the previous year's inflation or as a minimum upward adjustment of a set percentage. A lease usually contains an addendum for the tenant's share of the property's total heating, cooling and property tax costs.

Lease maturity structure

Contract maturity for Castellum's portfolio is shown in the table below.

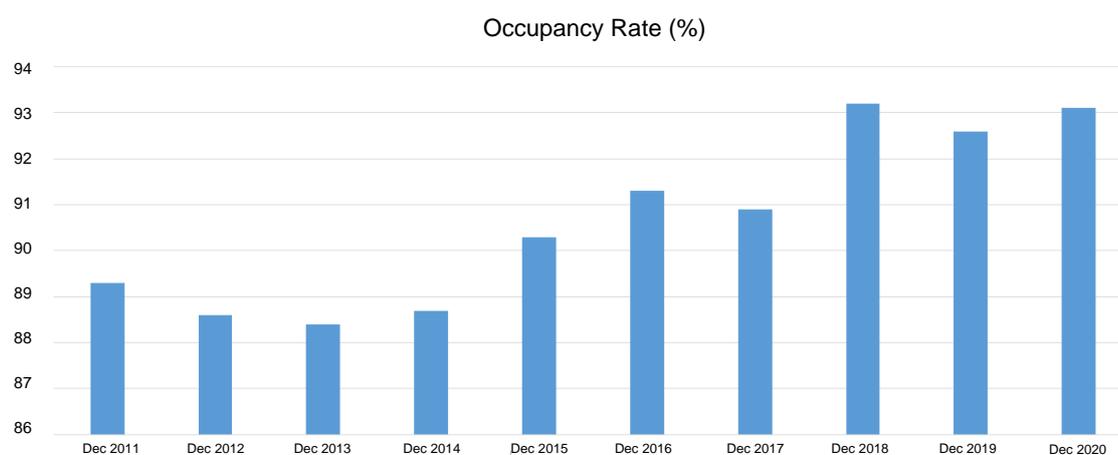
LEASE MATURITY STRUCTURE as at 30 June 2021

SEK million	No. of leases	Lease value (SEK million)	Percentage of value (%)
Commercial, term			
2021	776	78	1
2022	1,593	849	16
2023	1,184	1,038	20
2024	979	909	18
2025	390	608	11
2026+	399	1,656	31

Total commercial	5,321	5,138	97
Residential	443	42	1
Parking spaces and other	5,752	110	2
Total	11,516	5,290	100

Occupancy rate

Castellum's occupancy rate was 93.1 per cent. as at 31 December 2020 (31 December 2019: 92.6 per cent.). The graph below shows the occupancy rate across all of Castellum's properties as at 31 December 2020 and 31 December 2019 and the years previous to that. In addition to market pressures generally, vacancy rates are also impacted by on-going new developments as Castellum from time to time initiates new projects without them being fully pre-let.



Economic Occupancy

The table below shows the occupancy rate for Castellum's property portfolio per property type and per region as at 30 June 2021.

	Offices	Public sector properties	Warehouse /logistics	Retail	Light industry	
Stockholm	90.9%	98.4%	94.3%	98.8%	96.4%	
West	89.6%	91.3%	92.5%	97.5%	95.1%	
Central	91.9%	96.5%	86.3%	97.5%	97.9%	
Öresund	92.8%	98.5%	92.4%	87.7%	83.7%	
North	97.1%	97.1%	-	-	-	
Denmark	92.6%	98.6	76.5%	-	-	
Finland	93.8%	-	-	-	-	

Total	91.5%	96.7	91.9%	96.6%	95.1%	93.1%
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ORGANISATION

Employees and organisation

As at 30 June 2021, Castellum had a total of 439 full-time employees (compared to 421 at 31 December 2020). The parent company contains the corporate function for accounting and finance with a shared business system. Supporting corporate functions include: IT, Human Resources, Sustainability, Legal, Transaction and Communication. In a number of cases, these departments are also represented at a local level. Castellum's business is currently divided into the following regions: West, Stockholm, Central, North, Öresund (incl. Copenhagen) and Finland.

Board of Directors and Executive Group Management

Board of Directors

According to Castellum AB's articles of association, the Board of Directors (the **Board**) shall consist of no less than four and no more than eight members. Board members are elected at the annual general meeting (**AGM**) and will hold office from their appointment until the conclusion of the first AGM following their appointment. There are no limitations for how many times members of the Board can be re-elected, nor is there any maximum number of terms a member can serve.

As at the date of this Base Prospectus, Castellum AB's Board consists of seven members. The current members of the Board (elected at the 2020 annual general meeting held on 25 March 2021 for the period until the 2022 annual general meeting) are as follows:

Name	Year of birth	Board member since	Title	Other Board assignments
Rutger Arnhult	1967	2021	Chairman of the Board ¹²	Chairman of the board in M2 Asset Management AB (publ).
Anna-Karin Celsing	1962	2021	Board member	Board member in Carnegie Investment Bank AB (publ), Volati AB (publ), Landshypotek Bank AB (publ), OX2 AB, Lannebo Fonder AB and Tim Bergling Foundation.
Anna Kinberg Batra	1970	2021	Board member	Chairman of the board in Soltech Energy Sweden AB (publ). Board member in Carasent ASA, SJR and Swedish Space Corporation.
Zdravkok Markovski	1964	2020	Board member	Board member in Besqab AB (publ) and ZM & Co AB.
Joacim Sjöberg	1964	2020	Board member	CEO and board member in Valhalla Corporate Advisor AB. Chairman of the board in Moonlighting Industries AB. Board member in Wästbygg Gruppen AB (publ) and KlaraBo Svergie AB.
Christina Karlsson Kazeem	1965	2016	Board member	CEO in ETTTELVA Arkitekter AB. Chairman of the Board in Creador AB and Millimeter Arkitekter AB.

¹² Rutger Arnhult was elected member of the board and chairman of the board at the AGM on 25 March 2021.

Per Berggren	1959	2007	Board member	Chairman of the board in Slättö Förvaltning AB, board member in Fasticon Kompetens Holding AB and White Arkitekter AB.
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Rutger Arnhult owns, via companies, shares in the companies Corem Property Group AB and Klöver AB. Corem Property Group AB and Klöver AB operate, to some extent, business in the same markets as Castellum. Whilst it cannot be ruled out that potential conflicts of interest may arise between Rutger Arnhult's obligations to Castellum AB and his private interests and/or other duties, as far as Castellum AB is aware, there are no current or potential conflicts of interest between the duties of any of the directors of Castellum AB and their private interests and/or other duties.

The business address of each of the Directors of Castellum AB is Castellum AB, Box 2269 403 14 Gothenburg, Sweden.

Executive Group Management

Executive Group Management comprises the Chief Executive Officer, the Chief Financial Officer, the Chief Investment Officer, the HR Director, the Corporate Communications Director and the Managing Directors of each of the four main regions. Executive Group Management has joint responsibility for delivering on Group wide goals and strategies, and meetings mostly cover issues pertaining to overall operations. As at the date of this Base Prospectus Castellum AB's Executive Group Management consists of eight people.

Name	Year of birth	Member of Executive Group management since	Position
Henrik Saxborn	1964	2006 ⁽¹⁾	Chief Executive Officer, Castellum AB
Ulrika Danielsson	1972	2006 ⁽²⁾	Chief Financial Officer, Castellum AB
Anna-Karin Nyman	1983	2018	Corporate Communications Director, Castellum AB
Helena Dino	1967	2020	Human Resources Director, Castellum AB
Martin Bjöörn	1976	2019	Managing Director Region Stockholm-North at Castellum AB
Mariette Hilmersson	1971	2018	Managing Director, Region West at Castellum AB
Per Gawelin	1978	2018	Managing Director, Region Central at Castellum AB
Ola Orsmark	1971	2014	Managing Director Region Öresund at Castellum AB

(1) Henrik Saxborn was appointed Chief Executive Officer 2013. He will resign as CEO and leave Castellum during the autumn of 2021. As at the date of this Base Prospectus, Castellum has not announced who will replace Henrik Saxborn. In the event that the Offer is successful, and the current CEO of Kungsleden, Biljana Pehrsson, accepts the offer to do so, Biljana Pehrsson will replace Henrik Saxborn as CEO of Castellum.

(2) Ulrika Danielsson was appointed Chief Financial Officer 2014. She will resign as CFO and leave Castellum during the autumn of 2021. As at the date of this Base Prospectus, Castellum has not announced who will replace Ulrika Danielsson. In the event that the Offer is successful, and the current Deputy CEO and CFO of Kungsleden, Ylva Sarby Westman accepts the offer to do so, Ylva Sarby Westman will replace Ulrika Danielsson as CFO of Castellum.

Recent Developments

Blackstone

Following on from the sale of a mixed portfolio with mostly older logistics properties for SEK 5 billion to real estate funds managed by Blackstone in 2020, in January 2021 Castellum agreed to divest a further 53 properties for SEK 4.8 billion. The divestment was completed in May 2021.

Kielo

In July 2021, Castellum acquired a Finnish property portfolio via the acquisition of the real estate company Kielo. The largest region in the portfolio is the Helsinki Metropolitan Area, which accounts for more than 50 per cent. of the portfolio's rental income, while the remainder is distributed between the towns of Tampere, Turku and Lahti, since Castellum divested the part of the portfolio relating to the city Jyväskylä. The total acquisition value, after divesting Jyväskylä, was approximately the equivalent of SEK 4.4 billion. The portfolio consists of modern and sustainable properties, most of which were built after 2000, featuring office space and facilities, such as conference venues and co-working areas, with a diversified tenant composition.

Castellum has also at the beginning of July 2021 acquired two office properties in Solna in the Stockholm region for a total value of SEK 2 billion.

Offer to acquire Kungsleden

The Offer

On 2 August 2021, Castellum announced its Offer to acquire Kungsleden in exchange for a combined consideration of shares in Castellum and cash. At this stage there can be no assurance that the acquisition will proceed on the basis of the terms of the Offer or alternative terms. Completion of the Offer is subject to customary conditions including, but not limited to, approval of the issuance of shares as consideration in the Offer by Castellum's shareholders, the Offer being accepted to such an extent that Castellum becomes the owner of shares representing more than 90 per cent. of the total number of outstanding shares in Kungsleden and receipt of all necessary regulatory and governmental approvals. Rutger Arnhult, representing approximately 21.4 per cent. of the outstanding share capital and votes in Castellum, has undertaken to vote in favour of authorising the board of directors to issue shares in Castellum as consideration for the Offer at the relevant extraordinary general meeting.

The board of directors of Kungsleden has unanimously recommended the shareholders of Kungsleden to accept the Offer and the recommendation is supported by a fairness opinion provided by Handelsbanken Capital Markets. Gösta Welandson (through companies), Ilija Batljan (through a company) and Olle Florén (directly and through companies), which together represent approximately 26.0 per cent. of the outstanding share capital and votes in Kungsleden have irrevocably undertaken to accept the Offer (subject only to a right to withdraw their acceptance in the event that, prior to the Offer being declared unconditional, a third party makes a competing offer worth at least 110 per cent. of the value of the Offer and Castellum does not match this within three business days of the third party offer being announced). The acceptance period of the Offer is expected to commence on or around 30 September 2021 and end on or around 29 October 2021, however, the process is currently at a very early stage. There can be no assurance as to the timeline for completion of the Offer nor can there be any assurance that the acquisition of Kungsleden will occur even if the Offer is accepted.

The Offer values each Kungsleden share at SEK 124.90 and the total value of the Offer is approximately SEK 26,860 million¹³. Castellum has offered each shareholder of Kungsleden, in respect of 70 per cent. 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 per cent. of the number of Kungsleden shares tendered by such shareholder, SEK 121 in cash per Kungsleden share. 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 (based on full acceptance of the Offer). Further, Castellum is offering shareholders of Kungsleden a 'mix & match' facility, whereby each Kungsleden shareholder, subject to certain restrictions, may elect to receive as much share consideration as possible or as much cash consideration as possible for their Kungsleden shares. However, the proportion between shares and cash will not be varied as a result of individual elections made under the mix and match facility, instead, 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.

Castellum will finance the cash consideration payable under the Offer through a combination of Castellum's existing cash reserves 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.

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

Kungsleden

Kungsleden is a Swedish public limited liability company incorporated in Sweden and operating under Swedish law and its shares are admitted to trading on Nasdaq Stockholm's main market under the ticker KLED. 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 per cent. 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 207 properties (including 15 development properties with a total yearly rental value of approximately SEK 2.8 billion (as of 30 June 2021)). Kungsleden's business model is based on long-term ownership, active management, improvement and development of commercial facilities in growth regions in Sweden.

Rationale

The rationale behind the proposed business combination is to strengthen the Group's position as the largest listed commercial property groups in the Nordics region by reported property market value¹⁴. The management of Castellum expects the combination to create growth and shareholder value through an efficient common platform within property management, continued property acquisitions as well as development of existing properties portfolios whilst benefiting from an exchange of knowledge and operational synergies.

The management of Castellum believes that the combination with Kungsleden provides opportunities for synergies within operation, property management, property development and financing as Castellum's operations would be strengthened and efficiencies would be gained through the exchange of knowledge and utilisation of economies of scale.

¹³ 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).

¹⁴ Based on Castellum's calculations based on publicly available information.

The management of Castellum estimates that the annual synergies within property management and administration to amount to approximately SEK 185 million and expects these synergies to reach full effect within two to three years of the acquisition occurring. 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, particularly given that approximately 90 per cent. of the combined portfolio is in complimentary locations.

The combined company would have the opportunity for financial synergies in the event that it can successfully refinance Kungsleden's outstanding loans based on Castellum's higher credit rating. The management of Castellum estimates the annual financing cost synergies to be SEK 100 million. In addition, the increased size of the Group, in the event that the acquisition proceeds, is expected to improve the Group's position and competitiveness in capital markets.

Further, the management of Castellum believes that there are unquantified revenue synergies through improved customer offering and enhanced local presence of the combined company as well as stronger combined ability to extract further value from existing sites and accelerate new projects.

There can be no assurance that any synergies will be realised or that there will be no adverse impact on the operations of the Group.

The Combined Company

If the acquisition of Kungsleden is successful, the combined property portfolio would have a market value of approximately SEK 140 billion consisting of 765 properties (including 69 development properties) with a broad geographic diversification within growth regions in Sweden, Finland and Denmark. Taking into account Castellum's ownership in Entra ASA and acquisitions carried out in July 2021, the property value of the combined company would amount to approximately SEK 157 billion. In order to enable focus on prioritised growth regions, the management of Castellum intends to divest of certain properties within less prioritised areas if the combination proceeds. The combined property portfolio would mainly consist of office properties (approximately 58 per cent.), public sector properties (approximately 13 per cent.), warehouse, logistics and industry properties (approximately 14 per cent.) and retail properties (approximately 7 per cent.). The project portfolio of the combined company would correspond to just over 6 per cent. of the property value. The combined company would have a broad customer base represented by public authorities, municipalities and large corporates. The single largest tenant of the combined company is estimated to account for approximately 3 per cent. of the combined rental value and the average lease period for the total combined property portfolio is estimated to approximately 3.9 years.

Certain key metrics of the combined company's portfolio are presented below. This section contains certain financial measures that are not defined or recognised under IFRS. These financial measures have been included because Castellum believes they provide useful supplemental information to understand and analyse the combined company and the possibilities and synergies that may be achieved. Please refer to the section "*Unaudited Pro Forma Financial Information*" for pro forma figures reviewed by Castellum's auditor and please refer to the section "*Alternative Performance Measures and other Key Performance Indicators*" for definitions and explanations of the metrics disclosed below.

Castellum has prepared the following unaudited pro forma financial information for illustrative purposes only. Because of its nature, the unaudited pro forma financial information illustrates a hypothetical situation and does not describe Castellum's actual results or financial position. The purpose of the unaudited pro forma financial information is only to inform on facts and not to show Castellum's results or financial position at any specific time in the future. Consequently, potential investors should not overstate the importance of the unaudited pro forma financial information.

Interest bearing liabilities, MSEK	70,545
Cash and cash equivalents, MSEK	-1,898
Net interest bearing liabilities, MSEK	68,647
Total assets, MSEK	163,369
Loan to value ratio	42%

Income from property management (pro forma), MSEK	Jan-June 2021
Income before tax	7,142
Reversed:	
Transaction costs	45
Financing fees etc. for acquisition	15
Change in value on properties	-4,495
Change in value on financial holdings	-296
Impairment of goodwill	53
Change in value on derivatives	-248
= Income from property management (pro forma)	2,216

Interest coverage ratio pro forma

Income from property management (pro forma), MSEK	2,216
Reversed:	
Net interest costs (pro forma), MSEK ⁽¹⁾	596
Income from property management, excl. net interest, MSEK	2,812
Interest coverage ratio, pro forma	472%

⁽¹⁾ Net interest costs has also, based on the principle applied by Castellum, been adjusted with the pro forma adjustment for financing fee acquisitions of MSEK 15 (i.e. net financing cost according to pro forma Statement of income of 611 less 15 = 596 MSEK).

If the acquisition proceeds, Castellum intends to remain 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.

Both Kungsleden and Castellum are committed to driving the development of green properties and sustainable development and Castellum intends to maintain its ambitious sustainability targets for the combined company in the event that the acquisition proceeds with a goal of becoming Europe's most sustainable property company.

If the acquisition proceeds, Castellum ⁽¹⁾intends that the combined company will maintain its policy of having a loan-to-value ratio not exceeding 50 per cent. and it will also aim to maintain Castellum's rating, meaning it will continue to maintain an actual loan-to-value ratio below 45 per cent. Further, Castellum intends that the combined company will retain Castellum's financial target of annual growth in profit from property management per share of 10 per cent. and dividend of at least 50 per cent. per share of the profit from property management.

Rating

On 4 August 2021, Moody's affirmed Castellum's long-term issuer rating of Baa2 with stable outlook. The affirmation of the rating and outlook followed Castellum's announced voluntary public takeover bid to acquire Kungsleden on 2 August 2021 and reflects Castellum's temporary increase in leverage being balanced by Castellum's targeted reduction of leverage towards a level of below 45 per cent. by year-end

2021 and the expected improvements in business profile in the event that the Offer is accepted. There can be no assurance that this position will be maintained if the acquisition is not completed.

ALTERNATIVE PERFORMANCE MEASURES AND OTHER KEY PERFORMANCE INDICATORS

Definitions

Consolidated Solvency ratio

The consolidated solvency ratio is calculated by dividing total interest bearing liabilities with total consolidated assets at the balance sheet date.

Economic occupancy rate

Rental income accounted for during the period, less discounts, as a percentage of rental value for properties owned at the end of the period. Properties acquired/completed during the period have been restated as if they had been owned or completed during the whole year, while properties disposed of have been excluded entirely. Development projects and undeveloped land have been excluded.

EPRA NRV

Net Reinstatement Value Equity as recognised in the balance sheet, adjusted for interest rate swaps, goodwill relating to deferred tax, and deferred tax in its entirety. EPRA NRV per share is calculated as EPRA NRV divided by number of outstanding shares at the end of the period.

EPRA NTA

Net Tangible Assets Equity as recognised in the balance sheet following add-back of derivatives and goodwill, adjusted for actual deferred tax instead of nominal deferred tax. EPRA NTA per share is calculated as EPRA NTA divided by number of outstanding shares at the end of the period.

EPRA vacancy rate

Estimated market rental value of vacant space as a percentage of rental value for properties owned at the end of the period. Properties acquired/completed during the period have been restated as if they had been owned or completed during the whole year, while properties disposed of during the period have been excluded entirely. Development projects and undeveloped land have been excluded.

Income from property management

Net income following add-back of acquisition and restructuring costs, revaluation of results due to stepwise acquisitions, impairment of goodwill and changes in value, as well as tax for both the Group and for joint ventures. Income from property management per share is calculated as Income from property management divided by average number of outstanding shares for the period.

Interest coverage ratio

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.

Loan to value ratio (vs. total assets only)

Interest-bearing liabilities after deduction for cash and cash equivalents as a percentage of total assets at the year-end.

Loan to value ratio (investment properties only)

Interest-bearing liabilities after deduction for cash and cash equivalents as a percentage of the investment properties' fair value with deduction for acquired properties not taken in possession, and with addition for divested properties still in possession, at the year-end.

Net investments

Investments in investment properties at fair value through business combinations plus direct investments in investment properties plus investments in new constructions, extensions and reconstructions less sales of investment properties.

Net operating income margin

Net operating income as a percentage of rental income.

Rental income

Rents debited plus supplements such as reimbursement of heating costs and property tax.

Rental value

Rental income plus estimated market rent for vacant premises.

Secured debt/total assets

Secured debt at the balance sheet date divided by total assets at the balance sheet date.

Unencumbered Asset Ratio

Total market value of investment properties over which no security is granted, divided by Consolidated Total Assets.

Reconciliations and Additional Explanations

A number of the financial metrics presented by Castellum are not defined in accordance with IFRS. However, Castellum believes that these measures provide useful supplementary information to both investors and Castellum management, as they facilitate evaluation of group performance. It is to be noted that, since not all companies calculate financial measurements in the same manner, these are not always comparable to measurements used by other companies. These financial measurements should therefore not be seen as a substitute for metrics defined according to IFRS. Unless otherwise stated, the table below presents metrics, along with their reconciliation, which are not defined according to IFRS.

In the table below, number of shares used to calculate per share key metrics are presented:

	<u>Jan-June</u> <u>2021</u>	<u>Jan-June</u> <u>2020</u>	<u>Jan-Dec</u> <u>2020</u>	<u>Jan-Dec</u> <u>2019</u>
Number of shares for calculation of per share metrics				
Average number of shares, thousand (related to income statement metrics)	274,783	273,157	273,628	273,201
Average number of shares, thousand (related to balance sheet key metrics)	272,075	273,031	277,093	273,201

Income from property management

Castellum's operations are focused on cash flow growth from ongoing management operations (i.e. income growth from property management), the yearly target being a 10 per cent. increase in income from property management. Income from property management also forms the basis of the annual shareholder dividend: at least 50 per cent. of income from property management. Income from property management is calculated before tax paid.

Income from property management	<u>Jan-Dec 2020</u>		<u>Jan-Dec 2019</u>	
	MSEK	SEK/share	MSEK	SEK/share
Income before tax	7,028	25.68	6,765	24.76
Reversed:				
Acquisition costs	25	0.09	9	0.03
Financing fees etc for acquisitions	70	0.26	-	-
Change in value on properties	-3,863	-14.12	-3,918	-14.34
Change in value on financial holdings	-	-	-	-

Impairment of goodwill	-	-	179	0.66
Change in value on derivatives	120	0.44	111	0.41
= Income from property management	3,380	12.35	3,146	11.52

Net operating income margin

The net operating profit margin measures how much net income is generated as a percentage of revenue. It is the ratio of net profits to revenues for Castellum. Net profit margin is expressed as a percentage. The net profit margin illustrates how much of each Swedish krona in revenue earned by Castellum translates into profit and can be used to compare performance over time.

	<u>Jan-June 2021</u>	<u>Jan-June 2020</u>
Net Operating income margin		
Net operating income, MSEK	2,034	2,170
Income, MSEK	2,936	2,999
Net operating income divided with income		
= Net operating income margin %	69%	72%

Net asset value

Net asset value describes the total equity that Castellum manages for its owners. Based on this equity, Castellum wants to create return and growth at a low level of risk. Net asset value can be calculated in different ways, where mainly time and turnover in the property portfolio impact on the value. Long-term net reinstatement value (EPRA NRV) is based on the balance sheet, with adjustments for items that will not lead to any short-term payment. In Castellum's case, these would include such items as goodwill, derivatives and deferred tax liability. Net tangible assets (EPRA NTA) is the same as EPRA NRV but with the difference that goodwill that is not attributed to deferred taxes is not seen as an asset. Furthermore, the deferred tax should be based on market value according to how Castellum has completed property transactions in recent years.

Net asset values	<u>30 June 2021</u>		<u>30 June 2020</u>	
	MSEK	SEK/share	MSEK	SEK/share
Equity according to the balance sheet	50,926	187	43,469	159
Reversed:				
Declared, undistributed dividend	949	3	888	3
Derivatives according to the balance sheet	653	2	863	3
Goodwill attributable to deferred tax	-1,427	-5	-1,480	-5
Deferred tax according to the balance sheet	10,794	40	10,493	39
EPRA NRV: Net reinstatement value	61,895	227	54,233	199
Deduction:				
Goodwill due to acquisition of United Spaces	-193	-1	-190	-1
Estimated real deferred tax, 4% (1)	-2,202	-7	-2,090	-8
EPRA NTA: Net tangible assets	59,500	219	51,953	190

(1) The net estimated real deferred tax liability has been estimated at 4 per cent. based on a discount rate of 3 per cent. Further, assessments have been made that tax loss carry forwards are realised in one year with a nominal tax of 20.6 per cent., and that the properties are realised in 50 years and where the entire portfolio is sold indirectly in corporate wrappers where the buyers tax discount is 7 per cent.

Financial risk

Castellum's strategy is to own, develop and manage properties at low financial risk. This is expressed in a loan-to-value ratio not permanently exceeding 50 per cent. and an interest coverage ratio of at least 200 per cent. Another important measure used by Castellum to manage financial risk is secured debt/total asset ratio which is a measure that provide information about the level of subordination for investors providing debt on an unsecured basis. Solvency ratio is a key metric which is used to measure Castellum's ability to meet the long-term obligations. A solvency ratio indicates whether the cash flows are sufficient to meet its long term liabilities. Finally, unencumbered asset ratio portrays the portion of investment properties that are not subject to any encumbrances (such as, for example creditor claims, mortgages, liens or other securities pledged) and is thus free from any potential claims from other creditors.

	<u>Jan-June 2021</u>	<u>Jan-June 2020</u>	<u>Jan-Dec 2020</u>	<u>Jan-Dec 2019</u>
Interest coverage ratio				
Income from property management, MSEK	1,615	1,689	3,380	3,146
Reversed:				
Net interest costs, MSEK	374	394	786	782
Income from property management, MSEK excluding net interest	1,989	2,083	4,166	3,928
Interest coverage ratio	532%	529%	530%	502%

	<u>30 June 2021</u>	<u>30 June 2020</u>
Loan to value (vs. total assets only)		
Interest bearing liabilities, MSEK	43,023	41,834
Cash and cash equivalents, MSEK	-997	-200
Net interest bearing liabilities, MSEK	42,026	41,634
Total assets, MSEK	110,082	101,078
Loan to value ratio (vs. total assets only) (%)	38%	41%

	<u>30 June 2021</u>
Loan to value (vs. investment properties only)	
Net interest bearing liabilities, MSEK (per above)	42 026
Investment properties, MSEK	97 250
Acquired properties not taken into possession, MSEK	-146
Divested properties still in Castellum's possession, MSEK	1 126
Investment properties, MSEK	98 230
Loan to value ratio (vs. investment properties only) (%)	43%

Unencumbered asset ratio

	<u>30 June 2021</u>	<u>31 December 2020</u>
Unencumbered assets ratio		
Total assets, MSEK	110,082	109,916
Less secured assets, MSEK	-44,050	-42,416
Unencumbered assets	66,032	67,500
Total assets, MSEK	110,082	109,916
Unencumbered asset ratio	60%	61%

Consolidated solvency ratio

	<u>30 June</u> <u>2021</u>	<u>31 December</u> <u>2020</u>	<u>31 December</u> <u>2019</u>	<u>31 December</u> <u>2018</u>
Consolidated solvency ratio				
Total interest bearing liabilities (debt), MSEK	43,023	45,720	40,826	40,358
Total assets, MSEK	110,082	109,916	98,985	92,140
Consolidated solvency ratio	39%	42%	41%	44%

Secured debt to total asset ratio

	<u>30 June 2021</u>	<u>31 December</u> <u>2020</u>	<u>31 December</u> <u>2019</u>	<u>31 December</u> <u>2018</u>
Secured debt/total assets				
Total debt, MSEK	42,026	45,559	40,653	40,115
Less unsecured debt, MSEK	-36,491	-37,971	-33,404	-27,715
Secured debt, MSEK	5,535	7,588	7,249	12,400
Total assets, MSEK	110,082	109,916	98,985	92,140
Secured debt/total asset ratio	5%	7%	7%	13%

Net Investments

Net investments is an important key metric for Castellum in order to achieve the overall target of 10 per cent. growth in income from property management per share, Castellum will make annual net investments of at least 5 per cent. of the property value.

	<u>Jan-June 2021</u>	<u>Jan-June 2020</u>
Net investment, MSEK		
Acquisitions	335	292
New constructions, extensions and reconstruction	1,679	1,205
Total investments	2,014	1,497
Net sales prices	-11,000	-119
Net investments	-8,986	1,378

UNAUDITED PRO FORMA FINANCIAL INFORMATION

Castellum has prepared this unaudited pro forma financial information for illustrative purposes only. Because of its nature, the unaudited pro forma financial information illustrates a hypothetical situation and does not describe Castellum's actual results or financial position. The purpose of the unaudited pro forma financial information is only to inform on facts and not to show Castellum's results or financial position at any specific time in the future. Consequently, potential investors should not overstate the importance of the unaudited pro forma financial information.

BACKGROUND

On 2 August 2021, Castellum announced a voluntary public offer for all ordinary shares in Kungsleden (the **Offer**). The Offer consideration consists of a combination of shares in Castellum and cash for the tendered shares in Kungsleden. Castellum has offered each shareholder in Kungsleden the following;

- in respect of 70 per cent. 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 per cent. of the number of Kungsleden shares tendered by such shareholder, SEK 121 in cash per Kungsleden share.

Based on full participation in the Offer, this means that Castellum may issue up to 79,028,043 new shares and pay up to a total of approximately SEK 7,806 million in cash. Based on the closing price of Castellum's shares as of 30 July 2021 of SEK 241.10 per share, a total purchase price of approximately SEK 26,860 million has been calculated for this unaudited pro forma financial information.

Completion of the Offer is subject to customary conditions including, but not limited to, approval of the issuance of shares as consideration in Offer by Castellum's shareholders, the Offer being accepted to such an extent that Castellum becomes the owner of shares representing more than 90 per cent. of the total number of outstanding shares in Kungsleden and receipt of all necessary regulatory and governmental approvals. The unaudited pro forma financial statements have been prepared assuming the transaction will be approved.

Castellum has included unaudited pro forma financial information as of and for the six month period ended 30 June 2021, in order to report the hypothetical effects that the Offer would have on Castellum's financial position and results. The following pro forma financial information is presented:

- Unaudited pro forma statement of income for the period 1 January 2021 to 30 June 2021, as if the Offer had been completed on 1 January 2021; and
- Unaudited pro forma balance sheet as of 30 June 2021, as if the Offer had been completed as of 30 June 2021.

The pro forma adjustments are based upon available information and certain assumptions which the Board of Directors and management of Castellum believe are reasonable in this context and which are described in the accompanying notes to the unaudited pro forma financial information. Actual results may differ materially from the assumptions within the accompanying unaudited pro forma financial information.

The unaudited pro forma financial information does not include all information required for financial statements prepared under IFRS as adopted by the EU (**IFRS**) and should be read in connection with the historical financial information of Castellum and Kungsleden.

The unaudited pro forma financial information has been prepared in accordance with Annex 20 to Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation and has been

compiled in a manner consistent with the accounting principles of Castellum, IFRS as adopted by the EU, which are described in Castellum's annual report for 2020.

Castellum's auditor, Deloitte AB has given an assurance report on the compilation of pro forma financial information, included in this Base Prospectus — *“Independent Auditor's Assurance Report on the Compilation of Pro Forma Financial Information included in a Prospectus”*.

ASSUMPTIONS AND BASIS FOR THE PRO FORMA FINANCIAL INFORMATION

Acceptance to the Offer

The acquisition offer includes all shares in Kungsleden that have not been repurchased by Kungsleden. The pro forma report assumes full acceptance of the Offer.

Presentation of financial statements

As the companies have different forms of presentation for their statements of income and balance sheets, for the purpose of this pro forma financial information, the presentation format in Kungsleden's financial reports have to some extent been adjusted to comply with Castellum's presentation format. When preparing the pro forma financial information, Castellum did not have access to the underlying accounts in Kungsleden's financial statements, which means that it has not always been possible to fully classify the items in accordance with Castellum's presentation format. In order to achieve comparability between Castellum and Kungsleden, the following adjustments have been made to Kungsleden's financial statements:

- Total revenue in Kungsleden's statement of income is presented in the line item Income.
- Selling and administration costs in Kungsleden's statement of income are presented in the line item Central administrative expenses in the pro forma statement of income.
- Financial revenue and financial costs in Kungsleden's statement of income are presented in the line item Net interest costs in the pro forma statement of income.
- Costs of right of use in Kungsleden's statement of income are presented in the line item Leasingcost / Site leasehold fee in the pro forma statement of income.
- Tax in Kungsleden's statement of income are presented in the line item Deferred tax in the pro forma statement of income.
- Changes in value on interest derivatives in Kungsleden's statement of income is presented in the line item changes in value on derivatives in the pro forma statement of income.
- Intangible assets, equipment and other long-term receivables in Kungsleden's balance sheet are presented in the item Other fixed assets in the pro forma balance sheet.
- Long term as well as short term liabilities to credit institutions and other interest-bearing liabilities in Kungsleden is aggregated in the Interest-bearing liabilities line item in the pro forma balance sheet.
- Long term as well as short term debts regarding liabilities of right of use is aggregated in the Lease liability line item in the pro forma balance sheet.
- Other liabilities in Kungsleden is on the line item Non-interest bearing liabilities in the pro forma balance sheet.

In addition, for purposes of the presentation of the unaudited pro forma statement of income, operating costs, maintenance expenses, letting and property administration expenses, co-working expenses and property tax in Castellum's statement of income are aggregated in the Property costs line item in the pro forma statement of income. Further, rental income, service income and co-working income in Castellum's statement of income are aggregated in the Income line item in the pro forma statement of income. Acquisition costs in Castellum's statement of income are presented as Transaction costs in the pro forma statement of income. Letting cost/Site leasehold fee in Castellum's statement of income are presented as Leasing costs/Site leasehold fee in the pro forma statement of income. Impairment of goodwill in Castellum's statement of income is presented as Writedown goodwill in the pro forma statement of income. Finally Changes in value on financial holdings is presented as Changes in value on financial assets in the pro forma statement of income.

Accounting principles

The unaudited pro forma financial information has been prepared following Castellum's accounting principles IFRS as adopted by the EU, which are described in Castellum's annual report for 2020. Kungsleden also applies IFRS as adopted by the EU, as described in Kungsleden's annual report for 2020.

Business Combination vs. Asset Purchase

At the time of preparation of the unaudited pro forma financial information, the transaction has been classified as a Business Combination in accordance with IFRS 3. Classification of a transaction as a Business Combination or Asset Purchase is made in accordance with a number of assessment criteria prescribed in IFRS 3.

Basis for the unaudited pro forma financial information

The respective interim reports for the period 1 January – 30 June 2021 of Castellum and Kungsleden form the basis for the unaudited pro forma financial information. Castellum's interim report has been reviewed by Castellum's auditor, but Kungsleden's interim report has not been so reviewed.

The unaudited pro forma financial information does not include all of the information required for financial statements under IFRS and should be read in conjunction with the historical information of the companies as presented in the annual reports and published interim reports. In addition to the aforementioned public information, Castellum has not been privy to any documentation relating to Kungsleden's accounts.

PRO FORMA ADJUSTMENTS

The overall nature of the pro forma adjustments is described below. The adjustments are described in more detail in the notes to the pro forma accounts. With respect to the unaudited pro forma statement of income, the pro forma adjustments are expected to have a continuing impact on the consolidated results, unless otherwise stated. General synergies or costs for integration have not been included in the pro forma accounts.

Adjustments of accounting principles

Castellum has carried out an analysis based on public information regarding significant differences between accounting principles of Castellum and Kungsleden. Castellum's assessment is that there are no differences between accounting principles of Castellum and Kungsleden that have any significant effects on the financial information.

Purchase price allocation

In the unaudited pro forma financial information, the purchase price for the acquisition of Kungsleden has been calculated as SEK 26,860 million. The value of Castellum's shares in the preliminary purchase price

allocation has been calculated on the basis of Castellum's closing share price as of 30 July 2021, amounting to SEK 241.10 per share. Furthermore, the bid value for pro forma purposes is based on an assumption of full acceptance level in the Offer.

Based on the assumptions above, the purchase price of SEK 26,860 million in total is divided into 79,028,043 new shares equal to SEK 19,054 million and cash of SEK 7,806 million.

The preliminary purchase price allocation has been based on reported values in Kungsleden's balance sheet as of 30 June 2021, apart from the deferred tax related to the difference between the book value of investment properties and its tax value, which has been based on Kungsleden's reported values as of 31 December 2020. At the time of the preparation of the pro forma financial information, the transaction has been classified as a business combination in accordance with IFRS 3, meaning that deferred tax must be recognised on all temporary differences. The effect of this entails an adjustment for additional deferred tax of approximately SEK 1,705 million. With respect to this adjustment of deferred tax of SEK 1,705 million, a corresponding amount will have an impact on goodwill (i.e. an increase of the goodwill amount recognised).

It should be noted that Castellum, when preparing the preliminary purchase price allocation to be used for pro forma purposes, did not have access to all underlying data in order to assess and measure all assets and liabilities at fair value. When preparing the final purchase price allocation, all identifiable assets and liabilities will however be valued at fair value. Valuation of purchased properties will then take place in accordance with Castellum's process for market valuation of each property, at the timing of the acquisition. This value may deviate from the reported fair value of Kungsleden's properties as of 30 June 2021. When preparing the final purchase price allocation, new intangible assets may also be identified, which may mean that the statement of income may in the future be charged with amortization of these assets. The final purchase price allocation may deviate from the preliminary purchase price allocation. A final purchase price allocation will be prepared and published, as part of Castellum's financial reporting, within one year from the date of the acquisition.

In the preliminary purchase price allocation, the difference between the net of the identifiable assets acquired and the liabilities assumed, and the consideration has been recognised as goodwill.

Transaction costs and financing

Estimated transaction costs attributable to the acquisition are assumed to occur 1 January 2021 and are adjusted for in the unaudited pro forma financial information. The transaction costs, which are estimated to be SEK 45 million, have been accounted for as a one off in the unaudited pro forma statement of income.

In connection with the Offer, but after 30 June 2021, Castellum has signed a bridge loan of SEK 8,000 million, of which SEK 7,851 million is expected to be utilised when preparing the pro forma financial information, in order to finance the acquisition of Kungsleden. In the unaudited pro forma statement of income, the loan has been treated as if the acquisition has taken place 1 January 2021. The final financing of the acquisition of Kungsleden can however be different, which can result in other interest costs being recognised. Estimated interest cost for the period 1 January – 30 June 2021 amounts to approximately SEK 65 million, of which SEK 15 million is up-front and arrangement fees for the bridge loan that is considered one off items (as they are not expected to have a continuing impact on the statement of income/items of non-recurring nature).

Further, Kungsleden has outstanding bonds which contain change of control clauses. It has not been possible to do a full assessment of the outcome of the change of control in relation to Kungsleden's financing. Because of that, an assumption has been made in the unaudited pro forma financial information that Kungsleden's bondholders are not redeemed. Furthermore, all the change of control clauses in Kungsleden's bank facilities have been waived and the unaudited pro forma financial information is based on an assumption that these bank facilities remain in place.

Tax effect on adjustments

The tax effect has been taken into account on all adjustments that are deemed to be tax deductible or taxable in the unaudited pro forma financial information. Estimated tax effect may differ from actual tax effect when the Offer is executed. The tax calculations are based on the statutory tax rate 20.6 per cent. for 2021.

UNAUDITED PRO FORMA STATEMENT OF INCOME FOR 1 JANUARY – 30 JUNE 2021

Based on the conditions above and the pro forma adjustments set out below, an unaudited pro forma statement of income is set out below for the period 1 January – 30 June 2021:

STATEMENT OF INCOME	Castellum (1 January – 30 June 2021) IFRS	Castellum Kungsleden (1 January – 30 June 2021) IFRS	Pro forma adjustments	Note	Castellum Pro forma Statement of income
<i>(SEK million)</i>					
Income	2,936	1,289	0		4,225
Property costs	-902	-404	0		-1,306
Net operating income	2 034	885	0		2,919
Central administrative expenses	-77	-47	0		-124
Transaction costs	0	0	-45	A1	-45
<i>Net financial costs</i>					
Net interest costs	-374	-172	-65	A2	-611
Dividend	46	0	0		46
Leasingcost / Site leasehold fee	-14	-15	0		-29
Income from property management including transaction costs/financing fees	1,615	651	-110		2,156
Changes in value on properties	3,122	1,373	0		4,495
Changes in value on financial assets	296	0	0		296
Changes in value on derivatives	117	131	0		248
Writedown goodwill	-53	0	0		-53
Income before tax	5,097	2,155	-110		7,142
Current tax	-132	0	0		-132
Deferred tax	585	-444	13	A3	154
Net income for the period	5,550	1,711	-97		7,164

Notes to pro forma statement of income

A1

Transaction costs totalling SEK 45 million attributable to the acquisition of Kungsleden are assumed to have arisen on 1 January 2021, entailing a pro forma adjustment in the pro forma statement of income for transaction costs. The pro forma adjustments for these expenses are not expected to have a continuing impact on the statement of income and are assumed not to be deductible.

A2

The cash consideration for the acquisition of Kungsleden totalling SEK 7,806 million, as well as transaction costs totalling SEK 45 million, will be financed through a bridge loan of SEK 8,000 million with an assumption of an average annual interest rate of 1.3 per cent. equal to SEK 100 million on an annual basis. This entails a pro forma adjustment in the pro forma statement of income for increased interest expenses totalling SEK 50 million. The ultimate financing may, however, look different, resulting in other interest expenses being recognised than those presented for pro forma purposes above.

Up front and arrangement fees for the bridge loan of approximately SEK 30 million has been accrued over the tenor of the loan (assumed to be a period of 12 months) and is in total SEK 15 million for the six month period 1 January 2021 – 30 June 2021. The expenses of SEK 30 million are not expected to have continuing impact on the statement of income (items of a non-recurring nature).

This entails a pro forma adjustment in the statement of income for increased interest expenses totalling SEK 65 million.

A3

Additional interest cost for the acquisition increases deferred tax income with SEK 13 million for the period 1 January – 30 June 2021.

UNAUDITED PRO FORMA BALANCE SHEET AS OF 30 JUNE 2021

Based on the conditions above and the pro forma adjustments set out below, an unaudited pro forma balance sheet as of 30 June 2021 is set out below.

BALANCE SHEET	Castellum 30 June 2021 IFRS	Kungsleden 30 June 2021 IFRS	Pro forma adjustments	Note	Castellum Pro forma Balance sheet
<i>(SEK million)</i>					
Investment properties	97,250	42,539	0		139,789
Goodwill	1,620	0	9,198	A	10,818
Leases, right-of-use	1,035	629	0		1,664
Financial assets	6,566	0	0		6,566
Other fixed assets	205	17	0		222
Derivatives	0	38	-38	E	0
Current receivables	2,409	3	0		2,412
Cash and cash equivalents	997	901	0		1,898
Total Assets	110,082	44,127	9,160		163,369
Equity	50,926	19,367	-358	B	69,935
Deferred tax liability	10,794	3,350	1,705	D	15,849
Other provisions	10	9	0		19
Interest-bearing liabilities	43,023	19,671	7,851	C	70,545
Derivatives	653	90	-38	E	705
Lease liability	1,035	629	0		1,664
Non-interest bearing liabilities	3,641	1,011	0		4,652
Total Equity and Liabilities	110,082	44,127	9,160		163,369

Notes to the unaudited pro forma balance sheet

A

In the pro forma balance sheet, the purchase price has been calculated at SEK 26,860 million consisting of an issue of 79,028,043 new shares in Castellum with a value of SEK 19,054 million based on the closing share price of 30 July 2021 of SEK 241.10 per share, and cash of SEK 7,806 million.

The preliminary purchase price allocation has been based on reported values in Kungsleden's balance sheet as of 30 June 2021, apart from the deferred tax related to the temporary difference on investment properties, which has been based on Kungsleden's reported values as of 31 December 2020. At the time of preparation of the unaudited pro forma financial information, the transaction has been classified as a business combination in accordance with IFRS 3, meaning that deferred tax must be recognised on all temporary differences. The effect of this entails an adjustment for additional deferred tax of SEK 1,705 million. With respect to this adjustment of deferred tax of SEK 1,705 million, a corresponding amount will have an impact on goodwill (i.e. an increase of the goodwill amount recognised, see also the table below).

The difference between the net of the identifiable assets acquired and the liabilities assumed and the purchase price has been accounted for as goodwill, amounting to SEK 7,493 million (excluding the adjustment for deferred tax mentioned above), since the Castellum Board of Directors has no information to make any other assessment other than that Kungsleden's Investment properties are valued at fair value. When preparing the final purchase price allocation all identifiable assets and liabilities will be valued to fair value. Valuation of acquired properties will then take place according to Castellum's process for market valuation of each property at the time for the execution of the Offer. This value can deviate from the reported value on Kungsleden's investment properties as of 30 June 2021.

In total, this means a goodwill of SEK 9,198 million that is accounted for in the pro forma balance sheet.

Preliminary purchase price allocation as at 30 June 2021

(SEK million)

Purchase price	26,860
Less fair value net assets acquired	-19,367
Plus deferred tax liability	1,705
Goodwill	9,198

B

There have been no transaction costs attributable to the acquisition before June 30 2021, meaning that such costs have reduced shareholder's equity and increased debt as at 30 June 2021. The costs are one off and non-recurring. Estimated transactions costs are approximately SEK 45 million.

Shareholder's equity has been adjusted with the non-cash issue which increases shareholder's equity with SEK 19,054 million based on Castellum's share price as of 30 July 2021 of SEK 241,10 per share. Furthermore, deduction is made for transactions costs of SEK 45 million and the acquired equity according to Kungsleden's Q2 report, by SEK 19,367 million. That gives a net adjustment of SEK -358 million. Estimated direct costs for the issue are not significant.

Equity, proforma adjustments

(SEK million)

Non-cash issue	19,054
Transaction costs	-45
Acquired equity as at 30 June 2021	-19,367
Pro Forma Adjustment	-358

C

Interest bearing debt has increased with the cash component in the Offer, equal to SEK 7,806 million and transactions costs of SEK 45 million, in total SEK 7,851 million.

D

According to Kungsleden's Annual Report for 2020, temporary differences regarding investment properties are SEK 24,457 million, of which deferred tax is SEK 5,038 million based on a tax rate of 20.6 per cent. The information reflects the value as of 31 December 2020 since Castellum does not have any more updated information as at 30 June 2021. According to Castellum's assessment, the situation as at 31 December 2020 are sufficiently reliable in order to use as a base for preparation of the pro forma financial information as of 30 June 2021. Accounted deferred tax regarding investment properties according to Kungsleden's Annual report 2020, is SEK 3,333 million. Thus, there is a difference of SEK 1,705 million. At the time of preparation of the pro forma financial information, the transaction has been classified as a business combination in accordance with IFRS 3, meaning that deferred tax must be reported on all temporary differences. The effect of this entails an adjustment for additional deferred tax of SEK 1,705 million. With respect to this adjustment of deferred tax of SEK 1,705 million, a corresponding amount will have an impact on goodwill (i.e. an increase of the goodwill amount recognised).

Deferred tax, proforma adjustments

(SEK million)

Temporary difference properties as at 31 December 2020 according to Kungsleden's Annual Report	24,457
Deferred tax 20.6 per cent. on above	-5,038
Of which accounted for in the balance sheet as at 31 December 2020 according to Kungsleden's Annual Report	-3,333
<hr/> Pro Forma Adjustment	<hr/> 1,705

E

Kungsleden accounts for positive and negative values in derivatives gross, i.e. positive values as an asset and negative values as a liability. Since Castellum, based on materiality accounts for derivatives net, the pro forma amounts are adjusted accordingly, i.e. derivatives are presented net as Derivative liabilities.

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS

To the Board of Directors of Castellum AB, corporate identity number: 556475-5550

Report on the Compilation of Pro Forma Financial Information Included in a Prospectus

We have completed our assurance engagement to report on the compilation of pro forma financial information of Castellum AB ("Castellum") by the Board of Directors and Management of Castellum. The pro forma financial information consists of the unaudited pro forma balance sheet as at 30 June 2021 and the unaudited pro forma statement of income for the six months ended 30 June 2021, and related notes as set out in section "Unaudited Pro Forma Financial Information" of the Base Prospectus dated 20 August 2021 issued by Castellum (the "Base Prospectus"). The applicable criteria on the basis of which the Board of Directors and Management of Castellum have compiled the pro forma financial information are specified in Annex 20 of the Commission delegated regulation (EU) No. 2019/980 and described in the section "Unaudited Pro Forma Financial Information" of the Base Prospectus.

The pro forma financial information has been compiled by the Board of Directors and Management of Castellum to illustrate (i) the impact of the acquisition of all shares in Kungsleden AB (the "Offer") as set out in section "Unaudited Pro Forma Financial Information" of the Base Prospectus on Castellum's consolidated financial position as of 30 June 2021 and its consolidated financial performance for the period ended 30 June 2021 as if the Offer had taken place at 30 June 2021 and 1 January 2021 respectively.

As part of this process, information about Castellum's and Kungsleden AB's consolidated financial position and financial performance has been extracted by the Board of Directors and Management of Castellum from Castellum's and Kungsleden AB's interim financial statements for the six months ended 30 June 2021, on which no audit but a review report has been published for Castellum and no audit or review report has been published for Kungsleden AB.

The Board of Directors' and Management's Responsibility for the Pro Forma Financial Information

The Board of Directors and Management of Castellum are responsible for compiling the pro forma financial information on the basis of the applicable criteria.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies *International Standard on Quality Control 1* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibilities

Our responsibility is to express an opinion, as required by Regulation (EU) No. 2019/980 about whether the pro forma financial information has been compiled by the Board of Directors and Management of Castellum on the basis of the applicable criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the auditor plan and perform procedures to obtain reasonable assurance about whether the Board of Directors and Management have compiled, the pro forma financial information on the basis of the applicable criteria and whether this basis is consistent with the accounting policies of Castellum. Our work primarily consisted of comparing the unadjusted financial information with the source documents as described in section "Unaudited Pro Forma Financial Information" of the Base Prospectus, considering the evidence supporting the adjustments and discussing the pro forma financial information with Management of Castellum.

The aforementioned opinion does not require an audit of historical unadjusted financial information, the adjustments to conform the accounting policies of Kungsliden AB to the accounting policies of Castellum, or the assumptions summarized in section "Unaudited Pro Forma Financial Information" of the Base Prospectus. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Because of its nature, the Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent Castellum's actual financial position or performance. Accordingly, we do not provide any assurance that the actual outcome of the Offer at 30 June 2021 or the six months ended 30 June 2021 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors and Management in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- (i) The related pro forma adjustments give appropriate effect to those criteria;
- (ii) The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information;
- (iii) The pro forma financial information has been compiled on a basis consistent with the accounting policies of Castellum.

The procedures selected depend on the auditor's judgment, having regard to the auditor's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Opinion

In our opinion, the pro forma financial information has been properly compiled on the basis stated in section "Unaudited Pro Forma Financial Information" of the Base Prospectus and that basis is consistent with the accounting policies applied by Castellum.

Gothenburg, 20 August 2021

Deloitte AB

Harald Jagner

Authorized Public Accountant

TAXATION

SWEDISH TAXATION

The following summary outlines certain Swedish tax consequences of the acquisition, ownership and disposal of Notes. The summary is based on the laws of the Kingdom of Sweden as currently in effect and is intended to provide general information only. The summary is not exhaustive and thus does not address all potential aspects of Swedish taxation that may be relevant for a potential investor in the Notes and is neither intended to be nor should be construed as legal or tax advice. In particular, the summary does not address the rules regarding reporting obligations for, among others, payers of interest. Specific tax consequences may be applicable to certain categories of corporations, e.g. investment companies and life insurance companies, not described below. Investors should consult their professional tax advisors regarding the Swedish and foreign tax consequences (including the applicability and effect of double taxation treaties) of acquiring, owning and disposing of Notes in their particular circumstances.

Non-resident holders of Notes

As used herein, a non-resident holder means a holder of Notes who is (a) an individual who is not a resident of Sweden for tax purposes and who has no connection to Sweden other than his/her investment in the Notes, or (b) an entity not organised under the laws of Sweden.

Payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to a non-resident holder of any Notes should not be subject to Swedish income tax provided that such holder does not carry out business activities from a permanent establishment in Sweden to which the Notes are effectively connected. Under Swedish tax law, no withholding tax is imposed on payments of principal or interest to a non-resident holder of any Notes.

Private individuals who are not resident in the Kingdom of Sweden for tax purposes may be liable to capital gains taxation in the Kingdom of Sweden upon disposal or redemption of certain financial instruments, depending on the classification of the particular financial instrument for Swedish income tax purposes, if they have been resident in the Kingdom of Sweden or have lived permanently in the Kingdom of Sweden at any time during the calendar year of disposal or redemption or the ten calendar years preceding the year of disposal or redemption.

Resident holders of Notes

As used herein, a resident holder means a holder of Notes who is (a) an individual who is a resident in Sweden for tax purposes or (b) an entity organised under the laws of Sweden.

Generally, all capital income (e.g. amounts that are considered to be interest for Swedish tax purposes and capital gains on the Notes) obtained by individuals (and estates of deceased individuals) resident in Sweden for tax purposes will be taxable at a rate of 30 per cent.

Limited liability companies and other legal entities (except partnerships and estates of deceased individuals) are normally taxed on all income (including income from the disposal of the Notes) as income from business operations at a flat rate of 20.6 per cent. as from 1 January 2021.

Swedish tax law does not impose withholding tax on payments of principal or interest to a resident holder of Notes. However, if amounts that are considered to be interest for Swedish tax purposes are paid to a private individual (or an estate of a deceased individual) that is a resident holder of Notes, Swedish preliminary tax (Sw: *preliminärskatt*) is normally withheld on such payments at a rate of 30 per cent.

FINNISH TAXATION

The following summary outlines certain Finnish tax consequences of the acquisition, ownership and disposal of Notes issued by Castellum Finance. The summary is based on the tax laws of Finland as in effect on the date of this Base Prospectus, and is subject to changes in Finnish law, including changes that could have a retroactive effect. The following summary does not purport to be a comprehensive description of all Finnish tax law considerations that could be relevant for holders of the Notes and does not take into account or discuss the tax laws of any country other than Finland. This summary addresses neither Finnish gift nor inheritance tax consequences. Prospective investors are advised to consult their own professional tax advisors as to the tax consequences relating to investments in the Notes.

Withholding Tax

All payments made by Castellum Finance under the Notes other than to Finnish resident individuals may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied withheld or assessed by Finland.

Finnish Resident Individuals and Estates

If the recipient of interest paid on the Notes is a resident individual or an undistributed estate of a deceased Finnish resident, such interest is subject to advance withholding tax in accordance with the Finnish Withholding Tax Act (20.12.1996/1118, as amended) and final taxation as capital income in accordance with the Finnish Income Tax Act (30.12.1992/1535, as amended) (the **Finnish Income Tax Act**). The current withholding tax rate is 30 per cent. The advance tax withheld is credited against the final tax payable by the recipient of interest paid on the Notes. The final capital income tax rate is 30 per cent. (34 per cent. of the capital income exceeding EUR 30,000).

A tax at source, in accordance with the Act on Tax at Source of Interest Income (1341/1990, as amended), has to be withheld from the interest paid to a resident individual or an undistributed estate of deceased Finnish resident, unless otherwise indicated below. The tax at source is currently 30 per cent of the amount of interest paid. The Act on Tax at Source of Interest Income (1341/1990, as amended) is not applicable, inter alia, if a prospectus does not have to be prepared with respect to the Notes due to (i) the Notes being provided to qualified investors only, (ii) the offer being addressed in each country belonging to the EEA to a maximum number of under 150 investors who are not qualified investors, or (iii) the Notes not being offered for a consideration of less than EUR 100,000 per investor and for each separate offer or in denomination of less than EUR 100,000 per unit.

Any gain or loss realised following a disposal of the Notes is taxable income or a tax deductible loss for the relevant Noteholder. If the Notes are disposed of during the loan period, any capital gain received is taxed as capital income at a flat rate of 30 per cent. (34 per cent. of the capital income exceeding EUR 30,000). Capital losses are deductible from all capital income. If the losses cannot be deducted from capital gains and/or other capital income incurred during the loss year, the undeducted portion would be used as the basis for confirming the capital losses for that tax year, and those confirmed losses would be deductible from capital gains and other capital income for the next five years.

Eventual interests, capital gains or losses shall be reported in the annual tax return.

Finnish Resident Corporations

If the recipient of interest paid on the Notes is a corporation residing in Finland as further defined in the Finnish Income Tax Act, such interest is not subject to any preliminary withholding. The interest is subject to final taxation of the recipient in accordance with the Finnish Business Income Tax Act (24.6.1968/360, as amended). The current rate of corporate income tax is 20 per cent.

Any gain or loss realised following a disposal of the Notes is taxable income or a tax deductible loss for the relevant Noteholder. Capital gains are currently taxed at a flat rate of 20 per cent. Generally, a capital loss is deductible from the resident corporations' income arising in the same year and during the following ten fiscal years.

Eventual interests, capital gains or losses shall be reported in the annual tax return.

Non-Residents

Non-residents are not subject to taxation in Finland under the Notes.

The interest paid to an individual or a corporation not residing in Finland may be subject to tax regulations in their state of residence.

Transfer Tax

Generally, the transfer tax amounting 1.6 per cent. is payable on transfers or sales of the securities. However, the Notes are not classified as securities within the meaning of the Finnish Transfer Tax Act (29.11.1996/931, as amended) and, thus, transfer tax is not payable, provided that the yield of the Note is not determined by the profit of the Issuer or by the amount of dividend or otherwise entitles to the share of annual profit or surplus of the Issuer.

No transfer tax is payable in Finland on transfers or sales of the securities admitted to trading on the regulated market or other multi-lateral trading facility.

FATCA DISCLOSURE

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. Each Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Sweden and the Republic of Finland) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes that are characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Notes (as described under Condition 17 (*Further Issues*)) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA

or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Dealers have, in an Amended and Restated Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 20 August 2021, agreed with the Issuers and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuers (failing which, the Guarantor) have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

SELLING RESTRICTIONS

United States

The Notes and Guarantee have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**); and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (A) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (C) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (A) to (C) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression **an offer of Notes to the public** in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

United Kingdom

Prohibition of sales to UK Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the UK. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in the UK except that it may make an offer of such Notes to the public in the UK:

- (A) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (C) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (A) to (C) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

- the expression **an offer of Notes to the public** in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and

- the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;
- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold Notes and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Sweden

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy Notes or distribute any draft or definitive document in relation to any

such offer, invitation or sale except in circumstances that will not result in a requirement to prepare a prospectus for an offer to the public pursuant to the provisions of the Prospectus Regulation.

Finland

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not underwrite the issue of, or offer, sell advertise or otherwise market or place the Notes, in the Republic of Finland otherwise than in conformity with all applicable provisions of the laws of the Republic of Finland and especially in compliance with the Prospectus Regulation and the Finnish Securities Markets Act (in Finnish *arvopaperimarkkinalaki 746/2012*, as amended) as well as the regulations issued pursuant thereto and that the Notes will not and may not be offered, sold, advertised or otherwise marketed in Finland under circumstances that would constitute a non-exempt offer of the Notes to the public under the Prospectus Regulation and the Finnish Securities Markets Act and that any offers of the Notes in Finland will only be made in accordance with the restrictions and qualifications as set forth above in "*Prohibition of Sales to EEA Retail Investors*".

Singapore

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that this Base Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (**MAS**). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of any Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (c) where no consideration is or will be given for the transfer;
- (d) where the transfer is by operation of law;

- (e) as specified in Section 276(7) of the SFA; or
- (f) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Notification under Section 309B(1)(c) of the SFA – Unless otherwise specified in the applicable Final Terms, all Notes shall be 'prescribed capital markets products' (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **SF (CMP) Regulations**) and Excluded Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and in the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuers, the Guarantor nor any of the other Dealers shall have any responsibility therefor.

None of the Issuers, the Guarantor and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The establishment of the Programme was duly authorised by a resolution of the Board of Directors of Castellum AB dated 14 June 2018 and the issue of Notes thereunder was duly authorised by a resolution of the Board of Directors of Castellum AB dated 16 October 2018. The update of the Programme and, in the case of Castellum AB only, the giving of the Guarantee has been duly authorised, as applicable, by (a) resolutions of the Board of Directors of Castellum AB dated 8-9 June 2021 and 14 July 2021 and (b) a resolution of the Board of Directors of Castellum Finance dated 11 August 2021.

Listing of Notes

Application has been made to Euronext Dublin for Notes issued under the Programme during the period of twelve months from the date of this Base Prospectus to be admitted to the Official List and trading on the Euronext Dublin Regulated Market. The approval of the Programme in respect of the Notes was granted on or about 20 August 2021.

Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuers in connection with the Notes and is not itself seeking admission of the Notes to the Official List or to trading on the Euronext Dublin Regulated Market for the purposes of the Prospectus Regulation.

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection in electronic form at : <https://www.castellum.se/en/Investorrelations/financing/emtn-programme/>:

- (a) the constitutional documents (with an English translation thereof) of Castellum AB and Castellum Finance;
- (b) the Agency Agreement, the Deed of Covenant, the Guarantee and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;
- (c) a copy of this Base Prospectus; and
- (d) any future base prospectuses, prospectuses, information memoranda, supplements and Final Terms to this Base Prospectus and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and/or Clearstream, Luxembourg, as applicable, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no significant change in the financial performance or financial position of Castellum AB or the Group since 30 June 2021 and there has been no material adverse change in the financial position or prospects of Castellum AB since 31 December 2020.

There has been no significant change in the financial performance or financial position of Castellum Finance since the date of its incorporation and there has been no material adverse change in the financial position or prospects of Castellum Finance since the date of its incorporation.

Litigation

Neither Castellum AB, Castellum Finance, nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuers are aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of Castellum AB, Castellum Finance and/or the Group.

Auditors

The auditors of Castellum AB are Deloitte AB, Södra Hamngatan 53, Box 33, Gothenburg, Sweden, Swedish authorised public accountants (authorised and regulated by the Supervisory Board of Public Accountants – Karlavägen 104, 115 26 Stockholm, Sweden), who have audited Castellum's accounts, without qualification, in accordance with IFRS for each of the financial years ended on 31 December 2020 and 31 December 2019.

The auditors of Castellum Finance are Deloitte Ab, Salmisaareaukio 2, FI-00180 Helsinki, Finland (an audit firm approved and supervised by the Finnish Patent and Registration Office (PRH), Audit Oversight Unit) with Alekski Martamo, Authorised Public Accountant, as the auditor with principal responsibility, who have been appointed as independent auditors of Castellum Finance for the initial accounting period of Castellum Finance, which commenced on 28 June 2021 (being its date of incorporation) and ends on 31 December 2021. Alekski Martamo is registered in the auditor register in accordance with Chapter 6 Section 9 in the Finnish Auditing Act (1141/2015, as amended).

Dealers transacting with the Issuers and the Guarantor

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for the Issuers, the Guarantor and their respective affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuers, the Guarantor and their respective affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuers, the Guarantor or their respective affiliates. Certain of the Dealers or their affiliates that have a

lending relationship with the Issuers and/or the Guarantor routinely hedge their credit exposure to the Issuers and the Guarantor consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Website

Castellum's website is www.castellum.se. For the avoidance of doubt, the contents of any website referred to in this Base Prospectus do not form part of this Base Prospectus unless specifically incorporated by reference herein.

Language of this Base Prospectus

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

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GUARANTOR

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