



2023

Annual Report



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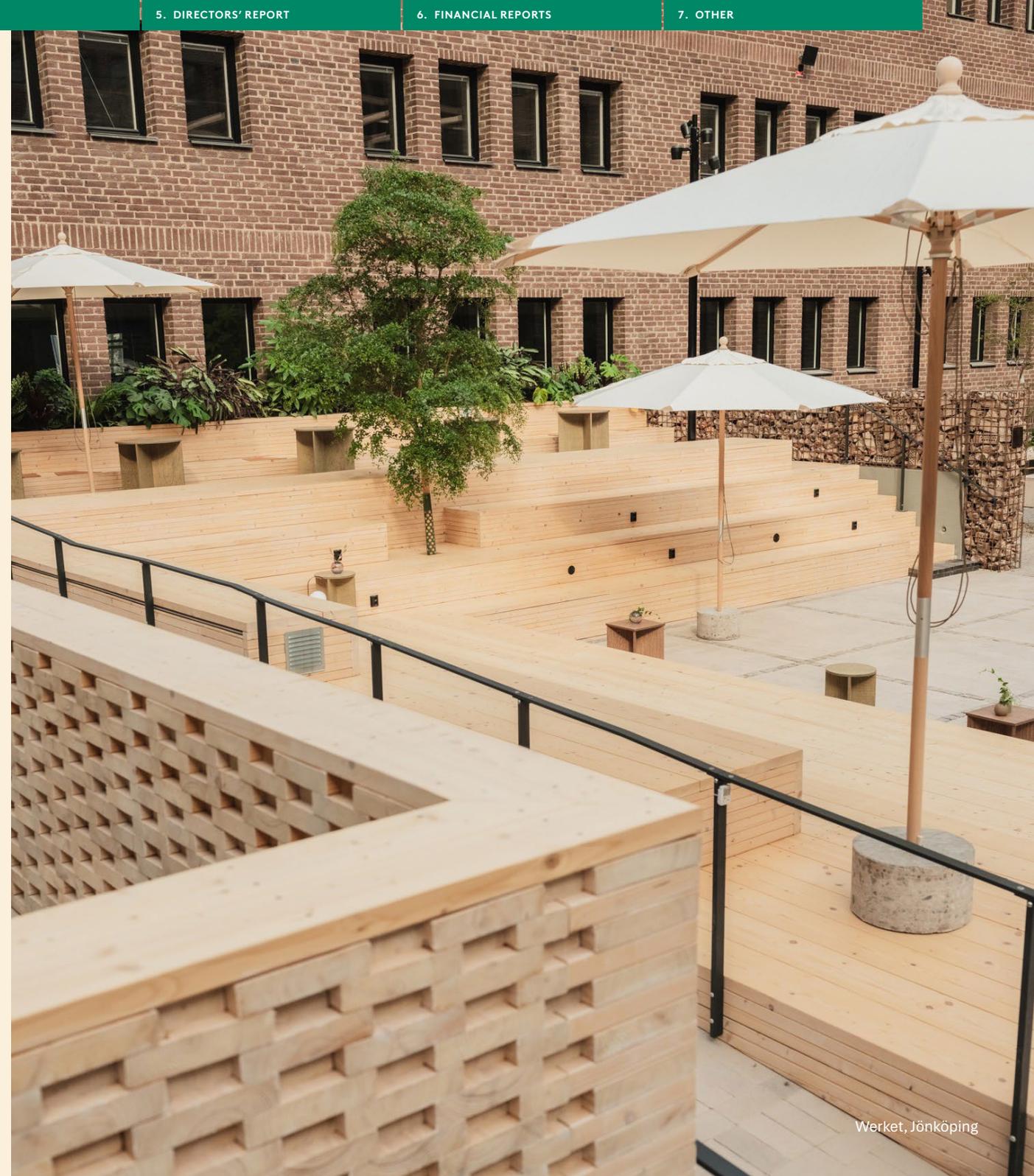
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## Castellum's Annual Report

The statutory annual report, which contains the Directors' Report and financial reports, is found on pages 88–157 and 162. Castellum's statutory sustainability report under the Swedish Annual Accounts Act is found on pages 4–13, 18, 27–28, 35–86, 97–101, 103–106 and 108–113. The cross-references to the various sustainability reporting frameworks that Castellum applies are on pages 81–86.

This is a translation of the Swedish language original. In the events of any differences between this translation and the Swedish original, the latter shall prevail.

Front page: During the year, Castellum completed the Godsfinkan 1 project in the Nyhamnen district of Malmö for the Swedish National Courts Administration. The court property is one of the largest workplaces in northern Europe for lawyers, and is one of Castellum's largest ever construction projects. Read more on page 25.





# 1

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# Introduction



Castellum completed Sjustjärnan 1, E.ON's Nordic head office in Malmö, during the year. This landmark building is characterised by distinctive architecture and a magnificent open staircase.

# Welcome to Castellum

## A leading property owner in the Nordic region

Castellum owns, manages, and develops properties and is one of the Nordic region's largest listed property companies, listed on Nasdaq Stockholm Large Cap.

Castellum specialises in flexible workplaces and smart logistics solutions, and serves the Nordic region's capital cities and attractive growth regions.

Castellum's ambition is to be the most sustainable property company in the Nordic region, and the company is the only one in the Nordic property and construction sector that has been included in the Dow Jones Sustainability Index.

### Key metrics 2023

#### Contract value

SEK 9,243 M (9,063)

#### Income from property management

SEK 4,373 M (4,510)

#### Loan-to-value ratio

37% (42)

#### Property value<sup>1</sup>

SEK 160 Bn (181)

#### Energy consumption in the like-for-like portfolio

-4% kWh/sq. m. (-4)

#### Share of self-generated solar electricity of annual electricity consumption

17% (7)

#### Sustainability-certified properties

50% (45) of sq. m.

#### Equality

41% women (42)  
59% men (58)

1. Including holdings in Entra.



Havneholmen 25, Copenhagen

CEO's comment

# On solid ground after a year of trials and tribulations

**The end of a prolonged period of zero interest rates combined with robust monetary stimuli was painful for society as a whole. Nordic property companies were hit hard by inflation and interest-rate hikes, which put the companies under financial pressure. At that time, Castellum was at the peak of an intensive investment and expansion phase, with far too large of a debt burden. With the determination to take the necessary measures early on, Castellum has ridden out the storm. Even if challenges remain, we are entering this new year with confidence.**

At the start of 2023, Castellum was in a situation with major bonds falling due, increasing interest costs and a credit rating in jeopardy. The measures that were planned or taken in the autumn of 2022 continued into 2023. Because of our preferential

rights issue of approximately SEK 10 Bn, sales of properties, reduced project volume, positive cash flow and cancelled dividend, 2023 can be summed up with high liquidity and unutilised credit facilities totalling SEK 27 Bn as well as net debt that decreased by SEK 16 Bn.

After a year of trials and tribulations, we can now confirm that Castellum is standing on stable financial ground.

### Stable tenants, but a tough market

Castellum aims to achieve long-term growth at low financial risk. Our customer base is diverse, with tenants that comprise a cross-section of the Nordic business world and public sector. No lease accounts for more than 1.2 per cent of our rental income. Our tenants include government agencies and departments, major multinational companies,

strong medium-size companies and smaller entrepreneurial and family companies. Taken together, this spreads the risk for rental losses and vacancies, and it improves resilience and generates stability in cash flow.

Demand for offices and logistics properties were strong during the year, but with higher turnover in the portfolio. We noted a slight increase in vacancies in the last quarter as well as a slight increase in bankruptcies, though from very low levels. A full 25 per cent of Castellum's income comes from the public sector, and our tenants' ability to pay is good. We note stable – and in some areas, rising – market rents. Despite this, we are prepared for a tougher rental market in 2024, with more tenants potentially being affected by a weaker economic cycle in the wake of the fight against inflation.



Liquidity, SEK Bn

27

Cash and unutilised credit facilities.

Reduced net debt, SEK Bn

16

Net debt decreased from SEK 76 Bn to SEK 60 Bn during the year.

Sustainability certified

50%

Half of the property portfolio is sustainability certified, two years ahead of schedule.

## CEO's comment

### Sustainability is profitable and necessary

The construction and property industry accounts for approximately 40 per cent of global aggregate carbon emissions. The challenges in achieving the Sustainable Development Goals (SDGs) are something the industry shares with society as a whole. Castellum works intensively with sustainability issues, which includes investments in a large-scale build-out of solar PV systems and energy-saving measures in our properties. These initiatives have now resulted in Castellum having optimised its energy consumption in its property portfolio by 4 per cent in 2023, which exceeds the annual efficiency target of 2.5 per cent.

Two of the company's sustainability goals were also achieved during the year, two years ahead of schedule: installing 100 solar PV systems in its property portfolio and certifying at least half of the property portfolio for sustainability before the end of 2025. On our own, we are producing a full 17 per cent of the electricity that our properties use.

### Reduced investments in projects, but great potential

The company's historic growth is built largely on investments in new construction, extensions and reconstructions, as well as on acquisitions. As a result of the rapidly changing capital market, with increased inflation and rising market rates, the conditions for investments in the company's own development portfolio during the year proved challenging. We expect that the investment volumes in coming years

will decrease compared to recent years. Castellum has chosen to postpone certain major project starts until more stable market conditions arise.

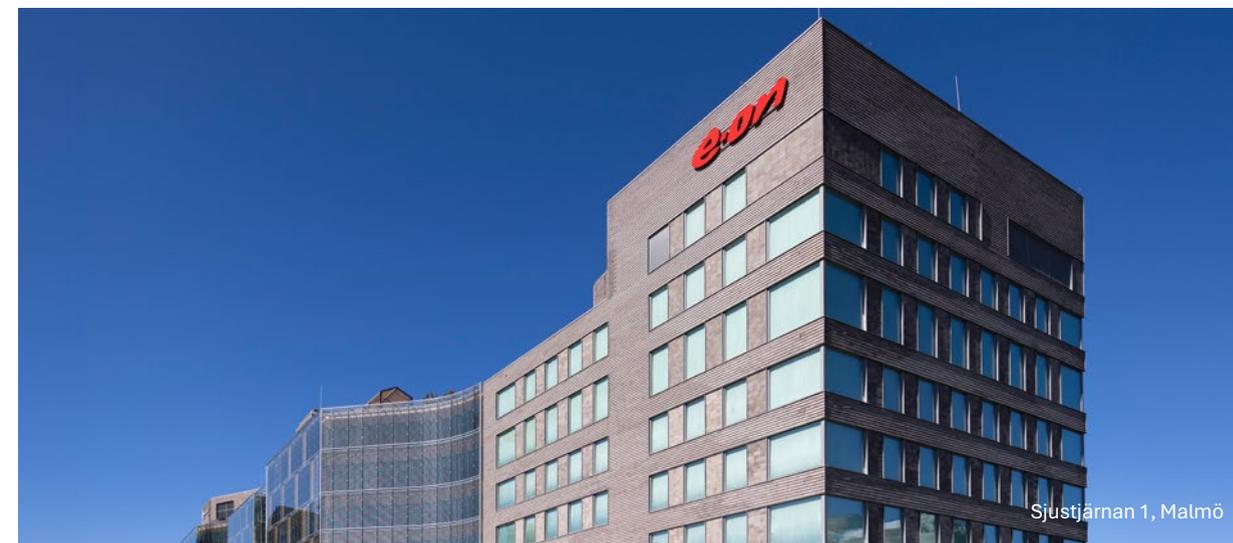
Despite this reduction, Castellum will nonetheless be one of Sweden's major developers of new projects in coming years. Castellum still has great potential in its development portfolio, which will create possibilities when the commercial and financial markets allow. This is a position worth defending.

Property projects that are expected to be completed in 2024 and 2025 include the new police station in the Hisingen district of Gothenburg, the new Blå Stjärnan animal hospital in Mölndal, and a warehouse and logistics facility in Malmö. With good capital discipline and sales of lower-priority assets, we have created scope for investment in early 2024 that has allowed us to start the following projects: Bägaren 5 (offices in Norrköping), Amperen 1 (offices and warehouses in Västerås) and Gladan 6 (offices in Stockholm).

Over the longer term, there are significant value-generating project opportunities at Gateway Säve in Gothenburg, the Hagastaden district in Stockholm, and the Port of Gothenburg. Given improved market conditions and progress in detailed development plans, Castellum believes that, going forward, projects corresponding to approximately 700,000 square metres can be started.

### The strategy holds firm

One effect of our holding back on investments in new projects is that it is unlikely that the targets of



## Significant events in 2023

- **Guaranteed preferential rights issue.** A fully guaranteed preferential rights issue of approximately SEK 10 Bn was carried out, with preferential rights for existing shareholders, for the purpose of strengthening the company's financial position.
- **Dividend on hold.** In light of the changing capital market and the completed preferential rights issue, the Board will not propose a dividend for 2023 to the Annual General Meeting.
- **Sales and refinement.** Castellum has continued to geographically refine its portfolio and has sold properties. The divestments, totalling SEK 5.2 Bn, support the company's geographic priorities and strengthen its balance sheet.
- **Reduced net debt.** By making repayments and completing property sales, Castellum has reduced its net debt by approximately SEK 16 Bn. Bonds and bank facilities have been refinanced for a total of SEK 21 Bn. Together with the reduction in net debt, this has enabled an increase in debt maturity in the loan portfolio from 3.3 to 4.2 years.
- **Completed properties.** Eight major property projects with a total annual rental value of SEK 326 M were completed, including a Nordic head office for E.ON and a court building for the Swedish National Courts Administration.
- **Sustainability goals achieved.** Late in the year, Castellum inaugurated the hundredth solar PV system in its property portfolio, thereby achieving the goal two years ahead of schedule. In addition, 50 per cent of the portfolio has been certified for sustainability, also two years ahead of schedule.

## CEO's comment

an increase in income from property management of 10 per cent per year, and investments corresponding to 5 per cent of the property value, will be fully achieved in 2024. Nor were they in 2023.

Castellum's property portfolio is concentrated in the capitals of the Nordic countries and attractive growth regions in Sweden, Denmark and Finland. Through its associated company Entra, Castellum is also exposed to robust growth regions in Norway, primarily in central Oslo. We have a clear strategy of expanding in localities in the Nordic region with the strongest growth. The operational, financial and market advantages of following the company's larger tenants into the Nordic region are significant, as is spreading the risks and being able to choose the most attractive regions for the company's growth in the stable economies that comprise the Nordic countries.

**“After a year characterised by efforts to create financial robustness, Castellum is now stable and well equipped for both challenges and new business opportunities.”**

To adapt to new conditions, we are continually reviewing our organisation and costs. That is why we divested some of our operations in the Group in 2023. Entirely in line with this strategy, Castellum continued to geographically refine its portfolio, selling properties primarily in smaller towns and cities. These divestments support the company's

geographical priorities and strengthen its balance sheet while creating scope for new value-generating investments. The strategy also includes focusing operations on offices and warehouses/light industry.

We were charged with non-recurring costs as a consequence of these divestments, but the long-term annual savings are significantly greater. Property management is an operation with narrow margins and constant efforts to fine-tune, reduce costs and improve efficiency are the very foundation of our profitability.

This strategy has served Castellum well throughout the years, and is holding firm. We have reduced our net debt and retained our credit rating, which provides good conditions for the continued availability of financing and future expansion opportunities.

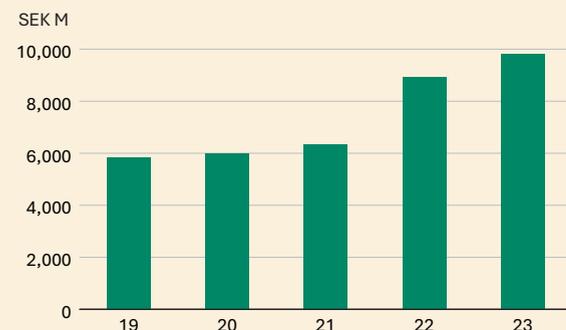
### Well equipped for 2024

After a year characterised by efforts to create financial robustness, Castellum is now stable and well equipped for both challenges and new business opportunities. We have our own project pipeline of SEK 43 Bn, and can increase our volume of ongoing projects again at short notice as soon as the market conditions are correct.

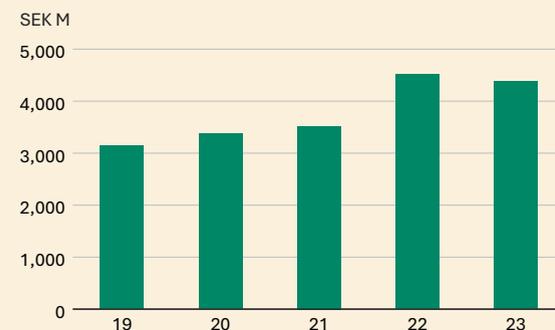
It has been a tough year, with fluctuations in the market that many in the property sector have never experienced before. I would like to thank our investors, tenants, partners and employees for getting us through a difficult period together, coming out the other side as a strengthened Castellum.

**Joacim Sjöberg**  
Chief Executive Officer

### Income



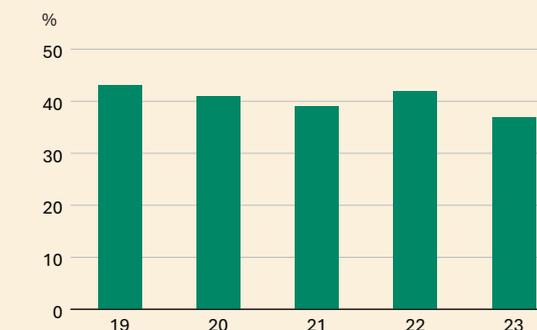
### Income from property management



### Net operating income



### Loan-to-value ratio



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# Strategy

The GreenHaus project is located in Helsingborg's new Oceanhamnen district, with the ocean itself just round the corner. The property is certified under both Miljöbyggnad level Gold and WELL, which is a global construction standard with a people-centric orientation.

Strategy, goals and results

# A strategy for long-term value creation

Over time, Castellum aims to generate value for its shareholders at low financial risk.

Castellum is to be the natural choice in the Nordic private and public sectors as one of the Nordic region's foremost, and most sustainable, property managers and developers of office and logistics properties.

Castellum's customers consist of the company's tenants, who reflect a broad diversity of different sectors and industries. This promotes strong diversification and risk spread in the lease portfolio.

Castellum is to be an attractive and leading employer, with a culture of productivity and resource efficiency.

The company is working towards clear sustainability goals over both the short and long term in order to be the most sustainable property company in the Nordic region and to actively promote sustainable development.

Conducting operations responsibly is crucial for Castellum's success. With sustainable operations, the company will generate value for all stakeholders.

## Vision

Beyond expectations.

## Mission

Creating workplaces where people and enterprises thrive.

## Business idea

We create successful and sustainable workplaces in Nordic growth regions by really keeping close to customers, while staying on the cutting edge of innovation and expertise.

## The Castellum Spirit

The Castellum Spirit constitutes the core values that guide Castellum in its daily activities.

1. Business-focused
2. Committed
3. Courageous

## Business model

Investing in and developing commercial premises that are managed by a decentralised and customer-centric organisation. Castellum focuses on cash flow and conducts all operations at low financial risk.

### Overall targets

**10%**

10 per cent annual growth in income from property management, in SEK/share.

### Performance 2023

-15.4 per cent<sup>1</sup> growth in income from property management, in SEK/share.

1. However, the majority of the decrease in income from property management, in SEK per share, is attributable to increased interest cost and the dilution effect in the preferential rights issue for the year.

## Three-year strategy plan

Castellum's strategy initiatives are based on a three-year strategy plan that is revised annually and adopted by the Board of Directors. The approach ensures both a long-term perspective as well as adaptation to current market conditions. The strategy establishes the company's strategic orientation, priorities and targets.



### Asset portfolio

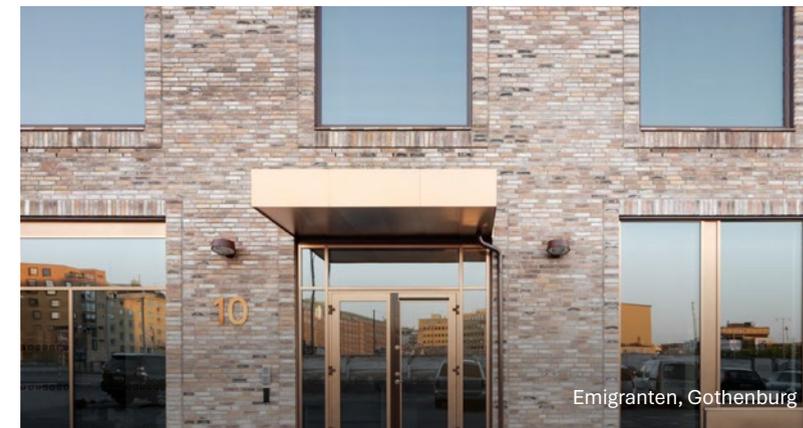
Castellum will operate in several Nordic countries to facilitate the company's growth strategy, expand its financing opportunities and increase its risk spread. Castellum will focus on a few segments, and maintain good market awareness and know-how in the select segments of Offices and Warehouse/Light industry. Castellum is continually shifting its portfolio towards higher quality by either developing existing properties and moving them up the value chain or through new production, as well as through transactions in growth markets in the Nordic region. The company's ambition in its respective sub-markets is for geographic concentration and being a market leader to achieve efficient property management and profitability.

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#### Targets:

Market leader in all the company's sub-markets.

Approximately 5 per cent net of the property value, on average, will be invested over a business cycle.



### Property management

Property management and services are performed in a decentralised organisation with local presence and in-house employees in all of the company's sub-markets. This creates good local awareness, extensive knowledge of the local rental market and strong relationships with the tenants. Castellum is to have a clear, strong customer orientation where responsiveness and partnership permeates the entire operations in order to forge long-term, value-creating relationships. In order to offer attractive premises with the smallest possible environmental and climate footprint, Castellum must develop efficient property management with reduced use of resources in its properties. Optimal management creates value for tenants and the company from several perspectives – finance, sustainability, and competition.

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#### Targets:

High customer satisfaction index (CSI).



The Rotterdam District, Stockholm

## Financing

Castellum must maintain a low level of financial risk. Castellum's established ambition is to have a credit rating corresponding to Investment Grade, minimum BBB-/Baa3. Castellum prioritises a strong balance sheet, and thereby protecting the company's credit rating. Financial activities are to be conducted in such a way that ensures access to long and short-term financing. Moreover, the aim is to achieve a low, stable financial net, after taking the company's established risk mandates into account. Trends in the financial markets have a significant impact on Castellum. Finance operations must therefore reflect and support the goals and conditions of the business operations.

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### Risk metric:

Loan-to-value ratio that does not permanently exceed 40 per cent.  
Interest coverage ratio of at least 3.



Korsningen 1, Örebro

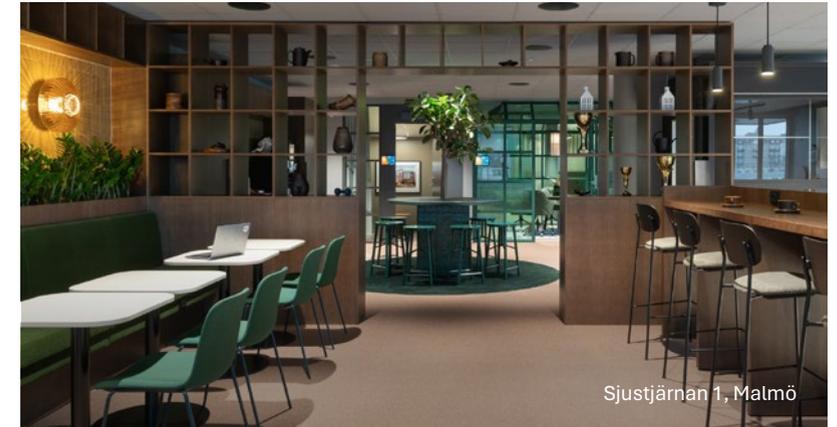
## Sustainability

Sustainable operations ensure good economising of financial, environmental and social resources for the benefit of tenants, shareholders and society. The company's 21 sustainability goals interact with and are integrated throughout its operations. Castellum's Code of Conduct is based on the principles of the UN Global Compact and clarify Castellum's position on human rights, working conditions, the environment, business ethics and information. The company's sustainability ambitions create both societal benefits and business advantages for the company's stakeholders.

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### Targets:

By 2030, Castellum is to have net-zero carbon emissions throughout its value chain.



Sjustjärnan 1, Malmö

## Organisation

Castellum is to be an attractive workplace with an open culture, where employees feel both included and appreciated. All employees will be encouraged to develop and to be themselves. Diversity, equality and inclusion are to be a natural part of this.

Routine efforts will be made to define strategic and critical competences, skills supply and succession planning, particularly for managers and key roles. This will reduce both dependence on individuals and operational risks.

The Castellum Spirit is the company's core values, culture and personality. It governs how Castellum's employees act towards customers, one another and the surrounding community in order to create clarity around orientation and goals. The Castellum Spirit is built on shared values and the ambition of achieving the company's vision.

## Value-creation model

# How Castellum creates sustainable values

The construction and property industry have some of the highest carbon emissions of any sector, both in Sweden and around the world. These harmful emissions must decrease in order to achieve the Sustainable Development Goals (SDGs) set by the UN. By taking responsibility for conducting operations with a low level of climate impact, Castellum enables the transition towards a sustainable society. Castellum also has an ambition of impacting and creating positive sustainability values in various ways for the company's stakeholders and for society as a whole.

## Resources that Castellum uses

- 709 properties at a value of SEK 138 Bn<sup>1</sup> and an area of 5.5 million square metres
- More than 500 employees
- A strong brand
- Approximately 5,500 suppliers and contractors
- 8,000 commercial leases
- 740 green leases
- Energy, water and materials

## Castellum combines traditional property management, project and transaction activities

- Property management
- Project development
- Transactions

## Property value<sup>1</sup>

# SEK 138 Bn

## Business environment

Climate change, geopolitical conflicts, energy prices, inflation, interest rates, health and flexibility.

## The value that Castellum creates for its stakeholders

### Satisfied, sustainable tenants

- CSI: 71
- 50 per cent sustainability-certified properties
- 106 solar PV systems installed, corresponding to 18,832 kW
- 1,189 charging stations

### 110,400 shareholders

- 15 per cent total return on average per year since 1997
- 38 per cent of sales (turnover) is EU Taxonomy-aligned
- Green share, Nasdaq Green Equity Designation

### Committed employees who are developing

- More than 16,000 training hours completed
- Low level of sick leave (2.4 per cent)
- Good equality (41 per cent women / 59 per cent men)

### Robust, long-standing supplier relations

- Code of Conduct that covers all suppliers
- SEK 381 M in energy optimisation projects
- Goods and services purchased: SEK 7,094 M

## Castellum's ambition is to make a positive contribution to society

### Reduced environmental and climate impact

- Castellum uses natural resources efficiently, reduces resource use and carbon emissions to create a sustainable asset portfolio:
- 70 per cent reduction in Scope 1 and Scope 2 carbon emissions since 2007
  - 30 per cent reduction in energy consumption since 2007
  - Increased share of circular materials, and positive contribution to biodiversity

### Favourable societal impact

- Develops sustainable properties that promote positive urban development
- Productive employees and tenants with a sense of health and wellness
- Through WELL Portfolio, Castellum has a positive influence over 16,300 of its tenants' employees in terms of their health and wellness

### Valuable financial impact

- Castellum is a profitable company that contributes financially to various stakeholders:
- SEK 603 M in salary and remuneration to employees
  - SEK 7,094 M to suppliers and contractors
  - SEK 590 M in property tax, SEK 12 M in income tax and SEK 16 M in contributions to local communities

1. Excluding holdings in Entra.

Sustainability strategy

# The sustainable city 2030

By 2030, Castellum will be entirely climate neutral. Castellum's sustainability strategy, "The sustainable city 2030", consists of four areas of focus: The Planet, Future-proofing, Well-being and Social Responsibility. This strategy will ensure that the sustainability goals are achieved and that the company is both successful and relevant – not just today, but for a long time to come.



## The Planet

Castellum will responsibly and efficiently reduce its use of resources and greenhouse gas emissions.

Castellum's target of 100 installed solar PV systems has been achieved. Major reductions in Scope 3 emissions have meant that Castellum has reduced its total emissions by 25 per cent compared with 2022. Continued efforts are required in Scope 1 and Scope 2 to achieve the targets, with a focus on signing contracts for green district heating.

Energy consumption -4% (-4) kWh/sq. m. since 2022	Fossil-free energy 97%
GHG emissions -25% total CO <sub>2</sub> e since 2022	Taxonomy-aligned sales (turnover) 34% (33)



## Future-proofing

Castellum's asset portfolio will address a changing world.

Major progress in project development, with ongoing and completed projects in 2023 having climate savings of 37 per cent. Castellum also achieved its target of certifying 50 per cent of its portfolio for sustainability two years ahead of schedule.

Sustainability-certified new construction and reconstruction 100% (100) in 2023	Sustainability-certified asset portfolio 50% (45)
Reduced climate impact in major projects -37% in 2023	Taxonomy-aligned capital expenditure (CapEx) 22% (11)

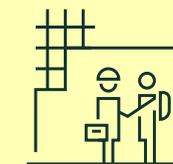


## Well-being

Castellum will promote health, wellness, and increased productivity.

For 2023, Castellum's results in its employee commitment index increased to 8.2, compared with 7.9 for 2022. The results are also over the industry average of 8.0. The company still has low levels of sick leave. The proportion of employees with international backgrounds increased to 12 per cent.

Equality 41/59% Women/men	Employees with international backgrounds 12% (10)
Sick leave <sup>1</sup> 2.4% (2.9)	Employee commitment index 8.2 (7.9)



## Social responsibility

Operations will be conducted responsibly in relation to both society and the company's stakeholders.

Castellum is actively engaged in helping young people and long-term unemployed to enter the job market. 9 per cent of Castellum's employees in 2023 were interns. The company also increased its sponsorship and commitment to local communities by 26 per cent compared with 2022.

Sustainability training 82% (79) trained employees	Youth and long-term unemployed 9% (-) interns <sup>2</sup>
Support for local communities, and sponsorship SEK 15.6 M (12.4)	Workplace injuries and work-related injuries 19 (22)

1. Pertains to both short-term and long-term sick leave. 2. Interns pertain to summer workers, interns, apprentices and academic degree projects. Redefined goal for 2023.

# 3

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## Invest in Castellum

In the Masthugget district, in the heart of Gothenburg, lies Emigranten – a sister building to the venerable Amerikahuset, which was completed in 1925. Emigranten is a modern interpretation, rich in detail, and is built out of Danish brick, which harmonises well with Amerikahuset's exterior.

Castellum as an investment

# Four reasons to invest in Castellum

Castellum's objective is to create value for shareholders over the long term through healthy returns versus risk and by maintaining high levels of liquidity in the share. Here are four reasons to invest in the Castellum share.

1

## Stable company

Castellum is a stable company that creates value through long-term growth at low financial risk. Since the IPO in 1997, shareholders have received an average total return of 15 per cent per year. Over that same period, the company increased its income from property management by an average of 11 per cent per year.

2

## Well-diversified portfolio

Castellum has a well-diversified portfolio and is a clear alternative for the Nordic private and public sectors. Castellum is one of the Nordic region's largest listed companies in the property sector, with a portfolio that is concentrated primarily in the Nordic capitals and growth regions. The company's tenants represent a cross-section of the Nordic private and public sectors, which promotes strong diversification and risk spread in the lease portfolio.

3

## Sustainable operations

Sustainability has been thoroughly integrated into Castellum's operations. The company is working towards clear sustainability goals over both the short and long term. The objectives are to be the most sustainable property company in the Nordic region and to actively promote sustainable development. Conducting operations responsibly is crucial for Castellum's success. With sustainable operations, Castellum will create value for both tenants and investors as well as other stakeholders.

4

## Continual portfolio evaluation

Castellum endeavours to own, manage and develop an asset portfolio that supports the overall goal of creating shareholder value over time. Castellum continually evaluates its holdings in relation to its markets and segments in order to continue refining its portfolio. Completed projects and properties that it believes will not promote future growth are divested.

The Castellum share

# Share listed since 1997

**With a market capitalization of SEK 70.6 Bn, Castellum is one of the Nordic region's largest listed property companies. The share is traded on Nasdaq Stockholm Large Cap, where it has been listed since 1997.**

Castellum's objective is for the company's share to generate competitive returns versus risk and to maintain high levels of liquidity in the share. The risk level must be lower than the industry average. All measures are to be grounded in a long-term perspective, and the company will report frequently, transparently and fairly to shareholders and the capital and credit markets as well as the media, all to facilitate external assessments and evaluations of the company and its share. The company's market capitalisation (i.e. the value of all shares outstanding in Castellum) amounted to SEK 70.6 Bn (43.6) as of 31 December 2023.

## Number of shares after new share issue

In May 2023, Castellum conducted a new share issue, taking the equal rights of all shareholders and Swedish stock market regulations into account. The issue was fully subscribed without using the guarantee commitments issued, and raised approximately SEK 10 Bn for the company. After the share issue, the number of shares outstanding totalled 492,601,452 (328,400,968). The comparative figures

for the key metric SEK per share have been restated for the bonus issue element of the share issue with an estimated adjustment factor of 1.1904.

Over the short term, the money was used to repay matured bonds and secured credit facilities in banks. Through this preferential rights issue, Castellum's financial position has been strengthened, which is visible in improved financial key metrics such as a loan-to-value ratio of 37.4 per cent (42.3). The funds raised also strengthen the company's public credit rating, and makes it possible to continue growing selectively through planned and future value-creating development projects.

In 2023, a total of 487,247,000 shares were traded, equivalent to an average of 1,941,000 shares (1,526,000) per trading day. On an annual basis, this corresponds to a turnover rate of 108 per cent (115).<sup>1</sup>

## Dividend on hold

Castellum's policy is to disburse at least 50 per cent of the company's income from property management before tax. Under the prevailing circumstances, however, the company's dividend has been put on hold in order to strengthen its financial position. The possibilities of a dividend are continually being evaluated. In this way, Castellum wants to attract shareholders that are looking for a total return including dividend at low financial risk.

## Net asset value

The evaluation of a property company is often based on its net reinstatement value, which – simply put – is the difference between the market value of the asset portfolio and net debt.

The net reinstatement value could be said to comprise the aggregate capital that the company is managing on behalf of its owners. On this basis, the company wants to generate a stable return and growth at low financial risk. Since assets are measured at fair value, the net asset value can be calculated using shareholders' equity in the balance sheet.

Castellum's long-term net reinstatement value (EPRA NRV) amounts to SEK 154 per share (203).

## Earnings and return

Income from property management per share amounted to SEK 9.69 (11.45). Based on the share price, this resulted in a yield of 6.8 per cent (9.1). Earnings per share after tax amounted to SEK –25.68 (4.44). Based on the share price, this resulted in a yield of –17.9 per cent (4.2).

## Total return over time

Total return reflects the development of the share price plus dividends paid during the period. The share price at year end was SEK 143.30 (126.25), equivalent to a market capitalisation of SEK 70.6 Bn

## Market capitalisation, SEK Bn

# 70.6



## Nasdaq Green Equity Designation

Castellum is the first major property company in the Nordic region whose shares have been classified as green on Nasdaq. The purpose of Nasdaq's Green Equity Designation is to provide increased visibility for investors who are looking for sustainable investments. To meet the criteria for a green share, at least 50 per cent of sales and investments must be defined as green, and less than 5 per cent of assets can be linked to fossil fuels.

According to an analysis conducted in 2023 by S&P Global Shades of Green, 58 per cent of Castellum's sales and 83 per cent of its investments are classified as green.



1. The share turnover is based on statistics from Nasdaq Stockholm, Cboe CXE EU, Turquoise and Cboe BXE EU.

(43.6) calculated on the number of shares outstanding. During the year, the share's total return was 35.1 per cent (–45.1). No dividend was paid out.

### Change in value supplements income from property management

In property companies, the income from property management only reflects part of the overall earnings. Comprehensive income and net reinstatement value also include changes in value under IFRS, the international standard for reporting company finances. The income from property management must therefore be supplemented with a component of change in value as well as effective tax to produce an accurate view of income, yield and net asset value. Changes in value can vary greatly between years and quarters, thus leading to volatile results.

### Shareholder value created

At the IPO in May 1997, Castellum's asset portfolio amounted to approximately SEK 10 Bn, income from property management to approximately SEK 300 M and shareholders' equity to approximately SEK 4 Bn. Since then, Castellum has created shareholder value through increasing the shareholders' equity by SEK 28 Bn, while total dividends of around SEK 18.3 Bn were paid and new share issues of approximately SEK 35 Bn were carried out. The asset portfolio grew to approximately SEK 138 Bn over the same period, while income from property management increased to SEK 4,373 M.

### More than 100,000 shareholders

At the end of 2023, Castellum had just over 110,000 shareholders (106,000), an increase of roughly 4 per cent compared with year-end 2022. The proportion of registered shares abroad amounted to 22 per cent (31) at the end of the year. The largest owner constellations confirmed as of 31 December 2023 are shown in the table at right.

### Regular contact with the stock market

In its capacity as a listed company, Castellum is in regular contact with the stock market. This contact is based primarily on quarterly financial reports, press releases related to significant commercial events and presentations by Castellum. Presentations take place in connection with quarterly financial reports, visits from investors and analysts, and investor meetings both in Sweden and abroad. The large share of foreign shareholders means that there are extensive contacts with foreign investors. Additional market and financial information is provided on Castellum's website.

### Reducing share capital by cancelling Castellum's treasury shares

The 2023 Annual General Meeting resolved to reduce Castellum's share capital by SEK 8,665,500 through cancellation of 17,331,000 treasury shares. The Board has utilised its authorisation in conjunction with the preferential rights issue, which means that

### Shareholders as of 31 December 2023

Shareholders	Number of shares, thousand	Share of votes/capital, %
Akelius Residential Property	66,601	13.5
Länsförsäkringar Fonder	20,576	4.1
Gösta Welandson with companies	19,638	4.0
Swedbank Robur Fonder	18,667	3.8
Vanguard	17,860	3.6
Nordea Fonder	17,812	3.6
BlackRock	17,004	3.5
Handelsbanken Fonder	16,719	3.4
Folksam	8,398	1.7
Clients Fonder	7,702	1.6
Norges Bank	7,513	1.5
APG Asset Management	6,437	1.3
Third Swedish National Pension Fund	6,279	1.3
Cardano Asset Management	5,500	1.1
State Street Global Advisors	4,743	1.0
<b>The 15 largest shareholders</b>	<b>241,449</b>	<b>49.0</b>
Foreign shareholders, other	106,773	21.7
Swedish shareholders, other	144,379	29.3
<b>Total shares outstanding</b>	<b>492,601</b>	<b>100.0</b>

Source: Holdings by Modular Finance AB. Data collected and analysed from Euroclear, Morningstar, Finansinspektionen, Nasdaq and Millstream.

Castellum does not hold any treasury shares any longer. The reduction amount has been earmarked for non-restricted equity.

### Financial key metrics

	2023	2022
<b>Outcome</b>		
Income, SEK/share	21.72	22.67
Rental income, SEK/share	19.47	20.24
Income from property management, SEK/share	9.69	11.45
Net income for the year after tax, SEK/share	–25.68	4.44
Dividend SEK/share	—	—
Long-term EPRA NRV, SEK/share	154	203
Property portfolio, SEK/share	279	393
<b>Yield</b>		
Return on long-term net reinstatement value, %	–15.3	2.2
Return on equity, %	–14.8	2.2
Return on total capital, %	–6.6	0.6
<b>Valuation</b>		
Income from property management per share/Share price, %	6.8	10.8
Income from property management after tax per share (EPRA EPS)/Share price, %	6.6	10.5
Dividend/Share price (dividend yield), %	—	—
Price/Net reinstatement value per share (EPRA NRV), %	92.9	62.1
<b>The share</b>		
Market capitalisation, SEK M	70,590	43,649
<b>Total return per share (incl. dividend)</b>		
Castellum, %	35.1	–45.1
Nasdaq Stockholm (Six Return), %	19.3	–22.8
Real Estate Index Sweden (EPRA), %	19.5	–44.1
Real Estate Index Eurozone (EPRA), %	17.5	–36.7
Real Estate Index Great Britain (EPRA), %	10.7	–31.9
Payout ratio, income from property management, %	—	—
<b>Financial risk</b>		
Loan-to-value ratio, %	37.4	42.3
Interest coverage ratio, multiple	3.0	3.9

Sustainability awards

# Castellum commended for sustainability initiatives

**Castellum’s owners and investors place a premium on the company’s well-developed sustainability initiatives, as shown by the sustainability awards and external assessments Castellum received during the year.**

### Dow Jones Sustainability Indices

For the eighth consecutive year Castellum has been included as the only Nordic property company on the Dow Jones Sustainability Index (DJSI). The DJSI is based on judgements and ESG ratings from the S&P Global Corporate Sustainability Assessment (S&P CSA), with Castellum receiving top marks. The S&P CSA is a prestigious sustainability survey, and is one of the world’s most comprehensive databases covering the sustainability initiatives and sustainability results of listed companies.

Only five Swedish companies are included in the S&P CSA, in which 13,000 listed companies globally were invited in 2023 and only the best in the respective industries qualified for the index. The purpose of the index is to steer investors towards more sustainable investments.

### The Sustainability Yearbook

Castellum is ranked first in Europe and fourth worldwide in the Sustainability Yearbook 2024, and is the only property company in the Nordic region to be included. The Sustainability Yearbook is produced

by S&P Global, a world leader in credit ratings, benchmarks and analyses in the global capital and raw materials markets. In total, over 9,400 companies in 62 industries were assessed.

### MSCI ESG Ratings

Castellum has a ranking of AAA (on a scale of AAA to CCC) in the MSCI ESG Ratings assessment.

### Industry leader according to GRESB

For the eighth consecutive year, Castellum has ranked as a sector leader in the category of sustainability in project development and has maintained a high ranking in the Office/Industrial category from the Global Real Estate Sustainability Benchmark (GRESB). GRESB is an international sustainability survey that measures and evaluates the sustainability initiatives of property companies and property funds. This year’s study encompassed 2,084 property companies and funds in 75 countries – a large part of the global property market.

### EPRA Gold

Each year, the European Public Real Estate Association (EPRA), through the Sustainability Best Practices Recommendations Awards (sBPR Awards), selects the companies that will receive the gold, silver or bronze award for best sustainability reporting. Castellum retains EPRA Gold, which is proof

that Castellum not only keeps its promises in sustainability but also that the company is clear and transparent in its communication on sustainability.

### CDP

Castellum reports to the CDP and has a rating of A– on a scale of A to D. The CDP is an independent non-profit organisation with the world’s largest collection of information on companies’ climate impacts.

### Sustainalytics

Castellum has ranked as Region Top-Rated in the Sustainalytics sustainability benchmark, which covers over 15,000 companies across the globe.

### Climate targets validated by SBTi

Castellum was the first property company in the Nordic region to have its goals for climate-neutral operations validated by the Science Based Targets initiative (SBTi), back in 2018. The company’s climate targets are scientifically rooted and in line with the goals of the Paris Agreement to reduce global warming, as well as Sweden’s ambitions of becoming a fossil-free country.



Castellum works with scientifically grounded climate goals in line with the Paris Agreement.



Castellum’s rating:  
**82/100**  
(the only Nordic property company to be included)



Castellum’s rating:  
**AAA**



Castellum’s rating:  
**92/100**  
(global sector leader)



Castellum’s rating:  
**Gold**



Castellum’s rating:  
**A–**



Castellum’s rating:  
**Region Top-Rated**

1. THE USE BY Castellum OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES (“MSCI”) DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF CASTELLUM BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED ‘AS-IS’ AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

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# Operations



Castellum owns several properties in Kalvebod Brygge, which is located next to the beach promenade in Copenhagen. With its location, accessibility, architecture and panoramic view, they are among the most sought-after office addresses in the inner city.

Market

# The rental market has showed resilience

**The rental market showed strength throughout most of 2023. Demand for commercial premises in the Nordic market has held firm despite the economic situation.**

The Nordic rental market, where Castellum operates, has continued to perform favourably and is not showing the tendencies seen in the US, for example, where office use in certain cities has decreased.

Castellum can instead look back on stable lease levels in its sub-markets during the year, in both offices and logistics properties.

### Inflation is driving up rental levels

Through inflation-indexed leases, inflation has driven up rental levels. A strong rental market for offices in Castellum's markets – the capital cities and growth regions in the Nordics – explains the company's small rental losses.

### High turnover in premises

The turnover in premises during the year was high, which has entailed both threats and opportunities. In the fourth quarter, the number of lease terminations increased. Bankruptcies also increased, but from very low levels. One clear trend is that tenants want higher quality premises. Moreover, companies are seeking to move closer to services, which means a steady stream of relocations away from peripheral locations.

A full 25 per cent of the company's rental income comes from public sector tenants. Both judiciary authorities and other parts of public operations are showing highly robust demand for new premises. Castellum is meeting this demand through both new production and renovation of offices, as well as specially adapted offices.

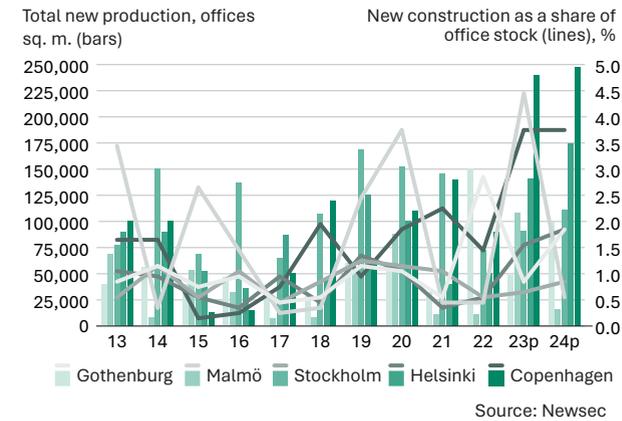
### Robust demand for logistics

Castellum's Warehouse/Light industry business segment, which accounts for approximately 14 per cent of the company's business, is also showing robust demand with low levels of vacancies. More logistics premises are needed, since demand still outstrips supply. Prices, on the other hand, have stabilised. The segment also contains business premises for development, testing and more, and is being driven forward by several global trends such as electrification and self-driving vehicles.

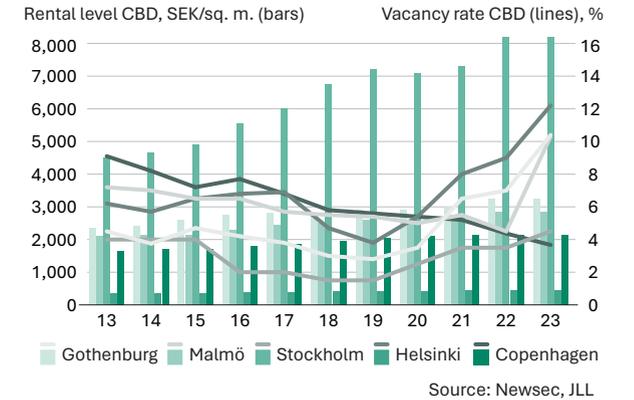
**Listed property companies with a property value over SEK 5 Bn**  
Presented in the diagram "Property holdings, listed property companies"

1 Balder	7 Catena	13 Fabege
2 Castellum	8 Wihlborgs	14 Atrium Ljungberg
3 SBB	9 NP3	15 Platzer
4 Sagax	10 Diös	16 Stendörren
5 Nyfosa	11 FastPartner	17 Hufvudstaden
6 Corem	12 Wallenstam	

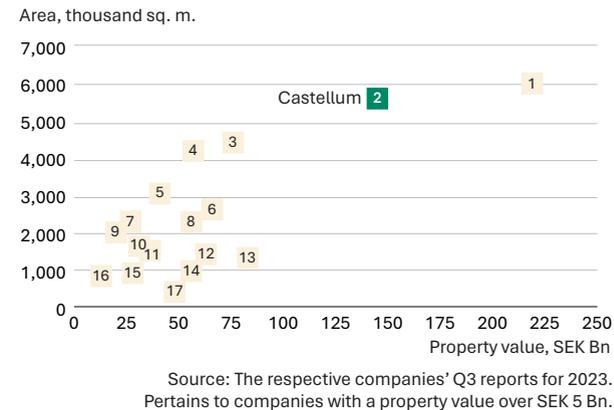
### New production, offices



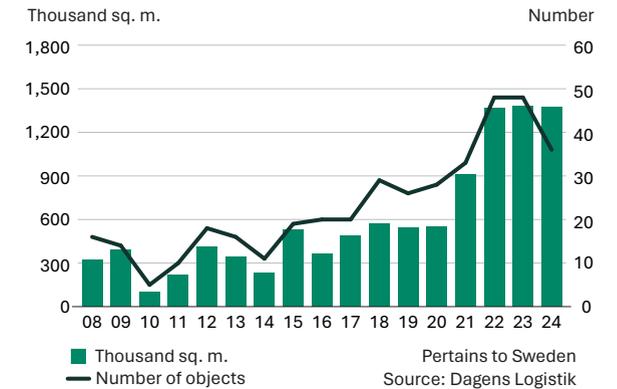
### Rental levels and vacancy rates, major cities



### Property holdings, listed property companies



### Completed new construction, Logistics, >10,000 sq. m.



## Local presence

# Strong local presence in the Nordic region

**Castellum's ambition is to be a market leader in the Nordic capitals and attractive growth regions in Sweden, Denmark and Finland. Operations are carried out in geographic regions with own property management in the local markets.**

Local know-how and proximity to the tenants are key for meeting tenants' demands and facilitating efficient property management. Moreover, through its associated company Entra ASA, Castellum owns one third of Entra's property portfolio of high-quality commercial properties primarily in central Oslo. Additional information on Entra is presented in Note 14 on page 148, or on Entra's website. [www.entra.no](http://www.entra.no).

## Region

## Stockholm

Encompasses Greater Stockholm with properties from Upplands Väsby in the north to Södertälje in the south, and also Östersund. This is Castellum's largest region in terms of value, with an aggregate property value of approximately SEK 43.8 Bn, of which 70 per cent pertains to Offices and 11 per cent to public sector properties. 96 per cent of this property value is located in Stockholm.

	2023	2022
Proportion of the property value, %	32	32
Number of properties	127	137
Area, thousand sq. m.	1,185	1,221
Value of properties, SEK M	43,819	49,611
Rental value, SEK M	2,858	2,683
Net operating income, SEK M	1,868	1,738
Net investments, SEK M	-320	-1,227
Net leasing, SEK M	-35	-3
Employees	83	90

## Region

## West

Encompasses Gothenburg, Kungsbacka and Borås, with an aggregate property value of approximately SEK 26.5 Bn, of which 51 per cent pertains to Offices and 31 per cent to Warehouse/Light industry. 92 per cent of this property value is located in Gothenburg.

	2023	2022
Proportion of the property value, %	19	19
Number of properties	209	214
Area, thousand sq. m.	1,306	1,322
Value of properties, SEK M	26,531	28,420
Rental value, SEK M	1,929	1,832
Net operating income, SEK M	1,265	1,164
Net investments, SEK M	379	517
Net leasing, SEK M	-15	90
Employees	80	77

## Region

## Central

Encompasses the localities of Örebro, Linköping, Norrköping, Jönköping and Växjö, with an aggregate property value of approximately SEK 22.8 Bn, of which 47 per cent pertains to Offices and 37 per cent to public sector properties. 36 per cent of this property value is located in Örebro.

	2023	2022
Proportion of the property value, %	17	17
Number of properties	148	154
Area, thousand sq. m.	1,091	1,142
Value of properties, SEK M	22,836	25,294
Rental value, SEK M	1,885	1,831
Net operating income, SEK M	1,198	1,049
Net investments, SEK M	-861	1,103
Net leasing, SEK M	42	10
Employees	85	98

## Region

## Mälardalen

Encompasses the localities of Västerås and Uppsala, with an aggregate property value of approximately SEK 15.6 Bn, of which 65 per cent pertains to Offices and 22 per cent to Warehouse/Light industry. 71 per cent of this property value is located in Västerås.

	2023	2022
Proportion of the property value, %	11	11
Number of properties	84	85
Area, thousand sq. m.	822	835
Value of properties, SEK M	15,664	17,191
Rental value, SEK M	1,333	1,250
Net operating income, SEK M	813	757
Net investments, SEK M	208	740
Net leasing, SEK M	-2	38
Employees	46	19

Region

## Öresund

Encompasses Malmö, Helsingborg, Lund and Copenhagen, with an aggregate property value of approximately 21.8 Bn, of which 62 per cent pertains to Offices and 16 per cent to public sector properties. 73 per cent of this property value is located in Malmö, Helsingborg and Lund, with the remaining 27 per cent in Copenhagen.

	2023	2022
Proportion of the property value, %	16	16
Number of properties	121	139
Area, thousand sq. m.	860	956
Value of properties, SEK M	21,760	25,614
Rental value, SEK M	1,625	1,474
Net operating income, SEK M	1,100	861
Net investments, SEK M	-1,180	1,488
Net leasing, SEK M	-27	23
Employees	59	63

## Finland

Encompasses the property portfolio in Helsinki, Espoo, Lahti, Tampere, Turku and Vantaa with a total property value of approximately SEK 6.9 Bn, of which 96 per cent pertains to Offices and the remainder to developments and land.

	2023	2022
Proportion of the property value, %	5	5
Number of properties	20	20
Area, thousand sq. m.	221	221
Value of properties, SEK M	6,942	7,433
Rental value, SEK M	801	687
Net operating income, SEK M	353	316
Net investments, SEK M	314	225
Net leasing, SEK M	-29	3
Employees	11	10



Operational regions  
 Indirect operational regions (through Entra)

## Tenants

# A stable and diversified customer base in the Nordic business community

**One of Castellum's strengths is the company's diversified customer base, a cross-section of the Nordic business community. The tenants represent many different industries, geographies and sizes of customer, which spreads the risks.**

Castellum has just over 8,000 leases, with the single largest lease accounting for approximately 1.2 per cent of the company's total rental income, while the corresponding figure for the single largest tenant is 2.3 per cent. One out of every four Swedish kronor in income comes from the public sector, which creates additional stability in the cash flow.

Castellum's properties are located in robust growth markets in the Nordic region, with an emphasis on the region's capital cities. A presence in several Nordic countries facilitates the company's growth strategy while its financing opportunities can be expanded and the risk spread increased.

The company's geographic presence is selected based on the growth potential of the localities. A growing population, several new business establishments and a higher gross regional product favours the demand for commercial premises, thus generating higher rental levels and conditions for a healthy occupancy rate.

### Office segment is the largest

Castellum operates primarily in the office, public sector property, warehouse/light industry and retail segments. The office segment comprises the largest exposure by value (62 per cent) followed by public sector properties (15 per cent) and warehouse/light industry (14 per cent). Retail is around 6 per cent. The remaining 3 per cent is developments and land.

### Efficient, sustainable logistics

In Warehouse/Light industry, tenants are provided assistance in creating the most efficient and sustainable logistics chain, from large central warehouses to locations close to cities for "last mile" deliveries that bring day-to-day purchases right to the front door.

### Coworking through United Spaces

Coworking is the most flexible offering in the office segment and is offered through United Spaces, which was acquired by Castellum in 2019 and is one of Sweden's largest players in the coworking sector with ten arenas in six localities. This concept is focused on flexibility, a sense of community, networking, a high level of service and other added values involving various types of services, such as



The Rotterdam District, Stockholm

training, breakfast bars, seminars and so on. Membership is flexible in terms of the number of workspaces and contract length. For example, the tenant could choose to have only one seating space or their own private office with space for others, but access to services and networks are the same.

Through United Space, Castellum strengthens its customer offering and can provide businesses and government authorities of all sizes with service and flexibility above and beyond the traditional office. The offering is simple, cost-efficient and climate-smart for member customers.

### Proximity to tenants

Castellum has local presence with its own employees in the localities where the company operates.

This results in proximity to tenants and short decision-making paths. As one of the largest property owners in the local market, Castellum collaborates with municipalities and involves itself in local networks – such as corporate associations – to be an active urban developer that can create attractive work environments for its tenants.

Castellum's ambition is to actively listen to its tenants, and it conducts regular customer surveys. A more comprehensive survey, the Customer Satisfaction Index (CSI), is conducted every year using outside expertise. In the 2023 survey, Castellum received a CSI result of 71 (75) from the approximately 1,600 tenants who responded.



### Green leases

In line with the company's sustainability profile, both new and existing tenants can be offered the opportunity to sign green leases. These are collaboration agreements aimed at reducing the total environmental impact of the premises. A green appendix for lease agreements, which has been produced by the Fastighetsägarna industry association, is added to the regular lease in order to put focus on reducing the burden on the environment. This appendix contains information on, for example, energy use, selection of materials and waste management. At present, Castellum has 740 green leases (760) covering 1,059,028 square metres (1,096,829).

To increase the pace of tenants' climate transition and to become climate neutral by 2030 at the latest, a new type of lease appendix for climate neutrality has been developed that commits tenants and landlords to methodically measure joint greenhouse gas emissions from the premises and reduce them to net-zero.

### Report on work life of the future

For the fourth consecutive year, Castellum has studied what office workers expect from their workplaces, which is presented in the Work Life of the Future report. A majority – 90 per cent – of office workers in the Nordic region spent most of their work time in their shared workplace during the previous year, but most also stated that working remotely is part of the new normal after the coronavirus pandemic.

There is much to indicate that working remotely will remain to some extent, but as a supplement rather than a competitor to the shared office. Young people are generally more positively disposed towards the office, as are managers. The report shows that the occurrence of working remotely is closely linked with commuting times, and is more common in the large cities than smaller localities. Working remotely is also more common among women of child-bearing age than in other groups. This was the case before the coronavirus pandemic as well.

As a result of an equitable job market in the Nordic region, flexibility around where and when work is performed has been an obvious factor for many employers in the Nordic region for some time. Changes to work methods in the Nordic region are therefore smaller as a result of the pandemic than they are in other parts of the Western world.

### Offices are increasingly sophisticated

Castellum's mission is to create workplaces where people and enterprises thrive. As a property owner, Castellum is becoming more of an adviser that helps its tenants design their workplaces in accordance with their wishes and needs. Following the coronavirus pandemic, the physical office has been valued as an even more important vessel of culture for our tenants. A place for social collaboration, innovation and community in addition to a place for individual work. There are thus good reasons to invest in and to create an office environment that

generates added value for organisations and individuals, that encourages knowledge sharing, relationship building and networking, thereby attracting both existing and future employees.

### Castellum's tenants

A diversified customer portfolio

The 10 largest tenants	Contract value, SEK M
The Swedish Police Authority	212
AFRY	177
ABB	147
Swedish National Courts Administration	145
Svenska Handelsbanken	122
The Swedish Social Insurance Agency	118
Northvolt	116
The Swedish Migration Board	85
Region Stockholm	83
Hedin	75
<b>Contract value – 10 largest tenants</b>	<b>1,280</b>

### Work Life of the Future

Work Life of the Future is a report that Castellum produces every year about office workers' expectations of their workplaces.

# Castellum's largest construction project is Malmö's new landmark



**Mikael Torstensson**  
Project Manager

**In 2023, Castellum completed new premises for the Swedish National Courts Administration in the Nyhamnen district of Malmö. The court property is one of the largest workplaces in northern Europe for lawyers, and is one of Castellum's largest ever construction projects.**

In the spring of 2020, ground was broken for the property that is now Malmö's new courthouse. Sustainability, logistics and safety were keywords that marked the entire process.

"A major challenge in all court projects is efficient solutions for security and logistics, which was also the case in this project. Security in particular has become increasingly important, considering the security situation in which Sweden has found itself in recent years," says Mikael Torstensson, Project Manager in Malmö.

The courthouse is a new landmark for Malmö with its distinctive silhouette and its size in the centrally

located Nyhamnen district, one of Malmö's key areas of development. The building is just over 33,000 square metres in area, of which approximately 27,000 square metres are leasable area, and houses 42 courtrooms.

The design proposal was developed by Henning Larsen Architects. The building consists of a four-storey main building with a shared foundation. Above this are five towers, staggered in relation to one another, with curved sloping roofs that gradually taper off at the peak. The building has a total of 13 floors at most.

The façade of the building consists of brick for three floors above ground, and glass in the towers. The materials were chosen with a focus on sustainability, energy efficiency and lengthy service life. The brick in the façade has a service life of over 100 years, which makes it a long-term and robust construction material. The building won Façade of the Year with the following justification: This impressive

building makes a strong contribution to the spirit of innovation, enterprise and movement that characterises the surrounding cityspace.

"We are extremely proud of the fact that the building came out as intended on the drawing board despite a tough start to construction that coincided with the coronavirus pandemic and the restrictions and disruptions to the delivery and supply chains that ensued. Nonetheless, we delivered on time with the agreed-on level of quality to our tenant, who fulfils a vital function in society," Mikael Torstensson concludes.

Castellum had strict environmental requirements for the new Swedish National Courts Administration building in Malmö. The building is certified under Miljöbyggnad level Gold.



## Property portfolio

# Geographic refinement and increased quality in the portfolio

During the year, Castellum continued refining the geography of its portfolio after the acquisition of Kungslöden. Localities that were exited during the year include Halmstad, Uddevalla and large parts of Nyköping. The divestments support the company's geographic priorities while strengthening the balance sheet. At the same time, several major property development projects that promote increased quality and growth have been completed.

After divesting 48 properties, six reallotments and two property acquisitions during the year, Castellum owns a total of 709 (749) properties with a carrying amount of SEK 138 Bn. The sales totalled SEK 5.2 Bn. The rental value at 31 December 2023 was SEK 10.4 Bn (9.8), while the aggregate leasable area was 5,485 thousand square metres (5,696).

The property portfolio is concentrated in the capitals of the Nordic countries and attractive growth regions in Sweden, Denmark and Finland. The properties are situated in city centre locations and business districts with good public transportation and a developed service offering. Through its associated company Entra, Castellum is also exposed to robust growth regions in Norway, primarily in central Oslo.

## Strategy for growth in the Nordic region

Castellum's strategy is to grow in localities in the Nordic region with the strongest growth. The operational, financial and market advantages of following the company's larger tenants into the Nordic region are significant, as is spreading the risks and being able to choose the most attractive regions for the company's growth in the stable economies that comprise the Nordic countries. The total value of Castellum's property holdings in Sweden is SEK 124.9 Bn; in Denmark SEK 5.7 Bn; in Finland SEK 6.9 Bn and in Norway (via the associated company Entra ASA) SEK 22 Bn (Castellum's share).

Castellum's property portfolio consists largely of offices (62 per cent), followed by public sector properties (15 per cent), warehouse/light industry (14 per cent), and retail (6 per cent). The remaining 3 per cent is developments and land. Castellum is focusing on growth in Offices and Warehouse/Light industry and on reducing its holdings in Retail. Castellum's ambition is to develop existing properties and shift them upward in the value chain.

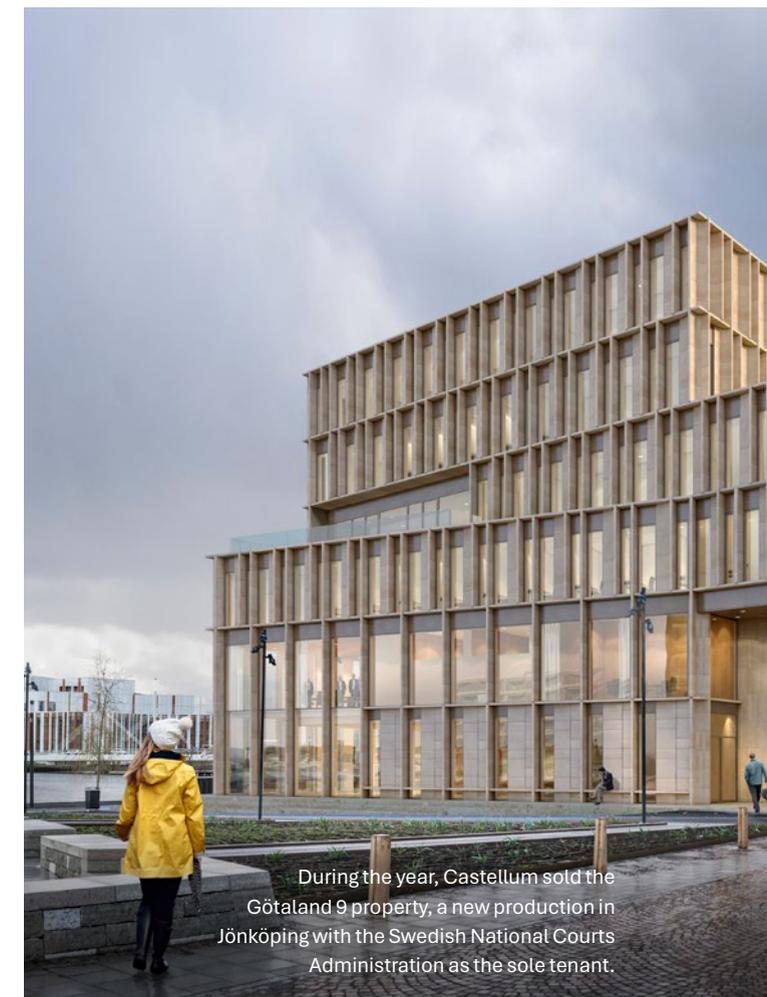
## Reduced investment volume

Castellum invests in and develops its asset portfolio through property acquisitions and building rights as

## Changes in the property portfolio

SEK M	Carrying amount, SEK M	Number
Property portfolio on 1 January 2023	153,563	749
+ Acquisitions	336	2
+ New construction, extensions and reconstructions	3,410	—
– Sales	–5,415	–48
+/- Reallotments	—	6
+/- Unrealised changes in value	–14,325	—
+/- Currency translation	–17	—
<b>Property portfolio on 31 December 2023</b>	<b>137,552</b>	<b>709</b>

## Investments and sales by region



During the year, Castellum sold the Götaland 9 property, a new production in Jönköping with the Swedish National Courts Administration as the sole tenant.

well as through new construction, extensions and reconstructions of properties. In 2023, Castellum reduced its investments in project development owing to a challenging capital market and high costs. Castellum did not acquire any properties during the year apart from taking possession of land in previously signed agreements such as the Sorbonne 1 property in the Hagastaden district of Stockholm and the Flahult 80:10 property in Jönköping Municipality.

During the year, a total of SEK 3,746 M (5,911) was invested in properties, of which SEK 336 M (363) pertained to acquisitions and 3,410 M (5,548) to new construction, extensions and reconstructions. Divestments amounted to SEK –5,206 M (–3,080), whereby net investments amounted to SEK –1,460 M (2,831).

### Sustainability certification of properties

All properties in Castellum's portfolio will be subject to environmental inventory, and by 31 December 2023 inventories had been conducted on 93 per cent of the like-for-like portfolio. The purpose of the inventory is to identify, and subsequently mitigate, risks to health and the environment. The remaining 7 per cent of the portfolio is to be inventoried within the next few years. The inventory will be updated every ten years in order to create properties that are as sustainable as possible.

Castellum also certifies its property portfolio for sustainability, both new constructions and reconstructions of existing properties. The purpose is to reduce its environmental and climate impact, optimise operations, reduce risks in the portfolio and increase customer satisfaction. The certification initiatives are also intended to create attractive premises with improved work environments that promote health and wellness for Castellum's tenants. The goal is for 50 per cent of the property portfolio to be certified for sustainability by 2025.

In 2023, 50 per cent of the total area qualified for certification, corresponding to 263 certified properties (249). In conjunction with an acquisition, the acquired properties are analysed based on energy consumption and environmental risks. In general, the level of environmental risks in Castellum's property portfolio is deemed to be low.

### Castellum's sustainability-certified properties<sup>1</sup>

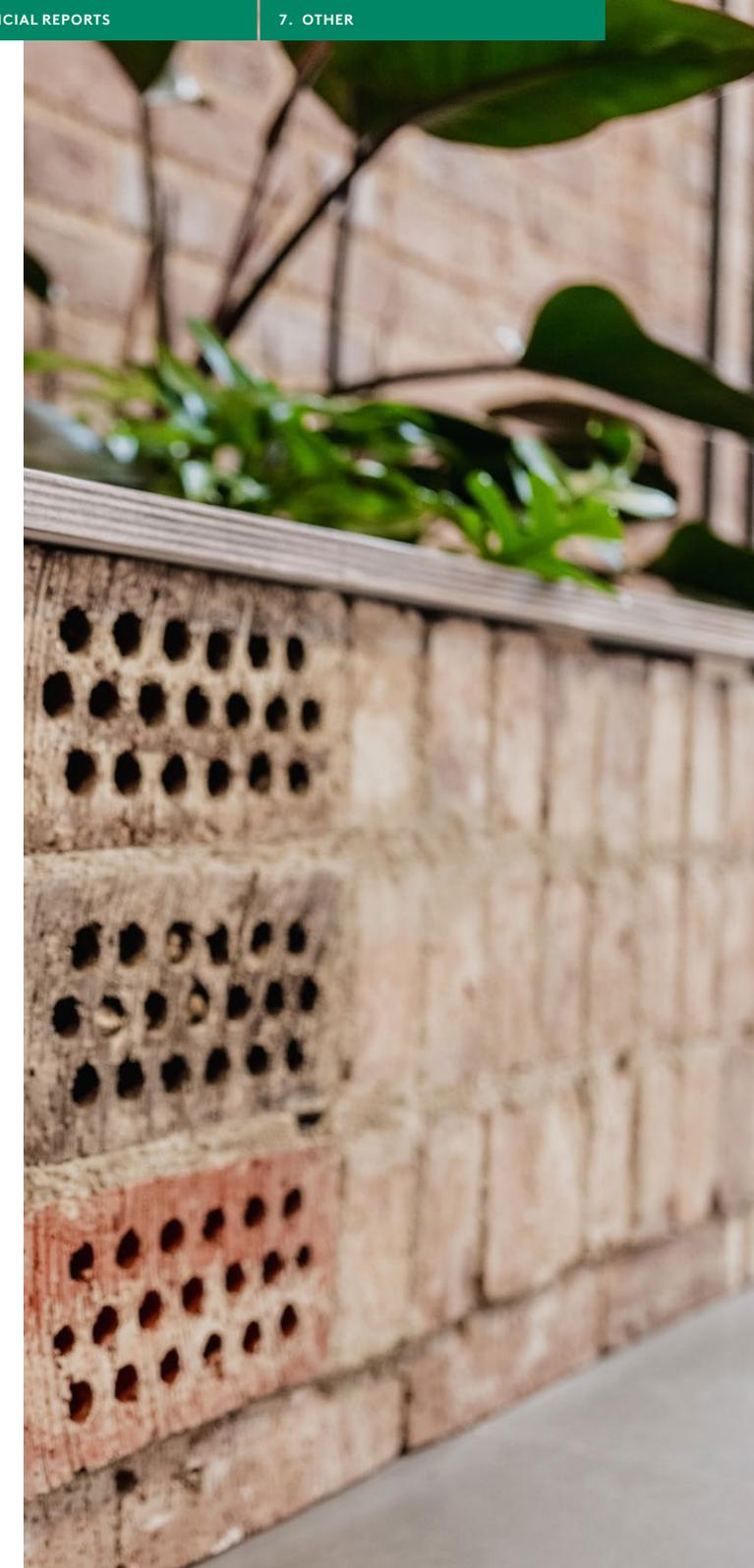
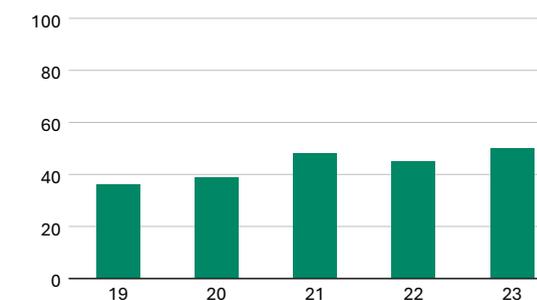
SEK M	Completed properties		Ongoing projects	
	Number	Thousand sq. m.	Number	Thousand sq. m.
EU GreenBuilding	35	261	0	0
Miljöbyggnad	60	663	4	30
BREEAM	114	1,020	11	101
LEED	52	850	16	97
WELL	2	18	4	63
NetCO <sub>2</sub>	2	21	0	0
<b>Sustainability-certified properties<sup>2</sup></b>	<b>263</b>	<b>2,749</b>	<b>35</b>	<b>291</b>

1. Certifications can refer to property, land or part of property.

2. Some buildings have more than one certification, and to avoid double counting only one certification per building is counted; the table does not sum them up in the total.

### Share of properties certified for sustainability

% of total area in sq. m.



## Sustainability certification systems



### Miljöbyggnad

A Swedish system that certifies buildings in energy, indoor environment and building materials. It also includes health and safety aspects. The system has three levels – Gold, Silver, and Bronze – and is used for both residential and commercial premises.



### NollCO<sub>2</sub>

To promote a climate-neutral construction sector in Sweden, the Sweden Green Building Council (SGBC) has produced the NollCO<sub>2</sub> certification. The certification is intended to reduce climate impact during the production phase by at least 30 per cent compared with traditional construction. Throughout its entire life cycle, the building will have a net-zero climate impact.



### EU GreenBuilding

Focuses on improving the efficiency of energy usage. The requirement is to improve energy efficiency by 25 per cent, or to use 25 per cent less energy compared with new construction requirements in the building regulations (BBR) of the National Board of Housing, Building and Planning. GreenBuilding will be phased out by 2025 and will be recertified under other certifications.



### LEED

From the US, and together with BREEAM is the most commonly used sustainability certification system in the world. The system evaluates and rates the overall environmental impact of buildings. The certification has four levels: Certified, Silver, Gold, and Platinum. Using LEED O+M, existing buildings can be certified with a focus on operation and maintenance.



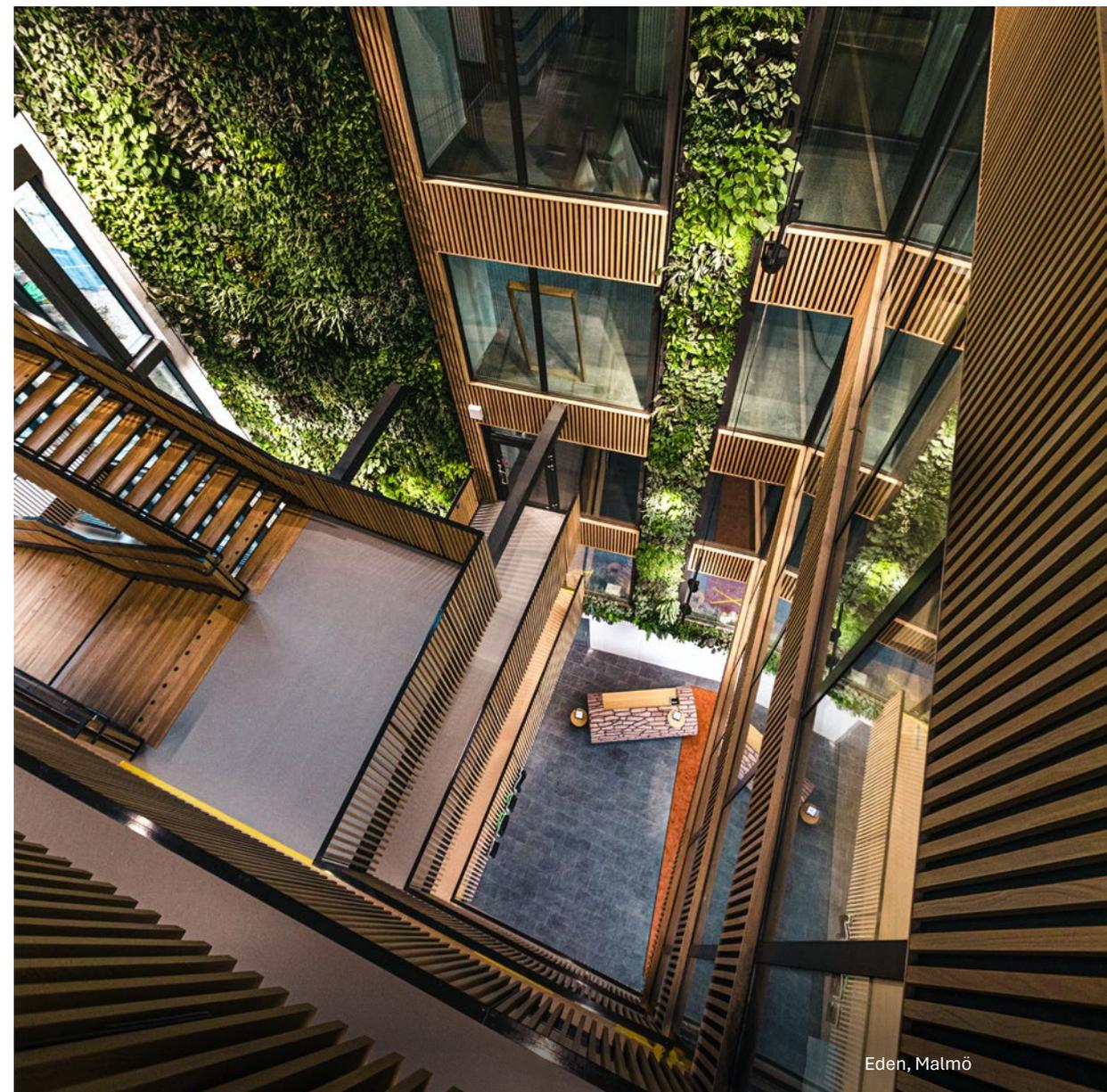
### BREEAM

From the UK, and together with LEED is the most commonly used sustainability certification system in the world. The system evaluates and rates the overall environmental impact of buildings. BREEAM In-Use is used to certify existing buildings.



### WELL

This certification is based on scientific studies, and the standard was developed by the WELL Building Institute (IWBI), based in New York. WELL certifies the social sustainability of a building, focusing on health and wellness. The WELL standard is founded on ten concepts known to affect health. In addition to certifying individual buildings, companies can join the WELL at scale and get a coherent grasp on health and wellness in a larger number of buildings simultaneously.



Eden, Malmö

Property portfolio on 31 December 2023

Category	31 December 2023				January–December 2023						
	Number	Area, thousand sq. m.	Property value, SEK M	NOI SEK/sq. m.	Lease value, SEK M	NOI SEK/sq. m.	Economic occupancy rate, %	Income, SEK M	Property costs, SEK M	NOI SEK/sq. m.	NOI SEK M
<b>Offices</b>											
Stockholm	55	699	30,720	43,919	2,015	2,881	89.9	1,772	406	581	1,366
West	78	475	13,540	28,532	955	2,012	90.9	867	225	475	642
Central	72	520	10,636	20,437	937	1,800	90.7	842	240	461	602
Mälardalen	33	410	10,226	24,959	819	1,999	92.6	751	196	479	554
Öresund	32	260	8,488	32,689	622	2,396	91.6	556	140	538	417
Denmark	14	143	4,952	34,684	379	2,656	90.5	373	100	700	273
Finland	18	203	6,693	32,938	739	3,639	89.3	649	248	1,219	401
<b>Total Office</b>	<b>302</b>	<b>2,710</b>	<b>85,255</b>	<b>31,462</b>	<b>6,466</b>	<b>2,386</b>	<b>90.6</b>	<b>5,810</b>	<b>1,555</b>	<b>574</b>	<b>4,255</b>
<b>Public sector properties</b>											
Stockholm	7	126	4,684	37,106	291	2,310	97.4	280	51	403	230
West	19	146	2,893	19,882	232	1,594	96.4	222	49	337	172
Central	28	292	8,547	29,312	610	2,092	93.9	570	121	414	449
Mälardalen	7	37	974	26,283	71	1,920	98.7	69	11	312	58
Öresund	7	71	2,826	39,726	179	2,513	95.6	170	34	474	136
Denmark	1	12	636	52,065	38	3,153	93.3	37	6	521	31
<b>Total Public sector properties</b>	<b>69</b>	<b>684</b>	<b>20,560</b>	<b>30,070</b>	<b>1,421</b>	<b>2,080</b>	<b>95.4</b>	<b>1,348</b>	<b>272</b>	<b>398</b>	<b>1,076</b>
<b>Warehouse/Light industry</b>											
Stockholm	35	208	3,956	19,062	289	1,394	91.2	263	53	254	211
West	89	610	8,278	13,580	630	1,035	95.1	582	133	218	450
Central	18	97	1,042	10,696	96	988	91.3	87	21	217	65
Mälardalen	27	310	3,379	10,889	362	1,167	94.9	343	116	373	227
Öresund	38	258	2,795	10,831	244	945	91.2	219	53	206	165
Denmark	1	17	150	8,631	14	827	94.2	13	4	256	9
Finland	1	—	81	—	9	—	87.5	8	1	—	7
<b>Total Warehouse/Light industry</b>	<b>209</b>	<b>1,500</b>	<b>19,681</b>	<b>13,118</b>	<b>1,644</b>	<b>1,097</b>	<b>93.5</b>	<b>1,515</b>	<b>381</b>	<b>264</b>	<b>1,134</b>
<b>Retail</b>											
Stockholm	18	108	2,829	26,103	204	1,880	96.7	194	22	203	172
West	12	56	1,259	22,333	93	1,645	96.7	88	20	363	68
Central	18	105	1,652	15,785	156	1,492	94.2	144	33	311	112
Mälardalen	11	44	727	16,552	60	1,364	95.8	55	12	265	43
Öresund	17	72	1,372	19,045	125	1,736	95.6	115	25	354	89
<b>Total Retail</b>	<b>76</b>	<b>385</b>	<b>7,839</b>	<b>20,342</b>	<b>638</b>	<b>1,655</b>	<b>95.8</b>	<b>596</b>	<b>112</b>	<b>291</b>	<b>484</b>
<b>Total investment properties</b>	<b>656</b>	<b>5,279</b>	<b>133,335</b>	<b>25,258</b>	<b>10,169</b>	<b>1,927</b>	<b>92.1</b>	<b>9,269</b>	<b>2,320</b>	<b>440</b>	<b>6,949</b>
Lease and property administration costs									566	107	566
<b>Total after lease and property administration costs</b>	<b>656</b>	<b>5,279</b>	<b>133,335</b>	<b>25,258</b>	<b>10,169</b>	<b>1,927</b>	<b>92.1</b>	<b>9,269</b>	<b>2,886</b>	<b>547</b>	<b>6,383</b>
Projects	23	206	3,415	—	229	—	—	98	52	—	46
Undeveloped land	30	—	802	—	31	—	—	30	16	—	14
<b>Total</b>	<b>709</b>	<b>5,485</b>	<b>137,552</b>		<b>10,429</b>			<b>9,397</b>	<b>2,954</b>		<b>6,443</b>

Property value by region



- Stockholm 32%
- West 19%
- Central 17%
- Öresund 12%
- Mälardalen 11%
- Finland 5%
- Denmark 4%

The difference between the net operating income of SEK 6,443 M reported above and the net operating income of SEK 6,566 M in profit or loss is attributable to the deduction of the net operating income of SEK 142 M in properties divested during the year and the SEK 57 M upward adjustment of the net operating income on properties acquired/completed during the year as if they had been owned or been completed during the entire year. The table also excludes non property-related costs of SEK 38 M.

## Development portfolio

# Projects yield growth and create value

**In 2023, Castellum completed some of its largest ever projects, creating significant value and increased earnings. At the same time, the company has slowed its pace of new investments as a result of the changed market situation.**

Castellum continually invests in its existing asset portfolio and creates new properties that yield a qualitative shift in the property portfolio to a more sustainable and value-secured property portfolio. Investment in and development of an in-house project portfolio will take place by securing land allocation agreements and acquiring building rights for new constructions as well as expanding and reconstructing existing holdings. Historically, new construction, extensions and reconstructions have resulted in higher yields than investments through acquisitions.

### New market conditions

With increased inflation and rising market rates, the conditions for investments in the company's own development portfolio during the year proved challenging. Castellum has therefore focused on completing ongoing projects and starting up a smaller number of carefully selected new projects, including an office reconstruction of the Bågaren 5 property in Norrköping, a new logistics facility for AA-logistics in the Finslätten district of Västerås and an

office reconstruction of the Gladan 6 property in the Västra Kungsholmen district of Stockholm.

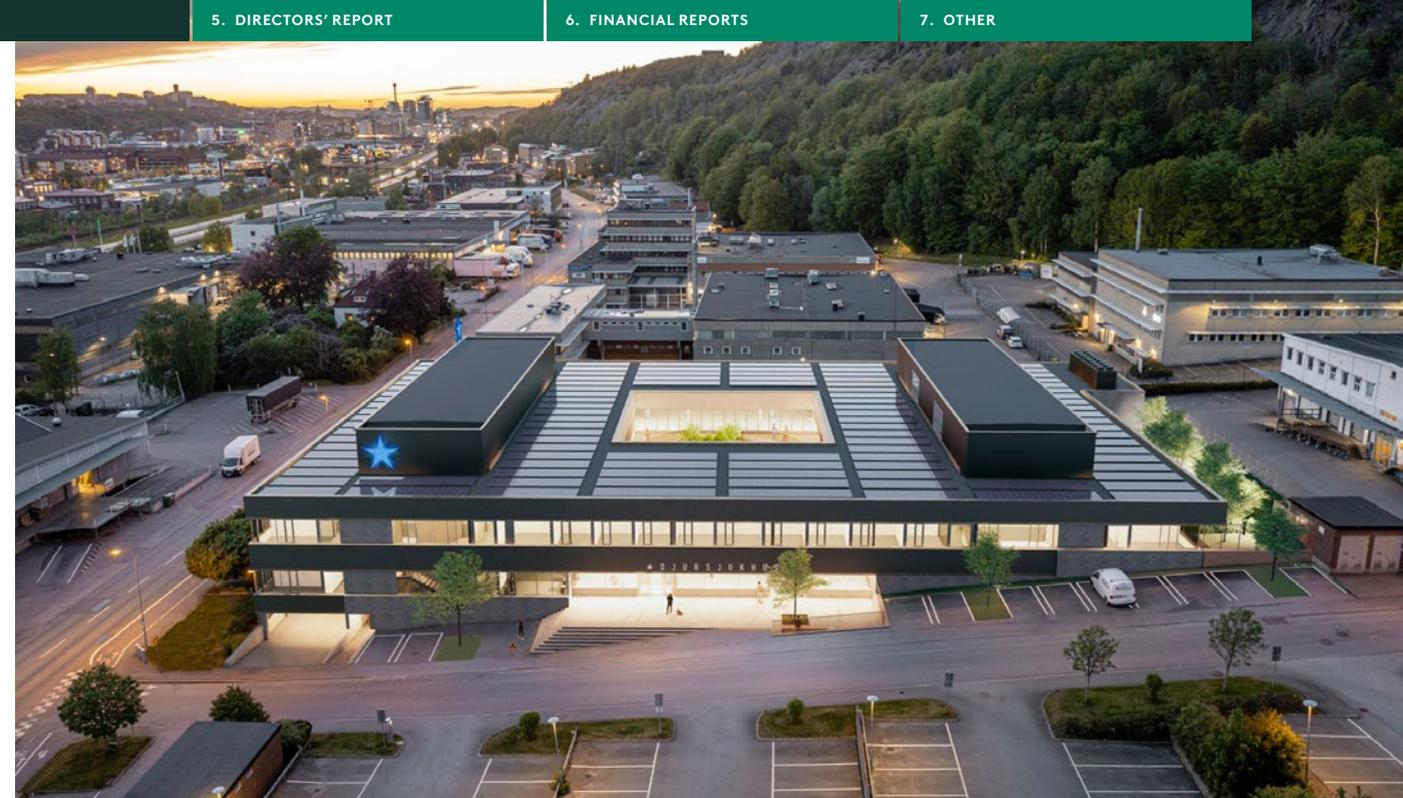
### Larger ongoing projects

Castellum has a portfolio of SEK 2.5 Bn in ongoing large projects, of which SEK 1.4 Bn remains to be invested. Projects that are expected to be completed in 2024 and 2025 include the new police station in the Hisingen district of Gothenburg, the new Blå Stjärnan animal hospital in Mölndal, a new logistics facility for AA-logistics in the Finslätten district of Västerås, an office reconstruction of the Werket property in Jönköping and warehouse/logistics facility in Malmö.

### Increased earnings with completed projects

Projects completed during the year will generate SEK 326 M in annual rental value, and the average contract length for the projects is eight years. The average economic occupancy rate in completed projects during the year was 93 per cent.

Two of the completed projects include a Nordic head office for E.ON and a courthouse, with government authorities such as the Swedish National Courts Administration taking up residence during the autumn of 2023. At Gateway Säve in Gothenburg, a head office and laboratory were completed for the Swedish Electric Transport Laboratory (SEEL). Late in the year, a property was also com-



Blå Stjärnan animal hospital, Mölndal



Gateway Säve, Gothenburg

pleted for Northvolt in Västerås and a property in Stockholm where Martin & Servera will have its new head office. In November, Castellum won LEED O+M Building of the Year in the Sweden Green Building Awards for the Mimer 5 property in Västerås.

### **Sustainable new construction and reconstruction**

New production of buildings accounts for the majority of the industry's emissions. Castellum reduces its emissions from project development by making smart choices in terms of materials, re-use and fossil-free energy supply, such as solar PV plants and energy storage. One of Castellum's interim targets for achieving net-zero carbon emissions by 2030 is – by 2025 at the latest – halving the emissions of new office constructions compared with a reference project. Castellum's green framework ensures that the company complies with the EU Taxonomy in order to be considered a green investment.

Castellum certifies all new constructions and larger reconstructions for sustainability. There are several such certifications in the property sector.

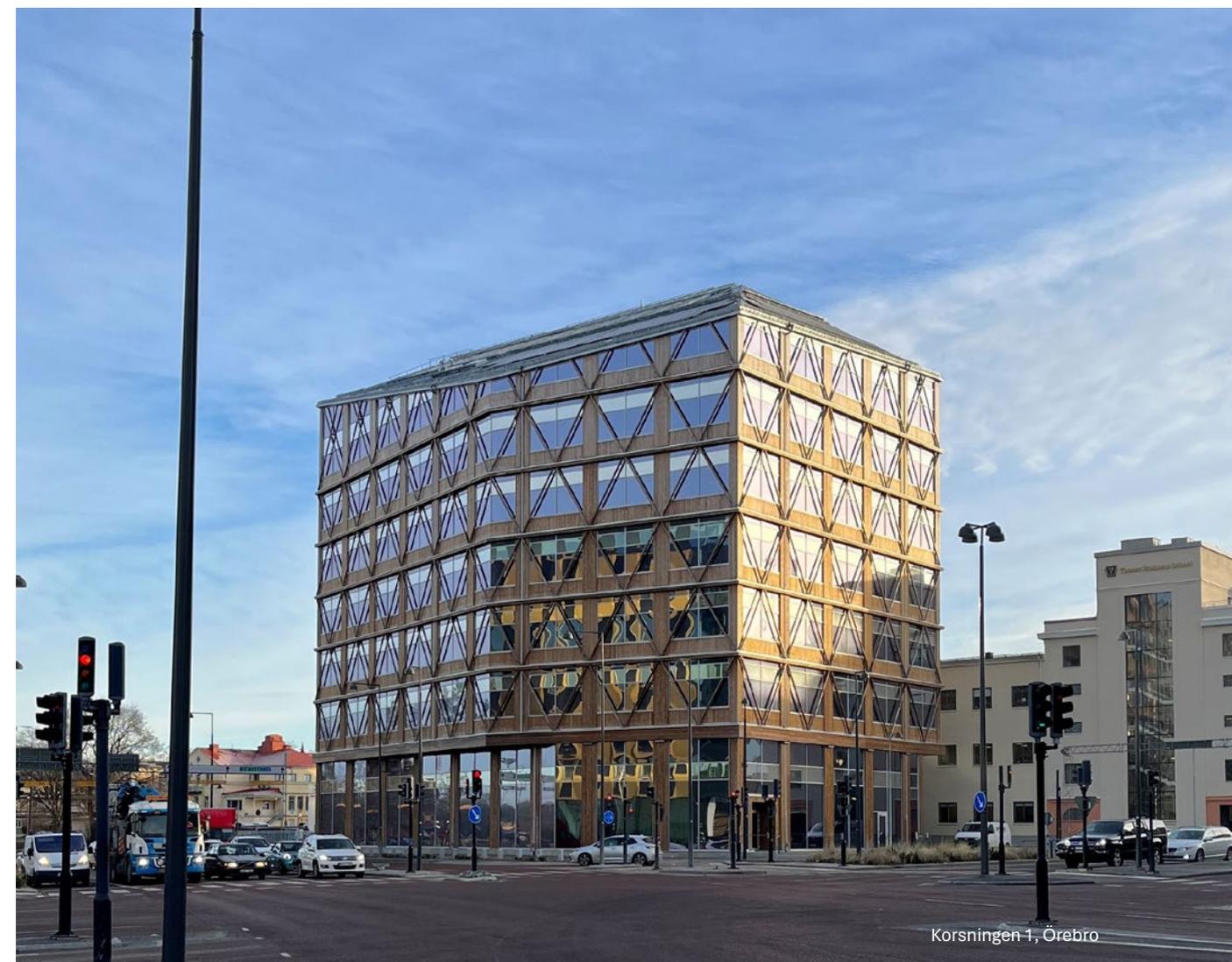
In October 2023, Castellum was once again a sector leader with 100 points out of a possible 100 when the Global Real Estate Sustainability Benchmark (GRESB) ranked 2,084 companies around the world in sustainable construction. Additionally, Castellum ranks high with 92 points out of 100 in the Office/Industry category.

Castellum's Sjustjärnan 1 office property in Malmö has been certified under BREEAM at its highest level, Outstanding, which along with LEED is the most common certification for buildings in the world.

In 2023, the court building in Malmö was completed and certified under Miljöbyggnad level Gold.

The completed building for Northvolt in the Finnslätten district of Västerås was Castellum's second climate-neutral project after the completion in 2022 of the Korsningen 1 property in Örebro, which was certified under NollCO<sub>2</sub>. The NollCO<sub>2</sub> certification is intended to achieve net-zero climate impact from new construction. The building is an office building with a hybrid frame, with a floor made of concrete while the columns and beams are made entirely of wood. The building's emissions turned out to be approximately 40 per cent lower than that of a traditional office property.

Sustainability certifications are integrated into the project from the start, and create added value for both Castellum and its tenants. For Castellum, sustainability value is created, and tenants can work in premises with a lower environmental and climate impact.



Korsningen 1, Örebro

## Larger completed projects



### Godsfinkan 1, court building, Malmö



Location	Malmö	Occupancy	Q1 2023
Area	26,500 sq. m.	Investment	SEK 1,385 M

Castellum has constructed a new courthouse for government agencies such as the Swedish National Courts Administration, the District Court and the Administrative Court in Malmö. The courthouse gives Malmö a new silhouette, with its distinctive sloping roofs and the façade in brick and glass. The building is located in the new Nyhamnen district in central Malmö. The courthouse comprises a total of 13 storeys, housing some 40 courtrooms, and is thus one of the largest court buildings in northern Europe. The property is certified under Miljöbyggnad level Gold.



### Sjustjärnan 1 (E.ON), Malmö



Location	Malmö	Occupancy	Q1 2023
Area	31,500 sq. m.	Investment	SEK 1,362 M

In the Nyhamnen district, close to Malmö Central Station, a new Nordic head office has been built for E.ON's approximately 1,500 employees. The building has become a new landmark in Malmö, and the office has been designed to satisfy a number of different requirements and needs that are imposed on a landmark building with sustainable workplaces and attractive architecture. The new construction will be certified under BREEAM's highest sustainability certification level, Outstanding, and in accordance with the WELL Building Standard's highest level, Platinum. The latter places unique demands on the health and well-being of people at their work.



### Effekten 13 (Northvolt), Västerås



Location	Västerås	Occupancy	Q3 2023
Area	15,400 sq. m.	Investment	SEK 412 M

Long ago, the Finnslätten district in Västerås was an industrial area belonging to Asea. Castellum has now constructed a new office property here, for Northvolt Labs. The building, which is fully integrated with the previously established research facility and manufacturing plant, has been constructed with a large element of wood and has a framework of wood and concrete in order to be certifiable under NollCO<sub>2</sub>. The energy that is generated in the building's solar PV system will be stored in batteries that Northvolt has developed. The building will additionally be certified under LEED Gold.

## Larger ongoing projects



### Backa 20:6, Swedish Police, Gothenburg



Location	Gothenburg	Occupancy	Q4 2025
Area	9,000 sq. m.	Investment	SEK 490 M

On the site where the old printing office for the Swedish daily Göteborgs-Posten once stood in the Hisingen district of Gothenburg, a new police station is now being built. The new station is approximately 9,000 square metres in size, and is expected to be ready for occupancy during the second quarter of 2025. The Swedish Police will gain an ultramodern property located close to the E6 motorway. The bus stop will be moved closer to the property, and a new footpath will be built to increase accessibility for those who do not drive a car. The property is certified for sustainability under Miljöbyggnad level Silver.



### Tusenskönan 2, (Blå Stjärnan), Gothenburg



Location	Gothenburg	Occupancy	Q4 2024
Area	10,300 sq. m.	Investment	SEK 443 M

Together, Castellum and the foundation-owned Blå Stjärnan Animal Hospital are developing a new specialist animal hospital in Mölndal. The hospital will be Sweden's largest small-animal clinic, and its 7,000 square metres will house an advanced medical practice. The central inner courtyard will be a green oasis, providing opportunities for dog-walking as well as rest and recovery for employees. The bottom storey of the building will be a parking garage with an additional 3,300 square metres. The property is being developed with great ambitions concerning sustainability and will be classified as Miljöbyggnad, level Silver.



### Tistlarna 9, Malmö



Location	Malmö	Occupancy	Q1 2024
Area	11,300 sq. m.	Investment	SEK 195 M

Strategically located in the Östra Hamnen district, close to central Malmö and all of the city's ring roads and access roads, a new warehouse and logistics facility is being built at Koksgatan 21. This location, close to the city, is a unique opportunity for growing companies with a need for service, good public transportation and fast transport routes. The facility will be flexible, with possibilities for warehouse and office space in various sizes. Approximately 6,500 square metres of solar panels are being built on the roof. The building is certified for sustainability under Miljöbyggnad level Silver.

# Significant potential in the development portfolio

## Project pipeline

With increased inflation and rising market rates, the conditions for investments in the company's own development portfolio during the year proved challenging. Castellum has therefore chosen to postpone certain larger project starts until more stable market conditions materialise. This means that the volume of estimated project starts will decrease compared to previous years. Castellum still has great potential in its development portfolio, which will create major opportunities when the commercial and financial markets allow. This is a position worth defending.

Given improved market conditions and progress in detailed development plans, Castellum believes that, going forward, projects corresponding to approximately 700,000 square metres can be started. Approximately 250,000 square metres of this volume comprise offices, 300,000 square metres comprise logistics and 150,000 square metres comprise other buildings.

Projects decided but not started	Category	Investment type	Location	Project start	Area, sq. m.	Rental value, SEK M	Occupancy rate, %	Total investment, SEK M	Of which invested, SEK M	Remaining to invest, SEK M
Bägaren 5	P	R	Norrköping	Q1 24	6,400	18	100	134	9	125
Amperen 1	Lo	N	Västerås	Q1 24	36,000	28	100	413	9	404
Gladan 6	O	R	Stockholm	Q1 24	3,900	15	—	167	9	158
<b>Total projects not started, &gt;SEK 100 M</b>					<b>46,300</b>	<b>61</b>	<b>75</b>	<b>714</b>	<b>27</b>	<b>687</b>

Ongoing projects	Category	Investment type	Location	Completed	Area, sq. m.	Rental value, SEK M	Occupancy rate, %	Total investment, SEK M	Of which invested, SEK M	Remaining to invest, SEK M
Finnslätten 1 (part)	O/I	R	Västerås	Q4 23	21,000	28	72	213	183	30
Bollbro 15	P	R	Helsingborg	Q4 23	5,000	7	92	125	92	33
Tistlarna 9	Lo	N	Malmö	Q1 24	11,300	13	97	195	188	7
Werket	O	R	Jönköping	Q2 24	21,000	47	58	302	208	94
Tusenskönan 2	P	N	Möndal	Q4 24	10,600	29	100	443	219	224
Backa 20:6	P	N	Gothenburg	Q4 25	9,000	40	100	490	162	328
<b>Total ongoing projects, &gt;SEK 100 M</b>					<b>77,900</b>	<b>163</b>	<b>83</b>	<b>1,768</b>	<b>1,052</b>	<b>716</b>

Developments completed or fully/partly occupied	Category	Investment type	Location	Completed	Area, sq. m.	Rental value, SEK M	Occupancy rate, %	Total investment, SEK M	Of which invested, SEK M	Remaining to invest, SEK M
Sjustjärnan 1	O	N	Malmö	Q1 23	31,500	83	99	1,362	1,289	73
Godsfinkan 1	O/P	N	Malmö	Q1 23	26,500	85	100	1,385	1,385	—
Götaland 9 <sup>1</sup>	P	N	Jönköping	Q2 23	9,200	23	100	340	340	—
Åseby 1:5	I	N	Gothenburg	Q2 23	14,800	21	100	254	245	9
Borgarfjord 5	O	R	Stockholm	Q2 23	9,300	28	45	131	131	—
Effekten 13	O	N	Västerås	Q3 23	15,400	34	100	412	409	3
Kungsängen-Tibble 1:648	W	N	Stockholm	Q3 23	15,200	20	86	303	299	4
Hornsberg 10	O	R	Stockholm	Q4 23	8,700	32	85	268	245	23
<b>Total completed projects, &gt;SEK 100 M</b>					<b>130,600</b>	<b>326</b>	<b>93</b>	<b>4,456</b>	<b>4,344</b>	<b>112</b>
<b>Sum total projects, &gt;SEK 100 M</b>					<b>254,800</b>	<b>550</b>	<b>88</b>	<b>6,937</b>	<b>5,423</b>	<b>1,514</b>

1. The Götaland 9 property has been sold and was handed over upon conclusion of the project.

Category: O=Office, W=Warehouse, Lo=Logistics, P=Public sector, I=Industry

Investment type: N=New construction, R=Reconstruction

## Transactions

# Divestments have refined operations and strengthened finances

**Properties were divested for approximately SEK 5.2 Bn during the year, which enabled further geographic refinement of the portfolio while strengthening the company's balance sheet.**

A total of 29 properties were divested in the first half of the year at an approximate value of SEK 3.5 Bn, which largely comprised two properties to our tenant Axis Communications in Lund and the Marievik 27 and 30 properties, which were handed over in April. The remaining properties that were sold comprised primarily smaller properties in non-priority sub-markets and/or segments such as retail.

At the end of August, eight properties were sold included in four transactions in Haninge, Linköping, Malmö and Uddevalla. The total sale price was approximately SEK 430 M. Three of the properties were located in Uddevalla, a locality from which Castellum thereby withdrew completely.

## Reduced exposure to retail

In October 2023, four retail properties located in Nyköping, Jönköping and Linköping were divested for a total of approximately SEK 600 M. These divestments resulted in reduced exposure to the retail segment. At the same time, an industrial property in Västerås was divested for approximately SEK 300 M.

The construction of the Swedish National Courts Administration building in Jönköping was completed in November, and the Götaland 9 property was thereby signed over in December 2022.

Castellum took possession of land in previously signed agreements such as the Sorbonne 1 property in the Hagastaden district of Stockholm for office property purposes and the Flahult 80:10 property in Jönköping Municipality for warehouse and logistics purposes.

Summing up the company's transactions for the year, Castellum divested 48 properties for SEK 5.2 Bn, which can be compared with 25 properties in 2022 for a total of SEK 3.1 Bn. The divestments were in line with the carrying amount. Property acquisitions in 2023 totalled SEK 336 M, compared to SEK 363 Bn in the preceding year.



Thorild 12, Uddevalla



Effekten 4, Västerås



Jägmästaren 1, Linköping



Borgmästaren 2, Linköping

Sustainability Report

# Sustainability Report

**Castellum takes a long-term approach to sustainability. This is a condition for success in driving the transition to a sustainable society. By 2030, the company will have net-zero carbon emissions.**

Progress in the sustainability area in 2023:

- Castellum retains its green equity designation from Nasdaq.
- Top ranking in the GRESB “Sustainability in projects” category.
- Castellum’s Eden property is the first building in Sweden to be certified under WELL Core Platinum.
- 50 per cent of the properties are certified for sustainability. The target of sustainability certifying 50 per cent of properties was thus achieved two years ahead of schedule.
- Castellum installed its hundredth solar PV system as part of its “100 on Solar” programme, thereby achieving the target two years ahead of time. Production corresponds to 17 per cent of Castellum’s total energy consumption.

Sustainability has been thoroughly integrated into Castellum’s operations. 263 properties are sustainability certified, and the energy efficiency of Castellum’s properties is continually being improved. Greenhouse gas emissions are decreasing, and the company is routinely installing solar PV systems and charging stations. Efforts to reduce environmental and climate impact, and to develop ecosystem services that promote biodiversity, are in progress. Together with tenants, we are developing both the sustainable work life of the future and the society we share.

### Sustainability vision

Castellum’s vision for its sustainability initiatives is to be the most sustainable property company in the Nordic region and to promote sustainable development.

### EU Taxonomy

34% <sup>(33)</sup>

of Castellum’s sales are aligned with the criteria pertaining to climate change mitigation in the EU Taxonomy Regulation.

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## Sustainability Report

# General disclosures

**In its Sustainability Report, Castellum describes the priorities it sets so that its sustainability goals can be met. The company describes its material sustainability topics, and how systematic sustainability initiatives are pursued and governed. Impact, risks, opportunities, measures and progress are presented in the respective sections for the material sustainability areas.**

## About the Sustainability Report

The 2023 Annual Report includes Castellum's Sustainability Report, which also constitutes the company's statutory Sustainability Report, and is part of the Directors' Report for Castellum Aktiebolag, corporate identity number 556475-5550; the Sustainability Report is defined on page 2. The Sustainability Report has the same scope as the financial annual report, includes all wholly owned Group companies and covers the period from 1 January to 31 December 2023. Castellum's Sustainability Report is prepared in accordance with GRI Standards 2021, the latest recommendations from the European Public Real Estate Association (EPRA) with the third edition of the Best Practices Recommendations on Sustainability Reporting (sBPR) from 2017. Sustainability disclosures are submitted for all of the EPRA's sBPR performance measures.

The basis of sustainability reporting is continual stakeholder dialogue and materiality analyses; the

latest of these that were completed are from 2021 and are deemed to be relevant for 2023 as well. Castellum's ambition is for its sustainability initiatives to be integrated into all its operations, which is why these initiatives are also described elsewhere in the Annual Report. The structure of the sustainability report has been changed in this year's report in order to begin adapting to forthcoming legal requirements under the Corporate Sustainability Reporting Disclosure (CSRD). No material changes took place in the company or the supply chain in 2023. The Sustainability Reports is published annually. The 2023 Annual Report was published on 9 April 2024 with the sustainability report on pages 4–13, 18, 27–28, 35–86, 97–101, 103–106 and 108–113 being subject to a limited assurance review by Deloitte.

Castellum has been committed to the UN Global Compact since 2014. The company's Communication on Progress (CoP) is reported using the standardised questionnaire via the Global Compact's digital platform.



Castellum has joined the UN Global Compact, which is an initiative to coordinate matters of human rights, labour law and responsibility concerning the environment and anti-corruption. The Global Compact contains 10 principles.



**Filip Elland**  
Chief Sustainability Officer  
filip.elland@castellum.se

## Sustainability governance

Castellum's sustainability governance is to ensure efficient sustainability initiatives that will result in the company delivering on its sustainability strategy and achieve its sustainability goals. On the basis of legislation and voluntary frameworks, suitable governance has been designed that will promote sustainable development.

## General governance

Key starting points for the overall governance of Castellum's sustainability initiatives are the Sustainability policy, the sustainability strategy, and the ambition of achieving the company's own long-term sustainability goals by 2030 and of promoting the UN Sustainable Development Goals and the Paris Agreement. Other starting points for sustainability governance are the requirements that are set on the company in legislation as well as frameworks and standards for reporting.

## The work of the Board on material sustainability issues

Castellum's Board of Directors is ultimately responsible for the company's sustainability initiatives. The Board and Executive Management adopt the annual sustainability strategy with the appurtenant goals, and adopt the materiality assessment when it is updated. The Board also adopts the Sustainability

policy and Code of Conduct, and follows up on the sustainability initiatives.

Every year, the company's risk analysis is reported to the Board, which means that sustainability risks – including climate-related risks and risks linked to human rights – opportunities and measures, and internal procedures are reviewed. The Board and CEO together approve Castellum's sustainability report on an annual basis, in conjunction with the adoption of the Annual Report. The Board manages any issues related to the Sustainability Report through the Audit Committee. To ensure that the Board has the appropriate know-how as regards sustainability, it is routinely kept up to date about sustainability issues that are relevant to Castellum. In 2023, the Board decided to create a sustainability working group with representatives from the Board and Executive Management, and the group commenced its work in 2024.

Significant complaints, deviations and actions linked to Castellum's sustainability initiatives and Code of Conduct are reported to the Board if and when such incidents occur.

For more information on the preventive efforts on the Code of Conduct and the whistleblower service, refer to page 43. The work of the Board on sustainability is described in the corporate governance report on pages 102–113.

### The work of Executive Management on material sustainability issues

The Chief Executive Officer of Castellum bears strategic responsibility for the company's sustainability initiatives. This responsibility also encompasses identifying and managing climate-related risks and opportunities. The Chief Sustainability Officer pursues and develops sustainability and climate initiatives for the Group, and reports directly to the Chief Operating Officer in Executive Management on a routine basis. The Chief Sustainability Officer informs Executive Management of the results of the sustainability initiatives at least four times a year, or when the need arises.

Executive Management annually approves the sustainability report, and the materiality assessment when it is updated. There has not been a need to inaugurate a special climate committee at the management level, since the sustainability team in the organisation pursues climate initiatives in an integrated manner across the operation. The Chief Sustainability Officer and the other employees in the Sustainability function are responsible for supervising climate-related risks and opportunities, monitoring compliance with the company's Sustainability policy, realising the sustainability strategy, and achieving the sustainability goals.

### Variable remuneration and efficiency in sustainability initiatives

Castellum applies variable remuneration to senior executives and all employees. Variable remunera-

tion is intended to promote long-term value creation and efficient sustainability initiatives such as energy savings in the properties. Read more about variable remuneration in the Corporate Governance Report, page 110 and the Remuneration Report, which is available on the company's website.

### Sustainability initiatives

Operational sustainability initiatives are governed with the use of a management system that consists of Group-wide policies, guidelines, short- and long-term measurable goals and detailed action plans and that ensures compliance with legislation. Castellum follows the precautionary principle, which is integrated into Castellum's Sustainability policy and business processes, and is monitored via the company's environmental management system. Employees who have questions regarding the company's policies and Codes of Conduct can contact Castellum's Chief Sustainability Officer.

To ensure and maintain systematic environmental initiatives, the Swedish and Danish operations are certified under ISO 14001. Through recurring internal and external ISO audits, the company can learn lessons that result in updated policies and procedures for the purpose of addressing risks and discrepancies. The aim of the sustainability initiatives is to act, monitor, document, evaluate, and improve.

Castellum's sustainability initiatives are built on committed and skilled employees, as well as routine training in sustainability. Efforts to identify and manage the impact of the operations on

### Basis for sustainability initiatives

As a responsible community developer, Castellum is to promote sustainable development. Castellum regards the precautionary principle, as well as statutory and regulatory requirements, as a minimum standard. Effective sustainability initiatives require Castellum to:

- Act in accordance with the UN Global Compact.
- Promote the realisation of the UN Sustainable Development Goals and the Paris Agreement.
- Comply with Castellum's Code of Conduct and the Code of Conduct for suppliers. All Castellum's employees and partners must understand and comply with their respective Codes of Conduct.
- Continually increase competence in sustainability through education and communication of sustainability issues.
- Routinely monitor, report on and improve the company's sustainability initiatives.

humans and the environment, as well as the financial consequences of sustainability-related risks and possibilities, are delegated to Castellum's sustainability team. All of the company's employees undergo mandatory online sustainability training. The training, which is part of the introduction for all new employees, is divided into four different areas and focuses on sustainable development, sustainability initiatives, the Code of Conduct and issues in equality and diversity. The company also conducts 'nanolearning', which is intended to continually train employees in various sustainability-related areas



Hissmontören 4, Örebro

and issues. Additionally, targeted training courses are held for various functions within the company, as well as internal webinars to develop sustainability know-how among employees.

These sustainability initiatives are characteristic of the operations as a whole – both the ownership, administration and development of the asset portfolio and the relationships with tenants, employees, suppliers and financiers. Pursuing operations sustainably in turn generates more customer satisfaction, more employee commitment and greater profitability.

Management of material topics (GRI 3-3)

	The Planet	Future-proofing	Well-being	Social responsibility
Material sustainability issues	<ul style="list-style-type: none"> <li>– Environmental and climate risks</li> <li>– Renewable energy</li> <li>– Minimise climate impact</li> <li>– Efficient use of resources</li> <li>– More sustainable building materials and installations</li> <li>– Partnerships with tenants for increased sustainability performance (e.g. through waste management and green mobility)</li> <li>– Adapt the properties for climate change</li> <li>– Increased circularity</li> <li>– Biodiversity and ecosystem services</li> </ul>	<ul style="list-style-type: none"> <li>– Offer successful and sustainable workplaces</li> <li>– Sustainability certification of buildings</li> </ul>	<ul style="list-style-type: none"> <li>– Attractive workplace</li> <li>– Diversity and equal opportunity</li> <li>– Occupational Health and Safety</li> <li>– Healthy premises</li> </ul>	<ul style="list-style-type: none"> <li>– Healthy premises</li> <li>– Sustainable financing</li> <li>– Good business ethics and anti-corruption</li> <li>– Ensure sustainable supply chains</li> <li>– Develop local communities (e.g. through internships)</li> </ul>
What Castellum wants to achieve	Climate-neutral operations by 2030.	Long-term sustainability in the property portfolio.	A healthy, risk-free and inspiring workplace where people feel committed and motivated. This will be done with a high degree of business ethics and assumption of responsibility.	Workplaces that create value for the company and its tenants.
Targets	<ul style="list-style-type: none"> <li>– Climate neutrality 2030 (three roadmaps)</li> <li>– Energy efficiency</li> <li>– Water conservation</li> <li>– 100 per cent fossil-free energy</li> <li>– 100 on solar</li> </ul>	<ul style="list-style-type: none"> <li>– Long-term sustainability in the property portfolio.</li> <li>– Certified buildings</li> <li>– Reuse in all projects, and renewable material</li> <li>– Ecosystem services in major projects</li> <li>– No properties with serious climate risks</li> </ul>	<ul style="list-style-type: none"> <li>– Low level of sick leave</li> <li>– Diversity</li> <li>– Equality</li> <li>– Increased share of anonymised recruitments.</li> </ul>	<ul style="list-style-type: none"> <li>– Growth in income from property management</li> <li>– Net investments</li> <li>– Low financial risk</li> <li>– 10 per cent interns</li> <li>– Zero work-related accidents and illnesses</li> </ul>
GRI Standards that Castellum reports on	GRI 302: Energy GRI 303: Water GRI 304: Biodiversity GRI 305: Emissions GRI 306: Waste	Own disclosure: Certified buildings	GRI 401: Employment GRI 403: Occupational Health and Safety GRI 404: Training and Education GRI 405: Diversity and Equal Opportunity GRI 416: Customer Health and Safety	GRI 201: Economic Performance GRI 205: Anti-corruption GRI 207: Tax GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment GRI 413: Local communities
Castellum's actual or potential positive or negative impact from a perspective of the economy, the environment, society and human rights	Castellum has a negative climate and environmental impact through the use of natural resources and carbon emissions. By using natural resources efficiently and applying the precautionary principle, Castellum can reduce its negative impact. This also means that the company can ensure a positive impact by developing its properties so that they comply with future environmental and climate requirements.	It is important that the operation is conducted responsibly with a high degree of ethics and a strong moral compass in relation to Castellum's stakeholders. Castellum can promote a positive impact on the business environment by imposing environmental, social and human rights requirements in its supplier chain. If this is not done, there is a risk that Castellum will have a negative impact on its supplier chain (e.g. child labour and forced labour). A clear focus on healthy premises and certified properties means Castellum has a positive impact on the environment of tenants.	The wellness and development of employees, and offering them a safe work environment is key to the company continuing to develop in a positive direction.	Castellum can make a positive contribution by acting in accordance with laws and regulations, delivering long-term sustainable financial results and paying tax. This is a condition for the continued performance of the operation.

Management of material topics (GRI 3-3), cont.

	The Planet	Future-proofing	Well-being	Social responsibility
Responsibility and actual/potential positive or negative impact	Making efficient use of resources in operations while putting demands on suppliers and collaborating with tenants is Castellum's responsibility. In the respective areas, Castellum contributes together with its suppliers and tenants to the positive and negative impact on the business environment that occurs in conjunction with construction, purchasing, property management and development.	Castellum is responsible for placing clear requirements (environmental, social and with a strong link to human rights) on suppliers, and they have a great responsibility for complying with these. Castellum is also responsible for its properties being safe for their users and the local community. Castellum's role in the property industry means that the company has a direct positive impact on our business environment through offering healthy premises, promoting the development of local communities and by pursuing efforts to certify properties for sustainability.	Formal responsibility towards employees, and Castellum endeavours to have a goal-oriented organisation where everyone feels involved Castellum has a direct impact on employees' workdays in conjunction with construction, property management and purchasing. By working on diversity and equality, the company has a positive impact on employees' work lives	Meeting tenants' needs is the company's responsibility. Castellum primarily develops properties together with its tenants, but other stakeholder groups are also included in these procedures. Together with tenants, Castellum contributes to the impact on the business environment that occurs in conjunction with construction, purchasing, property management and development.
Limitations in reporting	The sustainability data that is reported applies to Castellum as a Group. Castellum focuses on its operations, from planning to implementation and property management. Castellum also reports carbon emissions from both upstream and downstream in the value chain. Any limitations are indicated in the respective tables.	Reporting occurs primarily for employees with supplementary disclosures from suppliers where available. Castellum does not report information about its tenants and users. Any limitations are indicated in the respective tables.	Reporting occurs primarily for employees with supplementary disclosures from suppliers where available. The company does not report information about its tenants and users. Any limitations are indicated in the respective tables.	The sustainability data that is reported applies to Castellum as a Group. There are no limitations in the reporting.
Governance of the work	By ensuring efficient use of materials and natural resources, as well as efficient use of premises. Read more in the chapters "The Planet" and "Future-proofing".	By clearly structuring requirements and expectations of the company's suppliers.	By clearly structuring requirements and expectations of the company's employees.	Castellum develops its properties, taking into account current and future needs in dialogue with tenants and other stakeholders.
Relevant policy commitments	<ul style="list-style-type: none"> <li>- Sustainability policy</li> <li>- Guidelines for sustainability goals</li> <li>- Code of Conduct</li> <li>- Code of Conduct for suppliers</li> <li>- Guidelines for sustainable vehicles and travel</li> <li>- Other procedures</li> </ul>	<ul style="list-style-type: none"> <li>- Sustainability policy</li> <li>- Guidelines for sustainability goals</li> <li>- Code of Conduct for suppliers</li> <li>- Other procedures</li> </ul>	<ul style="list-style-type: none"> <li>- Sustainability policy</li> <li>- Guidelines for sustainability goals</li> <li>- Health and safety manual, and work environment policy</li> <li>- Code of Conduct</li> <li>- HR manual and Manager manual</li> <li>- Internal control procedures</li> <li>- Diversity and equality plan</li> <li>- Other procedures</li> </ul>	<ul style="list-style-type: none"> <li>- Sustainability policy</li> <li>- Accounting manual</li> <li>- Financial policy</li> <li>- Tax policy</li> <li>- Other procedures</li> </ul>
Commitments beyond laws and guidelines	<ul style="list-style-type: none"> <li>- Climate targets validated by the SBTi</li> <li>- Reporting in accordance with TCFD and the EU Taxonomy Regulation</li> <li>- Affiliated with Fossil Free Sweden</li> <li>- Signed on to the UN Global Compact</li> </ul>	<ul style="list-style-type: none"> <li>- Certification of buildings</li> <li>- Signed on to the UN Global Compact</li> </ul>	<ul style="list-style-type: none"> <li>- Signed on to the UN Global Compact</li> </ul>	<ul style="list-style-type: none"> <li>- Signed on to the UN Global Compact</li> <li>- Affiliated with WELL Portfolio</li> </ul>
Castellum's procedures, projects, programmes and initiatives	<ul style="list-style-type: none"> <li>- Environmental management system</li> <li>- Method for climate calculations</li> <li>- Sustainability training</li> <li>- Webinars</li> </ul>	<ul style="list-style-type: none"> <li>- Whistleblower function</li> <li>- Webinars</li> </ul>	<ul style="list-style-type: none"> <li>- Sustainability training in Code of Conduct and diversity</li> <li>- Webinars</li> </ul>	<ul style="list-style-type: none"> <li>- Training in Code of Conduct</li> <li>- Webinars</li> </ul>
Monitoring of efficiency in the actions taken	<ul style="list-style-type: none"> <li>- Monitoring of resource use and greenhouse gas emissions</li> <li>- Monitoring resource use, environmental management systems and product responsibility as part of Executive Management's annual review</li> <li>- Policies are evaluated annually and adopted by the Board</li> <li>- Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>- Monitoring of cases in the whistleblower function on the Audit Committee</li> <li>- Monitoring of local communities</li> <li>- Evaluation of suppliers on the basis of social criteria, annually at Executive Management review</li> <li>- Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>- Monitoring of internal control</li> <li>- Monitoring of diversity and equality, health and safety</li> <li>- Policies are evaluated annually and adopted by the Board</li> <li>- Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>- Analysis of Customer Satisfaction Index (CSI)</li> <li>- Policies are evaluated annually and adopted by the Board</li> <li>- Annual Report</li> </ul>

## Sustainability strategy

Castellum is a long-term property developer. By 2030, the company will be entirely climate neutral.

Castellum's sustainability strategy, "The sustainable city 2030", consists of four areas of focus: The Planet, Future-proofing, Well-being and Social Responsibility. The sustainability strategy contains 21 measurable targets and is based on the materiality assessment; it is a part of the business strategy as well as the business and value-creation models.

In 2023, Castellum adopted a new target linked to climate change adaptation and reformulated its target linked to interns. Moreover, Castellum has adopted an additional transition plan, linked to tenants, that addresses the climate transition: the customer journey road map. The majority of the targets are monitored on a quarterly basis and are reported both internally and externally. A small number of targets are monitored on an annual basis. The climate-related goals are scientifically grounded and have been validated by the Science Based Targets initiative (SBTi).

### Castellum's sustainability agenda

The objective of Castellum's sustainability strategy is to ensure that the company, by contributing to sustainable development in selected focus areas, is a relevant and successful company, not just for today, but well into the future. The strategy has been developed through analysis, dialogue and discussion. This strategy is primarily constructed upon:

- The UN Sustainable Development Goals for 2030.
- The Paris Agreement.
- Sweden's road map to Fossil-Free Sweden.
- Local and global challenges and opportunities.
- Identified climate risks and opportunities.
- Priorities voiced by tenants, employees and other stakeholders.
- Castellum's ability to create shareholder value.
- The company's possibilities for making a real difference.

### UN Sustainable Development Goals

The nine Sustainable Development Goals that have the strongest links with Castellum's business operations have been integrated into our sustainability strategy. These goals were identified in a process that analysed all of the goals and targets.

#### The Planet



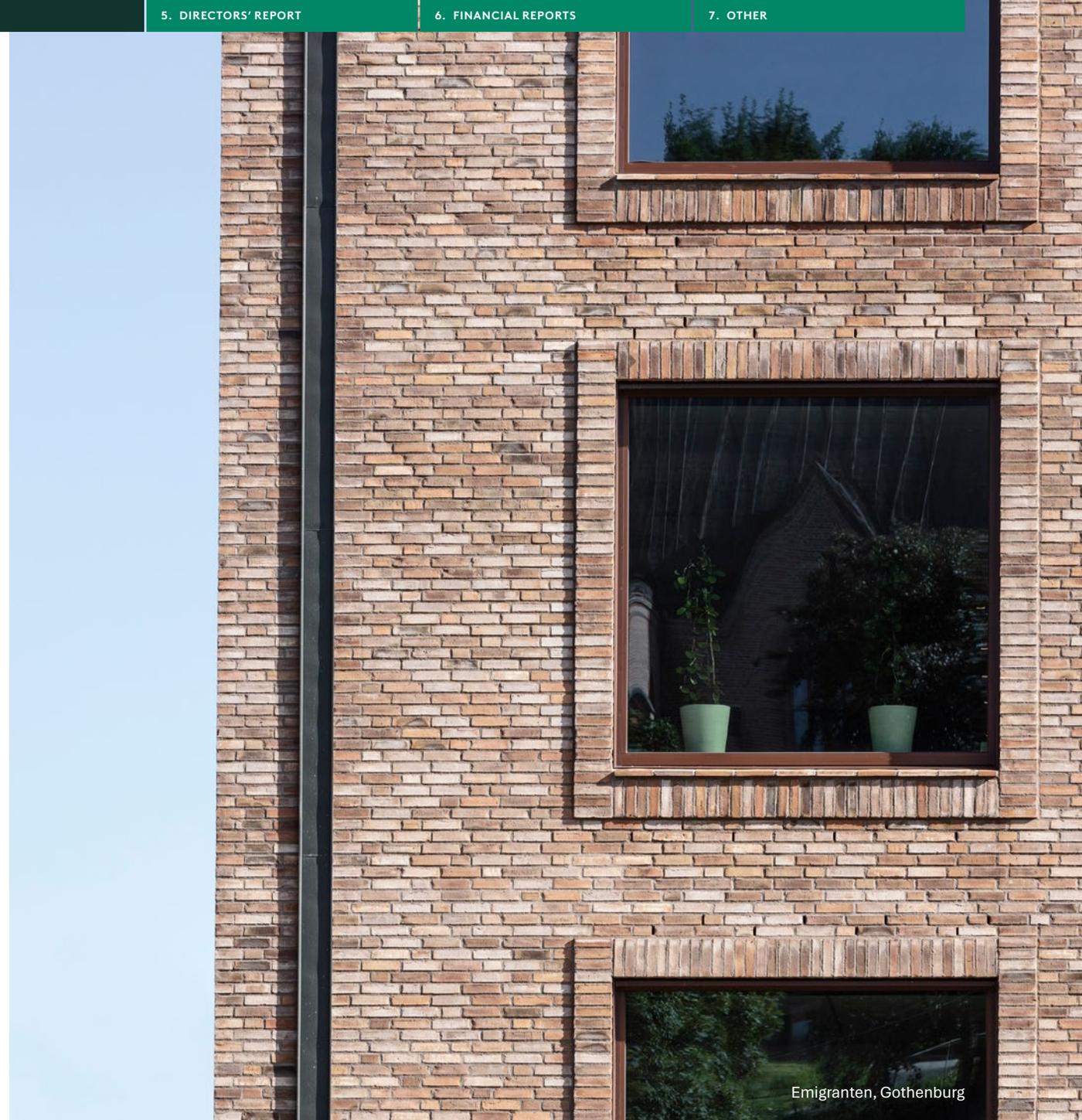
#### Future-proofing



#### Well-being



#### Social responsibility



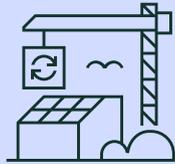
Emigranten, Gothenburg

## Goals and results



### The Planet

Ongoing targets	Outcome 2023
1% water conservation per year <sup>1</sup>	(-) 5%
2.5% energy efficiency enhancements per year	(-) 4%
<b>Target 2025</b>	
11% reduction in energy consumption per square metre compared with 2021	(-) 4%
70% of Castellum's properties must have an energy performance lower than 100 kWh/sq. m. per year.	64%
100 solar PV systems in the "100 on Solar" programme	106
<b>Target 2030</b>	
Net-zero carbon emissions, validated by the Science Based Targets initiative. Achieved using the following road maps:	
Net zero in Property management (Scope 1 & 2).	1.9 kg/sq. m.
Net zero in Project development (Scope 3).	(-) 37% <sup>5</sup>
Net zero in Customer Journey (Scope 3)	3.0 kg/sq.m.
100% non-fossil fuel energy	97%
Over the long term, 100% of Castellum's properties must have an energy performance lower than 50 kWh/sq. m. per year <sup>2</sup>	27%



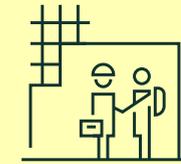
### Future-proofing

Ongoing targets	Outcome 2023
All new production and major reconstructions to be sustainability certified	100%
Net positive increase of ecosystem services in major projects <sup>4</sup>	Set as requirement
Re-use in all projects <sup>3</sup>	Set as requirement
<b>Target 2025</b>	
50% of the portfolio is to be sustainability certified.	50%
<b>Target 2030</b>	
Re-use and renewable materials must be a significant element in all projects	Ongoing <sup>4</sup>
Over the long term, no properties will have serious climate risks	Ongoing <sup>2</sup>



### Well-being

Ongoing targets	Outcome 2023
<2% short-term sick leave	1.0%
<3% long-term sick leave	1.4%
Increased share of anonymised recruitments. <sup>4</sup>	70% <sup>5</sup>
<b>Target 2025</b>	
40 to 60% gender equality among all occupational categories.	
Women	41%
Men	59%
20% of Castellum's employees will have international backgrounds	12%



### Social responsibility

Ongoing targets	Outcome 2023
10% of all employees to be interns	9%
Zero workplace injuries or work-related illness among employees and suppliers	19

1. In the like-for-like portfolio. / 2. The target has not been set specifically for 2030, but is a long-term target. / 3. The implementation was completed in late 2022. Since then, re-use has been implemented in all projects. Monitoring of the target in more detail will begin in 2024. / 4. The target has a long-term perspective. Reporting will be developed over the coming years. / 5. Pertains to 2023 outcome.

## Stakeholders

Castellum is routinely in dialogue with the company's stakeholders to facilitate surveying and adapting key sustainability issues to requirements and expectations in its business environment. Stakeholder involvement allows Castellum to better understand both which sustainability issues the stakeholder groups regard as material in relation to Castellum, and the significant impact that various sustainability issues have or could have on the business environment and specific stakeholder groups.

Dialogue is held in various situations and through various channels. The general methods include questionnaires, e-mails, meetings and consultations. These issues are dealt with on a routine basis, for example, at Board meetings, Executive Management meetings and meetings with shareholders, and in daily two-way communication with tenants,

### Castellum's key stakeholders

Castellum has an impact on, and is impacted by, various stakeholder groups. The stakeholders who have been identified as the most central to Castellum's operations are:

- Tenants
- Owners
- Lenders
- Suppliers
- Employees

employees, partners, suppliers and various societal stakeholders. To ensure that the dialogues are meaningful and that all stakeholder groups are included, the company works with social programmes. These social programmes, with more than 141 different initiatives, are built largely on dialogues with and analysis of the needs of various stakeholder groups. Tenants play a key role here. In addition to the routine dialogue, recurring interviews are held with selected stakeholders who are experts in sustainability in the property industry or are considered as having a major impact on – or are impacted by – Castellum's operations.

### Material sustainability issues

Castellum routinely conducts materiality assessments to identify, prioritise and establish the company's material sustainability issues. The latest materiality assessment was conducted in 2021. In 2023,

Castellum reviewed the assessment and concluded that the issues identified remained the most relevant for the company. The assessment is based on Castellum's various sustainability issues, business intelligence, and industry analyses, and is intended to assess what significant impact the different issues have on humans and the environment. The assessment also takes the impact of changes in the business environment on the company and its various sustainability issues into consideration, and also looks at how these in turn impact Castellum financially over both the short and long term. The financial and climate risk assessments are part of Castellum's TCFD reporting. Key additions to the materiality assessment are also taken from the routine dialogues with various stakeholder groups, and from discussions with external and internal experts.

The materiality matrix on page 43 shows the understanding of the stakeholder groups as regards which sustainability issues are relevant to them in their relationship with Castellum, as well as what impact Castellum's sustainability issues have on the business environment. All sustainability issues that are presented in this assessment are important for Castellum. The priorities are based on the perspective of a scale of relevance from "low" to "moderate" to "high" as regards impact. The final materiality assessment is approved by management and the Board of Directors in conjunction with the annual strategy initiative.

Many of Castellum's sustainability issues have a major impact throughout the company's value

chain; for example, on our tenants, suppliers, and in the communities in which the company operates. The materiality assessment has been limited to Castellum's own operations and the areas where Castellum (direct impact) or the company's business relationships (indirect impact) have a major impact, or to areas where the business environment has a major impact on Castellum's operations (direct impact).

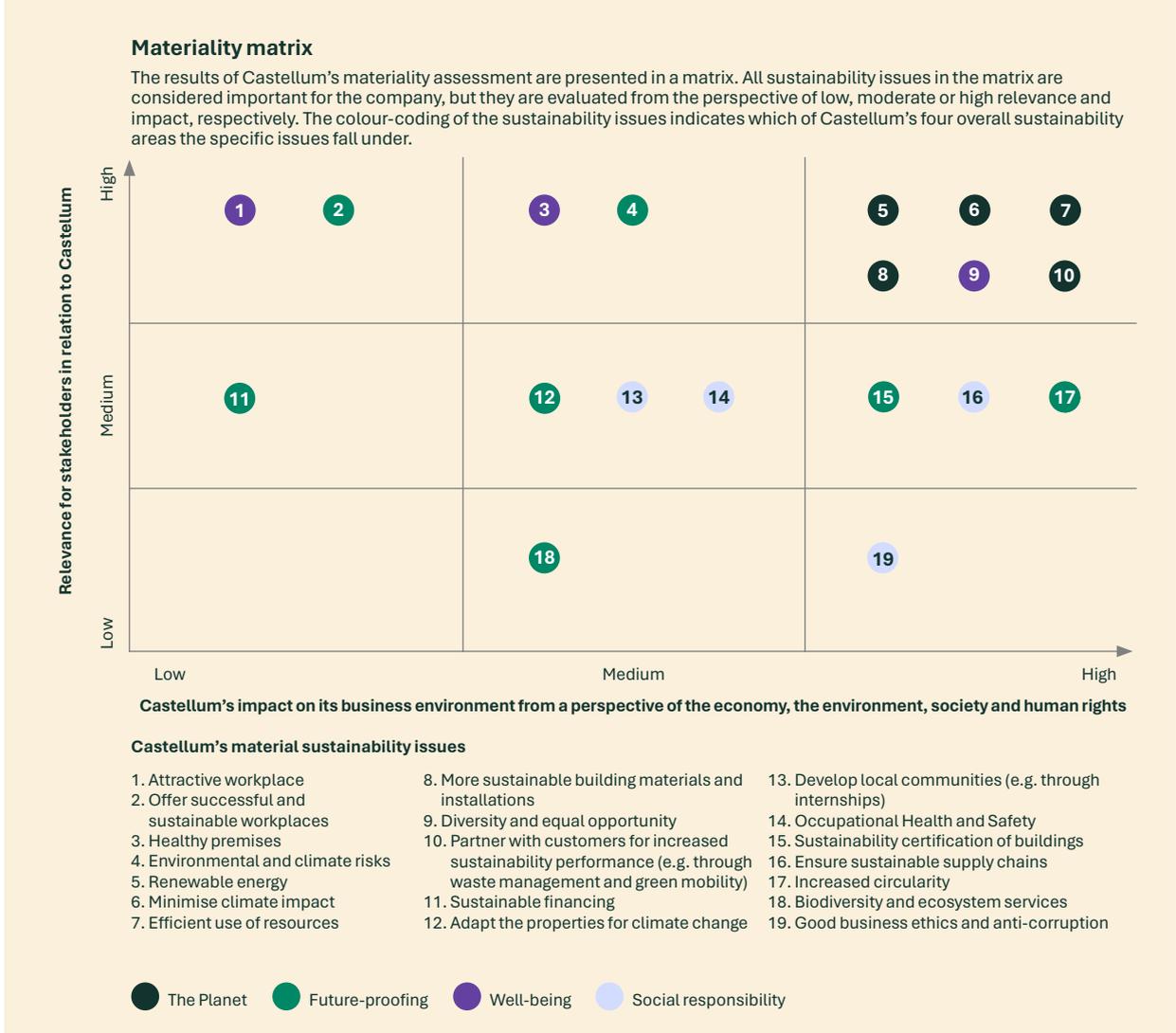
In relation to previous materiality assessments, some of the issues in the 2021 assessment were deemed to have become more or less material. For example, the issue of environmental and climate risks is considered to be more material than previously, while the issue of developing local communities was deemed to be somewhat less material. Reducing Castellum's climate impact and increasing the degree of circularity have been added as material sustainability issues. No changes were made to the materiality assessment in 2023.

To adapt the materiality assessment to forthcoming legislation and reporting requirements, work began in 2023 concerning a more comprehensive double materiality assessment in accordance with the requirements in the CSRD and European Sustainability Reporting Standards (ESRS). Work focused on this double materiality assessment will continue in 2024.

The materiality assessment forms the basis of the company's sustainability strategy and sustainability goals. It also forms the basis of Castellum's assessment of sustainability-related risks and opportunities.



The Rotterdam District, Stockholm



### Sustainability-related policies

Castellum's sustainability initiatives are based on a number of internal guidelines, for example the Codes of Conduct and the Sustainability policy as well as a number of other significant policies and guidelines.

### Code of Conduct

Castellum's Code of Conduct clarifies the company's values and is intended to provide guidance for all employees in their daily operations. The Code of Conduct regulates how employees are to act towards one another, tenants, suppliers, partners and other players they encounter in their daily operations. The Code of Conduct provides guidance on the laws and regulations that Castellum and the company's employees must deal with, as well as what applies when expectations are more far-reaching than the statutory obligation.

The Code of Conduct is based on the ten principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the ILO Fundamental Conventions and the UN Guiding Principles on Business and Human Rights. The Code of Conduct is based on the four areas contained in the UN Global Compact: human rights, working conditions, the environment and anti-corruption.

To ensure that all employees understand the content of the Code of Conduct, it is included in the company's mandatory sustainability training. The respective Regional Managing Directors and the CEO of the Group are responsible for compliance with the Code of Conduct and training employees in

it. Moreover, all employees in the Group are responsible for complying with the Code of Conduct and acting in accordance with it.

Departures from the Code of Conduct must be reported and discussed with an immediate supervisor or, if this is impossible, with another representative of the company. Significant departures must be reported to Castellum's Compliance function, who is also the Group's Chief Legal Officer, who will inform the company's Audit Committee. It is also possible for employees and external parties to report improprieties through the company's whistleblower function, which can be reached via the Group's website and intranet. This service, which facilitates anonymous reporting of breaches of the Code of Conduct, is managed by an external party. All breaches that are reported via the whistleblower function are managed in accordance with established routines. The individual making the report will receive a response within seven days, and the aim is to maintain a dialogue with that individual. Corrective measures will be taken as needed as a result of a report being made.

The Code of Conduct is available on Castellum's website.

### Code of Conduct for suppliers

Castellum has the same high expectations of suppliers as it does of its own employees. That is why Castellum has developed a Code of Conduct and contractual arrangements for suppliers that establish how suppliers are to act in the work they

perform for Castellum. The Code of Conduct for suppliers and the contractual arrangements clarify that suppliers must promote sustainable development and take responsibility for issues such as human rights, working conditions, the environment, business ethics and anti-corruption both in their own operations and in relation to other partners.

The Supplier Code is based on the ten principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. The focus is on the issues that Castellum has identified as the most relevant in relation to the various suppliers for the operations.

The respective directors and project managers are responsible for the Code of Conduct for suppliers and keeping all employees at Castellum informed about the Code. Castellum monitors compliance with the Supplier Code through partnerships, dialogue and checks of selected large contractors, and the ambition is to monitor all business relationships going forward. If Castellum receives information of supplier non-compliance, dialogue will be initiated and support can be obtained from Castellum. Supplier partnerships can be terminated if supplier non-compliance continues after dialogue and support. The Code of Conduct for suppliers also has information about the whistleblower function and that people who submit reports are protected against retaliation.

The Code of Conduct for suppliers is available on Castellum's website.

### Sustainability policy

The Sustainability policy establishes how Castellum is to conduct its sustainability initiatives. The work must promote sustainable development and be an integral and natural part of operations. The Sustainability policy includes Castellum's views on sustainability and the company's stance in relation to climate change and the planet's limits.

The Policy divides sustainability into three dimensions: ecological, social, and financial sustainability. It also discusses how the UN Sustainable Development Goals that Castellum has the strongest links to have been integrated into the sustainability strategy. The Policy covers all of Castellum's employees and the Board of Directors, as well as suppliers and partners. Executive Management and administrative management are responsible for monitoring that this work is being carried out in accordance with the Policy.

The Sustainability policy is available on Castellum's website.

### Work environment handbook

The work environment handbook is based on 17 different areas and deals with work environment policy, allocation of work environment responsibilities, reporting and administration of overtime, instructions for coordination responsibilities, insourced and outsourced personnel, legislation and the regulations of the Swedish Work Environment Authority. The work environment handbook also contains guidelines on:

- Risk assessment
- Instructions for the work environment
- Action plans
- Safety rounds
- Near-accidents, accidents, ill-health and work-related illness
- Introduction of new employees, linked to awareness of the work environment
- First aid and crisis support
- Victimisation
- Alcohol and drugs
- Occupational health care linked to occupational health and safety, work accommodations and rehabilitation.

The work environment handbook indicates which function is responsible for implementation in their respective areas.

#### External guidelines that form the basis for the Code of Conduct and Code of Conduct for suppliers

The Code of Conduct and Code of Conduct for suppliers are based on Castellum's core values: Business-Focused, Committed and Courageous – the ten principles of human rights, labour law, environment and anti-corruption in the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the ILO Core Conventions and the UN Guiding Principles on Business and Human Rights.

### Work environment policy

The work environment policy is intended to create conditions for a proper, safe work environment without accidents and ill-health. The policy stipulates that Castellum is to be an attractive workplace free of victimisation and discrimination, where all employees are to feel that they are included. The policy also states that it must be a workplace with a good physical and mental work environment. The work environment policy clarifies how the work environment is to be monitored, and stipulates that Castellum take its statutory responsibility for occupational health and safety for employees and insourced personnel as well as the responsibility for coordinating contractors in the operations.

The work environment policy is adopted by the Board of Directors, and the CEO is responsible for communicating and establishing the policy in the company.

#### External guidelines that form the basis for the Sustainability policy

The Sustainability policy stipulates that Castellum supports such international conventions and initiatives as the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the UN Convention on the Rights of the Child, the UN Sustainable Development Goals, the Paris Agreement, the OECD Guidelines for Multinational Enterprises, the ILO Core Conventions and Sweden's road map for a fossil-free Sweden.

## Policies for sustainability initiatives

A selection of the regulations that control Castellum's sustainability initiatives is listed below. The Sustainability policy and Codes of Conduct are externally available on Castellum's website.

### External laws and guidelines

- The Swedish Companies Act
- The Swedish Annual Accounting Act
- The Swedish Environmental Code
- The Swedish Work Environment Act
- Building Regulations from the National Board of Housing, Building and Planning
- UN Guiding Principles on Business and Human Rights
- UN Convention on the Rights of the Child
- EU Taxonomy Regulation

### External initiatives

- GRI Standards
- UN Sustainable Development Goals
- Paris Agreement
- Sweden's road map to Fossil-Free Sweden
- UN Global Compact
- OECD Guidelines for Multinational Enterprises
- TCFD
- ISO 14001
- Science Based Targets
- Sustainability certifications
  - EU GreenBuilding
  - Miljöbyggnad
  - BREEAM
  - LEED
  - WELL
  - NollCO<sub>2</sub>
- Local sustainability programmes and climate adaptation plans
- EPRA sBPR

### Important internal regulations

- Sustainability policy
- Work environment handbook
- Code of Conduct
- Code of Conduct for suppliers
- Internal environmental management system
- Internal control processes
- Crisis management policy
- Office framework programme
- Logistics and Warehouse framework programme
- Sustainability requirements, smaller projects
- Work environment policy
- Diversity and equal opportunity plan

## Accounting policies

### General reporting policies

The ambition is to include all material sustainability issues in the Sustainability Report. No material disclosures have been deliberately excluded from the 2023 report. No changes have been made to historical sustainability data since the preceding year. Castellum's value chain is taken into account in the descriptions provided about impact, risks and opportunities. Reporting will be developed as a stage in adapting to the requirements in the CSRD and ESRS. In climate reporting, the value chain appears in the form of other indirect emissions (Scope 3) included. The timeframe in the sustainability report is retrospective, but a number of disclosures and descriptions are forward-looking with comments where this is the case. Specific delimitations and accounting policies are commented where applicable, as are uncertainties in estimations and calculations.

### Environmental and climate-related accounting policies

Castellum limits its reporting to the properties where the company has operational control in accordance with the principles of the Greenhouse Gas protocol. Operational control was selected since it provides Castellum with the best conditions for reporting the statistics and data that Castellum can directly influence. Properties where the tenant

is responsible for agreements regarding energy and water deliveries and waste removal are thus excluded. Nor does Castellum own measurement data in cases where the tenant is responsible for the agreement, and it is therefore difficult to report that type of data.

### Scope of the disclosures

Castellum is actively engaged in improving access to the relevant statistics. Having access to measurement data is important for Castellum, as it creates conditions for proper, efficient property management in the company's buildings. At present, Castellum has good access to measurement data for nearly its entire portfolio. The size of the share of properties included in the respective indicators is shown next to the respective key metrics. Note that the share of potential objects to report under absolute figures for the respective years includes objects sold during the year in question, excluding land.

Castellum does not, however, have access to complete measurement data for all its properties. Measurement data for waste is primarily lacking due to the fact that waste management contractors cannot provide complete data. Measurement data is also missing for energy and water. This is due to changes in the portfolio from purchases and sales of properties as well as development properties, which makes access to the relevant data more difficult.

In cases where the tenant is responsible for the subscription, Castellum does not own the measurement data and thus cannot report it.

In total, Castellum owned 709 (749) properties at the end of 2023.

#### No estimates

No sustainability disclosures have been estimated; unless otherwise indicated, all measurement data and all disclosures reported have been measured and assured.

#### Normalisation

Castellum calculates key intensity metrics through division by the total floor area of the buildings. This is the most widely accepted method in the property industry for comparing energy use and resource consumption.

Castellum uses Swedish Meteorological and Hydrological Institute (SMHI) degree days to normalise energy for heating. Energy for cooling is not currently normalised.

#### Segment reporting (by property type and geography)

Castellum reports sustainability disclosures separated into the following building types: offices, logistics, retail, public buildings, and light industry. Since Castellum owns properties primarily in Sweden and a lesser share in Denmark and Finland, reporting the statistics by geographical division is not relevant.

Castellum's own offices are reported separately on page 55.

#### Like-for-like

Castellum reports not only absolute consumption data for its entire portfolio, but also disclosure in the like-for-like portfolio. The properties that have been included in the portfolio for at least 24 months, excluding development properties, are included in the like-for-like portfolio under EPRA's definition. With like-for-like, changes in the size and composition of the asset portfolio are taken into account.

#### GHG emissions

Castellum reports and monitors its greenhouse gas emissions annually in accordance with the Greenhouse Gas (GHG) Protocol. 2017 was chosen as the base year for Castellum's target of net-zero CO<sub>2</sub> emissions by 2030. This is because it was the first year when a complete Scope 3 inventory could be carried out. For Scope 1 and 2, and for business travel, there is comparable data back to 2007.

The Conversion Factors table on page 53 reports on the activities, assumptions and conversion factors forming the basis for reporting Castellum's energy use and greenhouse gas emissions during 2023. In 2021, the database with emissions factors for the emissions under Scope 3 that are calculated based on the spend for the current period was replaced with a newer database, Exiobase 3. This database is considered to be the most reliable for

these types of calculations, has updated emissions factors that take better account of economic activities, and has improved sectoral granularity. As of 2022, inflation adjustments are also applied in the calculation of spend-based emissions estimates. The years prior to 2022 have not been adjusted for inflation.

#### Energy consumption

Castellum's reporting includes the energy that the company purchases for its properties, as well as for that portion of tenants' own electricity consumption that Castellum purchases. Reporting of the energy purchased by Castellum is based on actual metered consumption. The same applies for tenants' electricity consumption. Castellum also reports on own energy produced from solar PV systems.

Absolute energy consumption is indicated in metric tons of CO<sub>2</sub>e, and intensity in kilogrammes per square metre. A conversion factor of 3.6 was used to convert from kWh to gigajoules (GJ).

#### Electricity produced

In total, 18,832 kW (11,939) of solar panels have been installed on Castellum's properties, corresponding to 130,000 square metres (83,500) of solar panels. On a full-year basis, these generate a production of 18,832 MWh, which corresponds to approximately 17 per cent (7) of Castellum's total annual electricity requirement in 2023. Castellum's solar PV systems generated 8,293 MWh (7,339) in 2023.

#### Water

Castellum reports only the water consumption of its operations. Tenants with their own water contracts are not included; nor is water used at construction sites in conjunction with new construction.

#### Waste

Castellum reports the waste that the company's tenants generate. Waste data is obtained on 420 properties (370), corresponding to 67 per cent (54) of total area.

Castellum does not own or report on waste data in cases where the tenant is the subscriber. Nor is waste from construction reported.

#### Employee-related accounting policies

All employee data is based on actual data. The information has been compiled and assured by Castellum's People & Culture department. Castellum reports data concerning all its employees in the areas of employment, training, equality, diversity, personnel turnover, and more. The company reports the number of employees in full-time equivalents (FTE) as of 31 December. The data is not broken down by geography since the number of employees in Castellum's operations in Finland and Denmark, respectively, is limited. These employees are included in the statistics for Sweden.

## Sustainability Report

# Environmental disclosures

**Castellum's asset portfolio will promote the mitigation of global climate change. Castellum's operations impact the climate through GHG emissions and the use of energy, water and natural resources. The operations also give rise to waste. The company's environmental and climate activities promote enhanced efficiency of energy use, efficient and responsible use of natural resources, and reduced GHG emissions, waste volumes and water use.**

## Climate change

Castellum's operations have a negative impact on the climate through their use of energy and emissions of greenhouse gases. The company is actively engaged in reducing its climate impact through enhancing energy efficiency, tightening requirements in construction projects and measures to limit global climate change. Over the long term, Castellum is working to achieve net-zero carbon emissions by 2030, eliminate serious climate risks, use only fossil-free energy and reduce the energy performance of its properties to less than 50 kWh/sq. m. per year. Castellum acknowledges the scientific evidence that human activity is contributing negatively to climate change, and that

exceeding the planet's limitations entails risks. Operations are carried out in line with the 17 UN Sustainable Development Goals, the Paris Agreement, national ambitions for a fossil-free Sweden by 2045 and a climate-neutral EU by 2050.

## Targets

Castellum's climate targets are scientifically based and have been validated by SBTi. The company has undertaken to achieve net-zero carbon emissions in Scope 1, 2 and 3 by 2030. This means that the company must reduce its emissions by 90 per cent in relation to 2017, and the remaining 10 per cent can be climate compensated. The goal will be achieved using the three transition plans for property management, project development and the customer journey. Castellum will also work to eliminate all climate risks, which means that measures are being planned for integration into long-term maintenance and future investments for existing properties. In conjunction with new construction, risk analyses are carried out prior to the start of the project in order to adapt the property to climate change.

Castellum also has recurring medium- and long-term goals linked to energy use. The company must

routinely be 2.5 per cent more energy efficient per year, and by 2025 energy use will decrease by 11 per cent compared with 2021 and 100 solar PV systems will be installed. The latter target was achieved already in 2023. By 2030, Castellum's energy use will be entirely fossil-free and all of Castellum's properties will have an energy performance of less than 50 kWh/sq. m. per year.

## Policy

Castellum's commitment to reduce the climate impact of its operations is governed by the company's Sustainability policy and Code of Conduct. The Sustainability policy stipulates how the Group's climate initiatives are to be carried out. The Code of Conduct clarifies, for example, that there must be procedures in place to measure and monitor the Group's environmental impact and improve the company's sustainability performance.

Read more about the Sustainability policy and Code of Conduct on pages 43–44.

## Measures for climate change adaptation

Castellum sees a changed climate globally, which means an increasing risk of problems such as rising water levels, increased mean temperatures, and

risks of landslides and erosion. It is believed these climate risks will increase in frequency and intensity over the long term, which constitutes a threat to operations and the company's properties. Potential consequences for Castellum include physical damage or direct disruptions to properties, as well as financial consequences linked to necessary measures, increased maintenance costs and, in the worst case, obsolete properties – and thereby a loss of rental income. To reduce the risk that negative impacts occur, Castellum is actively engaged in identifying climate risks and facilitating climate adaptation in the operations in various ways.

In recent years, Castellum has conducted various analyses linked to climate change. In 2019, a climate scenario analysis was conducted to evaluate climate risks, transition risks and opportunities based on two emissions scenarios linked to how the world might look in the year 2050. The analysis covered the impact of climate risks and opportunities on the entire company, which means that strategies, operations, and financial consequences were included in the analysis. The results of the climate scenario analysis are described in more detail on page 57–58.

In 2022, independent experts conducted a climate risk analysis on Castellum's entire property portfolio, with the physical climate risks for the respective properties being evaluated. The purpose of the analysis was to increase the understanding of which physical climate risks the asset portfolio is vulnerable to, and to identify which properties are exposed to a greater physical climate risk than others. The review was based primarily on a current scenario as well as a scenario for 2100. The results shows that flooding from precipitation, as well as from rising ocean levels and watercourses is the most common climate risk in Castellum's portfolio, both today and in 2100. The climate risks that have been prioritised in the analysis are those that have the greatest likelihood of occurring in the near future in combination with the most severe consequences for the property. Other physical climate risks that were identified as relevant to the company and the geographical location of the properties were flooding from oceans, heat stress, ground stability in the form of landslides and erosion, and snowfall. In total, 7 per cent of the property value is considered to be vulnerable to relatively higher climate risk.

To evaluate which measures are required for the properties to become more resilient, Castellum conducted a more in-depth analysis in 2023 of the properties that were identified in the previous

climate analysis as being at relatively higher physical climate risk.

### Expected financial effects of climate-related risks and opportunities

Castellum's long-term focus on assessing risks and implementing adaptation measures will probably mean that its operations can perform positively despite climate change. Furthermore, with the help of external independent experts, Castellum has assessed and quantified the risk of natural disasters in its existing asset portfolio. The assessment shows that there currently is a 10 per cent probability that Castellum's properties will incur costs attributable to a natural disaster; it is estimated that these costs will amount to just under SEK 15 M per year or SEK 3 per square metre. The assessment also shows that there is a 0.5 per cent probability of costs amounting to almost SEK 1,100 M per year, corresponding to a cost of SEK 201 per square metre based on the entire stock. An average per year is estimated to be SEK 31 M, corresponding to a cost of SEK 6 per square metre. According to the independent experts, these costs are mainly related to flooding. This assessment is based on historical damage that has occurred in Castellum's portfolio and the location and geography of the properties, meaning that potential protection systems or building construc-

tion are not taken into account. Natural disaster damage in Castellum's property portfolio has historically been limited, and the average cost of damage from 2016 to 2022 was less than SEK 1 M per year. Furthermore, this should primarily be regarded as an assessment of the current situation, without taking into account future climate changes that will affect the overall risk exposure. For this reason, the asset portfolio is being subjected to in-depth assessments in order to reduce risks attributable to specific properties.

In the external climate risk assessments that were conducted for all properties in Castellum's portfolio in 2022 and 2023, the independent experts engaged by Castellum also examined the risk in the portfolio of permanent flooding owing to rising sea levels. In these assessments, flood risks due to heavy rainfall and proximity to watercourses were also analysed. The results show that no properties are deemed to be at risk of permanent flooding by 2100. The risks that Castellum sees in these assessments are linked primarily to temporary natural damage that leads to temporary loss of rental income and damage to properties that needs to be repaired. This can occur on the property or in infrastructure that impacts the use of the property. It is therefore important that climate change adaptation not only encompasses buildings but also the company's sur-

### Sensitivity analysis for natural catastrophe

Castellum	Cost (SEK M)
10-year event today	15
200-year event today	1,081

### Sensitivity analysis: Increased energy prices

Castellum	Increased operating costs (SEK M)
If energy prices increase by 10 per cent	86

roundings. Achieving this will require collaboration among property owners, cities and municipalities going forward. Based on an assumption that 1 per cent of Castellum's properties annually suffer damage that leads to six months of lost rent, this entails an estimated loss of income of SEK 48 M per year, corresponding to 1 per cent of net operating income. In addition, there is an indirect impact on Castellum's operations. Examples include increased global conflicts, increased migration, or shortages of food and water that could lead to greater economic turbulence. This could, in turn, impact Castellum and the company's tenants.

In 2023, in-depth climate risk assessments were conducted by external independent experts for the properties that were identified as having relatively higher risk from the 2022 climate risk assessments. It is believed that mitigating and alleviating the worst of the climate risks in these properties – primarily elevated water flows – would entail investments of approximately SEK 82 M.

Castellum will engage further with the findings from the in-depth climate risk assessments in coming years in order to make an effort to adapt these properties as part of planned maintenance and future investments. Prior to every investment decision, climate risks are examined and analysed based on an established process. Always taking climate risks into account in conjunction with investments reduces the likelihood of negative financial consequences.

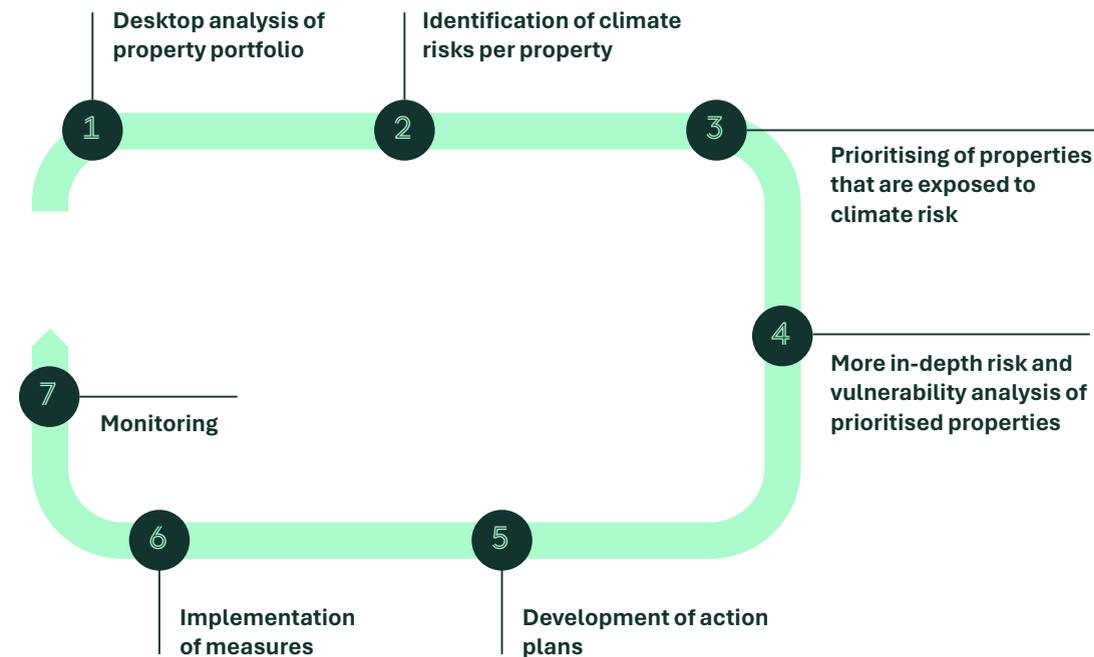
Other climate-related risks that have consequences for Castellum include energy prices. Electricity prices have fluctuated at high levels in recent years as a result of global situations, and the price for other forms of energy for heating have also been impacted. A sensitivity analysis shows how the company will be impacted financially if energy prices increase by 10 per cent in all of Castellum's properties. An increase of this kind would have resulted in SEK 86 M in increased operating costs,

without taking into account that some of these costs would be passed on to tenants. Changes in energy prices have a major impact on the company, since 57 per cent of Castellum's total operating costs are energy-related. Castellum is managing the situation through various measures. Solar panels are installed on new constructions and in accordance with the 100 on Solar project, and other energy-saving projects are being implemented. Additionally, daily efforts are being conducted with operations in order to obtain an efficient and optimised energy supply throughout the company's portfolio.

In RCP 2.6 and RCP 4.5, the climate scenarios with the lower temperature increases, it is noted that Castellum is not impacted by any immediate physical climate risks that cannot be managed. In RCP 8.5, the climate scenario with the higher temperature increases, there are significant risks that may have a greater financial impact. It is therefore important that investments in society continue to reduce climate-related emissions.

The Notre Dame Global Adoption Initiative, or ND-Gain, publishes an annual study assessing the vulnerability of different countries to climate change. Their study found that the Nordic countries of Sweden, Denmark, Finland and Norway are considered best equipped to deal with a changing climate.

**Working process for climate adaptation**



**Measures for climate change mitigation**

Castellum’s more material impact is linked to the climate impact that construction, use and management of the properties gives rise to. To reduce the company’s climate impact, Castellum works to enhance energy efficiency, increase the proportion of renewable energy and reduce GHG emissions. Moreover, Castellum will be involved in the climate plans and policies of its tenants and of government agencies, it will display leadership and, to the greatest extent possible, will inspire the industry to reduce its climate impact.

Castellum’s GHG emissions are generated primarily in property management and in conjunction with project development. The company has designed three transition plans to limit its climate impact. The property management transition plan focuses on reducing direct and indirect emissions (Scope 1 and Scope 2). The project development transition plan contains defined targets for the annual reduction of other indirect emissions (Scope 3) and the customer journey transition plan contains activities and targets linked to tenants (Scope 3). These transition plans serve as a tool for achieving the long-term goal of net-zero carbon emissions by 2030, which has been validated by SBTi. The transition plans are aligned with the Paris Agreement and are in line with the ambition of limiting global warming to 1.5 °C. According to the SBTi, a maximum of 10 per cent of emissions may be compensated, which means that at least 90 per cent of the climate impact needs to be reduced compared with the company’s climate targets.

**Castellum’s transition plans for net-zero carbon emissions**

**Administration road map**

Key metrics pertain to kilogramme of carbon emissions per square metre for the total asset portfolio.

The objective for the Property management road plan 2022–2030, in kg CO<sub>2</sub>e per sq. m.



**Road map: Project development**

Key metrics pertain savings in kilogrammes of carbon emissions per square metre for the project development portfolio<sup>1</sup>.

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Begin measuring new construction projects											
15% reduction in emissions from new construction, offices											
30% less emissions, new construction. Begin measuring reconstruction projects											
40% less emissions, new construction.											
50% less emissions											
60, 70, 80 and 90% less emissions, respectively <sup>2</sup>											
All projects are to be climate neutral											

**Customer journey road map**

Key metrics pertain to kilogramme of carbon emissions per square metre for the total asset portfolio.

The objective for the Customer journey road plan 2023–2030, in kg CO<sub>2</sub>e per sq. m.



1. For 2021–2024, reduction goals only pertain to new construction. The project’s carbon emissions (kg CO<sub>2</sub>e per sq. m.) for A1–A5 (materials, production, transport) are calculated and compared with estimated carbon emissions for a reference building (reference value). The reference value is unique to each project, and is produced using the SGBC method developed for NollCO<sub>2</sub>. The first intermediate objective in 2021–2022 pertained only to new production of office buildings with a total investment volume greater than SEK 50 M. Beginning in 2023, climate calculations will be made for all new construction. Climate calculations will also be made for reconstructions and tenant adaptations over 1,000 square metres, and the five largest climate items will be switched out. Beginning in 2024, all reconstructions and tenant adaptations will be covered regardless of size.  
 2. The objectives for 2026–2029 are preliminary and provide an indication of orientation with current knowledge; they can be adjusted and will be adopted at a later point in time.

### GHG emissions

Of the GHG emissions that Castellum gives rise to, 12 per cent (11) are direct (Scope 1) and indirect (Scope 2) emissions that come from the use of oil, natural gas, fuel for the operation's vehicles, refrigerant leakage, and the use of electricity and heating that the company itself is responsible for. Castellum is engaged in phasing out the use of fossil fuels, including by reducing the number of oil furnaces. There were 2 (4) furnaces still in use at the end of 2023.

The remaining 88 per cent (89) is other indirect emissions (Scope 3) that originate from the consumption of materials, construction processes, business travel, work commutes, transportation, waste, tenants' electricity consumption and other energy-related emissions not covered under Scope 1 and 2. Even though there are challenges throughout the construction and property industry linked to producing concrete measures for reducing these emissions, measures in this area are a condition for Castellum being able to achieve its target of net-zero carbon emissions.

The GHG emissions that Castellum causes through heating its properties using district heating represents a large portion of the company's emissions in Scope 1 and 2: 97 per cent (95). The emissions are directly linked to district heating producers' fuel mix, and during the year Castellum was in dialogue with the direct heating suppliers with the highest GHG emissions per kWh in order to influence them to reduce their emissions. The transition

to green district heating with renewable fuels is ongoing and currently amounts to 45 per cent (35) of Castellum's district heating suppliers.

During the year, Castellum was involved in:

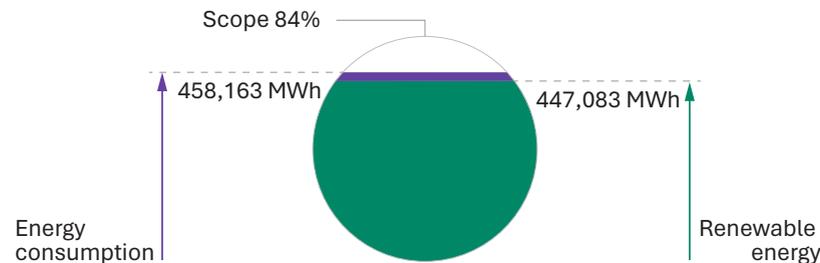
- Developing and implementing a new type of lease annex for the purpose of reducing tenants' and Castellum's shared emissions over time.
- Increased the number of green leases with a shared ambition for reducing climate impact.
- Developed the Customer Journey roadmap to help reduce tenants' climate impact.
- More stringent climate requirements for projects.
- Providing more tools and partnership forms to reduce other indirect emissions (Scope 3).
- Transitioned to green district heating in Finland.
- Various optimisation measures for operation.
- Linking buildings for remote control.

### Energy efficiency

Energy use contributes to Castellum's climate impact. The company routinely monitors and analyses the energy consumption of its properties. Various measures are taken and prioritised based on these analyses. During the year, SEK 381 M (124) was invested in energy conservation projects. Efficiency in the operation of properties is enhanced on a daily basis, and these initiatives have resulted in a reduction of energy for heating, cooling and electricity by 30 per cent since 2007.

Castellum uses 97 per cent renewable energy. By using new technology, Castellum is part of driving development forward. The company sets requirements for and offers solar PV systems and charging stations at its properties to promote sustainable development and the use of renewable energy.

### Energy overview



One of Europe's largest roof-based solar cell installations is located in Gothenburg. It is in the Hisingen Logistics Park, where Castellum's tenant Jollyroom has its new premises.

### Castellum installs 100 roof-based solar PV systems

Late in 2023, Castellum inaugurated the hundredth solar PV system in its property portfolio, thereby achieving one of its sustainability goals two years ahead of schedule. This solar power initiative now generates 17 per cent of the company's annual energy consumption, corresponding to 18.8 GWh.

In 2020, Castellum launched its "100 on Solar" initiative with the target of building 100 solar PV systems by 2025. This initiative is one of the Nordic region's largest investments in solar panels.

In total, Castellum has installed solar cells on 130,000 square metres, corresponding to 24 football pitches, in its property portfolio. The company's largest solar PV system – one of the largest in northern Europe – is in Gothenburg. The surface area of this solar PV system is 30,000 square metres, and it produces 3.3 GWh per year.

During the year, 30 new solar PV systems were installed which means that in total the company has installed 106 systems since 2020.

In 2023, Castellum increased its share of green district heating in Finland, which is expected to reduce emissions in Scope 2 in coming years.

During the year, Castellum remained involved in expanding the company's portal for monitoring properties online, to check values for operations, alarms, elevators and entries. This results in savings of both energy and time, which creates customer benefits in the form of better services through preventive measures. At present, 427 (339) properties, corresponding to 58 per cent of the area, are connected to the portal.

### Complete inventory of greenhouse gas emissions (GRI 305-1, 305-2, 305-3, 305-4, 305-5, GHG-Dir-Abs, GHG-Indir-Abs [market-based], GHG-Indir-Abs [location-based])

	2023		2022		2021		2020		2019		Calculation method <sup>1</sup>
	Absolute emissions	Intensity									
<b>Scope 1</b>											
Direct emissions (GHG-Dir-Abs) <sup>2</sup>	292	0.1	550	0.1	322	0.1	284	0.1	458	0.1	Fuel-based
Biogenic emissions (GHG-Dir-Abs)	164	0.0	309	0.1	342	0.1	339	0.1	535	0.1	Fuel-based
<b>Scope 2</b>											
Market-based method (GHG-Indir-Abs)	10,260	1.8	12,756	2.2	5,403	1.4	3,991	0.9	5,764	1.4	Fuel-based
Location-based method (GHG-Indir-Abs)	29,675	5.4	31,091	5.5	16,418	4.3	18,128	4.1	37,222	8.8	Fuel-based
<b>Scope 1+2 (market-based method)</b>	<b>10,553</b>	<b>1.9</b>	<b>13,306</b>	<b>2.3</b>	<b>5,725</b>	<b>1.5</b>	<b>4,275</b>	<b>1.0</b>	<b>6,222</b>	<b>1.5</b>	
<b>Scope 1+2 (location-based method)</b>	<b>29,967</b>	<b>5.5</b>	<b>31,641</b>	<b>5.6</b>	<b>16,740</b>	<b>4.4</b>	<b>18,412</b>	<b>4.2</b>	<b>37,680</b>	<b>8.9</b>	
<b>Scope 3<sup>3</sup></b>											
1. Purchased goods and services	54,265	9.9	77,773	13.7	71,130	18.5	274,307	61.8	266,860	62.8	Spend-based
3. Fuel- and energy-related activities <sup>4</sup>	4,101	0.8	3,596	0.6	3,452	0.9	—	—	—	—	Fuel-based
4. Upstream transportation and distribution	6	0.0	525	0.1	465	0.1	227	0.1	172	0.1	Spend-based
5. Waste generated in operations	236	0.0	2,090	0.4	2,043	0.5	2,717	0.6	2,161	0.5	Spend-based
6. Business travel <sup>5</sup>	540	0.1	64	0.0	35	0.0	49	0	127	0.0	Distance
7. Employee commuting	269	0.1	203	0.0	169	0.0	160	0	166	0.0	Average-data
8. Upstream leased assets	0	0	0	0.0	20	0.0	88	0	68	0.0	Spend-based
13. Downstream leased assets <sup>6</sup>	16,280	3.0	22,104	3.9	8,860	2.3	12,627	2.9	54	0.0	Average-data
Biogenic emissions	—	—	—	—	—	—	—	—	—	—	
<b>Scope 3</b>	<b>75,697</b>	<b>13.8</b>	<b>106,355</b>	<b>18.7</b>	<b>86,174</b>	<b>22.4</b>	<b>290,175</b>	<b>65.4</b>	<b>269,608</b>	<b>63.4</b>	
<b>Scope 1+2+3 (market-based method)</b>	<b>86,250</b>	<b>15.7</b>	<b>119,661</b>	<b>21.0</b>	<b>91,899</b>	<b>23.9</b>	<b>294,450</b>	<b>66.4</b>	<b>275,830</b>	<b>64.9</b>	
<b>Scope 1+2+3 (location-based method)</b>	<b>105,665</b>	<b>19.3</b>	<b>137,996</b>	<b>24.3</b>	<b>102,914</b>	<b>26.8</b>	<b>308,587</b>	<b>69.6</b>	<b>307,288</b>	<b>72.3</b>	

Absolute emissions are indicated in metric tons of CO<sub>2</sub>eq, and intensity in kg CO<sub>2</sub>e per square metre. No material emissions of greenhouse gases have been excluded. 2017 is set as the base year for Castellum's Science Based Target, since this was the first year that Castellum measured the Group's entire emissions in Scope 3. Castellum's total greenhouse emissions during base year 2017 totalled 332,061 metric tons of CO<sub>2</sub>eq, of which 1,122 metric tons in Scope 1, 6,133 metric tons in Scope 2, and 324,806 metric tons in Scope 3.

Measurements of emissions from Scope 1 and 2 from 2007 onward are available. In 2007, the emissions in Scope 1 and Scope 2 totalled 6.4 kg CO<sub>2</sub>e per sq. m.

1. According to GHG Protocol Corporate Value Chain Standard.

2. In addition to fuel consumption in properties and refrigerants, also includes emissions from Castellum's own vehicles of 90 metric tons of CO<sub>2</sub>e in 2023 compared with 23 metric tons of CO<sub>2</sub>e in 2022. No trading in greenhouse gases took place in 2023.

3. The following Scope 3 emissions are not considered relevant for Castellum (approved by SBTi): 2. Capital goods, 9. Downstream transportation and distribution, 10. Processing of sold products, 11. Use of sold products, 12. End-of-life treatment of sold products, 14. Franchises, 15. Investments.

4. Castellum began calculating emissions for fuel- and energy-related activities in 2021.

5. Castellum estimates hotel stays using the cost method, and the remaining business travel is estimated using the distance method.

6. The emissions factor from 2020 and later has been updated in accordance with the residual mix emission factor of each country from Grexel's database. Castellum believes that Grexel's residual mix emissions factor reflects carbon emissions from electricity consumption better than the Swedish Energy Markets Inspectorate's weighted residual mix emissions factors that were used in previous years. This has no significant impact on the total carbon footprint – less than 5 per cent – which is why neither previous years nor the base year have been updated.

Scope	Activity	Activity data	Conversion factor
Scope 1	Oil consumption at properties where the tenant does not have separate metering or billing of actual consumption.	Internal collection of statistics relating to consumption at properties heated by oil.	Heating oil: 0.28 metric tons CO <sub>2</sub> e/MWh Source: GHG Protocol, GWP 2014 IPCC Fifth Assessment Report
Scope 1	Natural gas consumption at properties where the tenant does not have separate metering or billing of actual consumption.	Internal collection of statistics relating to consumption at properties heated by natural gas.	Natural gas: 0.203 metric tons CO <sub>2</sub> e/MWh Source: GHG Protocol, GWP 2014 IPCC Fifth Assessment Report
Scope 1	Business travel with company vehicles.	Travel with company vehicles is based on meter readings. Greenhouse gas emissions are based on distance covered and on combined-cycle fuel consumption for each vehicle.	Gasoline: 0.0002375 metric tons CO <sub>2</sub> e/km Diesel: 0.0002798 metric tons CO <sub>2</sub> e/km Biofuel: 0.000197 metric tons CO <sub>2</sub> e/km CNG: 0.0000505 metric tons CO <sub>2</sub> e/km Electric hybrid: 0.00005 metric tons CO <sub>2</sub> e/km Electric car: 0 metric tons CO <sub>2</sub> e/km Source: GHG Protocol, GWP 2014 IPCC Fifth Assessment Report
Scope 1	Refrigerants.	Refrigerant emission data is collected from the mandatory refrigerant report of each respective property.	Statistics from Svenska Kyl & Värmepumpsföreningen. The data is reported in connection with the Fluorinated Greenhouse Gas regulation, EU/517/2014, and appurtenant Swedish legislation, which is declared based on applicable practices.
Scope 2	Consumption of electricity in properties where the tenant does not have separate measurement or invoicing of actual consumption.	Internal collection of statistics for properties where Castellum is responsible for electricity use.	Origin-labelled renewable electricity: 0 g CO <sub>2</sub> e/MWh Residual mix: Sweden: 0.03895 metric tons CO <sub>2</sub> e/MWh Denmark: 0.5574 metric tons CO <sub>2</sub> e/MWh Finland: 0.52077 metric tons CO <sub>2</sub> e/MWh Source: Grexel
Scope 2	Consumption of district heating and district cooling in properties where the tenant does not have separate measurement or invoicing of actual consumption.	Internal collection of statistics for properties where Castellum is responsible for district heating and district cooling. District heating consumption is adjusted based on SMHI degree days and vacancy rate.	Statistics from respective district heating providers. <sup>1</sup>

Scope	Activity	Activity data	Conversion factor
Scope 3	Business travel, taxi.	The majority of the data from suppliers and manual retrieval.	0.000147 metric tons CO <sub>2</sub> e/km Source: GHG Protocol, GWP 2014 IPCC Fifth Assessment Report
Scope 3	Business travel, air.	The majority of the data from suppliers and manual retrieval.	Nordic region: 0.000171 metric tons CO <sub>2</sub> e/km Europe: 0.000092 metric tons CO <sub>2</sub> e/km World: 0.000083 metric tons CO <sub>2</sub> e/km Source: GHG Protocol, GWP 2014 IPCC Fifth Assessment Report
Scope 3	Business travel, train.	The majority of the data from suppliers.	0.00000042 metric tons CO <sub>2</sub> e/km Source: SJ
Scope 3	Business travel, private vehicles.	Internal monitoring of kilometres driven on business with private vehicles.	0.000147 metric tons CO <sub>2</sub> e/km Source: GHG Protocol, GWP 2014 IPCC Fifth Assessment Report
Scope 3	Waste	Calculated using waste statistics that are enumerated to be combined with emissions factors from 2023 from the UK Department for Environment, Food and Rural Affairs (Defra).	Emission factors per waste type Source: Defra
Scope 3	Employee commuting.	Employee commuting in kilometres is estimated based on data from Transport Analysis combined with emission factors from Naturvårdsverket, the Swedish Environmental Protection Agency.	Source: Naturvårdsverket and Transport Analysis
Scope 3	Downstream leased assets.	Calculated from a template of tenants' energy use.	Residual mix: Sweden: 0.03895 metric tons CO <sub>2</sub> e/MWh Denmark: 0.55740 metric tons CO <sub>2</sub> e/MWh Finland: 0.52077 metric tons CO <sub>2</sub> e/MWh Source: BELOK, Grexel
Scope 3	Fuel- and energy-related activities.	Calculated using actual monitoring of energy use combined with emissions factors from 2021 from the UK Department for Environment, Food and Rural Affairs (Defra).	Country-specific emissions factors Source: Defra
Scope 3	Other GHG emissions.	The carbon footprint is calculated based on how much is spent on suppliers from various industry sectors (e.g. transportation, travel, consultants, etc.). Emissions are then calculated using sector data from Exiobase 3 in accordance with the recommendations of the Greenhouse Gas Protocol for a Scope 3 screening.	Source: Exiobase 3

1. Since the district heating suppliers' conversion factor for the preceding year (2023) was only calculated in 2024, the conversion factor for 2022 is used for emissions linked to traditional district heating.

**Total greenhouse gas emissions by property type, like-for-like (GHG-Dir-LfL, GHG-Int; GRI 305-1, GRI 305-2, GRI 305-4)**

	Measurement unit	Like-for-like (LfL) comparison								
		Offices			Warehouse/Light industry			Retail		
		2023	2022	change, %	2023	2022	change, %	2023	2022	change, %
Scope 1, Direct emissions (GHG-Dir-LfL)	Metric tons CO <sub>2</sub> e	162	444	-64	50	60	-17	11	2	450
Scope 2, Indirect emissions (market-based method)	Metric tons CO <sub>2</sub> e	5,492	7,225	-24	2,612	2,654	-2	341	300	14
Scope 2, Indirect emissions (location-based method)	Metric tons CO <sub>2</sub> e	18,617	15,858	17	4,886	4,704	4	1,227	1,141	8
Scope 1, Direct emissions + Scope 2, Indirect emissions (location-based method, GHG-Int)	Kg CO <sub>2</sub> e/m <sup>2</sup> /yr	7.5	6.5	15	3.6	3.5	3	3.2	3.0	7

cont.	Measurement unit	Like-for-like (LfL) comparison					
		Public sector properties			Castellum total		
		2023	2022	change, %	2023	2022	change, %
Scope 1, Direct emissions (GHG-Dir-LfL)	Metric tons CO <sub>2</sub> e	69	52	33	292	558	-48
Scope 2, Indirect emissions (market-based method)	Metric tons CO <sub>2</sub> e	1,186	1,090	9	9,631	11,269	-15
Scope 2, Indirect emissions (location-based method)	Metric tons CO <sub>2</sub> e	3,083	2,645	17	27,813	24,348	14
Scope 1, Direct emissions + Scope 2, Indirect emissions (location-based method, GHG-Int)	Kg CO <sub>2</sub> e/m <sup>2</sup> /yr	5.0	4.0	25	5.7	5.1	13

The table shows emissions from property management, meaning emissions from fuel and refrigerants in Scope 1 and emissions from energy consumption in Scope 2. GHG intensity is divided by Castellum's property area for the respective property categories. Castellum's total Scope 3 emissions are found on page 52.

**Energy produced (GRI 302-1, Elec-Abs)**

	Absolute energy (MWh)			
	2023	Change 2022-2023, %	2022	2021
Electricity produced from own solar PV systems	8,293	13	7,339	4,637
Production of own solar electricity, used on-site	4,357	-9	4,306	1,946
Production of own solar electricity, sold	3,936	44	3,033	2,691
Scope of the disclosures on own solar electricity produced	89/89		64/64	46/46

**Fossil-free**

	2023	2022	2021
Share of non-fossil energy, %	99	95	95
Fossil fuel-free vehicles, %	98	96	100
No. of charging posts for electric vehicles	1,189	922	674
Number of solar PV systems installed	106	76	46

### Energy consumption (GRI 302-1, 302-3, Elec-Abs, Fuels-Abs, DH&C-Abs, Energy-Int)

Energy source	Absolute energy use (MWh)			Renewable share, %		
	2023	2022	2021	2023	2022	2021
Building electricity	104,931	106,489	61,587	100	100	100
Electricity, geothermal and cooling	5,373	4,562	1,532	100	100	100
Electricity, direct	1,307	1,090	1,485	100	100	100
<b>1. Total electricity consumption (Elec-Abs)</b>	<b>111,611</b>	<b>112,141</b>	<b>64,604</b>	<b>100</b>	<b>100</b>	<b>100</b>
Biogas	834	1,569	1,735	100	100	100
<i>Total consumption of renewable fuels</i>	<i>834</i>	<i>1,569</i>	<i>1,735</i>	<i>100</i>	<i>100</i>	<i>100</i>
Natural gas	76	186	219	0	0	0
Oil	246	481	252	0	0	0
<i>Total consumption of non-renewable fuels</i>	<i>322</i>	<i>667</i>	<i>471</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>2. Total fuels purchased by landlord (Fuels-Abs)</b>	<b>1,156</b>	<b>2,236</b>	<b>2,206</b>	<b>72</b>	<b>70</b>	<b>79</b>
District heating	315,291	307,984	208,499	94	93	93
District cooling	30,105	33,738	16,022	100	100	100
<b>3. Total consumption of district heating and cooling (DH&amp;C-Abs)</b>	<b>345,396</b>	<b>341,722</b>	<b>224,521</b>	<b>95</b>	<b>94</b>	<b>93</b>
<b>Total energy consumption (1+2+3)</b>	<b>458,163</b>	<b>456,099</b>	<b>291,331</b>	<b>96</b>	<b>95</b>	<b>95</b>
<b>Total energy consumption (normalised)</b>	<b>455,606</b>	<b>472,129</b>	<b>294,111</b>	—	—	—
Energy intensity, buildings (Energy-Int)	98	96	91	—	—	—
Energy intensity, buildings (normalised)	97	99	92	—	—	—
<b>Scope of the reporting</b>				<b>2023</b>	<b>2022</b>	<b>2021</b>
Properties covered by disclosures on electricity consumption				556/709	527/749	395/554
Properties covered by disclosures on district heating and district cooling				533/590	547/560	401/414
Properties covered by disclosures on fuels				13/13	13/13	13/13

### Energy consumption outside the organisation (GRI 302-2)

	2023	2022	change, %
Electricity (MWh) <sup>1</sup>	101,724	114,046	-8%
Scope of the disclosures on tenants' energy <sup>2</sup>	244/709	233/749	

1. The consumption pertains to electricity for tenant operations.

2. The scope is limited by the fact that Castellum does not own the measurement data in cases where the tenants themselves have contracts for electricity for their operations.

### Energy consumption and emissions for Castellum's own operations (GRI 305-1, GRI 305-2, GRI 305-4)

	Measurement unit	Indicator	Outcome (Abs, Int)		
			2023	2022	2021
<b>Total consumption, electricity</b>	MWh		<b>3,153</b>	<b>3,359</b>	<b>2,930</b>
Portion of electricity from renewable sources	%		100	100	100
<b>Total consumption, district heating and cooling</b>	MWh		<b>3,755</b>	<b>3,882</b>	<b>3,829</b>
Portion of district heating and cooling from renewable sources	%		99	95	100
<b>Total consumption, fuels</b>	MWh		<b>0</b>	<b>0</b>	<b>0</b>
Proportion of fuel from renewable sources	%		—	—	—
Energy intensity (normalised)	kWh/sq. m. per year		149	148	134
Scope of disclosures on emissions from own offices	No. of buildings included		40/40	35/35	32/32
Share of energy use and GHG estimated in the portfolio	%		0	0	0
Scope 1	Metric tons CO <sub>2</sub> e	Direct	0	23	23
Scope 2 (market-based)	Metric tons CO <sub>2</sub> e	Indirect	192	53	139
Scope 2 (location-based)	Metric tons CO <sub>2</sub> e	Indirect	283	60	212
Scope 1 & 2 emissions (market-based)	Kg CO <sub>2</sub> e/sq. m., year	GHG	0.3	1.6	3.5
Scope 1 & 2 emissions (location-based)	Kg CO <sub>2</sub> e/sq. m., year	GHG	6.1	1.7	5.1

The total area of Castellum's own offices was measured at 46,400 square metres in 2023. This includes United Space's offices.

**Energy consumption (delivered by property owner) divided by property type, comparison, like-for-like (Elec-LfL, DH&C-LfL, Fuels-LfL, Energy-Int)**

	Measurement unit	Offices			Warehouse/Light industry			Retail		
		2023	2022	change, %	2023	2022	change, %	2023	2022	change, %
<b>Total electricity consumption (Elec-LfL)</b>	MWh	<b>68,374</b>	<b>73,262</b>	<b>-7</b>	<b>14,330</b>	<b>15,142</b>	<b>-5</b>	<b>5,524</b>	<b>5,800</b>	<b>-5</b>
<i>Scope of the disclosures on electricity consumption</i>	sq. m.	259/286	259/286	—	131/191	131/191		49/75	49/75	
<b>Total district heating and cooling (DH&amp;C-LfL)</b>	MWh	<b>190,776</b>	<b>188,907</b>	<b>1</b>	<b>75,006</b>	<b>74,095</b>	<b>1</b>	<b>17,460</b>	<b>16,524</b>	<b>6</b>
<i>Scope of the disclosures on district heating and district cooling</i>	sq. m.	252/263	252/263		141/151	141/151		51/53	51/53	
<b>Total fuels (Fuels-LfL)</b>	MWh	<b>611</b>	<b>763</b>	<b>-7</b>	<b>420</b>	<b>447</b>	<b>-6</b>	<b>125</b>	<b>145</b>	<b>-14</b>
<i>Scope of the disclosures on fuel</i>	sq. m.	7/7	7/7		5/5	5/5		1/1	1/1	
<b>Total energy consumption</b>	MWh	<b>259,760</b>	<b>262,932</b>	<b>-1</b>	<b>89,756</b>	<b>89,684</b>	<b>0</b>	<b>23,109</b>	<b>22,469</b>	<b>3</b>
<b>Energy consumption (degree-day corrected)</b>	MWh	<b>258,357</b>	<b>271,240</b>	<b>-5</b>	<b>89,462</b>	<b>93,402</b>	<b>-4</b>	<b>22,993</b>	<b>23,231</b>	<b>3</b>
Energy intensity, buildings (Energy-Int)	kWh/sq. m. per year	112	113	-1	76	76	1	84	81	4
Energy intensity, buildings (degree-day corrected)	kWh/sq. m. per year	111	116	-4	76	79	-4	83	84	-1

cont.	Measurement unit	Public sector properties			Castellum total		
		2023	2022	change, %	2023	2022	change, %
<b>Total electricity consumption (Elec-LfL)</b>	MWh	<b>16,819</b>	<b>17,631</b>	<b>-5</b>	<b>105,047</b>	<b>111,835</b>	<b>-6</b>
<i>Scope of the disclosures on electricity consumption</i>	sq. m.	54/63	54/63		493/615	493/615	
<b>Total district heating and cooling (DH&amp;C-LfL)</b>	MWh	<b>42,967</b>	<b>40,674</b>	<b>6</b>	<b>326,209</b>	<b>320,199</b>	<b>2</b>
<i>Scope of the disclosures on district heating and district cooling</i>	sq. m.	54/56	54/56		498/523	498/523	
<b>Total fuels (Fuels-LfL)</b>	MWh	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,156</b>	<b>1,355</b>	<b>-8</b>
<i>Scope of the disclosures on fuel</i>	sq. m.	0/0	0/0		13/13	13/13	
<b>Total energy consumption</b>	MWh	<b>59,787</b>	<b>58,306</b>	<b>3</b>	<b>432,412</b>	<b>433,389</b>	<b>0</b>
<b>Energy consumption (degree-day corrected)</b>	MWh	<b>59,158</b>	<b>59,933</b>	<b>-1</b>	<b>429,970</b>	<b>447,806</b>	<b>-4</b>
Energy intensity, buildings (Energy-Int)	kWh/sq. m. per year	104	101	3	100	100	0
Energy intensity, buildings (degree-day corrected)	kWh/sq. m. per year	102	104	-2	99	103	-4

## Emissions scenarios – risks and opportunities

Castellum uses emissions scenarios to identify financial and operational risks and opportunities linked to climate changes that impact the company over both the short and long term. The purpose is to ensure that both operations and the property portfolio have the conditions to manage climate changes.

### Climate reporting

For four years, Castellum has provided climate reporting in accordance with the voluntary international recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). The TCFD's updated recommendations for the property sector were also taken into account. The purpose is to report climate-related financial disclosures and make it possible for investors and other stakeholders to better understand the company's exposure to climate-related risks and opportunities.

### Two emissions scenarios: the world in 2050

In 2019, an analysis was conducted to evaluate climate risks and opportunities based on two different emissions scenarios linked to how the world might look in the year 2050. The scenarios used were developed by the UN Intergovernmental Panel on Climate Change (IPCC):

- Fulfilling the Paris Agreement
- On the beaten path

“Fulfilling the Paris Agreement” scenario is one in which we have successfully limited the increase in temperature to 1.5–2 °C. “On the beaten path” is a “business as usual” scenario in which the world has failed to make any changes and greenhouse gas emissions continue to increase at the current rate.

Both scenarios entail risks for Castellum, but opportunities as well. The company needs to be resilient, adapting its operations based on changed climate conditions both locally and nationally.

### Evaluating climate risks

Castellum conducts an annual survey of all the company's risks based on the perspectives of likelihood, impact, priority and development for a period of up to ten years. For climate risks, Castellum has a more long-term perspective, with an analysis based on climate scenarios up through 2050.

As regards climate risks, both physical and transition risks that could follow from a changed climate are assessed. Ahead of investments in new production, the climate risks are evaluated for a building during its technical service life, with emphasis on precipitation, extreme weather and the risk of flooding. The intermediate IPCC scenario, which involves emissions increasing up until 2040 and then tapering off, is also used here. Ahead of decisions on investment, the Chief Sustainability Officer

assesses the investment from a sustainability perspective, in which climate change is an important issue.

### The resistance of properties to climate change

Castellum is investigating the possibilities of evaluating the exposure of its property portfolio to climate change through participation in the EU-financed Carbon Risk Real Estate Monitor (CRREM) research project. This project will define scientifically-based measures to reduce carbon emissions in commercial properties and housing in the property sector for the purpose of achieving the Paris Agreement.

### Ongoing measures – climate analysis

In addition to the climate scenario analysis, which concerns both physical risks and transition risks up through 2050, in 2023 Castellum conducted a more in-depth analysis of the properties that were identified as being at high physical climate risk in the climate analysis from 2022. This analysis, which is still in progress, is presented in more detail on pages 48–49.

### Strategies that deal with climate risks and climate opportunities

- Net-zero carbon emissions according to the Science Based Targets initiative.
- Climate-proof properties.
- Production of renewable energy and energy storage.
- Enhancements to energy efficiency and limitation of effects.
- Sustainability programme for investments.
- Climate requirements for larger and smaller projects.
- Sustainability certifications and environmental inventories of buildings.
- Analysis of the physical impact of climate change on the portfolio.
- Action plans for properties vulnerable to significant physical climate risk (planned).
- Increased focus on circularity and re-use of resources and materials.



Castellum's “100 på sol” (100 on Solar) solar PV system programme

## The world in 2050

### “Fulfilling the Paris Agreement” (RCP 2.6)<sup>1</sup>

- Greenhouse gas emissions halved by 2050.
- +1.5–3° C national temperature increase in Sweden.
- New renewable energy technology introduced on a large scale.
- Low energy intensity.
- Dramatic changes made to society, the infrastructure and buildings.
- The countries of the world succeed in collaborating on shared initiatives.
- Political decisions, taxes and regulations regarding greenhouse gases introduced.
- Increased regulations with sustainability requirements regarding land use and construction codes.
- Changed demands from customers and investors.

### Emissions scenario: “Fulfilling the Paris Agreement”

#### Risks

- Increased regulation, taxes and fees for carbon emissions, land use, construction codes, etc.
- Older properties could become obsolete.
- Risk of unprofitable investments if unproven technology is used to rapidly initiate the transition.
- Requirements for zero emissions of greenhouse gases throughout the value chain; the circular economy requires major changes in the business model.
- Price increase for construction materials, transportation and energy owing to political restrictions.
- Volatile or steeper energy prices.
- Increased need for investments in new technology, new construction and existing properties.

#### Opportunities

- Increased production of solar energy and increased use of renewable energy.
- Increased demand for innovation and new technology.
- Increased urbanisation and need for consolidation in core city areas make the portfolio attractive.
- Decreased energy needs owing to more efficient resource use.
- Changed customer and investor preferences, as well as increased sustainability requirements make Castellum an attractive property owner and investment.

### Potential impact on Castellum’s financial performance

- Increased investments in the transition.
- Increased costs for climate adaptation.
- Increased operating costs.
- Decreased value of properties that are not climate-adapted or are located in risk areas.
- Increased value of climate-adapted properties.

### “On the beaten path” (RCP 8.5)<sup>1</sup>

- Greenhouse gas emissions continue to increase at current rates.
- +2–4 °C national temperature increase in Sweden.
- Rising ocean levels.
- More days with extreme weather and flooding.
- Increased number of forest fires.
- Unchanged behaviour and demands from customers and investors.
- High energy intensity and heavy dependence on fossil fuels.
- Political climate initiatives and collaboration fail.
- Poorer indoor climate impacts peoples’ health.
- Increased population and immigration to Sweden.
- Operations become more event-driven owing to extreme weather.

### Emissions scenario: “On the beaten path”

#### Risks

- Water damage owing to flooding in oceanfront constructions and low-lying zones.
- Damages to roofs and façades owing to extreme weather such as storms, heat waves and fires.
- Decreased demand for properties located in areas at risk.
- Risk of obsolete properties, since the cost of climate adaptation measures exceeds the value.
- Increased need for maintenance, repairs and periodic building closures, as construction materials and technology are negatively impacted by increased temperatures and a moist climate.
- Increased shortages of electricity and energy, which is strongly driven by increased electrification and the need for more energy in society.
- Increased competition from low-price operators who lack sustainable agendas.

#### Opportunities

- Increased production of solar energy and increased use of renewable energy.
- Measures to enhance energy efficiency become more profitable to carry out.
- Increased requirements for indoor climate place demands on more adaptable properties and districts.
- Climate-adapted properties make Castellum a more attractive property owner.

### Potential impact on Castellum’s financial performance

- Increased investments in managing climate changes.
- Increased costs for climate adaptation.
- Volatile or reduced rental incomes.
- Volatile or increased energy costs.
- Increase in operating costs.
- Increased insurance costs.
- Decreased value of properties that are not climate-adapted or are located in risk areas.
- Increased value of climate-adapted properties.

1. Sources: smhi.se/klimat/framtidens-klimat and TCFD, The Use of Scenario Analysis in Disclosure of Climate-Related Risks and Opportunities

## Water

Castellum's properties use water, and the company is working to reduce water use by 1 per cent per year. Environmental surveys and materiality assessments that have been conducted show that the operations have a limited impact on water. The properties are not located in areas that are currently marked by high water stress. Castellum will use natural resources efficiently, which is why it is important to make efforts to reduce water use and manage wastewater correctly.

## Targets

Castellum has a recurring objective linked to water that involves reducing water use by 1 per cent per year in the like-for-like portfolio.

## Policy

Castellum's properties are connected to the public water systems and use only municipal water. Discharges that occur are handled by the municipal water treatment plants, and wastewater purification

is handled in accordance with environmental requirements established by the Swedish Environmental Protection Agency.

## Measures for reduced water use

Castellum monitors water use in its properties and takes measures to reduce it. The Taxonomy Regulation sets requirements for the maximum water flow for toilets and taps, which has been incorporated into framework programs and also into guidelines for smaller projects. By having water meters in the properties and measuring consumption, Castellum can identify if and when there are discrepancies in water flows that need attention. Castellum also installs low-flow toilets and leak detectors, and monitors tap aerators, which means that Castellum reduces water consumption in conjunction with property management as well as new construction, extensions and reconstructions. The company is also collects rainwater for flushing toilets on a smaller scale.

## Total water consumption (Water-Abs, Water-Int)

Measurement unit	Castellum outcome, total			
	2023	2022	2021	
Municipal water (Water-Abs)	cu. m.	1,157,134	1,205,264	683,540
Water intensity, buildings (Water-Int)	cu. m./sq. m., year	0.24	0.26	0.23
Scope of the disclosures on water		564/709	592/749	454/554



Algen 2, Jönköping

### Total water use by property type (Water-LfL, Water-Int)

	Measurement unit	Like-for-like (LfL) comparison								
		Offices			Warehouse/Light industry			Retail		
		2023	2022	change, %	2023	2022	change, %	2023	2022	change, %
Municipal water (Water-LfL)	cu. m.	655,539	648,362	1	216,248	290,319	-26	56,441	56,133	1
Water intensity, buildings (Water-Int)	cu. m./sq. m., year	0.28	0.28	1	0.18	0.24	-26	0.20	0.20	1
Scope of the disclosures on water		261/286	261/286		155/191	155/191		53/75	53/75	

cont.	Measurement unit	Like-for-like (LfL) comparison					
		Public sector properties			Castellum total		
		2023	2022	change, %	2023	2022	change, %
Municipal water (Water-LfL)	cu. m.	170,358	165,082	3	1,098,586	1,159,896	-5
Water intensity, buildings (Water-Int)	cu. m./cu. m., year	0.28	0.27	3	0.25	0.26	-5
Scope of the disclosures on water		59/63	59/63		528/615	528/615	

### Multi-year outlook: energy, carbon emissions and water

	2023		2022		2021		2020		2019		2018	
	Absolute	Intensity	Absolute	Intensity	Absolute	Intensity	Absolute	Intensity	Absolute	Intensity	Absolute	Intensity
<b>Total energy consumption</b>	<b>458,163</b>	<b>98</b>	<b>456,099</b>	<b>96</b>	<b>291,331</b>	<b>91</b>	<b>279,419</b>	<b>75</b>	<b>316,239</b>	<b>88</b>	<b>349,014</b>	<b>97</b>
<b>Total energy consumption, normalised</b>	<b>455,606</b>	<b>97</b>	<b>472,129</b>	<b>99</b>	<b>294,111</b>	<b>92</b>	<b>326,287</b>	<b>87</b>	<b>340,645</b>	<b>95</b>	<b>371,220</b>	<b>103</b>
1. of which actual heating	317,790	67	312,767	63	213,722	65	193,718	50	223,576	60	238,494	64
2. of which normalised heating	315,232	66	328,797	66	216,502	66	240,586	62	247,983	67	260,700	70
3. of which electricity and cooling	140,374	31	143,332	33	77,609	26	85,701	25	92,662	28	110,520	33
<b>Total CO<sub>2</sub>e emissions for property management<sup>1</sup></b>	<b>10,552</b>	<b>1.9</b>	<b>13,306</b>	<b>2.3</b>	<b>5,725</b>	<b>1.5</b>	<b>4,275</b>	<b>1.0</b>	<b>6,222</b>	<b>1.5</b>	<b>5037</b>	<b>1.2</b>
of which Scope 1	292	0.1	550	0.1	322	0.1	285	0.1	458	0.1	675	0.2
of which Scope 2 (market-based)	10,260	1.8	12,756	2.2	5,403	1.4	3,990	0.9	5,764	1.4	4,362	1.00
<b>Total water consumption</b>	<b>1,157,134</b>	<b>0.24</b>	<b>1,205,264</b>	<b>0.26</b>	<b>683,540</b>	<b>0.23</b>	<b>874,785</b>	<b>0.25</b>	<b>995,345</b>	<b>0.29</b>	<b>969,783</b>	<b>0.3</b>

Absolute energy is indicated in MWh and CO<sub>2</sub> is indicated in metric tons. Intensity is indicated in kWh per square metre, and CO<sub>2</sub> is indicated in kg per square metre. Absolute water is indicated cubic metres, and water intensity is indicated in cubic metres per square metre and year.

Total energy consumption is the sum of 1 and 3. Total normalised energy use is the sum of 2 and 3.

1. This list includes all CO<sub>2</sub> emissions from property management (i.e. Scope 1 and 2).

## Biodiversity

Castellum will take responsibility for and promote greater biodiversity. The objective is for all major projects to result in a net positive increase in ecosystem services. Castellum is reducing the risk of negative impact by setting internal requirements and utilising work tools to strengthen biodiversity. Castellum's operations are governed by detailed development plans, laws, and regulations. The protection of species is addressed in Swedish law, and the site is surveyed from an environmental perspective before detailed development plans are adopted and construction permits are received. Construction permits are not received if biodiversity is threatened. The majority of Castellum's properties are located in environments that are not protected from the perspective of biodiversity, or do not have a high biodiversity value.

### Transition plan

Castellum's commitment to strengthening biodiversity has been embedded in the company's Sustainability policy and Code of Conduct. At present, the company's impact on biodiversity is deemed to be limited, and Castellum has therefore not adopted a transition plan. Castellum will continue to focus on and develop its initiatives around biodiversity. The company will also re-examine whether a transition plan for biodiversity should be adopted.

### Targets

Castellum is working towards the goal of there being a net positive increase in ecosystem services in the

major projects that the company is pursuing. The goal is a recurring one and covers the company's own operations.

### Policy

The Sustainability policy stipulates that Castellum will take responsibility for and promote increases in biodiversity. The Code of Conduct directs the company to increase biodiversity, promote functional ecosystem services and limit the use and spread of environmentally hazardous products.

Read more about the Sustainability policy and Code of Conduct on pages 43–44.

### Measures

In 2023, Castellum continued working with ecosystem services to promote biodiversity. These measures encompass Castellum's operations, and the company is contributing to the promotion of ecosystem services by installing sedum and biotope roofs and by placing beehives on its properties. With new construction, the company ensures a net positive increase in the site's ecosystems by setting requirements on the project. Castellum has developed a tool that is adapted to the company's planning operations to ensure that the impact is always net positive.

### Results

14 new construction and reconstruction projects were under way during the year. None of this land is located in areas that are sensitive from the perspective of biodiversity.

## Use of resources and circular economy

The construction and property industry generates approximately 30 per cent of all waste in Sweden. These amounts of waste must decrease, and the proportion of waste that is re-used and recycled must increase. By using natural resources efficiently and promoting circular flows of materials, Castellum will promote a decreased negative environmental impact. In property management, and as part of new construction and reconstruction, the company uses resources in the form of materials. Waste is generated in the company's own operations, through tenants' operations and in conjunction with new construction, extensions and reconstructions. Castellum focuses on re-use and on building and managing properties from a circular perspective.

### Targets

To ensure that Castellum works efficiently with resources and circularity, the company has formed a recurring long-term target linked to re-use. This recurring target means that re-use will be a part of all projects. By 2030, re-use and renewable materials will be a significant element of all projects. The objectives encompass Castellum and also include explicit requirements for suppliers and contractors.

As part of ensuring that Castellum's resource initiatives are efficient, targets linked to sustainability certification have also been set. The recurring goal is that all new production and all major reconstructions will be certified for sustainability. The company

also has a medium-term goal that 50 per cent of the portfolio will be certified for sustainability by 2025. At the end of 2023, the proportion of sustainability-certified properties was 50 per cent (45).

### Policy

Castellum's commitments linked to use of resources and a circular economy are addressed in the company's Sustainability policy and Code of Conduct. The Sustainability policy and Code of Conduct stipulate that Castellum must build and manage from a life-cycle perspective and promote circular models, and that re-use is to be a significant portion of all projects over time. The Code of Conduct also considers that the company must not jeopardize the planet's limits, and that waste must be managed responsibly.

Read more about the Sustainability policy and Code of Conduct on pages 43–44.

### Measures

#### *Sustainable materials and properties*

With new construction and reconstruction, materials with a negative impact on the environment are to be avoided. Castellum applies the Byggsvarubedömningen industry association assessment, and prepares a log book in all projects to ensure that the materials achieve a given standard. All properties in the portfolio must also have environmental inventories conducted so as to gain awareness of and implement measures if environmentally hazardous materials are identified.

All new production and major reconstructions are to be sustainability certified. In Sweden, office buildings and retail premises are to be certified under Miljöbyggnad level Gold. In specific cases, the Silver level may apply but an individual investigation will then be required. Newly produced logistics buildings are to be certified under Miljöbyggnad, level Silver. In Denmark and Finland, office and retail premises are to be certified under BREEAM, level Excellent, or under LEED, level Gold. LEED O+M, minimum level Gold, will be applied in the new certification of existing properties.

**Waste**  
Castellum creates conditions for responsible management of waste by minimising and preventing pollutants and by regarding the waste as a resource for re-use and recycling. Castellum works systematically to reduce the amount of waste sent to landfills and incineration and to increase the proportion of recycled waste. That is why the company provides waste sorting for the majority of all properties that Castellum manages. Additionally, requirements for waste management are set on all contractors in conjunction with projects. With new construction,

there are requirements for the preparation of waste plans, and requirements that are set under the Taxonomy Regulation have been worked into the framework programme and into the sustainability requirements for smaller projects. Waste that is generated in the company's own offices is sorted.

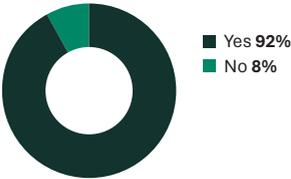
In the effort to reduce waste, having access to waste-related data is key. Castellum works continuously to increase the amount of available data and has signed framework agreements with two waste contractors who can provide comprehensive waste data.

**Re-use**  
Castellum will promote circular flows of materials and apply re-use in all projects. This is a vital component in achieving the target of net-zero emissions by 2030. During the year, new procedures for re-use were implemented. The procedures have been put into concrete form with the Re-Use Hierarchy, which is to be applied in all projects. It consists of five different steps, and means that Castellum firstly will preserve the material on site and only as a last resort let it go to waste.

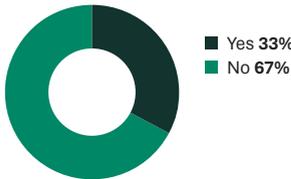
**Re-Use Hierarchy**



**Proportion of properties that are environmentally certified**



**Share of projects with re-use**



Definition of re-use: when materials or components are used in the same manner as the one for which they were produced. Re-use is considered equal to recycling. The goal for re-use was implemented in late 2022, and monitoring will be developed over the coming years.

**Total waste (GRI 306-3, 306-4, 306-5; Waste-Abs)**

	Total (abs) in metric tons		
	2023	2022	2021
<b>Hazardous waste (Waste-Abs)</b>	<b>68</b>	<b>61</b>	<b>34</b>
Landfill (Waste-Abs)	0	0	0
Recycling (Waste-Abs)	54	47	26
Incineration (Waste-Abs)	14	14	8
<b>Non-hazardous waste (Waste-Abs)</b>	<b>6,322</b>	<b>4,985</b>	<b>2,925</b>
Landfill (Waste-Abs)	47	11	21
Recycling (Waste-Abs)	2,910	2,025	1,228
Incineration (Waste-Abs)	3,365	2,949	1,676
<b>Total</b>	<b>6,391</b>	<b>5,046</b>	<b>2,959</b>
Scope of the disclosures on waste	420/709	370/749	254/554

In 2023, Castellum focused on skills development and training in re-use. The courses focused on different areas in re-use, and the training initiatives are intended to give all employees increased competence so as to work more efficiently with re-use in their respective projects.

In 2023, Castellum developed re-use hubs and entered partnerships with Kålltorp Bygg, Vasakronan and Platzer. Kålltorp Bygg is opening a re-use hub in Gothenburg – Kålltorp REbygg – to promote sustainable construction. The re-use hub will offer a total solution for circular construction operations by offering services in re-use inventory, disassembly, stock-keeping, reconditioning and quality review of materials.

As an additional part of its efforts in re-use, Castellum works with CCBUILD, which is the public sector construction industry's shared arena for circular construction and property management. Castellum has been part of CCBUILD since it began, and has continued its efforts with CCBUILD as a tool for re-use inventory.

#### Total waste by property type (Waste-LfL)

Measurement unit		Like-for-like (LfL) comparison								
		Offices			Warehouse/Light industry			Retail		
		2023	2022	change, %	2023	2022	change, %	2023	2022	change, %
<b>Hazardous waste (Waste-LfL)</b>	<b>Metric tons</b>	<b>57</b>	<b>51</b>	<b>12</b>	<b>3</b>	<b>2</b>	<b>50</b>	<b>1</b>	<b>0</b>	<b>0</b>
Landfill (Waste-LfL)	Metric tons	0	0	0	0	0	0	0	0	0
Recycling (Waste-LfL)	Metric tons	46	38	24	2	2	0	1	0	0
Incineration (Waste-LfL)	Metric tons	12	15	21	1	0	0	0	0	0
<b>Non-hazardous waste (Waste-LfL)</b>	<b>Metric tons</b>	<b>4,334</b>	<b>3,431</b>	<b>26</b>	<b>361</b>	<b>391</b>	<b>-8</b>	<b>241</b>	<b>205</b>	<b>18</b>
Landfill (Waste-LfL)	Metric tons	17	43	60	1	0	0	0	0	0
Recycling (Waste-LfL)	Metric tons	2,000	1,576	27	121	56	116	127	131	-3
Incineration (Waste-LfL)	Metric tons	2,317	1,812	28	239	335	-29	114	74	54
<b>Total</b>	<b>Metric tons</b>	<b>4,391</b>	<b>3,482</b>	<b>26</b>	<b>364</b>	<b>393</b>	<b>-7</b>	<b>242</b>	<b>205</b>	<b>18</b>
Scope of the disclosures on waste		261/286	261/286		81/191	81/191		28/75	28/75	

cont.	Measurement unit	Like-for-like (LfL) comparison					
		Public sector properties			Castellum total		
		2023	2022	change, %	2023	2022	change, %
<b>Hazardous waste (Waste-LfL)</b>	<b>Metric tons</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>64</b>	<b>56</b>	<b>14</b>
Landfill (Waste-LfL)	Metric tons	0	0	0	0	0	0
Recycling (Waste-LfL)	Metric tons	2	2	0	51	41	24
Incineration (Waste-LfL)	Metric tons	0	0	0	13	15	-13
<b>Non-hazardous waste (Waste-LfL)</b>	<b>Metric tons</b>	<b>998</b>	<b>510</b>	<b>96</b>	<b>5,934</b>	<b>4,535</b>	<b>31</b>
Landfill (Waste-LfL)	Metric tons	29	2	1,350	47	44	7
Recycling (Waste-LfL)	Metric tons	471	283	66	2,720	2,046	33
Incineration (Waste-LfL)	Metric tons	498	224	122	3,167	2,445	30
<b>Total</b>	<b>Metric tons</b>	<b>1,000</b>	<b>512</b>	<b>95</b>	<b>5,997</b>	<b>4,591</b>	<b>31</b>
Scope of the disclosures on waste		59/63	59/63		392/615	392/615	

The table pertains to waste generated by tenants. Construction waste is not included. The scope shows the number of properties in the organisation that are included in the data reported for this indicator. Combustible waste in Sweden is used primarily as fuel for energy extraction.

### Sustainability-certified properties (excl. land)

	Offices	Ware- house/Light industry	Retail	Public sector properties	Projects	Castellum total	Proportion of portfolio, %
<b>Sales (Turnover), SEK M</b>	<b>3,862</b>	<b>679</b>	<b>237</b>	<b>891</b>	<b>20</b>	<b>5,689</b>	<b>61</b>
<b>Operating expenditure (OpEx), SEK M</b>	<b>-361</b>	<b>-76</b>	<b>-17</b>	<b>-52</b>	<b>-5</b>	<b>-510</b>	<b>53</b>
<b>Capital expenditure (CapEx), SEK M</b>	<b>-1,103</b>	<b>-372</b>	<b>-185</b>	<b>221</b>	<b>-208</b>	<b>-2,089</b>	<b>58</b>
Property value, SEK M	59,795	9,822	3,340	14,711	761	88,429	64
Leasable area, sq. m.	1,537,131	619,393	134,697	399,151	29,162	2,719,534	50
Number of properties	135	62	21	36	3	257	36

Sales (Turnover), operating expenditure (OpEx) and capital expenditure (CapEx) follow the same definitions as Castellum's reporting under the EU Taxonomy Regulation, which is presented on pages 65–71.

### Number of sustainability certifications (Cert-Tot)<sup>1</sup>

	Castellum														
	Miljöbyggnad		EU GreenBuilding		LEED		BREEAM		WELL		NollCO <sub>2</sub>		Total number of certifications		
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	change, %
Number of certified buildings (Cert-Tot) <sup>2</sup>	60	59	35	37	52	46	114	105	2	1	2	1	263	249	6%
Certified area (in thousands sq. m., Cert-Tot) <sup>2</sup>	663	497	261	268	850	799	1,020	1,027	18	0	21	0	2,749	2,591	6%
Certified area, share of total (Cert-Tot) <sup>2</sup> , %	12	9	5	4	15	14	19	18	0	0	0	0	50	45	5%

1. Certifications pertain to property or part of property.

2. Some buildings have more than one certification, and to avoid double counting only one certification per building is counted; the table does not sum them up in the total.

## Reporting under the EU Taxonomy Regulation

The EU Taxonomy Regulation, (EU) 2020/852, constitutes a framework and shared system for determining which economic activities can be classified as environmentally sustainable. The Regulation is intended to steer capital streams through investors and the market towards more environmentally sustainable investments. The Taxonomy is thus a tool for enabling the green transition and achieving the EU's six environmental objectives for fulfilling the Paris Agreement.

### Assessment of conformity with the Regulation

In 2021, a requirement was set for disclosures on what proportion of the operations that is eligible under the EU Taxonomy Regulation. As of 2022, the company is obligated to report alignment with the regulation on the first two environmental objectives: climate change mitigation and climate change adaptation. In July 2023, technical screening criteria were established for the four remaining environmental objectives: sustainable use and protection of water and marine resources (WTR), transition to a circular economy (CE), pollution prevention and control (PPC), and protection and restoration of biodiversity and ecosystems (BIO). These technical screening criteria define which sectors and appurtenant economic activities are Taxonomy-eligible. As a construction and property company, Castellum's entire operation is eligible under the first two environmental objectives (CCM and CCA) and under the

fourth environmental objective, transition to a circular economy (CE).

The following economic activities touch on Castellum's entire operation:

- Construction of new buildings (CCM 7.1/CE 3.2)
- Renovation of existing buildings (CCM 7.2/CE 3.2)
- Installation, maintenance and repair of energy efficiency equipment (CCM 7.3)
- Acquisition and ownership of buildings (CCM 7.7)

To be Taxonomy-aligned, the economic activity must make a substantial contribution to one environmental objective and must meet the minimum social safeguards. Moreover, the activity must do no significant harm (DSNH) to any of the other environmental objectives.

Castellum's most material contribution is to the first environmental objective, climate change mitigation (CCM), and the company thus reports alignment only with this objective. Castellum's assessment of alignment, meaning how the company complies with the technical screening criteria and does no significant harm to the other environmental objectives, together with a description of Castellum's management of meeting the minimum social safeguards, is presented in the tables on pages 68–70.

Castellum's focus on sustainability, energy optimisation of buildings, and efficient operation has a positive impact on the portion of Castellum's properties that are Taxonomy-aligned. This means that the specific properties contribute to one of the envi-

ronmental objectives and that the operations act in accordance with the minimum social safeguards of the Taxonomy Regulation while doing no significant harm to any of the other environmental objectives.

### Reporting practices

The proportion of the operation that is environmentally sustainable under the EU Taxonomy Regulation must be reported as three financial key metrics: Turnover, capital expenditure (CapEx) and operating expenditure (OpEx). The operation must identify how large a share of these key metrics are Taxonomy-aligned through substantial contribution to one of the environmental objectives and confirm that they meet the minimum social safeguards of the Taxonomy Regulation while at the same time doing no significant harm to any of the other environmental objectives.

For the economic activity to be classified as new construction and renovation, respectively, the investment must exceed SEK 50 M, which is Castellum's definition of a major project.

The Taxonomy reporting has been checked to avoid double counting. The risk of double counting decreases because the company only reports on alignment with the first environmental objective, climate change mitigation.

### Turnover

Reporting of total turnover corresponds to the Group's income from the consolidated statement of comprehensive income, Note 2. This item includes rental income, service income and coworking income.

### Capital expenditure (CapEx)

Reporting of total capital expenditure pertains to additions to tangible assets during the year before depreciation, appreciation and depreciation and excluding changes in fair value. Moreover, tangible assets originating from business combinations are included. Refer to Note 10 New construction, extensions and reconstructions and Acquisitions. In addition, equipment that constitutes a capital expenditure is also covered; refer to Note 11 and Leasing; refer to Note 12.

### Operating expenditure (OpEx)

Reporting of operating expenditure encompasses the Group's direct costs pertaining, for example, to daily maintenance and those required for ensuring the continued and practical function of the asset such as routine operating costs, building renovations that are not capitalised as capital expenditure, short-term leases, and maintenance and reparations. Costs for energy use are excluded from operating costs. Refer to Note 4, Operating costs and Maintenance costs.

### Contextual information

Castellum's primary contribution is to Climate change mitigation (CCM) and to the economic activity under 7.7 Acquisition and ownership of buildings.

The economic activities under 7.1 Construction of new buildings and 7.7 Acquisition and ownership of buildings are the primary economic activities in Castellum's operations, as well as the ones that

generate the most sales, operating expenditure and capital expenditure. Compared to CCM 7.1 and CCM 7.7, CCM 7.2 and CCM 7.3 do not generate significant sales, operating expenditure or capital expenditure. Under the first environmental objective, Climate change mitigation (CCM), Castellum is thus of the opinion that the economic activities 7.1 Construction of new buildings and 7.7 Acquisition and ownership of buildings are of greatest significance. Castellum believes that interpretations of the DNSH criteria and follow-up are insufficient for assessing compliance and contribution to the environmental objective for a circular economy (CE).

The company believes that CCM 7.7 Acquisition and ownership of buildings is the economic activity that is significant, and that there is sufficient external documentation to assess whether the technical screening criteria have been met. The assessment of Castellum's alignment with the Taxonomy may expand going forward, in pace with the development of relevant and reliable documentation.

Castellum focuses on sustainability in all new production. However, the company chooses not to report that proportion of new construction that is aligned with the EU Taxonomy Regulation since interpretations of the DNSH criteria are absent. Castellum continues to monitor until there are sufficient interpretations of the criteria and works to ensure that new construction can be included as part of the capital expenditure in the future. The company therefore feels that the possibilities for assessing alignment with the EU Taxonomy Regula-

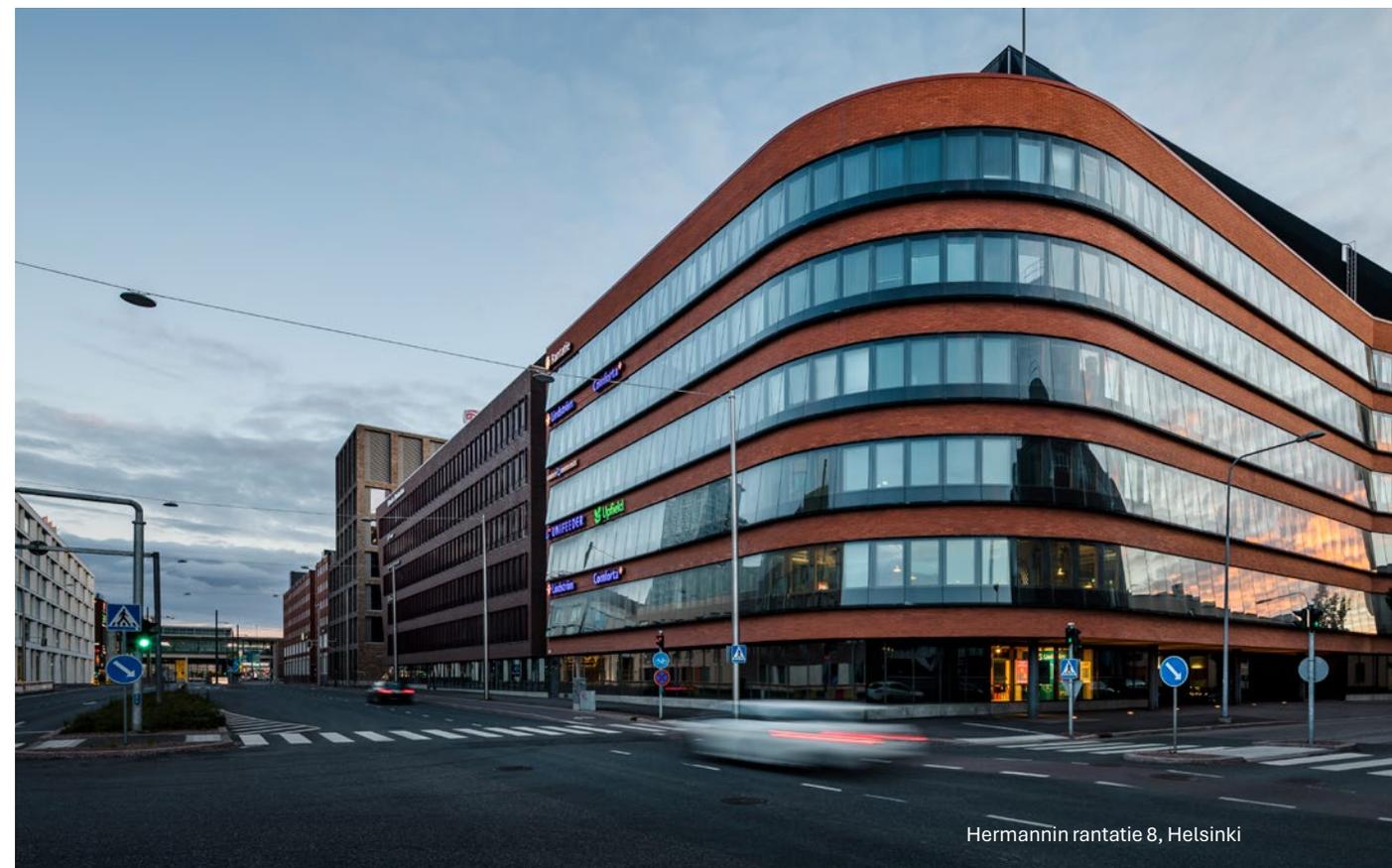
#### Top 15% limit for most energy-efficient buildings constructed prior to 31 December 2020<sup>1</sup>

Building category	kWh/sq. m. under BBR 29, primary energy performance
Premises categories	
Offices and administration	80
Store and warehouse premises for other retail	75

1. Threshold value according to Fastighetsägarna report, 2022.

tion are insufficient. Once these interpretations are in place and the company can include new production in the assessment, the company's alignment with the Taxonomy is expected to increase. Castellum records the capital expenditure for projects where there is a turnover, hence a capital expenditure plan is not applicable.

Castellum was actively engaged in pursuing efforts to produce national guidelines and threshold values, and submitted feedback to the Swedish government and the EU regarding the Taxonomy Regulation. This took place within the scope of the Fastighetsägarna industry association's Task Force on the EU Taxonomy Regulation and the EPRA Sustainability Committee. In December 2021, the Fastighetsägarna industry association's Task Force presented threshold values for the economic activities concerned. These were updated in December 2022, and the assessment is that the established values are also relevant for 2023.



Hermannin rantatie 8, Helsinki

CCM 7.7 Acquisition and ownership of buildings is to be considered as aligned with the EU Taxonomy Regulation through the first environmental objective. If the economic activity is to be aligned with the Taxonomy Regulation, the property must be among

the top 15 per cent of the most energy-efficient property portfolio in its respective building category, or alternately hold an energy performance certificate with a rating of A.

## Economic activity: 7.7 Acquisition and ownership of buildings

### Environmental objective 1. Climate change mitigation

Technical screening criteria	Assessment of Castellum's alignment
<ol style="list-style-type: none"> <li>For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A. As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED).</li> <li>For buildings built after 31 December 2020, the building meets the criteria specified in Section 7.1.</li> <li>If the building is large and that is not used for residential purposes, it is operated efficiently through monitoring and assessment of its energy performance.</li> </ol>	<ol style="list-style-type: none"> <li>Those properties of Castellum's that fall within the limits for the top 15 per cent of properties in primary energy numbers, according to the interpretation and threshold values of the Fastighetsägarna industry association, are considered as fulfilling the technical screening criteria.</li> <li>Those properties of Castellum's that obtained construction permits after 31 December 2020 must comply with the technical screening criteria in Chapters 7.1 Construction of new buildings and 7.7 Acquisition and ownership of buildings.</li> <li>Castellum has a well-functioning energy management system, and is systematically engaged with energy consumption in its properties. Energy consumption, including performance, is routinely monitored and assessed.</li> </ol>

DNSH criteria	Assessment of Castellum's alignment
<p><i>Environmental objective 2. Climate change adaptation</i></p> <p>The operation fulfils the criteria stated in Appendix A to the Commission's delegated act (EU) 2021/2139 of 4 June 2021, Generic criteria for DNSH to Climate change adaptation.</p>	<p>In 2022, Castellum had independent experts conduct a climate risk assessment of the entire portfolio at the property level for the purpose of assessing and identifying which properties were exposed to physical climate-related risks. The analysis was conducted in accordance with Appendix A and Table II, Classification of climate-related hazards. The vulnerability of the properties was assessed based on a changed climate. The physical climate risks that are material to the operation have been identified using a robust climate risk and vulnerability analysis. The latest scientific discoveries and methods were taken into account. The analysis identified the following risks as the most relevant for assessment:</p> <ul style="list-style-type: none"> <li>• Flooding from oceans</li> <li>• Flooding from lakes and watercourses</li> <li>• Flooding from torrential rains</li> <li>• Heat stress</li> <li>• Ground stability (landslides and erosion)</li> <li>• Snowfall</li> </ul> <p>By assessing the properties according to risk level, the company can determine which of them should be prioritised. Efforts continued in 2023 on the action plans for the properties identified: the properties were assessed more thoroughly, and relevant investments and initiatives that will be implemented to adapt the properties to a changed climate and increase their resilience will be defined.<sup>1</sup></p>

1. The property portfolio has been assessed according to the Low–Moderate–High climate risk scale.

DNSH criteria	Assessment of Castellum's alignment
<p><i>Environmental objective 3. The sustainable use and protection of water and marine resources</i></p> <p>Not applicable.</p>	Not applicable
<p><i>Environmental objective 4. The transition to a circular economy</i></p> <p>Not applicable.</p>	Not applicable
<p><i>Environmental objective 5. Pollution prevention and control</i></p> <p>Not applicable.</p>	Not applicable
<p><i>Environmental objective 6. The protection and restoration of biodiversity and ecosystems</i></p> <p>Not applicable.</p>	Not applicable

Minimum safeguards	Assessment of Castellum's alignment
<p>The minimum social safeguards must be procedures that are implemented so as to ensure that the economic operations are carried out in accordance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.</p>	<p>Castellum is a responsible community developer that intends to be part of promoting sustainable development. The operations will be pursued in a responsible manner in relation to society and its stakeholders. Castellum regards the precautionary principle, as well as society's laws and ordinances, as a minimum standard. The company has signed the Global Compact and complies with the UN Guiding Principles on Business and Human Rights as well as the OECD Guidelines for Multinational Enterprises, including the International Labor Organization (ILO) declaration on fundamental principles and rights at work, the ILO eight fundamental conventions and the International Convention on Human Rights.</p> <p>Using well-established and governing documents and procedures, the company will ensure that no violations of human rights and children's rights occur in its operations. Castellum's Code of Conduct is based on Castellum's values, the ten principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises. The Code of Conduct applies to all employees and clarifies Castellum's position on human rights, working conditions, business ethics and anti-corruption.</p> <p>The risk of a negative impact in the supplier chain is reduced and prevented by setting the same stringent ethical requirements on suppliers and partners as on all employees in the Group. Castellum's Code of Conduct for suppliers is applied in all business relationships. Castellum assesses the actual and potential consequences for and risks to human rights in the operations of the company's business partners and as part of the due diligence process before new business relationships are initiated.</p>

Turnover Financial year 2023				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)						Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) turnover, year 2022	Category enabling activity	Category transitional activity
	Code	Turnover	Proportion of turnover, year 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity				
Economic activities		SEK m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T

**A. TAXONOMY-ELIGIBLE ACTIVITIES**

**A.1 Environmentally sustainable activities (Taxonomy-aligned)**

Acquisition and ownership of buildings	CCM 7.7	3,338	34%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y	33%	-	-
<b>Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>3,338</b>	<b>34%</b>	<b>34%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>-</b>	<b>Y</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Y</b>	<b>33%</b>		
Of which Enabling		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	E	
Of which Transitional		0	0%	-						-	-	-	-	-	-	-	0%		T

**A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)**

				EL; N/ EL															
Construction of new buildings	CCM 7.1	215	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Renovation of existing buildings	CCM 7.2	242	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4%		
Acquisition and ownership of buildings	CCM 7.7	6,010	61%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								62%		
<b>Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>6,468</b>	<b>66%</b>	<b>66%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>								<b>67%</b>		
<b>A. Turnover of Taxonomy-eligible activities (A.1+A.2)</b>		<b>9,806</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>								<b>10%</b>		

**B. TAXONOMY-NON-ELIGIBLE ACTIVITIES**

Turnover of Taxonomy-non-eligible activities		0	0%
<b>Total</b>		<b>9,806</b>	<b>100%</b>

	Proportion of turnover/total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	34%	66%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

**CapEx**

Financial year 2023

Economic activities	Code	CapEx	Proportion of CapEx, year 2023	Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)						Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year 2022	Category enabling activity	Category transitional activity
				Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity				
		SEK m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Acquisition and ownership of buildings	CCM 7.7	841	22%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y	11%	-	-
<b>CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>841</b>	<b>22%</b>	<b>22%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>-</b>	<b>Y</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Y</b>	<b>11%</b>		
Of which Enabling		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	E	
Of which Transitional		0	0%	-						-	-	-	-	-	-	-	0%		T
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Construction of new buildings	CCM 7.1	793	20%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								39%		
Renovation of existing buildings	CCM 7.2	294	8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								12%		
Acquisition and ownership of buildings	CCM 7.7	1,909	50%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								38%		
<b>CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>2,996</b>	<b>78%</b>	<b>78%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>								<b>89%</b>		
<b>A. CapEx of Taxonomy-eligible activities (A.1+A.2)</b>		<b>3,837</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>								<b>100%</b>		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
<b>CapEx of Taxonomy-non-eligible activities</b>		<b>0</b>	<b>0%</b>																
<b>Total</b>		<b>3,837</b>	<b>100%</b>																

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	22%	78%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

**OpEx**

Financial year 2023

	Code	OpEx	Proportion of OpEx, year 2023	Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)						Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) OpEx, year 2022	Category enabling activity	Category transitional activity
				Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity				
Economic activities		SEK m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; J; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Acquisition and ownership of buildings	CCM 7.7	299	31%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y	28%	-	-
<b>OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>299</b>	<b>31%</b>	<b>31%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>-</b>	<b>Y</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Y</b>	<b>28%</b>		
Of which, enabling		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	E	
Of which, transitional		0	0%	-						-	-	-	-	-	-	-	0%		T
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Construction of new buildings	CCM 7.1	14	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Renovation of existing buildings	CCM 7.2	32	3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4%		
Acquisition and ownership of buildings	CCM 7.7	634	65%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								67%		
<b>OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>680</b>	<b>69%</b>	<b>69%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>								<b>72%</b>		
<b>A. OpEx of Taxonomy-eligible activities (A.1+A.2)</b>		<b>979</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>								<b>100%</b>		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
<b>OpEx of Taxonomy-non-eligible activities</b>		<b>0</b>	<b>0%</b>																
<b>Total</b>		<b>979</b>	<b>100%</b>																

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	31%	69%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

## Taxonomy: Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	<b>Fossil gas related activities</b>	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

## Sustainability Report

# Social disclosures

**Castellum will be a good employer, partner, landlord and customer. The company will take an active part in society and contribute to urban development that promotes integration alongside offering healthy, productive urban environments.**

## Employees

All of Castellum's employees are to have a high sense of wellness. The objective is a safe, healthy workplace, free of accidents and with a good work environment. Castellum is responsible for preventing employees from being injured physically or psychologically, or falling sick, due to their work. Castellum is structurally engaged in proactively boosting employee health, preventing risks, and avoiding work-related injuries and accidents.

Castellum is to be characterised by equal opportunity, diversity and equal rights for all. Employees will reflect the composition of society, and both gender distribution and remuneration will be equitable. The company is working on systematic guidelines and action plans to improve equality in the areas where there is still a prevalent imbalance.

## Targets

Castellum has both recurring and medium-term goals linked to its employees. These goals were developed on the basis of the UN Sustainable Development Goals, which form the foundation

for all of Castellum's sustainability goals. By 2025, Castellum must be equitable in all its occupational categories, and 20 per cent of its employees must have an international background. The recurring objectives are for short-term sick leave to be less than 2 per cent and long-term sick leave to be less than 3 per cent. Additionally, Castellum will have no workplace injuries or work-related illnesses, and the proportion of anonymised recruiting will increase.

These targets encompass the company's own operations and are linked to its own employees.

## Policy

Castellum's commitments with regard to its employees are governed by the company's Code of Conduct, Sustainability policy, work environment handbook and work environment policy as well as other procedures and checks that concern the company's employees. The Code of Conduct clarifies Castellum's position regarding human rights, employee influence, work environment, leadership, working conditions, diversity, equality, and non-discrimination. It clearly states that the company does not allow child and forced labour, and that all employees in Sweden are covered by collective bargaining agreements.

Castellum's Sustainability policy contains guidelines on issues concerning the company's employees. It stipulates that the company must safeguard its employees' rights, wellness and work environ-

ment. Moreover, it clarifies that Castellum exercises zero tolerance as regards harassment, victimisation and sexual harassment, and that equality and diversity are characteristic of the company.

The work environment handbook is divided into 17 different areas that address various topics linked to the work environment. It includes guidelines and discusses the allocation of responsibilities for occupational health and safety in the company.

The purpose of the work environment policy is to create conditions for a proper, safe work environment without accidents and ill-health. It stipulates that Castellum is to be a workplace free of victimisation and discrimination, and that all employees are to feel that they are included. The work environment policy also stipulates that the work environment must be physically and psychologically sound.

Read more about the Code of Conduct, Sustainability policy, work environment handbook and work environment policy on pages 43–44.

## Measures

### *Diversity and equal opportunity*

Equal opportunity, diversity and equal rights for all are to characterise Castellum's operations. Regardless of gender, gender identity, gender expression, ethnicity, religion or other expression of faith, physical abilities, sexual orientation and age, everyone is of equal worth and must be treated equally. That is why Castellum works systematically with guidelines

and concrete action plans to promote a more equitable company.

Castellum's diversity and equality initiatives must promote equal treatment on issues concerning conditions of employment, work conditions and development in the work. The company's remuneration is competitive and market-based. Remuneration to Castellum's employees is based on collective bargaining, work tasks and the performance of the individual employee. Performance evaluations are conducted on a regular basis in relation to clearly established individual goals. These individual goals are an important tool in the efforts around equitable and competitive salaries. To ensure equitable salaries, the pay scale is surveyed and revised on an annual basis, with Castellum using external pay statistics. The aim is for equal work tasks to generate equal remuneration. Immediate measures are taken in the event of discrepancies due to gender.

Parenthood in working life is a crucial issue for an equitable workplace. Castellum believes that it should be possible to unify working life with parenthood, and therefore intends to facilitate matters above and beyond the statutory rights to parental allowances in Sweden. Castellum offers employees a pay supplement over a maximum of 180 days of parental leave that pays approximately 90 per cent of the regular salary. Since 2021, Castellum's employees outside Sweden have been offered the same benefits for parental leave as those in Sweden.

Every quarter, Castellum conducts an employee survey that focuses on issues of equality, diversity and inclusion in order to obtain information and input from its employees. During the year, Castellum also focused on increasing understanding of equality, diversity and inclusion in the company's People & Culture function.

Castellum must reflect the composition of society. To increase diversity among new employees, Castellum has begun working on an anonymised recruitment process.

#### *Discrimination and harassment*

Castellum takes a clear position on discrimination, harassment, and sexual harassment. This is clearly laid out in the Code of Conduct, Castellum's work environment policy and the equality and diversity plan.

All employees undergo mandatory training in sustainability, which also includes diversity and is intended to prevent discrimination and harassment. Employees have the possibility of reporting discrimination and harassment to their immediate supervisor, who in turn will report the occurrence to the Head of People & Culture. If discriminatory behaviour or harassment is identified, Castellum has a defined escalation procedure in place that pertains to reporting of incidents and corrective or disciplinary measures. The procedure includes the following:

- Assess the risks of discrimination, including harassment and sexual harassment, and survey the disciplinary measures taken.
- Analyse causes of risks and obstacles.
- Correct, and implement measures to prevent discrimination and promote equal rights and opportunities.
- Monitor and analyse incidents in accordance with Castellum's guidelines.

#### *Occupational health and safety*

Castellum is responsible for preventing employees from being injured physically or psychologically, or falling sick, due to their work. To live up to its ambition, Castellum works in a structured manner to proactively boost employee health, prevent risks, and avoid work-related injuries and accidents.

Castellum has a statutory responsibility for the occupational health and safety of all its own employees and for insourced personnel who work in the operations. All employees are covered by Castellum's procedures for occupational health and safety. Occupational health and safety work is based on the work environment handbook, which clarifies how the responsibilities for occupational health and safety are allocated. The respective Regional Managing Directors are responsible for occupational health and safety work, and delegate this responsibility further on into the operations. One or more managers, supervisors or other employees are thus tasked with preventing risks

at work and achieving a satisfactory work environment. Employees or employers who are or have been assigned responsibility for work environment tasks must ensure that the knowledge concerning the work is sufficient, which is also defined in Castellum's work environment handbook. All managers must have undergone systematic occupational health and safety training for the purpose of possessing the knowledge required for the responsibility they have been delegated.

#### *Preventive work*

Identifying and preventing risks to health and safety are the foundation of Castellum's occupational health and safety work. The company conducts an annual risk review and, as needed, a renewed risk assessment for each part of the operations. A risk assessment is also carried out prior to any changes (e.g. moving premises, new tools, changes to working methods or prior to hiring a contractor).

Taking employees' perspectives into account is important in preventive work. Castellum's employees have a great deal of influence over the company's work environment and health initiatives. Influence is exercised through measures such as participation in risk assessments, safety committees and physical fitness groups. At Castellum, there are local safety committees that both employer and employee representatives take part in; the meetings are held twice a year. Company safety officers have a key role in occupational health and safety work, and are

partners in developing Castellum's work environment. At Castellum, the safety officers have the right to halt work that is deemed to be dangerous or could entail a risk of injury or ill-health. In Castellum's projects, near-accidents and accidents must also be reported for the purpose of learning from the experience and preventing injuries.

In assessing risks, external occupational health service providers are hired by Castellum as needed on the basis of expertise being necessary for investigating and assessing the physical and psychological risks that can be linked to the work environment. The occupational health care service provider proposes measures as needed and takes part in conducting various risk analyses. Occupational health care services are also an important resource when rehabilitation studies are to be conducted and in conjunction with work adaptation measures for individual employees and groups of employees. They are thus also a key element in the company's preventive health and safety efforts.

In 2023, Castellum:

- Worked on the "Fastighetsägarens ansvar" [Property Owners' Responsibilities] project, which is intended to safeguard the allocation of responsibilities linked to roles and the work environment.
- Inaugurated a new digital training model linked to the work environment and targeted at managers. The purpose is to facilitate the process when there is a need for training.

- Provided information at the company's leadership forum on how managers can use the company's insurance policies and external partners in their efforts at preventive health and wellness in order to act quickly in the event of a risk of ill-health.

#### *Incident management*

Castellum's workplace-related incidents, near-accidents and accidents are handled according to established procedures. If an employee suffers an occupational injury or gets into an accident at work, or if some near-accident occurs at work, the Managing Director of the operation concerned, the manager concerned and the Head of People & Culture – as well as the employee – will jointly investigate the causes so that the risk of ill health and accidents can be prevented moving forward. Routines and working methods will be changed as needed in order to minimise risks. The Regional Managing Directors of the operation concerned, or alternately the manager concerned, must report serious near-accidents, accidents, and/or ill-health to the Swedish Work Environment Authority without delay. The Regional Managing Director of the operation concerned is also responsible for reporting work-related injuries to Castellum's legal department. The documentation will be used in the

#### **Satisfaction index (eNPS)**

	2023	2022	2021
Women	43	46	37
Men	54	47	48
20–29 years	64	58	50
20–50 years	59	51	41
over 50	59	40	40

systematic health and safety work so as to prevent future accidents. Hired contractors are formally responsible, in their capacity as employers, to investigate and implement measures in conjunction with workplace injuries. It is the task of Castellum as a property developer to learn from what took place in order to apply actions in conjunction with planning and designing projects as well as regards overall conditions for the project.

#### *Employee survey and performance and career development reviews*

Castellum conducts the employee survey "Castellum Experience" on a quarterly basis. The survey comprises a number of questions that are intended to follow up on employee commitment and trends linked to commitment, as well as identify the need for corrective measures. The latest mea-

surements shows commitment of 8.2 (7.9), which can be compared with the external benchmark of 8.0. The results are divided into three categories: Promoters, Passive and Detractors. The latest measurement in 2023 showed that 60 per cent (47) were Promoters, meaning employees who recommended Castellum as an employer. The response rate in the survey was 94 per cent (90). The survey also follows up on psychosocial work environment issues, and targets linked to the psychosocial work environment are set yearly.

All employees are offered quarterly performance and career development reviews in order to set and monitor goals, identify any need for competence development and, as needed, to conduct dialogue around creating a motivating work situation, engagement, and well-being.

#### *Health care*

Castellum offers its employees regular health check-ups. The purpose of occupational health care is to work in a manner that promotes health and is preventive, in accordance with the intent of the Swedish Work Environment Act. Through their healthcare insurance, all employees have access to several preventive health service such as telephone support and e-health services, which are free of charge to use and are available round the clock.

In order to provide every employee with the proper conditions to care for their health, all employees are also offered work environment check-ups at regular intervals.

To inspire our employees, Castellum continually invites them to various health-promoting activities, and these are conducted throughout the company. Every employee also has access to a physical fitness subsidy of SEK 5,000 per year.

### Type of employment, number of people (GRI 2-7)

	2023		2022	
	Women	Men	Women	Men
Full-time employees	219	316	214	307
Part-time employees	8	3	9	4

### Forms of employment, number of people (GRI 2-7)

	2023		2022	
	Women	Men	Women	Men
Permanent employees	221	316	219	308
Temporary employees <sup>1</sup>	3	6	4	3

1. Including hourly employees.

### Employee turnover (GRI 401-1, Emp-Turnover)

	2023		2022		2021	
	Number of people	Proportion of women, %	Number of people	Proportion of women, %	Number of people	Proportion of women, %
<b>Employee turnover<sup>1</sup></b>						
<b>New employees during the year<sup>2</sup></b>						
Under 30	8	62	17	53	6	39
30–50	33	58	34	53	16	50
Over 50	9	30	12	41	4	47
Total new employees	50	53	63	51	25	47
Proportion of new employees, %	10%	5	12	6	6	3
<b>Employees who left during the year</b>						
Under 30	5	37	5	31	7	33
30–50	21	34	38	72	21	44
Over 50	12	42	20	51	17	24
Total number of leavers	38	37	63	62	45	35
Proportion of leavers, %	7%	3	12	7	11	4
Proportion of leavers on own initiative <sup>3</sup> , %	87%	36	79	66	56	20

The average cost for external new recruitment in 2023 totalled SEK 62,000 per recruit.

- Castellum has transitioned to the Full-Time Equivalent (FTE) principle as of 2018. FTE takes into account actual work time during the year; deductions are made, for example, for level of service and actual period of employment during the year. Example: an employee who begins employment on 1 July and works 70 per cent up through 31 December is counted as 0.35 FTE (employed for 50 per cent of the year at 70 per cent employment).
- Of the new hires during the year, 22 per cent had an international background.
- Proportion of leavers on own initiative in relation to total number of leavers.

### Collective bargaining agreements (GRI 2-30)

The proportion of employees with collective bargaining agreements in 2023 was 95 per cent. At present, employees in Finland and Denmark do not have collective bargaining agreements, instead their terms of employment comply with the labour legislation and insurance systems of their respective countries.

### Training and education (GRI 404-1, Emp-Training)

Training, hours	Women	Men	Total
Average number of employees during the year	227	319	546
Average number of training hours during the year	6,728	9,866	16,594
Under 30	646	1,013	1,659
30–50	4,108	5,255	9,363
Over 50	1,974	3,598	5,572
Average hours per employee/year	30	31	30

### Diversity, %

	2023	2022
Proportion of employees with international backgrounds	12	10

### Performance and career development review, % (GRI 404-3, Emp-Dev)

	2023			2022		
	Women	Men	Total	Women	Men	Total
Performance reviews conducted (Emp-Dev)	90	90	90	78	85	82

Castellum does not break down performance and career development reviews by occupational category, as the company does not have access to this information. The information may be developed in the next few years with a Group-wide HR system.

Leadership development, hours	Women	Men	Total
Number of participating employees	45	49	94
Number of hours	484	487	971

Castellum does not break down training hours by occupational category, as the company does not have access to this information. The information may be developed in the next few years with a Group-wide HR system. The average cost for training per employee totalled SEK 20,000 for women and SEK 21,000 for men, with an average cost of SEK 21,000 for all employees during 2023.

### Diversity (GRI 405-1, Diversity-Emp)

Demographic structure, personnel	2023		2022		2021		2020	
	Number of people	Proportion of women, %	Number of people	Proportion of women, %	Number of people	Proportion of women, %	Number of people	Proportion of women, %
<b>Board of Directors</b>	<b>6</b>	<b>48</b>	<b>5</b>	<b>20</b>	<b>7</b>	<b>44</b>	<b>8</b>	<b>50</b>
Under 30	0	0	0	—	0	—	—	—
30–50	0	0	0	—	0	—	1	100
Over 50	6	48	5	20	7	44	7	43
<b>Executive management</b>	<b>13</b>	<b>37</b>	<b>12</b>	<b>54</b>	<b>8</b>	<b>50</b>	<b>8</b>	<b>50</b>
Under 30	0	0	0	—	0	—	—	—
30–50	8	53	7	62	6	47	6	50
Over 50	5	12	5	42	2	58	2	50
<b>Other employees, incl. management</b>	<b>546</b>	<b>42</b>	<b>534</b>	<b>42</b>	<b>427</b>	<b>43</b>	<b>413</b>	<b>40</b>
Under 30	51	47	45	46	37	50	29	48
30–50	310	46	302	46	237	49	202	47
Over 50	185	33	187	33	153	31	182	30

This table shows the demographic structure of personnel, according to age and gender, for various administrative levels. Castellum does not track the minority status of employees. Castellum has chosen not to report on the groups known as regional management groups in the company since they do not correspond to regional management groups from a global perspective but rather a national one.

### Age distribution – number of employees (GRI 405-1)

Age distribution	Women	Men	Total
<b>Number of employees, excl. Board</b>	<b>227</b>	<b>319</b>	<b>546</b>
Under 30	24	27	51
30–50	143	167	310
Over 50	60	125	185

### Occupational Health and Safety by property type (H&S-Asset)

Health and safety evaluations (H&S-Asset)	Like-for-like (Lfl) comparison														
	Offices			Logistics			Retail			Public sector properties			Castellum total		
	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

### Work-related injuries and ill health (GRI 403-9, 403-10; H&S-Emp, H&S-Comp)

	2023		2022		2021	
	Employees	Suppliers	Employees	Suppliers	Employees	Suppliers
Number of work-related fatalities (H&S-Emp) <sup>1</sup>	0	0	0	0	0	0
Number of workplace injuries leading to absence (LTI)	1	0	1	8	2	5
<i>Injury frequency rate per 200,000 hours (LTIFR)</i>	<i>0.2</i>	<i>0</i>	<i>0.2</i>	<i>0.2</i>	<i>0.5</i>	<i>0.2</i>
Number of workplace injuries with serious consequences <sup>2</sup>	0	0	0	3	0	0
<i>Injury frequency rate per 200,000 hours</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0.1</i>	<i>0</i>	<i>0</i>
Total number of recorded workplace injuries	4	6	5	26	7	11
<i>Injury frequency rate per 200,000 hours (TRIFR, H&amp;S-Emp)</i>	<i>0.7</i>	<i>0.14</i>	<i>0.9</i>	<i>0.5</i>	<i>1.7</i>	<i>0.3</i>
Number of recorded workplace injuries <sup>3</sup> (H&S-Comp)	9	not measured	10	not measured	13	not measured
Short-term sick leave in relation to total hours worked (H&S-Emp), %	1.0	not measured	1.3	not measured	1.1	not measured
Long-term sick leave in relation to total hours worked (work days lost, employees; H&S-Emp), %	1.4	not measured	1.6	not measured	1.8	not measured
Total sick leave in relation to total hours worked (absence, employees; H&S-Emp), %	2.4	not measured	2.9	not measured	2.9	not measured
<b>Total number of hours worked</b>	<b>1,157,409</b>	<b>8,513,103</b>	<b>1,090,318</b>	<b>10,500,714<sup>4</sup></b>	<b>840,212</b>	<b>6,712,089<sup>4</sup></b>

Terms: LTI = Lost Time Injury, LTIFR = Lost Time Injury Frequency Rate, TRIFR = Total Recordable Injury Frequency Rate.

- No fatalities have occurred, which is why fatalities were not divided up according to workplace illness or workplace accidents, nor is any fatality rate reported.
- Serious injuries with more than six months of recovery, excluding fatalities.
- Castellum's interpretation of GRI's "Work-related ill health".
- The number of hours worked for suppliers is based on an assumption that 60 per cent comprises labour costs at an hourly price of SEK 500.

### Sick leave, employees

%	2023			2022		
	Women	Men	Total	Women	Men	Total
Absenteeism, Castellum	3.3	1.9	2.4	3.8	2.2	2.9
Of which short-term sick leave	1.1	1.0	1.0	1.5	1.1	1.3
Of which long-term sick leave (counted after day 15)	2.2	0.9	1.4	2.3	1.1	1.6

### Gender pay ratio, average (GRI 2-21, 405-2; Diversity-Pay)

%	2023				2022			
	Women, base salary	Men, base salary	Women, total remuneration	Men, total remuneration	Women, base salary	Men, base salary	Women, total remuneration	Men, total remuneration
Executive Management excl. CEO (Diversity-Pay)	71	142	86	117	80	126	79	127
Managers (Diversity-Pay)	99	101	97	103	97	103	96	105
Employees (Diversity-Pay)	103	97	103	97	99	101	98	102

### Gender pay ratio, median (GRI 2-21, Diversity-Pay)

%	2023				2022			
	Women, base salary	Men, base salary	Women, total remuneration	Men, total remuneration	Women, base salary	Men, base salary	Women, total remuneration	Men, total remuneration
Executive Management excl. CEO	83	120	81	123	78	128	78	128
Executives	103	97	91	110	96	104	98	102
Employees	107	94	105	95	99	101	101	99

### Pay ratio, highest paid relative to median (GRI 2-21, Diversity-Pay)

	2023	2022
Total remuneration to CEO (highest paid), SEK M	5.1	4.8
Median annual total remuneration for all employees (excl. highest annual remuneration), SEK M	0.6	0.6
Relation between highest paid and median (excl. highest annual remuneration)	4.4	5
Median salary increase, all employees (excl. highest annual remuneration), %	3.9	2.7
Salary increase, CEO, 2022–2023, %	2.5	2.6

No restatement to FTE has been made. All remuneration (i.e. fixed and variable) has been included. The company's CEO has the highest level of remuneration. The names are indicated in the company's remuneration report.

### Workers in the value chain

Castellum must have a positive impact on the workers in the value chain. Castellum works with approximately 5,500 suppliers in total, and pursuing relationships with them in a responsible manner is of great importance. Health and safety in the supply chain is a field that is crucial for Castellum.

### Targets

Castellum is working toward the objective of there being no work-related injuries or illnesses among its suppliers. This goal was developed on the basis of the UN Sustainable Development Goals, which form the foundation for all of Castellum's goals.

The goal is a recurring one and covers workers in the supply chain.

### Policy

The initiatives with suppliers are based on Castellum's Code of Conduct for suppliers. The starting point is that all of Castellum's suppliers must comply with the Code of Conduct for suppliers. The Supplier Code is based on the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as well as Castellum's own identification of the most relevant sustainability issues. The headers in the Code of Conduct are based on the four main areas of the UN Global Compact: human rights, labour, environment and anti-corruption.

Read more about the Code of Conduct for suppliers on page 43–44.

### Measures linked to workers in the value chain

Before new business relationships are initiated, Castellum conducts due diligence that includes an assessment of actual and potential risks and consequences pertaining to human rights, and the assessment encompasses but is not limited to own employees, women, children, indigenous populations, migrant workers, outside contract labour force and local communities.

Castellum also conducts systematic risk analyses of the company's suppliers for the purpose of identifying suppliers with a high risk of derogations from the company's Code of Conduct and implementing measures as needed. The fact that Castellum has not identified any high-risk suppliers is an effect of the company hiring primarily local Swedish, Finnish or Danish suppliers with fully developed sustainability programs. During the year, no derogations from the Code of Conduct were identified.

If workers in the value chain discover improprieties, these can be reported via Castellum's whistleblower function or to their immediate supervisor, who in turn will report to Castellum and the respective Regional Managing Director.

For major purchases and procurements, the ambition is to monitor suppliers and contractors in accordance with Group-wide requirements. In turn, it is the supplier classification that governs how the supplier is monitored and examined, which may be

### Human rights in the supply chain

Castellum exercises zero tolerance as regards violations of human rights and children's rights. Using evaluations that contain risk analyses, reviews and a well-developed Code of Conduct for suppliers, Castellum ensures that there are checks in place to prevent violations of human rights and children's rights. The company does not allow child labour or forced labour – in its own operations or in the operations that suppliers conduct on behalf of Castellum. Castellum complies with existing international standards such as the UN Global Compact, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

The risk for violations of human rights is a component of the company's annual risk analysis. Over the coming years, Castellum will develop the way in which the company reviews its operations in order to ensure that no violations of human rights occur in its own value chain.

through audits, inspections, questionnaires or site visits. In every procurement, the supplier must affirm that they have systematic sustainability programs as well as health and safety management programs. As a part of enhancing efficiency and

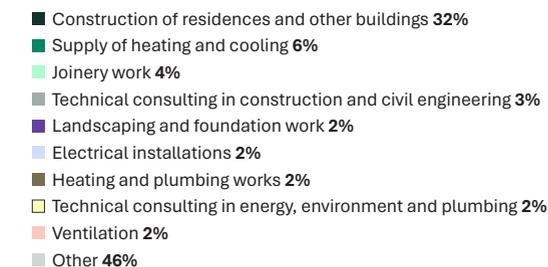
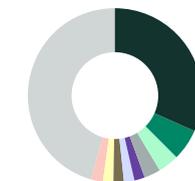
imposing clear requirements in the supplier chain, Castellum signed 26 central framework agreements with suppliers. In 2023, Castellum purchased goods and services for a total of SEK 7,094 M (8,750) from a total of 5,589 (10,823) suppliers, of which the largest suppliers with a purchase volume of more than SEK 10 M accounted for 72 per cent (68) of the total purchase volume.

If the supplier is not sufficiently compliant with the Code of Conduct or sustainability and health and safety requirements, the agreement can be cancelled. In 2023, no central supplier agreements were cancelled as a result of derogations linked with the Code of Conduct for suppliers or sustainability and health and safety requirements.

### Occupational health and safety

Castellum partners with its suppliers to prevent risk by imposing requirements and expectations as well as dialogue and monitoring. The company sets explicit requirements for the work environment and assumes its statutory responsibility for coordinating contractors who are working in the operations. Hired contractors are formally responsible, in their capacity as employers, to investigate and implement measures in conjunction with workplace injuries. As a property developer, however, Castellum has to learn from what took place and enact measures in conjunction with planning and designing projects.

### Suppliers in 2023 (Share of total purchase volume)



Through Castellum's Code of Conduct for suppliers, clear requirements in procurement documentation and instructions for suppliers, Castellum ensures that suppliers are also working in accordance with the company's work environment requirements.

## Community engagement

Castellum intends to be a responsible property owner that contributes to the communities where the company operates. For Castellum, community engagement means offering healthy and productive urban environments where people have a high sense of well-being. The company also intends to contribute by facilitating urban development that encourages integration among different social groups. Another important aspect is facilitating the entry of more young people and people with varied cultural backgrounds into the labour market.

### Targets

Castellum's community engagement objective is for 10 per cent of its employees to be interns. The company will also create job opportunities in projects for young people and the long-term unemployed. The objectives are recurring and are based on the UN Sustainable Development Goals.

### Policy

Castellum's Sustainability policy states that the company is to contribute to employment and provide young people with opportunities to enter the labour market and become involved in issues of importance for societal development.

Read more about the Sustainability policy on page 44.

## Measures to develop local communities

Castellum partners with several different players to develop cities or the areas surrounding its properties. In every city where the company operates, social programmes are developed through stakeholder analyses, with current needs being identified and analysed. Based on these results, local decisions are taken on how Castellum is to get involved. Most often, these efforts concern how Castellum can positively impact the environment and improve the local community as well as the environments in and around the properties. Examples of these social programmes include city networks, sustainability networks and corporate associations where Castellum cooperates with tenants, municipalities and other partners. At present, these social programmes encompass 100 per cent of Castellum's properties.

To succeed in its efforts to promote more entries into the labour market, Castellum holds stakeholder dialogues and participates in joint projects with other property owners and players. Castellum has a target that 10 per cent of its employees are to be interns, which the company defines as persons who attend a vocational school with a period as a trainee or who are struggling to enter the job market. The target for interns was revised in 2023 from 4 per cent apprentices to 10 per cent interns so as to include the company's new definition. Contractors in all major projects are required to hire interns. For example, the company also partners with the

Jobbsprånget initiative, which provides academic workers who have recently arrived in Sweden with the opportunity to apprentice at companies.

Castellum is also actively involved in community associations, schools and universities to offer young people internships and summer jobs. Castellum's initiatives in sponsorship and support of local associations focuses primarily on promoting young people's education and health. During the year, Castellum – in partnership with My Dream Now – arranged study visits for young people who do not feel welcome in working life, took part in a Future Day to inform young people about occupations in the property industry, and offered the company's employees training as class coaches to inspire young people to various careers and paths of study. Together with the Fryshuset and Barn till ensamma mammor organisations, Castellum has sponsored movie nights and Christmas gift donations.

During the year, the company sponsored organisations such as BRIS, the Swedish Childhood Cancer Fund, the Swedish Heart Lung Foundation, Fryshuset, My Dream Now and local sports associations. In total, Castellum donated SEK 15.6 M (12.4) in direct support during 2023 through sponsorships and other initiatives, of which SEK 9.3 M (8.4) pertained to membership fees for industry organisations and SEK 6.3 M to charities. Moreover, Castellum also contributed around SEK 0.8 M (0.8) in overheads and SEK 0.8 M (0.8) in volunteer work.

### Selection of industry organisations in which Castellum is a member

- Almega
- Center for Management in the Construction Sector (CMB), part of Chalmers University of Technology
- Chamber of Commerce (Handelskammaren)
- BELOK (the Swedish Energy Agency's group for efficient energy use in premises)
- EPRA
- Fastighetsägarna
- Fossil Free Sweden
- Sweden Green Building Council
- Green Building Council Denmark
- Green Building Council Finland
- Platform for climate-neutral construction, Gothenburg
- Lokal Färdplan Malmö 2030 (LFM30)
- Climate Arena Stockholm
- The Trade and Industry group
- UN Global Compact
- CCBUILD

During the year, Castellum conducted 141 different initiatives (110) linked to social programmes. The company offered 51 internships, including one through Jobbsprånget, had 51 holiday workers and enabled the completion of seven degree projects.

## Tenants

Castellum will offer healthy, sustainable and high-quality properties. To ensure that properties maintain a high standard, Castellum works with recognised sustainability certification systems.

## Targets

Castellum does not have any objectives linked to tenants, but the possibilities for WELL certification will be examined in all major projects and investments.

## Policy

Castellum's Sustainability policy states that the company must offer safe and healthy environments for people in and around its properties.

Read more about the Sustainability policy on page 44.

## Measures linked to tenants

Castellum is in continual dialogue with tenants, linked to various situations and channels. A comprehensive survey, the Customer Satisfaction Index (CSI), is conducted every year using outside expertise. The company must be a responsive landlord that helps its tenants become more sustainable. In this year's CSI survey, Castellum received a score of 71 (75) from just over 1,600 respondents among its

tenants, corresponding to a response rate of 55 per cent (35).

In 2023, Castellum continued to work on signing green leases and these now apply to all new leases. Through the green lease agreement, Castellum and the company's tenants can exchange environmental data and work together to jointly contribute to an environmentally sustainable tenancy.

Furthermore, Castellum will not use materials in its properties that could have a negative effect on people's health. To avoid doing so, the Bygghvaru- och Bygghälsan industry association assessment is applied while log books are maintained in all new production. All properties must have environmental inventories. If hazardous materials are identified, corrective measures will be implemented.

One tool in the efforts to provide healthy premises is the WELL certification system, which focuses on the people who will be present in the properties and is based on seven areas linked to human health and wellness. In new construction, Castellum must always investigate the possibility of obtaining WELL certification for the building. During the year, one of Castellum's properties (Eden i Hyllie, Malmö) was the first in Sweden to receive WELL Core Platinum certification, which is the highest level in the system.

## Sustainability Report

# Governance-related disclosures

**Castellum's operations will be pursued in a responsible manner in relation to society and its stakeholders. These efforts are marked by a high degree of business morals, sound business practices, accountability and impartiality.**

## Responsible business

Castellum exercises zero tolerance as regards bribery and corruption. The Code of Conduct regulates how employees are to act so as not to be exposed to risk in business ethics. The construction and property industry involves major purchases, and therefore a risk of corruption is greatest in connection with major procurements.

## Preventive work

All employees are trained in Castellum's Code of Conduct and Code of Conduct for suppliers. The purpose is to engage preventively against bribery

and corruption. Castellum believes that the greatest risk lies in construction and projects, so the Code of Conduct for suppliers is therefore applied in these types of major procurements and agreements. The Code clearly lays out Castellum's expectations of its suppliers as regards business ethics, bribery and corruption.

## Progress

In 2023, some five business ethics cases were reported through the whistleblower function. All were investigated and corrective measures were taken as needed as a result of the reports. In 2023, no supplier agreements were cancelled as a result of derogations (related to the environment, or social or human rights) that can be associated with the Code of Conduct for suppliers, or sustainability and health and safety requirements.

## Direct economic value generated and distributed (GRI 201-1)

SEK M	2023	2022	2021	2020
<b>Direct economic value generated</b>	<b>9,806</b>	<b>8,928</b>	<b>6,353</b>	<b>6,004</b>
Income	9,806	8,928	6,353	6,004
<b>Economic value distributed</b>	<b>6,663</b>	<b>7,079</b>	<b>5,410</b>	<b>4,955</b>
Operating costs	3,240	3,089	2,007	1,669
Owners	624	1,872	1,888	1,776
Employees	603	560	490	470
Financiers	2,168	1,531	845	786
Taxes	12	15	173	247
Wider society	16	12	7	7
<b>Economic value retained</b>	<b>3,143</b>	<b>1,849</b>	<b>943</b>	<b>1,049</b>

Critical issues, material derogations and actions linked to Castellum's sustainability initiatives and Code of Conduct are reported to the Board of Directors through its Audit Committee when such incidents occur. During the year, no significant derogations linked to sustainability initiatives or the Code of Conduct were identified or reported to the Board.

In 2023 neither Castellum, the Board, nor management received any information on the occurrence of significant incidents that had a negative impact on the health and safety of tenants.

In recent years, neither Castellum nor any representative of the company have been sentenced for any crime that could be linked to a derogation from the company's Code of Conduct, corruption, operations that inhibit competition or violations of anti-trust legislation. Nor was Castellum ordered to pay damages or any fines linked to violations of environmental, work environment, or anti-monopoly legislation in 2023.

#### Tax – report by country, GRI 207-4-a

	2023			2022		
	Sweden	Finland	Denmark	Sweden	Finland	Denmark
Number of employees	524	11	12	512	10	12
Assets excl. cash and cash equivalents	131,343	19,987	5,918	153,249	18,940	6,683
<b>Income</b>	<b>8,682</b>	<b>700</b>	<b>424</b>	<b>7,962</b>	<b>616</b>	<b>350</b>
Of which income from sales to third parties	8,682	700	424	7,962	616	350
Of which income from intra-Group transactions with other tax jurisdictions	0	0	0	0	0	0
Income before tax	-13,713	-468	-427	3,035	-760	-38
Tax paid	-4	-8	0	-15	0	0
Deferred tax	3,009	19	0	-562	90	0
<b>Net income for the year</b>	<b>-10,708</b>	<b>-457</b>	<b>-427</b>	<b>2,458</b>	<b>-670</b>	<b>-38</b>

#### Lobbying

Castellum did not make any financial contributions to or otherwise remunerated political parties or party political organisations for the purpose of influencing legislation.

#### Corporate culture

Castellum is a value-driven company where Business-Focused, Committed and Courageous are the core values that guide the company in various work situations. The corporate culture governs how the company's employees are to act towards tenants, the business community, and one another. By keeping the tenant in focus and being a reliable partner, the company is business-focused. By remaining devoted to its task and through mutual support, the company is committed. By daring to think out of the box and developing sustainable solutions, the company's employees are courageous. For more information about Castellum's values, refer to Sustainability-related policies on the company's website.

## Reporting according to the Task Force on Climate-Related Financial Disclosures (TCFD)

For the fifth time, Castellum has adapted the company's reporting in accordance with the recommendations in the TCFD framework to describe how we work strategically with climate-related risks and opportunities. In 2021, TCFD published industry-specific recommendations. Castellum has begun implementing these. The table below describes the scope of the reporting and page references are made for the respective areas. Castellum has worked further on scenario analyses linked to climate change, which is reported on pages 47–50, 57–58 and 101.

Governance Recommended disclosures	Strategy Recommended disclosures	Risk management Recommended disclosures	Indicators & goals Recommended disclosures
A. The Board's monitoring of climate-related risks and opportunities Pages 36, 57, 97, 101, 104–107	A. Climate-related risks and opportunities the organisation has identified. Pages 57–58	A. The organisation's processes for identifying climate-related risks. Pages 42, 47–52, 57–58, 97–101	A. The organization's indicators for evaluating climate-related risks and opportunities. Pages 9–13, 40–41, 47–56
B. Management's role regarding assessing and managing climate-related risks and opportunities. Pages 36–37, 40, 43–45, 47–52, 57, 97, 101	B. Impact from risks and opportunities on the organization's operations, strategy and financial planning Pages 5–6, 9–13, 47–52, 61–63	B. The organisation's processes for managing climate-related risks. Pages 47–52, 57–58, 61–63, 65–67, 97–101	B. Emissions of Scope 1, 2 and 3 under the Greenhouse Gas Protocol. Pages 52–54
	C. Preparation of the organization's strategy in consideration of various climate-related scenarios. Pages 13, 40–41, 47–52, 57–58, 101	C. Integration of the above processes in the organisation's general risk management. Pages 57–58, 97–101	C. Goals for managing climate-related risks and opportunities. Pages 9–13, 40–41

# GRI and EPRA index

Statement of use: Castellum Aktiebolag has reported in accordance with GRI Standards 2021 for the period 1 January-31 December 2023.

GRI 1 used: GRI 1: Foundation 2021

## GRI Standard 2021 and EPRA Best Practice Recommendations on Sustainability Reporting

GRI Standard Title	Disclosure	Reference to EPRA disclosure	Location	Omission		
				Requirements omitted	Reason	Explanation
<b>GRI 2: GENERAL DISCLOSURES 2021</b>						
<b>The organisation and its reporting practices</b>						
	2-1	Organizational details	21–22, 89, 103			
	2-2	Entities included in the organization's sustainability reporting	36			
	2-3	Reporting period, frequency and contact point	36			
	2-4	Restatements of information	45, 52			
	2-5	External assurance	36, 87			
<b>Activities and workers</b>						
	2-6	Activities, value chain and other business relationships	4, 12, 20–24, 26–29, 39–40, 77–78			
	2-7	Employees	75, 141			
	2-8	Workers who are not employees		Omission from 2-8	Not applicable.	Castellum's own operations are carried out solely with employees. Castellum has a responsibility towards working environments for suppliers who work on the company's properties, and reports on absences and injuries for this group.
<b>Governance</b>						
	2-9	Governance structure and composition	Gov-Board (composition of the highest governance body)	36–37, 103–106, 109, 114–117, 141–142		
	2-10	Nomination and selection of the highest governance body	Gov-Select (Nomination and selection of the highest governance body)	104–105, 114–115		
	2-11	Chair of the highest governance body		114–116		
	2-12	Role of the highest governance body in overseeing the management of impacts		36–37, 105–106, 108–111, 113		
	2-13	Delegation of responsibility for managing impacts		36–37		
	2-14	Role of the highest governance body in sustainability reporting		36		
	2-15	Conflicts of interest	Gov-Col (Process for managing conflicts of interest)	103–105, 114–115		
	2-16	Communication of critical concerns		36, 80–81		
	2-17	Collective knowledge of the highest governance body		36		
	2-18	Evaluation of the performance of the highest governance body		106		
	2-19	Remuneration policies		109–111, 141–142, Remuneration report		
	2-20	Process to determine remuneration		109–110, Minutes from the Annual General Meeting 2023		
	2-21	Annual total compensation ratio	Diversity-Pay (Gender pay ratio)	77		

GRI Standard 2021 and EPRA Best Practice Recommendations on Sustainability Reporting

GRI Standard Title	Disclosure	Reference to EPRA disclosure	Location	Omission		
				Requirements omitted	Reason	Explanation
<b>Strategy, policies and practices</b>						
	2-22	Statement on sustainable development strategy	5-7			
	2-23	Policy commitments	36-39, 43-45, 72-73, 77-78			
	2-24	Embedding policy commitments	36-37, 44-45, 78-79, 80-81			
	2-25	Processes to remediate negative impacts	37-40, 47-50, 59, 61-62, 72-74, 77-78, 80			
	2-26	Mechanisms for seeking advice and raising concerns	37, 43-44, 80-81			
	2-27	Compliance with laws and regulations	81			
	2-28	Membership associations	79			
<b>Stakeholder engagement</b>						
	2-29	Approach to stakeholder engagement	42			
	2-30	Collective bargaining agreements	75			
<b>GRI 3: MATERIAL TOPICS 2021</b>						
	3-1	Process to determine material topics	42-43			
	3-2	List of material topics	42-43			
<b>SPECIFIC DISCLOSURES – GRI 200: Economic topics</b>						
<b>GRI 201: Economic performance 2016</b>						
	3-3	Management of material topics	12, 38-39, 41, 43-45, 80-81, 98-101			
	201-1	Direct economic value generated and distributed	80			
	201-2	Financial implications and other risks and opportunities due to climate change	48-50, 57-58	Omission from 201-2 a.v	Information unavailable.	Castellum does not report costs of actions taken to manage climate adaptation. Systems for calculating the data is currently missing but will be implemented in coming years.
<b>GRI 205: Anti-corruption 2016</b>						
	3-3	Management of material topics	38-39, 41, 43-45, 80-81, 98, 101			
	205-1	Operations assessed for risks related to corruption	43, 78, 80-81, 98, 101			
	205-3	Confirmed incidents of corruption and actions taken	81			
<b>GRI 206: Anti-competitive Behavior 2016</b>						
	3-3	Management of material topics	36-39, 43-45, 80-81			
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	81			
<b>GRI 207: Tax 2019</b>						
	3-3	Management of material topics	38-39, 80-81, 92, 98, 113, 139-140			
	207-1	Approach to tax	92, 113, 139-140			
	207-2	Tax governance, control, and risk management	92, 113, 139-140			
	207-3	Stakeholder engagement and management of concerns to tax	80-81, 92, 139-140			
	207-4	Country-by-country reporting	81			

GRI Standard 2021 and EPRA Best Practice Recommendations on Sustainability Reporting

GRI Standard Title	Disclosure	Reference to EPRA disclosure	Location	Omission		
				Requirements omitted	Reason	Explanation
<b>SPECIFIC DISCLOSURES – 300: ENVIRONMENT</b>						
<b>GRI 302: Energy 2016</b>						
	3-3	Management of material topics		12, 36–39, 41, 43–45, 47–53		
	302-1	Energy consumption within the organization	Elec-Abs (Total electricity consumption) DH&C-Abs (Total district heating & cooling consumption) Fuels-Abs (Total fuel consumption)	45–46, 54–55		
	302-2	Energy consumption outside of the organization	Elec-Abs (Total electricity consumption) DH&C-Abs (Total district heating & cooling consumption) Fuels-Abs (Total fuel consumption) Elec-LfL (Like-for-like total electricity consumption) DH&C-LfL (Like-for-like total district heating & cooling consumption) Fuels-LfL (Like-for-like total fuel consumption) Energy-Int (Building energy intensity)	45–46, 54–56		
	302-3	Energy intensity	Energy-Int (Building energy intensity)	46, 55–56		
	302-4	Reduction of energy consumption		51		
<b>GRI 303: Water and Effluents 2018</b>						
	3-3	Management of material topics		12, 36–37, 38–39, 41, 43–45, 59		
	303-1	Interactions with water as a shared resource	Water-Abs (Total water consumption) Water-LfL (Like-for-like total water consumption)	59–60		
	303-2	Management of water discharge-related impacts		59		
	303-5	Water consumption	Water-Abs (Total water consumption) Water-LfL (Like-for-like total water consumption) Water-Int (Building water intensity)	59–60		
<b>GRI 304: Biodiversity 2016</b>						
	3-3	Management of material topics		12, 36–39, 41, 43–45, 61		
	304-2	Significant impacts of activities, products and services on biodiversity		61		
<b>GRI 305: Emissions 2016</b>						
	3-3	Management of material topics		12, 36–37, 41, 43–45, 47, 50–52		
	305-1	Direct (Scope 1) GHG emissions	GHG-Dir-Abs (Total direct greenhouse gas (GHG) emissions) GHG-Dir-LfL (Like-for-like direct greenhouse gas (GHG) emissions) GHG-Int (Greenhouse gas (GHG) emissions intensity from building energy consumption)	45–46, 52–55		
	305-2	Indirect (Scope 2) GHG emissions	GHG-Indir-Abs (Total indirect greenhouse gas (GHG)) GHG-Int (Greenhouse gas (GHG) emissions intensity from building energy consumption)	52–55		
	305-3	Other indirect (Scope 3) GHG emissions		52–55		

GRI Standard 2021 and EPRA Best Practice Recommendations on Sustainability Reporting

GRI Standard Title	Disclosure	Reference to EPRA disclosure	Location	Omission		
				Requirements omitted	Reason	Explanation
	305-4	GHG emissions intensity	GHG-Int (Greenhouse gas (GHG) emissions intensity from building energy consumption)			
	305-5	Reduction of GHG emissions				
<b>GRI 306: Waste 2020</b>						
	3-3	Management of material topics				12, 36–39, 41, 43–45, 61–63
	306-1	Waste generation and significant waste-related impacts				61–63
	306-2	Management of significant waste-related impacts				61–63
	306-3	Waste generated	Waste-Abs (Total weight of waste by disposal route) Waste-LfL (Like-for-like total weight of waste by disposal route)			62–63
	306-4	Waste diverted from disposal	Waste-Abs (Total weight of waste by disposal route) Waste-LfL (Like-for-like total weight of waste by disposal route)			62–63
	306-5	Waste directed to disposal	Waste-Abs (Total weight of waste by disposal route) Waste-LfL (Like-for-like total weight of waste by disposal route)			52, 62–63
<b>GRI 308: Supplier environmental assessment 2016</b>						
	3-3	Management of material topics				12–13, 36–39, 41, 43–45, 78
	308-1	New suppliers that were screened using environmental criteria				78
<b>SPECIFIC DISCLOSURES – 400: Social</b>						
<b>GRI 401: Employment 2016</b>						
	3-3	Management of material topics				12, 36–39, 41, 43–45, 72–74
	401-1	New employee hires and employee turnover	Emp-Turnover (Employee turnover and retention)			75
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees				72, 142
<b>GRI 403: Occupational Health and Safety 2018</b>						
	3-3	Management of material topics				12, 36–39, 41, 43–45, 72–74
	403-1	Occupational health and safety management system				37, 73
	403-2	Hazard identification, risk assessment, and incident investigation	H&S-Emp (Employee health and safety)			73–74, 76
	403-3	Occupational health services				73–74
	403-4	Worker participation, consultation, and communication on occupational health and safety				73–74
	403-5	Worker training on occupational health and safety				73–74
	403-6	Promotion of worker health				73–74
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships				73–74
	403-8	Workers covered by an occupational health and safety management system				73
	403-9	Work-related injuries	H&S-Emp (Employee health and safety)			73–74, 76
	403-10	Work-related ill health	H&S-Emp (Employee health and safety)			74, 76–77

GRI Standard 2021 and EPRA Best Practice Recommendations on Sustainability Reporting

GRI Standard Title	Disclosure	Reference to EPRA disclosure	Location	Omission		
				Requirements omitted	Reason	Explanation
<b>GRI 404: Training and education 2016</b>						
	3-3	Management of material topics				12, 36–39, 41, 43–45, 72–74
	404-1	Average hours of training per year per employee	Emp-Training (Training and development)			75
	404-2	Programs for upgrading employee skills and transition assistance programs				74, 79
	404-3	Percentage of employees receiving regular performance and career development reviews	Emp-Dev (Employee performance appraisals)			74–75
<b>GRI 405: Diversity and equal opportunity 2016</b>						
	3-3	Management of material topics				12, 36–39, 41, 43–45, 72–73
	405-1	Diversity of governance bodies and employees	Diversity-Emp (Employee gender diversity)			75–76
	405-2	Ratio of basic salary and remuneration of women to men	Diversity-Pay (Gender pay ratio)			77
<b>GRI 413: Local communities 2016</b>						
	3-3	Management of material topics				36–39, 41, 43–45, 79
	413-1	Operations with local community engagement, impact assessments, and development programs	Comty-Eng (Community engagement, impact assessments and development programs)			79
	413-2	Operations with significant actual and potential negative impacts on local communities				38–39, 79
<b>GRI 414: Supplier Social Assessment 2016</b>						
	3-3	Management of material topics				36–39, 41, 43–45, 77–78
	414-1	New suppliers that were screened using social criteria				78
	414-2	Negative social impacts in the supply chain and actions taken				38–39, 43–44, 78, 80
<b>GRI 416: Customer Health and Safety 2016</b>						
	3-3	Management of material topics				36–39, 41, 43–45, 80
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	H&S Asset (Asset health and safety assessments) H&S-Comp (Asset health and safety compliance)			76, 80–81
<b>Entity-specific disclosures</b>						
	3-3	Management of material topics				38–39, 61, 80
	Own disclosure	Certified buildings	Cert-Tot (Type and number of sustainably certified assets)			64

# Auditor's Limited Assurance Report on Castellum's Sustainability Report and statement regarding the Statutory Sustainability Report

This is the translation of the auditor's report in Swedish.

## To Castellum Aktiebolag, corporate identity number 556475-5550

### Introduction

We have been engaged by the Board of Directors of Castellum Aktiebolag to undertake a limited assurance engagement of the Castellum Aktiebolag Sustainability Report for the year 2023. The Company has defined the scope of the Sustainability Report on page 2, which includes the Statutory Sustainability Report.

### Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with the applicable criteria and the Annual Accounts Act respectively. The criteria are defined on page 36 in the Sustainability Report, and are part of the Sustainability Reporting Guidelines published by GRI (Global Reporting Initiative), which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This

responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

### Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. Our engagement is limited to historical information presented and does therefore not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR 12 *The auditor's opinion regarding the Statutory Sustainability Report*. A

limited assurance engagement and an examination according to RevR 12 is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Castellum Aktiebolag in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

### Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report, is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

A Statutory Sustainability Report has been prepared.

Deloitte AB  
Signature on Swedish original

Harald Jagner  
Authorized Public Accountant



# 5

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 Corporate governance report ..... 102

### Castellum's Annual Report

The statutory annual report, which contains the Directors' Report and financial reports, is found on pages 88–157 and 162. In accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, Castellum has prepared its statutory sustainability report as a separate report from the Directors' Report and it is found on pages 4–13, 18, 27–28, 35–86, 97–101, 103–106 and 108–113.



# Directors' Report

In central Stockholm lies the Öskaret 1 property, a well-known Jugendstil landmark that has been carefully renovated. It houses Castellum's own coworking company, with all the benefits this entails in the form of meeting rooms and services.

Operations, financing and risk management

# Operations and earnings

## The operation in brief

**The Board of Directors and the CEO of Castellum Aktiebolag (publ) ("Castellum") Corporate ID No. 556475-5550, hereby submit the Annual Report and consolidated financial statements for financial year 2023. The company has its registered office in Gothenburg, but with two head offices located at Östra Hamngatan 16 in Gothenburg and at Hangövägen 20 in Stockholm. The Annual Report and consolidated financial statements will be proposed for adoption at the Annual General Meeting on 7 May 2024.**

Castellum is one of the largest listed property companies in the Nordic region that develops flexible workplaces and smart logistics solutions. As of 31 December 2023, the property value totalled approximately SEK 160 Bn, including the ownership share of the Norwegian associated company Entra.

Castellum is active in attractive Nordic growth regions, and its business model is built on investing in and developing commercial premises managed by a decentralised and customer-centric organisation. The company works continually to develop its offering so that it can meet the rapid changes in its business environment. The business strategy takes its starting point in a rapidly changing business environment, where the objective is to consistently meet tenants' needs while being an urban developer with a long-term perspective. This is how Castellum is creating the sustainable cities of the future.

### Important events during the year

- During the year, Castellum conducted a fully guaranteed preferential rights issue of approximately SEK 10 Bn, with preferential rights for existing shareholders, for the purpose of strengthening the company's financial position.
- In light of the changing capital market and the completed preferential rights issue, the Board will not propose a dividend for 2023 to the Annual General Meeting.
- Late in the year, Castellum inaugurated the hundredth solar PV system in its property portfolio, thereby achieving the goal two years ahead of schedule. In addition, 50 per cent of the portfolio has been certified for sustainability, which means that the company also met this sustainability goal two years ahead of schedule.
- During the year, Castellum reduced its net debt by approximately SEK 16 Bn and refinanced bonds and bank facilities for a total of SEK 21 Bn, which enabled an increase in debt maturity in the loan portfolio from 3.3 to 4.2 years.

The Castellum share is listed on Nasdaq Stockholm Large Cap and is classified as green under the Green Equity Designation.

Income from property management, SEK M

4,373 (4,510)



Market capitalisation, SEK Bn

70.6

## Group net income

### Income from property management

Increased financing costs in 2023 together with lower income from property management from the associated company Entra reduced income from property management for the year to SEK 4,373 M (4,510), corresponding to SEK 9.69 per share (11.45). The decrease in comparison per share is attributable primarily to the dilution effect of the 2023 figures. Castellum's holding in Entra contributed SEK 445 M (550) to income from property management.

### Segment information

SEK M	Income		Net operating income	
	2023	2022	2023	2022
Stockholm	2,543	2,409	1,868	1,738
West	1,829	1,685	1,265	1,164
Central	1,759	1,632	1,198	1,049
Mälardalen	1,254	1,123	813	757
Öresund	1,563	1,305	1,100	861
Finland	671	609	353	316
Coworking	266	232	-31	-35
Group adjustment	-79	-68	—	-12
<b>Income</b>	<b>9,806</b>	<b>8,928</b>	<b>6,566</b>	<b>5,838</b>

### Income

During the year, total income increased by 9.8 per cent to SEK 9,806 M (8,928). Income breaks down

into rental income of SEK 8,790 M (7,971) and service income of SEK 1,016 M (957). Coworking accounts for SEK 266 M (233) of rental income. The increase is attributable primarily to indexation of rental contracts and completed projects. For the like-for-like portfolio of investment properties, this increase corresponds to 8.9 per cent. The average economic occupancy rate for the year totalled 92.1 per cent (93.4).

### Development of income

SEK M	2023	2022	Change, %
Like-for-like portfolio	8,596	7,895	8.9
Development properties	782	408	
Transactions	241	461	
Coworking	266	232	
Group-wide	-79	-68	
<b>Income</b>	<b>9,806</b>	<b>8,928</b>	<b>9.8</b>

Gross leasing (i.e. the annual value of total leases) during the year was SEK 612 M (666). Notices of termination amounted to SEK 679 M (505), of which SEK 59 M (8) were bankruptcies and SEK 4 M (43) were notices of termination with more than 18 months left of contract. Net leasing for the period thus totalled SEK -67 M (161). The time difference between reported net leasing and the income effect thereof is estimated to be between 9–18 months in investment properties and 12–24 months for investments in new construction, extensions and reconstructions.

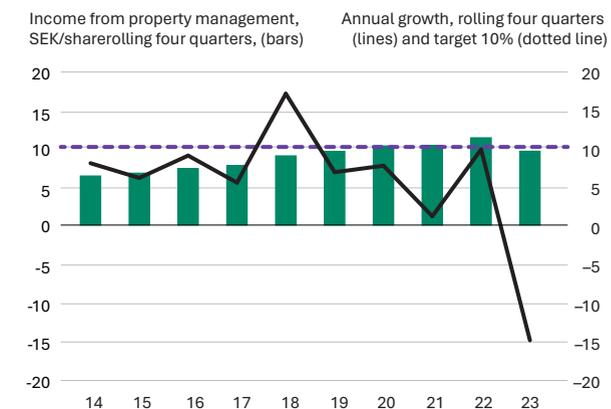
### Net leasing

SEK M	Region						Total
	Stock-holm	West	Central	Mälardalen	Öre-sund	Fin-land	
<b>New leasings</b>							
Existing properties	106	97	120	40	132	26	521
Investments	41	2	19	10	19	—	91
<b>Total</b>	<b>147</b>	<b>99</b>	<b>139</b>	<b>50</b>	<b>151</b>	<b>26</b>	<b>612</b>
<b>Terminated</b>							
Existing properties	-166	-85	-91	-49	-176	-53	-620
Bankruptcies	-16	-29	-6	-3	-3	-2	-59
<b>Total</b>	<b>-182</b>	<b>-114</b>	<b>-97</b>	<b>-52</b>	<b>-179</b>	<b>-55</b>	<b>-679</b>
<b>Net leasing</b>	<b>-35</b>	<b>-15</b>	<b>42</b>	<b>-2</b>	<b>-28</b>	<b>-29</b>	<b>-67</b>
<i>In 2022</i>	<i>-3</i>	<i>90</i>	<i>10</i>	<i>38</i>	<i>23</i>	<i>3</i>	<i>161</i>

### Costs

Direct property costs totalled SEK 2,456 M (2,356). For the like-for-like portfolio of investment properties, this increase corresponds to 6.8 per cent. Property administration was SEK 566 M (522), corresponding to SEK 107 per square metre (99). Central administrative costs totalled SEK 403 M (270). The change in central administrative costs is attributable in part to a decision to discontinue Castellum's innovation company and in part to expensed capitalized administration projects, the latter of which was previously announced. Additionally, Castellum conducted a review of projects in line with a more limited invest-

### Income from property management per share



### Net leasing



## Property costs

SEK/sq. m.	Offices	Public sector properties	Warehouse/ Light industry	Retail	2023 Total	2022 Total
Operating costs	344	243	191	164	275	263
Maintenance costs	76	46	35	42	58	47
Property tax	154	109	28	85	107	102
<b>Property costs</b>	<b>574</b>	<b>398</b>	<b>254</b>	<b>291</b>	<b>440</b>	<b>412</b>
Property administration	—	—	—	—	107	99
<b>Total</b>	<b>574</b>	<b>398</b>	<b>254</b>	<b>291</b>	<b>547</b>	<b>511</b>

ment volume, whereby some projects have been postponed and some have been cancelled. This has resulted in non-recurring costs that were reported in property administration and maintenance.

## Development of property costs

SEK M	2023	2022	Change, %
Like-for-like portfolio	2,180	2,042	6.8
Development properties	221	198	
Transactions	55	116	
<b>Direct property costs</b>	<b>2,456</b>	<b>2,356</b>	<b>4.2</b>
Property administration	566	522	
Coworking	297	280	
Group adjustment	-79	-68	
<b>Total lease and property administration costs</b>	<b>784</b>	<b>734</b>	
Central administration costs	403	270	
<b>Total costs</b>	<b>3,643</b>	<b>3,360</b>	<b>8.4</b>

## Income from associated companies

Income from associated companies consists of Castellum's share of Entra's earnings. The income includes both income from property management, tax and changes in value in Entra's property portfolio. It is only Castellum's share of the associated company's income from property management that is included in the line item "of which income from property management" in the consolidated income statement, which totalled SEK 445 M (550) for the year. This means that changes in value, tax, and other items (pertaining primarily to changes in value of financial instruments) are excluded in consolidated income from property management.

Each quarter, Castellum also carries out an impairment test on participations in associated companies. As of the balance sheet date, impairment requirements have been identified totalling SEK 451 M due

to lower net reinstatement value in Entra. The impact for the year on Castellum's holding in Entra from changes in currency rates is recognised in other comprehensive income.

## Net financial items

Net financial items totalled SEK -2,235 M (-1,607). The change is attributable primarily to a higher underlying market interest rate. The average closing interest rate for the loan portfolio amounted to 3.0 per cent (2.6) on the balance sheet date.

## Changes in value

### Properties

During the year, Castellum reported unrealised changes in value of SEK -14,325 M (-3,563), attributable primarily to a general increase in the required market yield during the year. The average yield requirement for Castellum's portfolio at year-end was 5.62 per cent, corresponding to an increase of 43 basis points from the preceding quarter and 61 basis points from the beginning of the year.

Castellum's property sales completed during the year resulted in a realised change in value of SEK -209 M. The net sales price amounted to SEK 5,206 M less deferred tax and overheads of SEK -219 M. The underlying property value in the sales thus amounted to SEK 5,425 M, compared with the latest valuation of SEK 5,415 M, a difference of SEK 10 M.

## Change in values on properties

SEK M	2023	2022
Cash flow	-2,936	6,380
Project gains/building rights	-920	582
Yield requirement	-10,469	-10,529
Acquisitions	—	4
<b>Unrealised changes in value</b>	<b>-14,325</b>	<b>-3,563</b>
NOI %	-9.3	-2.3
Sales	-209	26
<b>Total</b>	<b>-14,534</b>	<b>-3,537</b>
NOI %	-9.5	-2.3

### Financial instruments

Castellum holds both interest-rate and currency derivatives, which are impacted primarily by long-term market interest rates and exchange rate fluctuations. Total change in value on derivatives during the year totalled SEK -1,394 M (3,309), of which SEK -1,235 M (2,690) was recognised in profit or loss and the remainder in other comprehensive income as the result of hedging relationships. The negative changes in value are attributable to the decline in interest rates on longer maturities during the year as well as changes in currency exchange rates.

### Goodwill

Goodwill was impaired during the year by a total of SEK -474 M, of which SEK -156 M is attributable to divestments. Negative value growth in properties that is linked to goodwill had an impact of SEK -293 M, and goodwill attributable to United Space was impaired by SEK -25 M.

## Tax

At Castellum, there are a number of areas that are taxed: income tax on current earnings, property tax, VAT, stamp duty and energy taxes. Political decisions such as changes in corporate taxation, tax legislation or interpretations thereof may lead to Castellum's tax situation increasing or decreasing.

Castellum's strategy regarding tax governance is regulated in a tax policy, which is available on the company's website. This policy is to be revised on a regular basis and adopted by the Board at least once a year. The Chief Financial Officer of Castellum is the document owner and bears responsibility for the policy. Any breach of the tax policy is to be reported to the company's Compliance function, also serving as the Group's Chief Legal Officer, who will in turn inform the CEO.

Castellum endeavours to pay the correct taxes in every country where it conducts operations. The company continually monitors changes to laws and legal praxis so that taxes are managed in accordance with applicable laws and regulations. This requires Castellum to conduct its operations responsibly in relation to both society and the company's stakeholders.

Since 2016, Castellum has had a Code of Conduct that is based on the company's values and the principles of the UN Global Compact. In the Code, Castellum clarifies its positions on issues such as business ethics and information – which is highly relevant to the company's views on taxes.

Tax management will be evaluated as an integral part of the company's business decisions and general risk management. This evaluation will also take risks to brand and reputation into consideration.

Castellum's contact with the tax authorities in the respective countries will be marked by openness and transparency. The company will openly describe the principles that govern its tax governance and the tax that is to be paid for its stakeholders. In cases where regulations are unclear or ambiguous, the spirit of the law will be interpreted and Castellum will be proactive and transparent through open requests, applications for preliminary decisions or alternately in dialogue with the tax authority.

Total income tax for the year was SEK 3,016 M (–487), of which SEK –12 M (–15) pertained to current tax. Applying a nominal tax rate of 20.6 per cent to income before tax, theoretical tax amounts to SEK 3,009 M. The difference of SEK 7 M against total tax for the year is attributable primarily to deferred tax on properties sold of SEK 702 M. Additionally, the difference was reduced by the fact that tax is not payable on income items of SEK –472 M for Entra or goodwill of SEK –98 M and hybrid bond coupons of SEK 72 M, non-deductible interest costs of SEK –189 M and other items of SEK –8 M.

Employers in Sweden pay 31.42 per cent in social security contributions based on salary and a payroll tax of 24.26 per cent on pension contributions. In 2023, Castellum paid SEK 136 M (122) in social security contributions and payroll taxes.

## Prospects for 2024

After a year of focus on creating financial robustness, Castellum is now stable and well equipped for both challenges and new business opportunities. The preferential rights issue and divestments that were carried out in 2023 created scope for new value-creating investments. The company has its own project pipeline of approximately SEK 41 Bn, and can increase its volume of ongoing projects at short notice as soon as the market conditions are right.

## Parent Company net income

The Parent Company is Castellum Aktiebolag (publ). The Parent Company's business is to own and manage shares in the operating subsidiaries as well as being responsible for matters relating to both the stock market, such as group reporting and stock market information, and the credit market with borrowing and financial risk management. Income before tax for the year totalled SEK –2,129 M (1,320).

## Proposed appropriation of profits

### The following funds (in SEK) are at the Annual General Meeting's disposal:

Retained earnings	49,863,178,728
Net income for the year	–2,083,022,347
<b>Total</b>	<b>47,780,156,381</b>

### The Board of Directors propose that the profits be appropriated as follows:

Carried forward	47,780,156,381
<b>Total</b>	<b>47,780,156,381</b>

The company has 492,601,452 registered shares.

The lower result is attributable primarily to the impairment of participations in Group companies and associated companies, which is explained by a decline in the property values in these companies. The Parent Company's assets totalled SEK 102,647 M (112,689). The debt/equity ratio was 47 per cent (36).

## Operations, financing and risk management

# Financing

The chosen capital structure is pivotal for the financial returns and risk exposure anticipated by owners. Among the factors influencing the choice are business risk and tax situation, as well as the risks and costs associated with increased borrowing. Back when Castellum was listed, it had already established that the company would have a low level of financial risk, which was reinforced during the year and is expressed today in the formulation that the long-term loan-to-value ratio should not

permanently exceed 40 per cent and that the interest coverage ratio should be at least 3. As of 31 December 2023, Castellum's assets amounted to SEK 159 Bn and the loan-to-value ratio was 37 per cent, while the interest coverage ratio during the year was 3.0.

### Financial policy and monitoring

Castellum's financial activities are conducted in accordance with the financial policy established by

the Board, and in such a way that ensures the need for long- and short-term financing and liquidity is fulfilled. Moreover, the aim is to achieve low, stable net interest costs, after taking established risk mandates into account. Trends in the financial markets have a great impact on Castellum. Reflecting and supporting the goals and conditions of business operations are of importance to finance operations. Using the financial policy, the Group can control and manage financial risks and ensure risk management

	Policy	Commitment	Outcome
Loan-to-value ratio	Not to permanently exceed 40 per cent	Not exceeding 65%	37%
Interest coverage ratio	>3	>1.5	3.0
The share of secured borrowing/total assets		Not exceeding 45%	16%
<b>Funding risk</b>			
– average debt maturity incl. unutilised credits, years	At least 2 years		3.6 years
– maturing within 1 year	No more than 30 per cent of loans outstanding and unutilised credit agreements		4%
– liquidity reserve	Liquidity reserve corresponding to 12 months' impending loan maturities		Achieved
<b>Interest rate risk</b>			
– average interest duration	1.5–4.5 years		3.3 years
– maturing within 6 months	Not more than 50 per cent		18%
<b>Credit and counterparty risk</b>			
– rating restriction	Credit institutions with high ratings, at least S&P BBB+		Achieved
<b>Currency risk</b>			
– net exposure in foreign currency	Maximum 10 per cent of the balance sheet total		Achieved

### Financing, 31 December 2023



Equity	SEK 77,177 million	(48%)
Interest-bearing liabilities	SEK 61,671 million	(39%)
Deferred tax liability	SEK 14,810 million	(9%)
Other liabilities	SEK 5,678 million	(4%)

### Distribution of interest-bearing liabilities, 31 December 2023



Bonds	SEK 35,783 million	(58%)
Loans in banks	SEK 25,101 million	(41%)
Commercial paper	SEK 787 million	(1%)

### Secured and unsecured credits, 31 December 2023



Unsecured credits	SEK 36,570 million	(59%)
Secured credits	SEK 25,101 million	(41%)

through close control and monitoring. The financial risks are monitored and reported quarterly to the Board of Directors. The Board also reviews its financial policy annually.

Castellum regularly follows up and monitors future financing needs based on assumptions about earnings, net investment volume, property value growth and maturity profile of the existing debt portfolio, covenants in credit agreements and interest-rate risk exposure. Furthermore, the Group carries out sensitivity analyses to understand how changes in the asset portfolio – as well as movements in market interest rates and property values – affect the balance sheet and earnings.

### Interest rate risk

By definition, interest rate risk refers to a potentially negative impact on the income statement and balance sheet caused by a change in market interest rates. To limit fluctuations in net interest costs, Castellum will feature a mix of fixed interest rate durations on loans and interest rate derivatives. The choice of interest-rate profiles should take the Group's Business Plan, as well as anticipated inflows and outflows, into account.

Interest costs are the single largest cost item and have a major impact on growth in income from

property management. These are partly affected by changes in market interest rates, and partly by the margin required by creditors as compensation for lending money. The short-term market interest rate is primarily controlled by the Riksbank, whereas the long-term market interest rate is affected by other factors such as expectations of future growth and inflation. The credit margin is controlled both by supply and demand for credit and by regulations in the credit and capital markets. Conditions in both the interest and credit markets can change rapidly.

Rising market interest rates are normally considered a result of economic growth and rising inflation, which in turn are also presumed to result in increased demand for commercial premises, thereby leading to increased rents and/or reduced vacancy rates. Falling market interest rates are normally assumed to have opposite causes and effects. Given this reasoning, rising or falling market interest rates are thus met by rising or falling rental income, over time. Changes in credit margins may occur regardless of prevailing economic conditions; recently, they have been affected by factors such as uncertainty concerning the geopolitical situation, inflation, and interest-rate trends. Changes in market interest rates and credit margins affect net financial items. How quickly – and by how much –

largely depends on the chosen fixed interest rate and the duration of credit margins.

To ensure low and stable net interest, Castellum has chosen to restrict the proportion of fixed maturities due within six months at a maximum 50 per cent of net debt; the average fixed interest term will be between 1.5 and 4.5 years. The interest coverage ratio is the financial key ratio that describes a company's risk level and resilience to fluctuations in net interest.

Castellum's strategy includes an interest coverage ratio of at least 3. For 2023, the interest coverage ratio was 3.0 (3.9). The average fixed interest term at 31 December 2023 was 3.3 years (2.7), while the share of maturities due within 6 months was 18 per cent. The average debt maturity structure for utilised borrowing facilities at year-end was 4.2 years (3.1). At the end of the year, the net debt to EBITDA ratio was 10 (14).

Net interest for 2023 amounted to SEK –2,168 M (–1,531) with an average interest rate of 3.0 per cent (2.6), and consisted of market interest rates at issue dates plus creditors' margins.

### Funding risk

Funding risk refers to the risk that financing is not available or is very unfavourable at a given time. It is

by far the Group's largest funding risk. The Group's assets – primarily commercial properties – should be seen as long-term investments, which thereby comply with demands for a long-term approach to financing the asset portfolio. However, pricing in the credit market should also be taken into account.

Castellum should have sufficient, and competitive, financing so the Group's activities can be conducted in a suitable and cost-efficient manner. The funding risk is managed through advance planning, an appropriate debt maturity structure, balanced loan pricing, diversification of financing sources and maturities, and a reasonable liquidity reserve.

At the end of the year, Castellum held credit agreements totalling SEK 86,859 M (89,150) of which SEK 81,372 M (75,867) were long-term and SEK 5,487 M (13,283) were short-term. Of the utilised borrowing facilities at the end of the year, SEK 57,134 M (64,616) was long-term and SEK 4,537 M (12,233) short-term.

After deduction of cash of SEK 2,088 M (858), net interest-bearing liabilities were SEK 59,583 M (75,991), of which SEK 35,783 M (44,503) were bonds outstanding and SEK 787 M (209) commercial paper outstanding.

During the year, most of the credit facilities in banks were renegotiated on market terms.

Agreements on new bank facilities have also been signed, for which new securities have been pledged. Castellum conducted bond issues totalling SEK 2.65 Bn in the bond market during the year, where the liquidity was used for purposes including repaying bond maturities during the year.

The covenants in credit agreements stipulate primarily that the Group may not have a loan-to-value ratio exceeding 65 per cent and that the interest coverage ratio may not fall below 1.5. To some extent, there are also covenants on the share of secured borrowing and debt/equity ratio requirements. At year-end, Castellum had fulfilled all covenants.

### Credit and counterparty risk

Credit and counterparty risk is the risk that a counterparty cannot fulfil its commitments, such as liquidity supply or payment. In financial operations, credit and counterparty risk arises primarily in connection with long-term credit agreements, derivative contracts and the investment of cash and cash equivalents. Castellum limits this risk by requiring high credit ratings from its counterparties, which are currently all major Nordic banks.

### Currency risk

Currency risk refers to a negative impact on the income statement, balance sheet and cash flow due to changes in exchange rates. At year-end, Castellum owned properties in Denmark and Finland totalling SEK 12,681 M (13,689) and shares in the Norwegian company Entra, which means that the Group is exposed to currency risk. The currency risk primarily occurs when income statements and balance sheets in foreign currency are translated into Swedish kronor. Currency risks should be limited, primarily via matching of assets in foreign currencies with debts in the same currencies, and secondarily via derivatives. Permissible currency exposure under the financial policy is net exposure corresponding to 10 per cent of the balance sheet total.

### Secured interest-bearing liabilities

Long-term bank facilities are mainly secured with collateral comprising the company's property holdings. Issued MTNs, commercial paper and certain short-term bank loans – such as overdraft credits – are unsecured. Of interest-bearing liabilities

### Credit maturity structure, 31 December 2023

Credit agreements	Bank	Bonds	Commercial paper	Total interest-bearing liabilities	Share, %	Unutilised credits	Total available credit facilities
2024	—	3,750	787	4,537	7	950	5,487
2025	3,347	11,680	—	15,027	24	7,150	22,177
2026	4,530	8,523	—	13,053	21	15,588	28,641
2027	2,591	2,699	—	5,290	9	—	5,290
2028	5,424	1,096	—	6,520	11	1,500	8,020
>2028	9,209	8,035	—	17,244	28	—	17,244
<b>Total</b>	<b>25,101</b>	<b>35,783</b>	<b>787</b>	<b>61,671</b>	<b>100</b>	<b>25,188</b>	<b>86,859</b>

### Interest rate maturity structure, 31 December 2023

Maturity date	SEK M	Share, %	Average interest rate, %	Average fixed interest rate term, years
0–1 year	16,894	27	6.4	0.4
1–2 years	10,227	17	1.2	1.3
2–3 years	8,358	14	1.6	2.7
3–4 years	4,749	8	4.4	3.7
4–5 years	3,896	6	1.5	4.8
>5 years	17,547	28	1.5	7.1
<b>Total</b>	<b>61,671</b>	<b>100</b>	<b>3.0</b>	<b>3.3</b>

totalling SEK 61,671 M (76,849), SEK 25,101 M (32,137) was secured against property deeds and SEK 36,570 M (44,712) was unsecured, which means that around 41 per cent (42) of loans outstanding were secured. Castellum's share of unsecured assets at the end of the year was 59 per cent (52). Secured borrowing in relation to total assets was 16 per cent (18).

## Derivatives

### Interest rate derivatives

Under the IFRS 9 accounting standard, derivatives are subject to market valuation. For interest rate derivatives, this means that a surplus or a deficit occurs if the contracted interest rate varies from the current market rate. Castellum recognises this change in value in profit or loss. By extending the fixed interest term, the interest rate risk in terms of cash flow is limited, whereas the risk for accounting-based changes in value is higher. It is worth noting that loans with long-term fixed interest rates that are less flexible, but can – from an interest rate risk perspective – primarily be compared with extension via interest rate derivatives, are normally not

subject to market valuation under applicable accounting standards. The negative changes in value in 2023 are attributable to the fall in interest rates on longer maturities.

### Currency derivatives

Castellum's need for financing in Danish kroner, euros or Norwegian kronor can be achieved through

### Financial facilities

Financial facilities	Frame/ facility type	Utilised, SEK M
		31 December 2023
MTNs	40,000	16,304
EMTNs	3,000 <sup>1</sup>	19,479
Commercial paper	10,000	787
Bank credits incl. overdrafts	50,289	25,101

1. EMTN programs of EUR 3,000 M.

### Secured borrowing, %

	31 Dec 2023
Share of secured borrowing/property value	19
The share of secured borrowing/total assets	16
Share of secured credits utilised	41

borrowing in the respective local currencies and by using currency derivatives. The exposure is the same, but in accordance with the accounting standards in IFRS 9, derivatives are subject to market valuation, which means that a surplus or deficit arises if the stipulated exchange rate differs from the current exchange rate. Castellum applies hedge accounting under IFRS 9, which means that the effective portion of the change in value is reported in other comprehensive income. The negative changes in value are attributable to changes in exchange rates and the expiration of currency derivatives during the year.

Operations, financing and risk management

# Risks and risk management

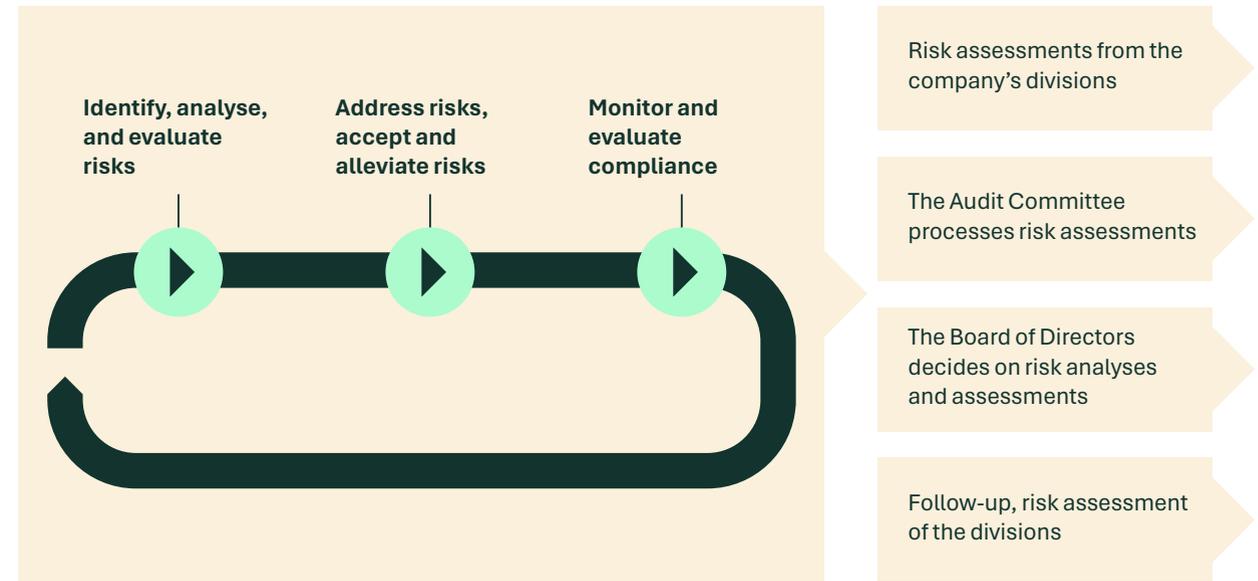
**Castellum works continually, in a structured manner, to identify and actively monitor financial and operational risks that our operations encounter or are faced with. The Group's risk management is based on careful analyses and documentation for decisions, for the purpose of limiting consequences.**

## Risks and risk management

Castellum defines risk as an uncertainty factor that may affect the company's ability to achieve the objectives it has set. Risk management aims at balancing the desire to limit the company's risks and achieve the company's objectives. In order to assess the effect of identified risks, an annual internal risk survey is conducted in which each risk is assessed based on both impact and likelihood. This process determines if the risks should be further monitored, if actions need to be taken or if they can be handled through standard review and management. All the risks are then consolidated, and the result is Castellum's overall risk assessment, which is reported on the following pages. The risks are analysed primarily from a three-year perspective.

To facilitate risk management, Castellum has chosen to classify risks into the following categories:

- Market and business risks – risks due to the influence of external factors and events, and risks associated with laws and regulations.
- Operational risks – risks associated with routine administration of Castellum's properties.
- Financial risks – risks attributable to Castellum's financing.
- Sustainability risks – risks associated with the environment, climate, social responsibility and people in and around the company's properties.



## Risk level assessment



## Change in assessment of risk group since previous year



## Market and business risks

Risk	Risk description	Management	Castellum's assessment
<b>Macroeconomic factors</b>	An economic downturn with increased unemployment, reduced growth, weaker profitability for companies and difficulties in obtaining financing could result in reduced demand for office, logistics and warehouse properties, falling market rents, increased vacancy rates and higher financing costs.	Castellum continually monitors developments in the company's business environment, with assessment of the potential macroeconomic impact on both customer offering and financial position. A strong balance sheet with a properly composed financing structure counteracts interest expense and refinancing risks. On the operational side, the tenant portfolio consists of a spread in terms of notice periods, industries, tenant size and geographic location concentrated in growth markets, which reduces the risk of significant loss of rent and vacancies. Business intelligence is continually gathered, with market trends being monitored and continual adjustments to adapt the company's offering to the customers' needs and demands as well as to be a competitive player in the property industry.	
<b>Crises</b>	A crisis is a difficult-to-manage incident beyond Castellum's control that has a serious impact on or disrupts operations, causes danger to life or health, damage to property or the environment, or damage to confidence in Castellum or its reputation. In the event of a crisis, there is also the risk that insurance coverage will be insufficient or of such nature that the insurance does not apply.	At Castellum, it is a fundamental principle that all properties are insured for their full value in order to minimise the risk of major economic consequences caused by unforeseeable property damage. Furthermore, Castellum partners with a broad network of contacts and industry organisations to widen the scope of its business intelligence. Castellum has internal crisis management groups and crisis plans in every region and at Group level, which are activated as needed. The crisis management groups lead the work when a crisis arises. The crisis plan includes escalation criteria for when the Group-wide crisis plan is to be activated. It also includes a section on crisis communication, with a clear allocation of responsibilities and checklists.	
<b>Regulatory compliance</b>	An inability to comply with legislation or regulations could mean that Castellum incurs unforeseen costs, taxes and sanctions or risks being delisted. Moreover, it could result in a loss of reputation among tenants and shareholders. Castellum also operates in Denmark and Finland, and indirectly in Norway via holdings in associated companies, which means that the company also needs to comply with applicable regulations in other countries.	Castellum works with business intelligence in order to identify political decisions and proposed changes to regulations and legislation at an early stage. The company also has employees in different specialist fields, such as sustainability managers, tax specialists and company lawyers, in order to manage issues of varying complexity and scope. In addition, there is also an Insider Committee to ensure that inside information is handled correctly. Annual internal audits are conducted based on such factors as applicable environmental legislation and tax legislation, as well as regular training courses for all employees in IT security, the GDPR and sustainability. Moreover, Castellum works with external parties to ensure the quality of its operations and to reduce risks of violation of regulations. Castellum has also appointed an external data protection officer.	
<b>Business ethics, reputation and brand</b>	Irregularities, unethical business behaviour, or disputes could damage the company's brand, which in turn could lead to financial implication and loss of confidence.	Central functions at several stages that work in a structured manner supported by an internal control function and external quality assurance of the external reports. Anyone can report a suspicion of impropriety on Castellum's website using the whistleblower service, which is managed by an external party in order to ensure anonymity. Reports that are submitted are handled immediately by Castellum's Chief Legal Officer, the Head of People & Culture and the chair of the Audit Committee. Castellum also works to ensure that employees and external parties comply with applicable policies. For information on Castellum's Codes of Conduct, refer to "More information" under "Violations of the Code of Conduct".	
<b>IT and information security</b>	Insufficient IT security such as hacking and/or ransomware attacks could have serious consequences, for example, in the form of loss or destruction of data and leaks of confidential information. There is also a risk of attempted fraud, such as phishing and fraudulent invoices. Insufficient information security could also lead to personal data breaches.	Castellum works actively with IT security, and has both routine and annual checks that minimise the risks associated with IT security in its operations. The annual checks also encompass partnership agreements that have been signed. There is a continuity plan for IT that specifies measures the company is to take in the event of unforeseen incidents. The IT division is routinely engaged in preventive security, and performs stress tests on the company's IT environment. Information on relevant threats is communicated immediately to the company's personnel. Routine training courses on information security and personal data processing are also offered.	

## Operational risks

**Risk level assessment**  
■ Low ■ Moderate ■ High

**Change in assessment of risk group since previous year**  
▼ Lower ◁ ▷ Unchanged ▲ Higher

Risk	Risk description	Management	Castellum's assessment
<b>Rental income and vacancy risk</b>	Castellum's income is impacted by rental levels received and the occupancy rate in the properties. Both the rental level and occupancy rate are impacted by the current macroeconomic situation, market competition and demographic growth.	Castellum has properties primarily in growth markets, where demand for premises is generally high. Moreover, risk is reduced through a diversified contract portfolio with a large share of public and/or state tenants, varying contract lengths and a structured check of tenants' ability to pay. Castellum conducts risk assessments before new leases are signed. Furthermore, Castellum strives for long-term customer relationships and reduces the risk of vacancies by working closely with tenants and understanding their needs. Prior to the expiration of a contract, Castellum works proactively with renegotiating leases. A customer satisfaction index (CSI) survey is also conducted every year to understand how the company's tenants value different key figures and how market needs are changing, and this forms the basis for taking potential measures.	<span style="color: red;">◁ ▷</span>
<b>Operating and maintenance costs</b>	The condition of the properties and sudden unpredictable events comprise a risk of increased costs in conjunction with repair and maintenance work. Neglected efforts relating to preventive risk management heighten the risk of a decrease in the value of the properties and increase the risk of higher costs in the form of insurance premiums and incidents.	Castellum monitors the properties through self-checks, risk inspections, electricity audits and incident reporting. In pace with the company's properties becoming increasingly connected to online monitoring systems, the possibility increases for detecting any dysfunctions as regards the operation and maintenance of properties. Castellum is also engaged in preventive measures to eliminate the risk of property, personal and environmental damage. The company's properties are routinely assessed in order to adapt them to physical climate risks that in turn could cause damage and impact operation and maintenance. Moreover, Castellum works with a well-prepared energy strategy that is intended to minimise risk and obtain smoother cost performance, as well as minimise uncontrolled changes in the price of electricity for Castellum and the tenants.	<span style="color: yellow;">▼</span>
<b>Composition of the asset portfolio</b>	Incorrect investment decisions could result in Castellum owning properties in the wrong sub-market, city or location. This risk could also consist of Castellum owning defective properties with a property portfolio that is not future-proof based on tenant preferences, technical requirements, government agency requirements, micro-location or flexibility in use and contractual terms and conditions. This could result in an increase in the number of future vacancies and a property portfolio that decreases in value.	Castellum annually reviews existing property portfolio as well as its composition regarding such aspects as country, town and micro-location. Following this, annual risk assessments are also conducted on the property portfolio based on the type, size, condition and standard of the property. Prior to a potential acquisition, a risk assessment is conducted as above that also includes an evaluation of the property pertaining to factors such as yield, future vacancies and environment. Furthermore, an additional assessment is conducted to determine whether the property would be a good fit for Castellum's portfolio.	<span style="color: yellow;">◁ ▷</span>
<b>Change in values on properties</b>	The value of our properties is impacted by a number of factors such as market offering, vacancy rate, rental level and operating costs, residual value, yield requirement, general business cycle developments, interest rates, and inflation. The risk that the company does not capture these in its financial reporting thus arises, and can in turn impact the Group's financial position and earnings.	Castellum has experienced evaluators that routinely monitor the market and conduct sensitivity analyses to prevent the inherent uncertainty in market assessments in conjunction with property valuations. Refer to the sensitivity analysis in Note 10, Investment properties. In conjunction with its quarterly reports, Castellum conducts internal valuations of the property portfolio. The property portfolio is also evaluated by external specialists, which is compared to the internal evaluation and reviewed by auditors. All specialists possess detailed knowledge of Castellum's properties and leases.	<span style="color: red;">▼</span>
<b>Projects</b>	Risk that projects and investments prove to be inefficient, more expensive than estimated or delivered later than expected. This means a potentially unprofitable investment, which in turn could adversely impact operations and the value of Castellum's properties.	Prior to entering partnerships, Castellum carefully evaluates suppliers and contractors, with clear requirements placed on standards, safety and sustainability as well as suitability assessments being part of the process early on. Profitability and risks are routinely monitored over the course of the project. From start to finish there is a precise decision-making process with clear references to detailed framework programmes.	<span style="color: yellow;">▼</span>

## Financial risks

**Risk level assessment**

■ Low
 ■ Moderate
 ■ High

**Change in assessment of risk group since previous year**

▼ Lower
 ◀▶ Unchanged
 ▲ Higher

Risk	Risk description	Management	Castellum's assessment
<b>Funding risk</b>	Insufficient financing could lead to Castellum not being competitive enough, and being unable to conduct the Group's operations in a suitable and cost-efficient manner. There is also a risk that Castellum is given less favourable terms in conjunction with renegotiating loans. This risk could also arise in the event Castellum's credit rating is impaired. The inability to comply with its covenants could lead to credits immediately falling due for payment.	Funding risk and refinancing risk are managed through advance planning, an appropriate debt maturity structure, balanced loan pricing, diversification of financing sources and maturities. Castellum is also actively engaged in providing its operation with a reasonable liquidity reserve in a proactive manner. Castellum has a cautious and well designed financial policy that is routinely monitored and addresses both the company's covenants placed by credit institutions and the requirements from independent issuers of credit ratings.	<span style="color: yellow;">▼</span>
<b>Interest rate risk</b>	By definition, interest rate risk refers to a potentially negative impact on the income statement and balance sheet caused by a change in market interest rates.	To limit fluctuations in net interest costs, Castellum feature a mix of fixed interest rate durations on loans and interest rate derivatives.	<span style="color: yellow;">◀▶</span>
<b>Currency risk</b>	Currency risk refers to a negative impact on the income statement, balance sheet and cash flow due to changes in exchange rates. Currency risk can be divided into translation exposure and transaction exposure.	Castellum's currency risks are to be limited, primarily through natural hedges, by net exposure not exceeding amounts corresponding to 10 per cent of the balance sheet total.	<span style="color: green;">◀▶</span>
<b>Credit and counterparty risk</b>	Credit and counterparty risk is the risk that the counterparty cannot fulfil its commitments, such as liquidity supply or payment. In financial operations, credit and counterparty risk arises primarily in connection with long-term credit agreements, derivative contracts and the investment of cash and cash equivalents.	Castellum mitigates this risk by requiring high credit ratings from its counterparties, which are currently all major Nordic banks.	<span style="color: yellow;">◀▶</span>

## Sustainability risks

**Risk level assessment**  
■ Low ■ Moderate ■ High

**Change in assessment of risk group since previous year**  
▼ Lower ◁ ▷ Unchanged ▲ Higher

Risk	Risk description	Management	Castellum's assessment
<b>Sustainable employees</b>	Castellum depends on committed employees with the right skills for creating competitive operations and growth. There is a risk that Castellum will not succeed in retaining qualified personnel, which could result in a shortage of competence, and that some positions cannot be immediately replaced, which would impact operations and the ability to implement strategies over the short term.	The company works actively with the Castellum Experience employee survey to investigate employee well-being. Additionally, Castellum complies with collective agreements and offers competitive, market-based remuneration as well as competence and leadership development. Castellum has a succession plan to ensure that key functions are not eliminated if key individuals leave the company. Furthermore, Castellum attempts to minimise dependency on individual persons by working on duality in conjunction with critical tasks. There is also a Safety Committee that monitors compliance with Castellum's work environment handbook and ensures that there are safety officers that employees can turn to regarding work environment issues. If an accident occurs, there are also internal procedures and employee support services.	
<b>Climate change</b>	From a corporate perspective, climate change implies a risk of property damage caused by weather conditions changing over time, higher water levels, higher average temperatures and changes in the physical environment that impact properties. Castellum believes that these risks are increasing globally over time, with greater intensity and frequency over the long term. This could mean increased need for investments in properties located in vulnerable areas so that objects do not become damaged. In addition, environmental policy decisions could impact Castellum, especially in the form of necessary investments.	Castellum works to ensure that both operations and the property portfolio have the conditions to manage a changing climate. All investments are reviewed from a climate perspective in order to assess a property's sensitivity to climate change. Using climate scenario analyses that were prepared in 2019 and are reviewed annually, Castellum can identify financial and operational risks and opportunities attributable to climate changes that impact the company over both the short and long term. In 2022, the entire portfolio was analysed to identify the properties that are exposed to physical climate risks. Furthermore, in-depth assessments were carried out in 2023 to identify necessary measures in the most vulnerable properties. Refer to the in-depth explanation in Environmental disclosures on pages 47–50 and of risks under Climate scenarios – risks and opportunities, pages 57–58.	
<b>Operational environmental risks</b>	Environmental risks directly related to Castellum's operations can include the physical environment that impacts people and properties. Environmental risks in the company's operations consist primarily of the following: <ul style="list-style-type: none"> <li>– pollutants or toxic substances are found on properties and in buildings</li> <li>– greenhouse gas emissions (direct and indirect)</li> <li>– waste management</li> </ul>	Castellum's Sustainability policy, with the appurtenant appendix, defines how the company's operations are to be conducted sustainably. Castellum certifies its portfolio for sustainability, sets requirements for efficient resource management, reduces energy use and increases the proportion of renewable energy. The company conducts an environmental inventory of the existing portfolio and during property acquisitions, in order to identify and address environmental and health risks. Read more about the company's work on pages 9–13 and 27 and sustainability reports on pages 35–46.	
<b>Violations of the Code of Conduct</b>	As a major player in the construction and property industry, there are risks pertaining to working environment, social responsibility, corruption and human rights that could harm Castellum's business and brand. These risks can be found within the company, but also among hired suppliers and partners working on assignments for Castellum.	Castellum endeavours to maintain an open business climate and a high level of business ethics involving safety and respect for all people who are affected by the operations. All employees are trained in Castellum's Codes of Conduct, which accounts for a significant portion of the mandatory training in sustainability. There are two Codes of Conduct that have been adopted by the Board of Directors: the Code of Conduct and the Code of Conduct for suppliers. Suppliers to Castellum that are procured via a framework agreement, for example, are obligated to comply with the Code of Conduct for suppliers. Castellum also conducts systematic risk assessments of suppliers to identify those with a high risk of departures from the Code of Conduct and to implement measures as needed.	

Corporate governance report

# Long-term perspective and decisiveness

**High inflation, rising interest rates and geopolitical turbulence characterised the past year. For Castellum, it has been a challenging and instructive year.**

The rapidly changing financial market impacted the entire property sector in 2023, with higher financing costs and depressed property values. One of the main tasks of the Board in such a situation is supporting executive management while maintaining a long-term perspective. Good corporate governance should ensure decision-making that helps address and manage short-term challenges without losing sight of strategic objectives.

## **Breadth and expertise on the Board**

At the March meeting, two new members were elected to the Board: Ann-Louise Lökhölm and Louise Richnau. During the summer, Leiv Synnes was replaced by Pål Ahlsén on the Board. With this, Castellum's Board of Directors expands its competence and breadth in financial issues, sustainability issues and the real estate industry from an international perspective. The function and efficiency of the Board was assessed during the year. The results show that the activities of the Board work are characterized by a high level of commitment and a diversity of experiences and perspectives when making decisions.

## **New Chief Executive Officer**

In March, after a thorough recruitment process, the Board appointed a new CEO: Joacim Sjöberg. Joacim has been a Board member of Castellum since 2020 and thus has a good understanding and knowledge of the company. He also has extensive industry experience and deep knowledge of the banking and financial sector.

**“The rapidly changing financial market impacted the entire property sector, with higher financing costs and depressed property values. One of the main tasks of the Board in such a situation is supporting executive management while maintaining a long-term perspective.”**

## **Financial stability for long-term value creation**

During the year, the Board placed great emphasis on the company's financial stability to ensure that the company maintains its investment-grade rating. Through the new share issue, a series of property sales and the unfortunate but necessary decision to suspend the dividend, the company has significantly strengthened its financial position. Castellum will stand firm even in poorer economic times and has every opportunity to continue its journey of growth in the Nordic region when market conditions are right.

On behalf of the Board, I would like to thank executive management and staff. I would also like to thank my colleagues on the Board for their good collaboration. Finally, a warm thanks to you, our shareholders, for your commitment over the past year.

## **Per Berggren**

Chairman of the Board



Corporate governance report

# Sustainable and responsible corporate governance

Sound corporate governance is the foundation of a trusting relationship with shareholders and other key stakeholders in the company’s business environment. Corporate governance is also a key component in running Castellum sustainably and responsibly – all in accordance with applicable laws, regulations and best practice – and it is customised based on Castellum’s operations.

## Structure for corporate governance

Corporate governance pertains to the decision-making systems through which the owners, directly or indirectly, control the company. This report on Castellum’s corporate governance is presented in accordance with the Swedish Annual Accounts Act and the Swedish Corporate Governance Code (the “Code”).<sup>1</sup> Castellum Aktiebolag (publ) is a Swedish listed company whose share is listed on Nasdaq Stockholm Large Cap. The Company’s Board of Directors has its registered office in Gothenburg, and the object of the company’s business is to acquire, manage, develop and sell real property and securities as well as conduct other business associated therewith – directly or indirectly through wholly or partly owned companies.

**Framework for corporate governance**

Castellum’s corporate governance is regulated through both external and internal regulations. The external regulations include such laws and ordinances as the Swedish Companies Act and the Swedish Annual Accounts Act, the Code, the

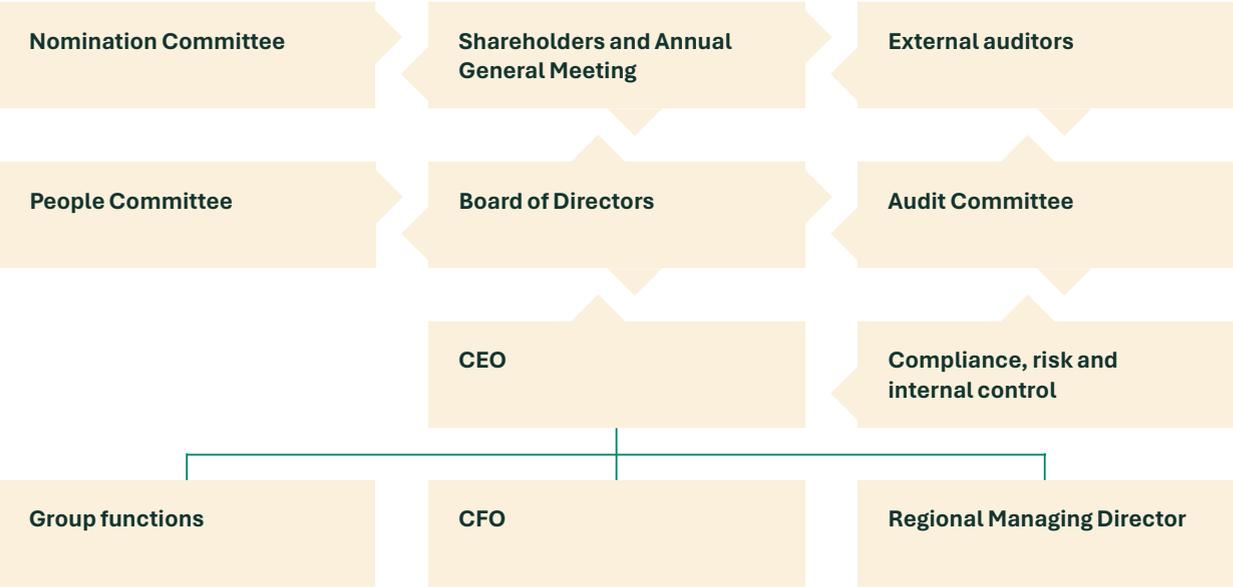
Nasdaq Stockholm Rulebook for Issuers, IFRS standards, EU accounting regulations and the UN Global Compact. The most important internal regulations are Castellum’s Articles of Association and internal governing documents that address such matters as the Board of Directors’ rules of procedure, policies, guidelines and procedures for internal control and risk management.

In all respects, Castellum was in compliance with the Code and Nasdaq’s Rulebook for Issuers as well as best practices on the stock market during the year.

**Shareholders and shares**

In 2023, Castellum carried out a new share issue of approximately SEK 10 Bn, with preferential rights for the company’s shareholders. Through this rights issue, share capital increased by SEK 82,100,242 to SEK 246,300,726 and the number of shares increased by 164,200,484 to 492,601,452.<sup>2</sup>

As of 31 December 2023, share capital totalled SEK 246,300,726, distributed across 492,601,452 shares with a quotient value of SEK 0.50 per share.



Each share entitles the holder to one vote and carries an equal right to a share in Castellum’s capital.

As of 31 December 2023, 62.7 per cent of the total share capital was owned by Swedish institutions, funds and private individuals, and 37.3 per cent by investors abroad. The largest owner was Akelius Residential Property AB (publ), which owned 13.52 per cent of the outstanding shares, and was the only

registered shareholder with holdings exceeding 10 per cent of the number of votes for all shares in the company. Additional disclosures regarding the share are reported in the section “The share” and on the company’s website.

1. The Code is available at [www.bolagsstyrning.se](http://www.bolagsstyrning.se).  
 2. After cancellation of 17,331,000 treasury shares, corresponding to SEK 8,665,500 in share capital, in accordance with the resolution of the AGM on 23 March 2023.

## Annual General Meeting

The Annual General Meeting (the “AGM”) is Castellum’s supreme decision-making body, and it is at the AGM that Castellum’s shareholders have the right to take decisions concerning the company’s affairs. In accordance with Castellum’s Articles of Association, notice to attend the AGM is published in Post- och Inrikes Tidningar and on the company’s website. Publication of the notice to attend will be announced in Dagens Industri. Castellum’s AGM is to be held in Gothenburg or Stockholm during the first half-year after the end of every financial year. The AGM resolves on such issues as the adoption of the company’s annual report, appropriation of the company’s profits or losses and discharging the Board members and Chief Executive Officer from liability. The AGM also elects Board members and auditors, and resolves on the establishment of a Nomination Committee, fees to the Board of Directors and auditors, and guidelines for determining salaries and other remuneration to the CEO and Executive Management. In accordance with Castellum’s Articles of Association, the Board has the possibility of deciding whether shareholders will exercise their voting rights by post prior to an AGM.

### Annual General Meeting 2023

Castellum’s AGM was held on 23 March 2023 in Stockholm. Shareholders also had the possibility of exercising their voting rights through postal voting. 148,047,453 shares and votes were represented at the AGM, representing 42.8 per cent of the number of shares and votes.

Matters that are customary for an annual general meeting were addressed at the 2023 AGM. The shareholders also voted to authorise the Board to decide on a share issue with preferential rights for the company’s shareholders of approximately SEK 10 Bn to strengthen the company’s financial position, safeguard its credit rating and facilitate value-creating investments. The AGM resolved on authorising the Board to decide on acquisition and transfer of treasury shares, with the acquisition limited to a maximum of the number of shares corresponding to 10 per cent of all shares in the company. The AGM also resolved to authorise the Board to decide, on one or more occasions, on new issues of shares corresponding to a maximum of 10 per cent of the company’s share capital at the point in time when the authorisation is first utilised, with or without deviation from the shareholders’ preferential rights. The AGM also resolved to reduce share capital through cancellation of treasury shares. Minutes and other documents from the AGM are available on the company’s website.

### Extraordinary General Meeting 2023

An Extraordinary General Meeting (the EGM) was held in Stockholm on 13 July 2023. During the EGM, it was resolved that the Board of Directors would continue to comprise six members, and that Pål Ahlsén would be elected as a new Board member for the period up until the end of the next AGM. Shareholders had the possibility of exercising their voting rights through postal voting at this general meeting as well.

## Nomination Committee

Castellum’s Nomination Committee is tasked with presenting proposals to the AGM on the number of Board members, the composition of the Board of Directors and proposals for remuneration to the Board. The Nomination Committee will also present proposals for the chairman of the Board and of the AGM, for auditors and their remuneration, and where applicable for changes to the instructions for appointing the Nomination Committee.

The Nomination Committee’s proposals will be announced at the latest in connection with the notice to attend the AGM. Castellum’s shareholders have the possibility of contacting the Nomination Committee with proposals and opinions.

### Nomination Committee members

Castellum’s Nomination Committee will comprise the Chairman of the Board and one member appointed by each of the four largest registered shareholders, either by number of votes or otherwise known to be so. In 2023, the company’s ownership circle changed, and this table shows the composition of the Nomination Committee before and after the constitution of the Nomination Committee ahead of the AGM of 2024. After these changes, the members of the Committee together represent roughly 24.8 per cent of the total number of shares and votes in the company.

The 2023 Annual General Meeting		The 2024 Annual General Meeting	
Member	Appointed by owner	Member	Appointed by owner
Helen Fasth Gillstedt (Chair, Nomination Committee)	Handelsbanken Fonder	Helen Fasth Gillstedt (Chair, Nomination Committee)	Handelsbanken Fonder
Ralf Spann	Akelius Residential Property AB (publ)	Kerstin Engström	Akelius Residential Property AB (publ)
Patrik Tillman	M2 Asset Management AB and M2 Capital Management AB	Richard Torgerson	Nordea Fonder
Johannes Wingborg	Länsförsäkringar Fondförvaltning AB (publ)	Johannes Wingborg	Länsförsäkringar Fondförvaltning AB (publ)
Per Berggren (Castellum’s Chairman of the Board)	–	Per Berggren (Castellum’s Chairman of the Board)	–

# Board of Directors

The Board of Directors has the overall responsibility for Castellum's strategy and organisation. Moreover, the Board is responsible for electing the CEO, looking after the interests of the company and its shareholders, and checking compliance with applicable laws, the Articles of Association and the Code.

The Board is also responsible for establishing and monitoring the Group's overall, long-term strategies and objectives as well as the budget. The Board is responsible for issues of investments, capital structure and financing, and monitors the company's financial circumstances. Moreover, the Board decides on adopting relevant policies and ensuring long-term value creation for the operations. This includes the company's Code of Conduct, which summarises the company's responsibilities and values.

The Board establishes rules of procedure for Board work every year. The rules of procedure describe the work of the Board and the allocation of responsibility between the Board and the CEO. The rules of procedure also indicate which topics are to be addressed at each Board meeting, and provide instructions regarding financial reporting to the Board. The rules of procedure also prescribe that the Board is to have an Audit Committee as well as a People Committee. The Committees prepare and produce recommendations to the Board on various matters. Members of the Committees are appointed

yearly by the Board, and their rules of procedure are included in the Board's rules of procedure.

## Composition of the Board

Under the Articles of Association, Castellum's Board is to consist of no less than four and no more than eight members. The Articles of Association do not contain any restrictions pertaining to the electability of Board members. The shareholders elect the Board members at the AGM and hold office for the period until the conclusion of the first AGM following their appointment. In 2023, the Board consisted of five to seven members. No Board member is entitled to remuneration upon their assignment coming to an end.

New Board members receive an introduction to the company and its operations and undergo, as needed, the stock exchange's training programme for board members of listed companies. Subsequently, the Board continually receives information on subjects including changes to regulations, issues that concern operations and the Board's responsibility in a listed company. The Board works continually to update its collective knowledge in sustainable development and the field of ESG. Information on the Board members, their tasks outside the Group, and their holdings in Castellum is presented on pages 114–115.

## Chairman of the Board

The Chairman of the Board is responsible for ensuring that Board members regularly receive, through the agency of the CEO, the information required to monitor the Company's financial position, earnings, liquidity, financial planning and development. The Chairman of the Board is also obliged to carry out decisions made by the AGM such as establishment of a Nomination Committee, and to participate in its work.

## Independence of the Board

Under the Code, the majority of the Board members elected by a General Meeting must be independent in relation to the company and company management, and at least two of these must also be independent in relation to the company's major shareholders. As of 31 December 2023, Castellum's Board comprised six members, of which six were independent in relation to the company and company management, and five were independent in relation to the company's major shareholders.

## Diversity policy

The Nomination Committee applies Point 4.1 of the Code as a diversity policy in its activities, with the goal of achieving a suitable composition (with regard to the company's operations, phase of development and circumstances in general) characterised by ver-

satility and breadth as regards the competence, experience and background of the Board members elected by a General Meeting. The composition of Castellum's current Board of Directors is a suitable one, marked by versatility and breadth as regards the competence and experience of its members in strategically important areas for Castellum. Furthermore, an equitable gender distribution is desirable, as reflected in the fact that 50 per cent of Castellum's Board members elected by a General Meeting are women and 50 per cent are men.

Information on the background and experience of Board members is presented on pages 114–115.

## The activities of the Board in 2023

Castellum's Board held 27 meetings in 2023, of which one was the Board meeting following election, and three Board meetings were held per capsulam. According to the prevailing rules of procedure, the Board is to hold at least seven scheduled Board meetings per calendar year in addition to the Board meeting following election. The CEO attends the meetings of the Board and the Chief Legal Officer is the secretary. Other members of Executive Management take part as needed. Each meeting also addresses the issue of potential disqualifications or other conflicts of interest in relation to any of the issues that are to be addressed at the meeting.

The Board has routinely addressed strategic issues pertaining to the company's operations and orientation, monitoring of previously completed acquisitions and investments, and new investments. One key element of the Board's work is the quarterly financial reports. The Board also receives routine reports concerning the company's financial position. One of the crucial priorities for the Board during the year was appointing a new Chief Executive Officer for the company following the resignation of the previous Chief Executive Officer at the

#### Table of attendance at Board meetings

Board members	Remuneration, KSEK	Attendance out of total meetings			
		Board of Directors <sup>1</sup>	People Committee	Audit Committee	Independent
Per Berggren	1,282	26/27	4/4	5/5	Yes
Anna-Karin Celsing	668	27/27		5/5	Yes
Henrik Käll	553	27/27		5/5	Yes
Ann-Louise Lökholm-Klasson <sup>4</sup>	407	17/17	3/3		Yes
Louise Richnau <sup>4</sup>	426	17/17	3/3		Yes
Pål Ahlsén <sup>5</sup>	262	8/8		2/2	No <sup>2</sup>
Leiv Synnes <sup>6</sup>	116	15/18		1/1	No <sup>2</sup>
Joacim Sjöberg <sup>7</sup>	24	9/10	1/1		No <sup>3</sup>
Rutger Arnhult <sup>8</sup>	45	1/2			No <sup>2</sup>
Anna Kinberg-Batra <sup>9</sup>	50	2/2	1/1		Yes

1. The large number of Board meetings should be viewed in the light of the rights issue that the company carried out during the year.

2. Not independent in relation to major stockholders.

3. Not independent in relation to the company and Executive Management.

4. The Board member took office on 23 March 2023.

beginning of the year. Another key priority for the Board during the year was preparing the proposal for and facilitating the rights issue of approximately SEK 10 Bn for the purpose of strengthening the company's financial position, safeguarding its credit rating and facilitating value-creating investments.

The Board also focused on other strategically important issues such as cost control and risk management, as well as the company's long-term strategy for achieving its sustainability goals. Furthermore, the Board has delved deeper into issues per-

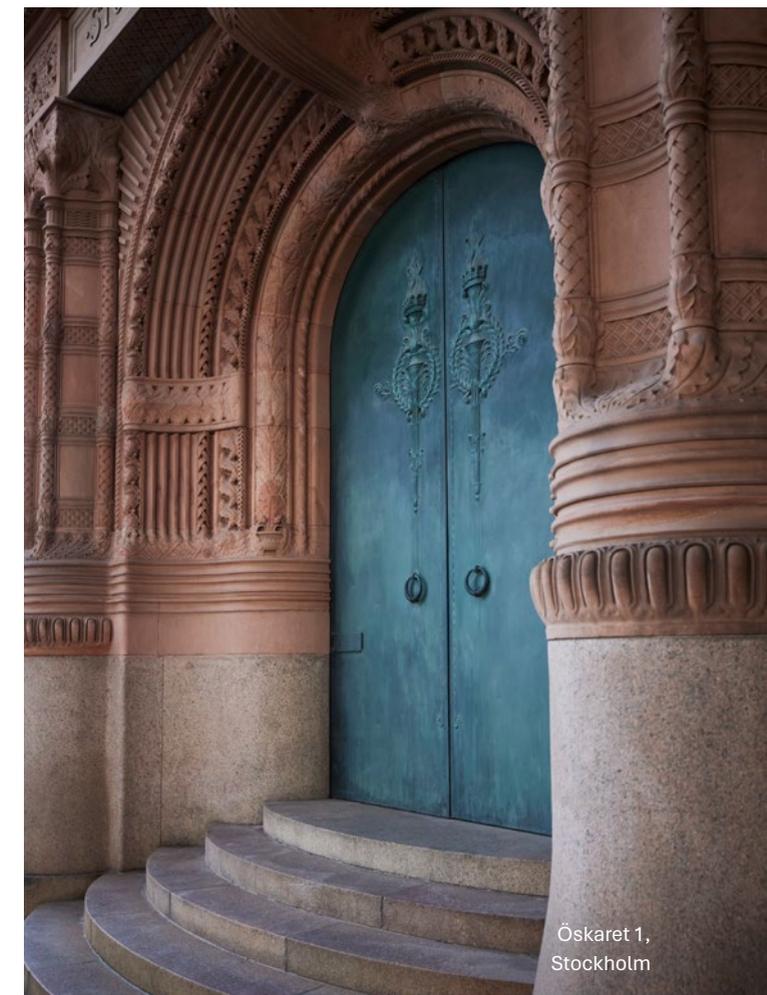
taining to the property portfolio, with a focus on its composition, risks and evaluation.

The Board has also held meetings with the auditors without representation from Executive Management.

No compensation other than remuneration for Board work and Committee work has been paid.

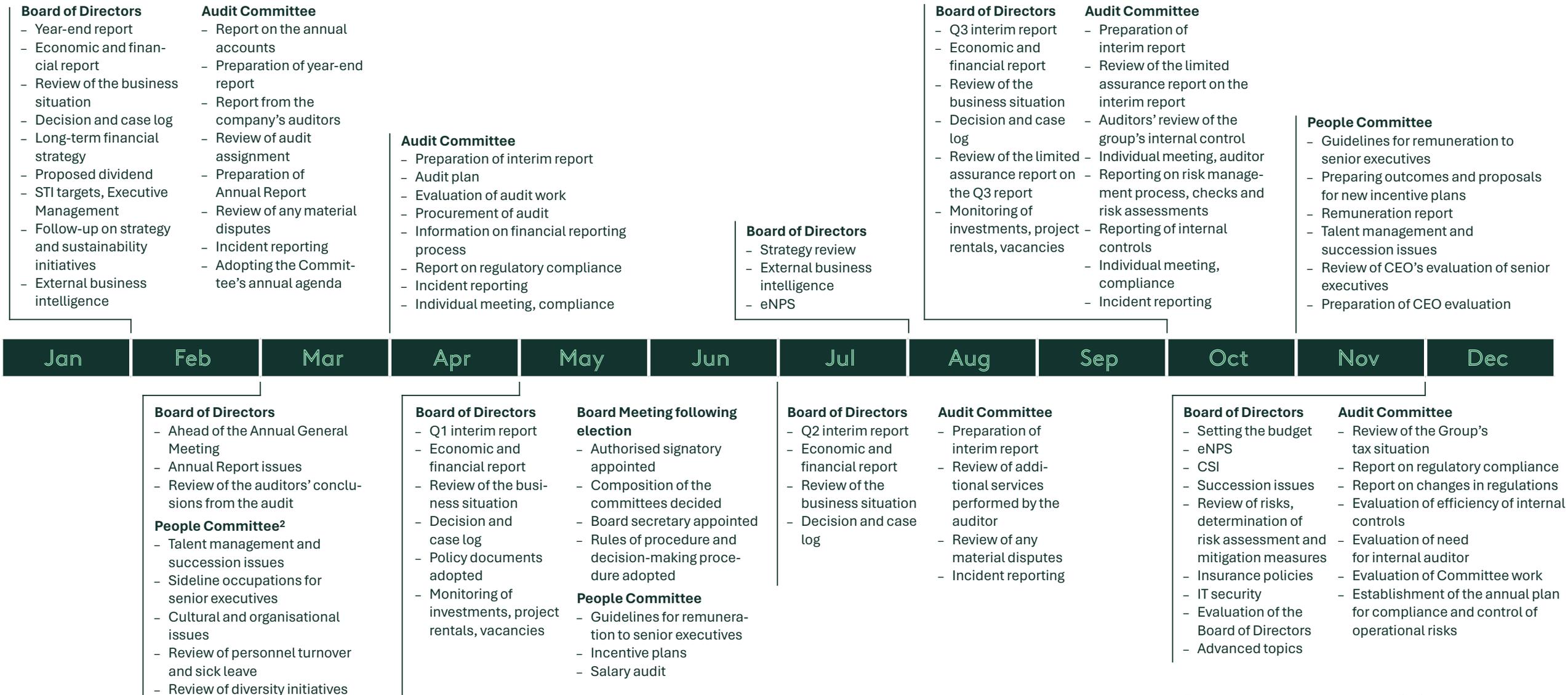
#### Evaluation of the Board

The Board undergoes an evaluation of the results of its activities, the effectiveness of its working methods and how it can be improved. In 2023, the Chairman of the Board used an external consultant to thoroughly evaluate those activities of the Board and the committees that comply with the guidelines under the Code. The evaluation indicated a high level of engagement an open and constructive Board climate. The evaluation has been presented to the Nomination Committee and was discussed by the Board. The evaluation reviewed aspects such as the role and composition of the Board, the work climate, risk management, strategy and goals, monitoring and check systems, integrity and communication. The evaluation and subsequent Board discussion serve as a basis for the ongoing development of the Board's work methods and enable the Board to take decisions that are well-informed.



Öskaret 1,  
Stockholm

**The activities of the Board of Directors<sup>1</sup>**



1. The current annual wheel began to be applied in the fourth quarter of 2023.  
2. Began to be applied in the first quarter of 2023.

## People Committee

The Board of Directors has appointed a People Committee that routinely evaluates the terms of remuneration to senior executives in light of current market conditions. The Committee prepares matters in this area for decision by the Board.

The People Committee will consist of at least three Board members who are independent of the company and its executive management. The tasks of the People Committee include preparing recruitments to key roles in Executive Management and succession issues, discussing management by objectives concerning issues of equality and diversity, monitoring and evaluating the application of the guidelines for remuneration to senior executives that the AGM has adopted, and monitoring and evaluating programmes for variable remuneration to Executive Management that are either ongoing or were concluded during the year.

The People Committee is to meet at least three times a year, and met four times in 2023. Issues that were addressed at the meetings included succession planning for executive management, evaluation of the CEO and executive management, the organisation's employee survey, personnel data, diversity targets, and salary reviews for senior executives as well as overall STI and LTI incentive plans including evaluation of STI targets. Additionally, the People Committee has prepared a proposal for the remuneration report.

Information on the members of the People Committee can be found on page 114–115.

## Audit Committee

The Board of Directors has appointed an Audit Committee that monitors such issues as audits, and prepares matters in these areas for decisions by the Board.

The Audit Committee is to consist of at least three Board members not employed by the company. The tasks of the Audit Committee include monitoring the company's financial reporting and risk initiatives, as well as staying routinely informed about the audit of the Annual Report and consolidated accounts during the year. Furthermore, the Audit Committee will meet regularly with the Group's auditors to stay informed about the scope and focus of the audit and to discuss their views of the Group's risks. The Audit Committee will also review and monitor the auditor's impartiality and independence, paying particular attention to whether the auditors provide other services besides auditing (non-audit services), as well as evaluating the audit work and informing the company's Nomination Committee of the results of the evaluation.

The Audit Committee is to hold at least five meetings a year, and the Company's auditors must attend on at least two occasions. On one of these two occasions with the auditors, no one from Executive Management may be present. In 2023, the Committee held five meetings. Issues covered at the meetings included financial reporting encompassing a review of future regulations and their potential impact on Castellum; evaluation of the property portfolio; tax; internal control and risk management; the impartiality, independence and work of the auditors; any potential material disputes in Group companies; and incident reporting from the whistleblower service. Operational issues were also thoroughly examined. In addition, the Audit Committee held individual sessions during the year with compliance and the auditors without the presence of Executive Management.

Information on the members of the Audit Committee can be found on page 114.

## Auditor

The auditor is elected by the Annual General Meeting, is an independent reviewer of Castellum's accounting and corporate governance report, sustainability report and report on green MTNs, and also reviews the administration by the Board and the CEO. The Annual General Meeting selected Deloitte as Castellum's auditor for the period until the end of the AGM of 2024. The auditor in charge at Deloitte is authorised public accountant Harald Jagner.



Harald Jagner  
Castellum's auditor

## CEO and Executive Management

The CEO is responsible for routine administration of the company and managing operations in accordance with the guidelines and instructions of the Board of Directors as well as for providing the Board with information and the necessary documentation for decisions. The CEO leads the work of Executive Management and takes decisions after consulting its members. The CEO presents reports at Board meetings and is to ensure that Board members are routinely sent the information needed to monitor the Company's and the Group's financial position, earnings, liquidity and development.

At 31 December 2023, Castellum's Executive Management consisted of the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, the Chief Legal Officer, the Communications Director, the Head of People & Culture, and the Managing Directors in the five regions. In 2023, Executive Management had 14 meetings.

Information on the members of Executive Management is presented on pages 116–117.

### Remuneration to senior executives

The current guidelines for remuneration to senior executives were adopted at Castellum's AGM of 2022. The guidelines apply to senior executives in Castellum's Executive Management group.

Under the guidelines, remuneration levels must be market-based and competitive. A fixed salary shall be paid for work performed in a satisfactory manner. Pension terms will be defined-contribution and not exceed 33 per cent of the annual salary. In addition to fixed salary, variable remuneration will be offered that rewards clearly goal-related performances in simple, transparent constructions in accordance with an earnings and share price-related incentive plan. Variable remuneration of this kind is intended to promote long-term value creation and sustainability initiatives in the Group.

In 2023, the company followed the guidelines adopted by the AGM of 2022, with the exception that the Board chose to exercise its right in the guidelines to temporarily deviate if there were specific reasons, and decided to give some senior executives a lump sum, within the framework of the total maximum remuneration in the guidelines as a result of the extraordinary year of extra work due to the rights issue. For further information regarding remuneration to Executive Management, refer to Note 9.

## Guidelines for remuneration to the executive management

**The following guidelines for determining salary and other remunerations to the executive management in Castellum Aktiebolag (publ) were adopted at the 2022 Annual General Meeting and are in effect until further notice.**

### The guidelines' promotion of the company's business strategy, long term interests and sustainability

An overall objective of the operations of Castellum is to create a sound development of shareholder value over time, which shall be achieved by implementing the company's business strategy. In short, the company's business strategy is that Castellum shall create successful and sustainable workplaces in Nordic growth regions by really keeping close to customers, while staying on the cutting edge of innovation and expertise (for more information regarding Castellum's business strategy, please see [www.castellum.com/about-castellum/strategy-and-value-creation/](http://www.castellum.com/about-castellum/strategy-and-value-creation/)). Castellum shall uphold such remuneration levels and terms of employment necessary to recruit and maintain a competent group executive management with capacity to achieve established objectives, implement the business strategy and to safeguard Castellum's long term interest, including its sustainability work. The Board of Directors considers and evaluates the remuneration as a whole, consisting of fixed remuneration, pension terms, variable remuneration and

non-monetary benefits. The overall principles in respect of the remuneration to the executive management in Castellum shall be terms adjusted to the conditions of the market and competitiveness and these guidelines enable to offer the executive management such remuneration.

### Preparation of matters regarding remuneration to the executive management

Castellum has a People Committee which consists of three Board members, including the Chairman of the Board. The members of the People Committee shall be independent of the company and its executive management. The People Committee appoints one of the members as Chairman of the People Committee. In relation to the Board of Directors, the People Committee shall have a preparatory function in respect of principles for remuneration, remuneration and other terms of employment regarding the executive management. Consequently, the People Committee shall prepare a proposal in respect of guidelines for remuneration to the executive management, which the Board of Directors shall present to, and which shall then be resolved upon by the Annual General Meeting. The People Committee shall also evaluate the application of the guidelines resolved upon by the Annual General Meeting. Further, the People Committee shall, within the scope of the guidelines resolved upon by the Annual

General Meeting, prepare proposals regarding remuneration to the Managing Director and other members of the executive management. The People Committee shall annually evaluate the Managing Director's performance. Further, the People Committee shall observe and evaluate programs for variable remuneration to the executive management which are on-going or finished during the year as well as Castellum's current remuneration structure and remuneration levels. Furthermore, the People Committee shall annually prepare a remuneration report which shall be submitted to the Annual General Meeting for approval. The Managing Director or other members of the executive management shall not participate in the People Committee's and the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

#### **The executive members and kinds of remuneration to which the remuneration guidelines apply**

The guidelines applies to executive members of the group executive management in Castellum. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2022.

#### **Fixed remuneration**

A fixed salary shall be paid for work performed in a satisfactory manner. The fixed salary shall be based on market level conditions, and shall be determined with regard to competence, area of responsibility and performance.

#### **Pension terms**

The executive management shall be entitled to pension benefits consisting of retirement pension and premium exemption, that shall be premium defined, and health insurance, that shall be benefit defined. Variable remuneration shall not be pension qualifying income, unless required by mandatory collective agreement provisions applicable for the executive member at the payment date (in which case necessary adjustment shall be made of the variable remuneration so that cost neutrality is achieved for the company). The pension benefits for executive management shall not exceed 33 per cent of the annual remuneration (fixed and variable, respectively), including payment for vacation.

#### **Variable remuneration**

In addition to the fixed salary, variable remuneration may be offered in order to reward clearly goal-referenced achievements by simple and transparent structures. The variable remuneration shall be linked to predetermined and measurable criteria. Such variable remuneration shall aim to create long

term value within the group, by contributing to Castellum's business strategy and long term interests, including its sustainability work, and shall be rewarded within the scope of one profit and share price based incentive program. Total variable remuneration per year may not exceed the fixed annual remuneration.

#### **Profit and share price based incentive program**

The profit and share price based incentive program consists of two parts, a one-year remuneration based on growth in income from property management per share and the development of individually determined factors, as well as a three-year remuneration based on to what extent established objectives in respect of the development of the share price have been achieved over a three-year period. The program's structure shall be based on the objective to align the interests of the group executive management with the interests of the shareholders by way of the group executive management also being shareholders of Castellum and by increasing the share of the total remuneration which is connected to the development of the group. Hence, the performance targets under the profit and share price based incentive program are clearly linked to Castellum's business strategy and long term interests, including its sustainability work, among others by linking the remuneration to the development of

shareholder value and by promoting the executive member's long term personal development.

#### *Profit based remuneration*

The profit based remuneration has a one-year performance and earning period for each financial year. The outcome of the annual profit based remuneration is based on growth in income from property management per share (i.e. cash flow-based growth) as well as on an overall assessment of the development of certain individually determined factors that the Board of Directors decides to give priority to under the current financial year. In order to receive full variable remuneration, a 10 per cent annual growth in income from property management per share is required and that the individually determined factors are achieved. In the event of growth in income from property management per share of between 0–10 per cent, a linear calculation is performed in respect of the outcome and the remuneration to be paid, and the same applies, as applicable, to the individually determined factors.

The maximum outcome in respect of the annual profit based remuneration for each executive member amounts to half of the annual fixed salary per financial year, based on each participant's annual fixed salary per the month of July each year. If remuneration is to be paid, payment is made annually as salary after the financial statements for the current financial year are adopted.

### *Share price based remuneration*

The share price based remuneration has a three-year performance and earning period. The outcome of the three-year share price based remuneration is based on the total return of the Castellum share in absolute terms during the three-year period, as well as on the total return of the Castellum share in comparison with one or several relevant real estate share indexes during the performance and earning period. In order to receive full variable remuneration under the three-year program, the total return must amount to at least 50 per cent during the relevant period, and the total return must further exceed the development of the indexes, respectively, with at least 5 percentage points during the relevant period. In the event of an outcome of between 0–50 per cent and 0–5 percentage points, respectively, a linear calculation is performed in respect of the outcome and the remuneration to be paid.

The maximum outcome in respect of the share price based remuneration for each executive member amounts to half of the annual salary per program (three-year period), based on an average of each participant's annual fixed salary per the month of July for all three years covered by the respective share price based incentive program.

The Board of Directors may each year resolve on the adoption of a share price based incentive program that covers three financial years. If remuneration is to be paid, payment is made as salary

after the end of each measurement period of three financial years. The participants shall undertake to purchase Castellum shares for at least half of the amount of the share price based remuneration received, after deduction for tax.

### *General regulations*

The Board of Directors resolves on the detailed terms of the profit and share price based incentive program within the terms and conditions set out in these guidelines. To which extent the criteria for awarding variable remuneration have been satisfied shall be evaluated when the measurement period has ended. The Board of Directors is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by Castellum. The received remuneration according to the incentive program shall be paid as salary, includes payment for vacation and shall not be pension qualifying income, unless required by mandatory collective agreement provisions applicable for the executive member at the payment date. In the event that the remuneration to the executive member is pension qualifying income in accordance with mandatory collective agreement provisions, necessary adjustment shall be made of the remuneration so that cost neutrality is achieved for the company.

### **Non-monetary benefits**

The non-monetary benefits may include, for example, medical insurance, phone benefits and company car. For the Managing Director, premiums and other costs relating to such benefits may amount to not more than 2 per cent of the fixed annual remuneration. For the other members of the executive management, premiums and other costs relating to such benefits may, in total, amount to not more than 5 per cent of the total fixed annual remuneration.

### **Termination of employment and severance pay**

The notice period shall, upon termination by the company, not exceed six months in respect of the Managing Director, and twelve months in respect of any other member of the executive management of the company. The notice period shall, upon termination by the Managing Director or by any other member of the executive management of the company, be six months. During the notice period full salary will be paid and other benefits will be provided to the employee, with deduction for salary and other remuneration received from another employment or business during the notice period. Such deduction shall not be made in respect of the Managing Director. A severance pay, corresponding to twelve fixed monthly salaries, shall be paid to the Managing Director upon termination by the company. Such severance pay shall not be reduced due to other income received by the Managing Director.

### **Salary and employment conditions for employees**

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the People Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

### **Deviation from the guidelines for specific reasons in particular cases**

The Board of Directors may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company's long term interests, including its sustainability work. As set out above, the People Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to deviate from the guidelines.

### **Shareholder's views**

The Board of Directors has not received any views from the shareholders on the existing remuneration guidelines for the executive management.

# The Board of Director's report on internal controls pertaining to financial reporting and regulatory compliance

**Under the Swedish Companies Act and the Code, the Board of Directors is responsible for Castellum having functional internal control and processes for checking the financial reporting in order to reduce the risk for unforeseeable discrepancies or errors in the reporting. Castellum has an Internal Controller who, together with the Compliance Manager, is responsible for ensuring a good internal control environment.**

Castellum's internal control consists of five components: control environment, risk assessment, control activities, information and communication, and monitoring. The internal control for financial reporting is described below.

## Control environment

The control environment forms the basis for internal control relating to financial reporting and consists of various parts that together form the culture and values that govern Castellum. The company's centralised accounting function is the basis for this internal control, together with shared policies for the Group, the subgroup and all legal entities. Decision-making paths, authorisations and responsibilities have been documented in the policies that form the basis for the internal controls and are

regularly updated in accordance with applicable legislation, reporting standards or listing requirements.

## Risk assessment

Risk management is built into the processes concerned, and various methods are used to evaluate and limit risks in order to achieve the company's goals as well as to ensure that the risks that the company is exposed to are managed in accordance with Castellum's policies. The company has a risk and compliance team that focuses on assessing the Group's risks, including the risk of fraud. Annual reviews are conducted of the observations based on the internal controls and the risk survey, and the risk management is monitored.

For more information on the operation's risk and risk management, refer to pages 97–101.

## Control activities

The risks identified as regards financial reporting are managed through the company's control structure, resulting in a number of control activities. The control activities include analytical monitoring on several levels in the organisation and comparison of result items, account reconciliation, monitoring and reconciling decisions and policies established by the Board.

Castellum's accounting and Treasury function are administered from the head office using uniform routines and procedures, which creates conditions for an efficient approach and facilitates a structured review of controls. Clear documentation of controls, along with routine monitoring, safeguards the continual efforts to enhance the efficiency of the procedures.

## Information and communication

Castellum's policies pertaining to financial reporting are communicated to the personnel concerned. Upon the commencement of new employment, new employees are expected to familiarise themselves with these and training courses are routinely held. Executive Management and the Board regularly receive financial information with comments on the financial results and risks. The Board also receives information about risk management, internal control and financial reporting from the company's risk and compliance team, as well as from the auditors through the Audit Committee. For distribution of external information there is a communication policy that ensures that the distribution of information is correct and complete.

## Monitoring

Through the Audit Committee, the Board evaluates the information submitted by Executive Management and the auditors. Furthermore, the Company's auditors report back on observations and their assessment of internal controls directly to the Audit Committee at least twice a year. In addition, the Audit Committee conducts an annual review of the risk assessment that was conducted and the measures agreed on. Monitoring by the Audit Committee and the Board of Directors is of particular importance for the development of internal control and for ensuring that action is taken regarding any shortcomings. Having evaluated the internal control environment and the efficiency of control activities, the Board does not believe that the company needs an internal audit function.

Gothenburg, April 2024

Castellum Aktiebolag (publ)  
Board of Directors

## Castellum's policies

### Financial policy

Establishes overall objectives and guidelines for financial risk and how financial operations are to be conducted. The financial policy also indicates how responsibility for financial operations is allocated, and how risks are to be managed and reported. It also includes instructions for how operational activities are to be pursued.

### Code of Conduct

Provides guidelines for conducting operations responsibly, with the aim of all business being characterised by a high level of business ethics and accountability. Governs the Group in relation to employees, contractors, customers, suppliers and other stakeholders. Castellum's Code of Conduct can be found on the company's website.

### Code of Conduct for suppliers

Provides similar guidelines for suppliers as for Group employees as regards conducting operations responsibly with the objective of having all business characterised by a high level of business morals and accountability. Castellum's Code of Conduct for suppliers can be found on the company's website.

### Insider policy

Ensures proper ethical management in relation to the capital market by describing trading and reporting requirements.

### Sustainability policy

Provides guidelines for how sustainability initiatives in the Group are to be pursued. The work must promote

sustainable development and be broken down into specific measurable goals as well as being an integral and natural part of operations and based on participation and commitment.

### Communication policy

Ensures that all Group communication is correct and is provided in a professional manner at the right time. The policy covers both internal and external communication.

### Crisis management policy

Provides guidelines for how the Group is to act and communicate in a potential crisis.

### Tax policy

Ensures a clear framework for tax governance in the Castellum Group as a stage in the company's sustainability initiatives. The tax policy establishes the principles for compliance with taxes in the countries where Castellum operates.

### Work environment policy

Ensures that Castellum has a healthy work environment and that the company works together to achieve it. The Castellum Group is actively and preventively engaged on issues concerning the work environment under the laws and ordinances in force.

### Related parties policy

Ensures compliance with both laws and regulations regarding related-party transactions, and that confidence in Castellum as well as its reputation in the capital market are maintained. The policy also clarifies

regulations concerning conflicts of interest under the Swedish Companies Act, which are intended for the Board of Directors and CEO.

### Personal data policy

Ensures that personal data is processed in accordance with applicable data protection legislation.

### Policy regarding the composition of the Board, authorised signatories, powers of attorney and authorisations

Establishes the compositions of the boards of directors in the Group's subsidiaries, how to sign for the company and how proxy forms are to be designed, as well as what applies for attestations.

### Whistleblowing

Castellum has a whistleblower service that is available on the company's website and intranet. The whistleblower service provides both employees and external stakeholders the opportunity to anonymously report any actions or problematic situations that entail confirmed or suspected violations of laws and policies. The service is administered by an external partner to ensure anonymity, and incoming cases are sent to selected executives in Castellum for management as well as to the chair of the Audit Committee.

# Board of Directors



## Per Berggren

Chairman of the Board since 2022 and Board member since 2007. Member of the Audit Committee and People Committee.

**Born:** 1959

**Education:** Master of Science KTH and economic education, Stockholm University.

**Previous positions:** CEO of Hemsö Fastighets AB, CEO of Jernhusen AB, Division Manager of Fabège AB (publ), CEO of Drott Kontor AB and Property Manager at Skanska Fastigheter Stockholm AB.

**Current assignment:** Chairman of the Board of Podium Fastigheter AB and Fondamentor AB. Board member of White Arkitekter AB, White Intressenter AB, Förvaltnings AB Somsok, Brisas Invest AB, Collegio AB, RetailFast Holding AB, Litsby Förvaltning AB and Förvaltnings AB Skarpång, as well as Tingsvalvet Fastighets AB and several of its subsidiaries. Per is also Senior Adviser for Slättö Förvaltning AB.

**Shareholding:** 21,997

Independent in relation to the company and Executive Management: Yes

Independent in relation to the company's major shareholders: Yes



## Pål Ahlsén

Board member since 2023. Member of the Audit Committee.

**Born:** 1972

**Education:** Master's degree in economics, Stockholm University.

**Previous positions:** Lengthy experience from the property sector concerning property management, financing and transactions as well as leadership. Was previously President and CEO, Country Manager Germany and worked in business development at Akelius Residential Property AB (publ).

**Current assignment:** Chairman of the Board of Akelius Residential Property AB (publ) and alternate Board member of Tobias Frick Fastighet AB.

**Shareholding:** 0 shares via own holdings and 66,600,760 shares via related party holdings through Akelius Residential Property AB (publ)

Independent in relation to the company and Executive Management: Yes

Independent in relation to the company's major shareholders: No



## Anna-Karin Celsing

Board member since 2021. Chair of the Audit Committee.

**Born:** 1962

**Education:** Master of Economics from Stockholm School of Economics.

**Previous positions:** Has a background in banking, finance and Investor Relations. Previous positions include Head of Investor Relations at Swedbank and member of Group Management at Ratos as Chief Information Officer.

**Current assignment:** Board member of ACK Råd AB, Volati AB, Landshypotek Bank AB, OX2 AB, Peas Industries AB, Lannebo Holding AB, Lannebo Fonder AB, KLOB i Stockholm AB, Svensk Husproduktion AB, Tim Bergling Foundation, Stiftelsen Orienteatern and Stiftelsen Beckmans Designhögskola.

**Shareholding:** 4,500

Independent in relation to the company and Executive Management: Yes

Independent in relation to the company's major shareholders: Yes



## Henrik Käll

Board member since 2022. Member of the Audit Committee.

**Born:** 1967

**Education:** Master of Economics, Uppsala University, and studies at HEC.

**Previous positions:** Lengthy background in banking and finance, in positions including global head of sales and trading at Nordea Markets. Previously also worked in London at the Natixis and Dresdner Kleinwort banks. Board member of Hoist Finance AB.

**Current assignment:** Chairman of the Board of Fxity AB and Board member of Garantum Fondkommission AB, Bellmer Capital AB and Nordend AB.

**Shareholding:** 3,000

Independent in relation to the company and Executive Management: Yes

Independent in relation to the company's major shareholders: Yes

## Board of Directors, cont.



### Ann-Louise Lökholm-Klasson

Board member since 2023. Member of the People Committee.

**Born:** 1971

**Education:** Computer Science, University of Gothenburg, and Advanced Strategic Management, IMD.

**Previous positions:** CEO of Sweco Sverige AB since 2018. Has a background as manager and leader at Ericsson, and has held several different executive positions in the Sweco Group.

**Current assignment:** CEO and Board member of several subsidiaries in the Sweco Group. Board member of Innovations-företagen, the Confederation of Swedish Enterprise, Sweco ÅF Healthcare AB and Bemsiq AB. Ann-Louise is also the Principal Advisor for the Swedish Exhibition & Congress Centre and a member of the Nomination Committee of the Sweden Green Building Council.

**Shareholding:** 3,000

Independent in relation to the company and Executive Management: Yes

Independent in relation to the company's major shareholders: Yes



### Louise Richnau

Board member since 2023. Chair of the People Committee.

**Born:** 1966

**Education:** Master of Science in Engineering, KTH; CEFA and CESGA certificate.

**Previous positions:** Lengthy background in the property sector with investments, transactions, financing, establishment of new areas of operation, and sustainability issues. Previous experience from Swedish National Pension Funds (First through Third), Drott Riks AB and Nordanö. Was responsible for constructing Brunswick Real Estate Capital, the first Nordic institutional property credit fund (now Niam Credit).

**Current assignment:** Board member of Lotsberget AB, and Chairman of the Board of Bantaba AB. Board member of Nordanö Partners AB, Nordanö Intressenter AB, Nordanö Holding AB, FRT Jakobsgatan 6 AB, Lepano AB, Propel Capital V AB, Propel Capital VI AB, Sunna Group AB, Råsundapokalen AB and J6 Rådgivning AB. Louise is also a Board member and Senior Adviser/Partner of Nordanö Partners AB.

**Shareholding:** 19,042

Independent in relation to the company and Executive Management: Yes

Independent in relation to the company's major shareholders: Yes

### Malin Löveborg

Chief Legal Officer and Secretary of the Board.

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The disclosures pertain to conditions as of 29 February 2024. Shareholdings include member's own holdings and those of spouses, minors and children living at home, holdings of associated companies and holdings through capital insurance.

# Executive Management



## Joacim Sjöberg

Employed as President and CEO since 2023.

**Born:** 1964

**Education:** Master of Laws, Stockholm University.

**Previous positions:** Senior positions at Jones Lang LaSalle, Swedbank, Öhman Fondkommission, HSH Nordbank, Alfred Berg Fondkommission and Enskilda Securities. Lawyer at Mannheimer Swartling Advokatbyrå. Chairman of the Board of Beijerinvest AB, Räckesbutiken Sweden AB, Centro Kakel & Klinker AB, JLL Transaction Services AB and Tendium Holding AB. Board member of JLL Capital Markets AB, G&L Beijer Import och export and Wästbygg.

**Current assignment:** Board member of Valhalla Corporate Advisor AB, KlaraBo Sverige AB, and Entra ASA.

**Shareholding:** 24,842



## Sebastian Schlasberg

Employed as Chief Operating Officer since 2023.

**Born:** 1982

**Education:** Bachelor of Science in Economics and Business Administration, Copenhagen Business School.

**Previous positions:** Lengthy experience from senior positions in the property industry, including as Head of Asset Management at Scius Partners, Regional Director Stockholm at Corem Property Group, and prior to that analyst at Catella Corporate Finance.

**Current assignment:** —

**Shareholding:** 1,688



## Jens Andersson

Employed as Head of Treasury since 2022 and as Chief Financial Officer since 2023.

**Born:** 1973

**Education:** Master's in economics, Linköping University and KTH.

**Previous positions:** Lengthy experience in the banking, property and capital markets. Head of Finance and responsible for the US market at Corem Property Group AB/Klövern AB, and CEO of several of its subsidiaries. Project Manager at Catella Corporate Finance AB, founder and CEO of Vanir AM AB and prior to that First Vice President at Aareal Bank.

**Current assignment:** Board member of all subsidiaries in the Castellum Group as well as Trummelsberg Förvaltning AB.

**Shareholding:** 16,985



## Hanna Brandström

Employed as Head of People & Culture since 2022.

**Born:** 1980

**Education:** Bachelor's degree in Business Administration, Södertörn University.

**Previous positions:** HR Manager General Motors Nordic, Opel/Chevrolet Sverige AB; General Manager HR & Legal at SC Motors Sweden AB and HR Director/Head of People & Culture at Kungsleden Fastighets AB.

**Current assignment:** —

**Shareholding:** 1,094



## Mats Eriksson

Employed as Managing Director, Region Mälardalen since 2022.

**Born:** 1963

**Education:** High School Engineer, House & Urban Planning, Rudbecksskolan Örebro.

**Previous positions:** Regional Director Mälardalen, Kungsleden Fastighets AB; Business Manager Retail, Newsec Asset Management AB; Manager Property Development, Ica Fastigheter AB; Business Area Manager NIAM AB and Property Manager, Siab AB.

**Current assignment:** —

**Shareholding:** 9,450



## Per Gawelin

Employed since 2006, and as Managing Director, Region Central since 2018.

**Born:** 1978

**Education:** Graduate of upper secondary economics course.

**Previous positions:** Experience in the property industry and leadership experience as captain and player for Örebro SK Football Club.

**Current assignment:** Board member of Cleanica AB.

**Shareholding:** 5,287

## Executive Management, cont.



### Malin Löveborg

Employed as Chief Legal Officer since 2022.

**Born:** 1978

**Education:** Master of Laws.

**Previous positions:** Extensive experience in the property industry, most recently as Chief Legal Officer at Corem Property Group AB/Klövern AB, and prior to that a solicitor at Setterwalls advokatbyrå AB.

**Current assignment:** —

**Shareholding:** 2,500



### Anna-Karin Nyman

Employed as Communications Director since 2018.

**Born:** 1983

**Education:** Multimedia journalism and gender studies, Karlstad University.

**Previous positions:** Experience from several managerial positions as Communications Director at Jernkontoret, Press Manager at the Ministry of Enterprise and Innovation, Chief of Staff at the Ministry for Rural Affairs, political expert in the Riksdag, journalist, editor and editor-in-chief.

**Current assignment:** Board member of Byggherrarna.

**Shareholding:** 2,228



### Ola Orsmark

Employed as Managing Director, Region Öresund since 2014.

**Born:** 1971

**Education:** Master of Science in Engineering. Certified Board member.

**Previous positions:** Extensive experience in the property industry, most recently as Business Area Manager at Jernhusen.

**Current assignment:** Board member of IDEON AB. Limited partner in Easy Kommanditbolag and Ofcourse Kommanditbolag.

**Shareholding:** 14,175



### Örjan Rystedt

Employed as project manager since 2019, and Managing Director, Region West since 2023.

**Born:** 1975

**Education:** Master of Science in Engineering, KTH.

**Previous positions:** Extensive experience from the property sector, including in executive positions at Skanska.

**Current assignment:** Board member of Halvorsång Fastighets AB and Halvorsång Holding AB.

**Shareholding:** 897



### Kristina Sawjani

Employed as Chief Investment Officer since 2020.

**Born:** 1975

**Education:** Master of Science in Engineering.

**Previous positions:** Extensive experience from executive positions in the property industry such as Transaction Manager at AFA Fastigheter, Senior Investment Manager Folksam and consultant at Catella.

**Current assignment:** Board member of M&P Management AB, Sawjani 2019 AB and Sawjani 2022 AB.

**Shareholding:** 8,858



### Sven Stork

Employed as Managing Director, Region Stockholm since 2022.

**Born:** 1967

**Education:** Master of Science in Engineering, KTH.

**Previous positions:** Key Account Manager at Newsec Asset Management AB, Asset Manager at Niam AB, project manager at NCC Property Development AB, and Regional Director Stockholm at Kungsleden Fastighets AB.

**Current assignment:** Board member of Kista Limitless AB, a cooperative company for urban development in Kista.

**Shareholding:** 3,479

The disclosures pertain to conditions as of 29 February 2024. Shareholdings include member's own holdings and those of spouses, minors and children living at home, holdings of associated companies and holdings through capital insurance. The CEO has no material holdings or partnerships in companies that Castellum has significant business connections with.



# Financial reports

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The K11 office property in Solna is an ultramodern building in a dynamic new city district that combines functionality and inspired environments. Each office floor has a balcony, and the building is crowned by a roof terrace with a view over Brunnsviken. The ground floor has several restaurants and retail premises. The building is BREEAM certified, rating Excellent.

# Overview and key metrics

## Multi-year summary

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Income statement, SEK M</b>										
Income	9,806	8,928	6,353	6,004	5,821	5,577	5,182	4,533	3,299	3,318
Property costs	-3,240	-3,089	-2,007	-1,669	-1,708	-1,632	-1,605	-1,497	-1,074	-1,096
<b>Net operating income</b>	<b>6,566</b>	<b>5,838</b>	<b>4,346</b>	<b>4,335</b>	<b>4,113</b>	<b>3,945</b>	<b>3,577</b>	<b>3,036</b>	<b>2,225</b>	<b>2,222</b>
Central administrative costs	-403	-270	-174	-149	-163	-158	-162	-143	-113	-108
Acquisition and restructuring costs, etc.	—	-7	-103	-95	-9	—	-5	-163	—	—
Income from participations in associated companies/joint ventures	-2,284	-373	1,142	—	—	—	—	3	23	—
Leasing cost/Site leasehold fee	-67	-76	-27	-20	-22	—	—	—	—	—
Net interest costs, etc.	-2,168	-1,531	-784	-786	-782	-835	-885	-832	-602	-664
<b>Income incl. associated companies/joint ventures</b>	<b>1,644</b>	<b>3,581</b>	<b>4,400</b>	<b>3,285</b>	<b>3,137</b>	<b>2,952</b>	<b>2,525</b>	<b>1,901</b>	<b>1,533</b>	<b>1,450</b>
Impairment of goodwill	-474	-440	-194	—	-179	—	—	-373	—	—
Change in values on properties	-14,534	-3,537	7,185	3,863	3,918	5,216	4,540	4,085	1,837	344
Change in values on derivatives	-1,235	2,690	325	-120	-111	152	247	82	216	-660
Change in value on financial holdings	-9	-57	42	—	—	—	—	—	—	—
Revaluation of earnings due to stepwise acquisition	—	—	111	—	—	—	—	27	-2	—
Current tax	-12	-15	-173	-186	-165	-74	-96	-23	-16	-11
Deferred tax	3,028	-472	132	-1,227	-950	-793	-1,340	-727	-687	88
<b>Net income for the year</b>	<b>-11,592</b>	<b>1,750</b>	<b>11,828</b>	<b>5,615</b>	<b>5,650</b>	<b>7,453</b>	<b>5,876</b>	<b>4,972</b>	<b>2,881</b>	<b>1,211</b>
Other comprehensive income	138	-164	121	-172	45	8	-8	6	-8	8
<b>Comprehensive income for the year</b>	<b>-11,454</b>	<b>1,586</b>	<b>11,949</b>	<b>5,443</b>	<b>5,695</b>	<b>7,461</b>	<b>5,868</b>	<b>4,978</b>	<b>2,873</b>	<b>1,219</b>
<b>Balance sheet, SEK M</b>										
Investment properties	137,552	153,563	153,146	103,042	95,168	89,168	81,078	70,757	41,818	37,599
Goodwill	4,495	4,969	5,544	1,673	1,691	1,659	1,659	1,659	—	—
Participations in associated companies (joint ventures in 2015)	10,008	13,286	13,571	2,729	—	—	—	—	526	—
Derivatives	1,948	3,214	—	—	—	—	—	—	—	—
Other assets	3,245	3,841	4,174	2,311	1,953	1,070	772	5,640	269	442
Cash and cash equivalents	2,088	858	1,197	161	173	243	203	257	39	47
<b>Total assets</b>	<b>159,336</b>	<b>179,731</b>	<b>177,632</b>	<b>109,916</b>	<b>98,985</b>	<b>92,140</b>	<b>83,712</b>	<b>78,313</b>	<b>42,652</b>	<b>38,088</b>
Equity	77,177	78,983	83,637	48,243	43,777	39,749	33,736	29,234	15,768	13,649
Deferred tax liability	14,810	17,754	17,351	11,376	10,153	9,203	8,405	7,065	4,299	3,612
Derivatives	596	468	563	1,132	715	716	1,352	1,582	1,117	1,357
Interest-bearing liabilities	61,671	76,849	70,829	45,720	40,826	40,358	38,226	38,467	20,396	18,446
Non-interest bearing liabilities	5,082	5,677	5,252	3,445	3,514	2,114	1,993	1,965	1,072	1,024
<b>Total equity and liabilities</b>	<b>159,336</b>	<b>179,731</b>	<b>177,632</b>	<b>109,916</b>	<b>98,985</b>	<b>92,140</b>	<b>83,712</b>	<b>78,313</b>	<b>42,652</b>	<b>38,088</b>

## Multi-year summary, cont.

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Property-related key metrics</b>										
Rental value, SEK/sq. m.	1,927	1,758	1,648	1,538	1,495	1,407	1,341	1,304	1,095	1,064
Property costs, SEK/sq. m.	547	511	425	369	384	378	364	376	316	307
Net operating income, SEK/sq. m.	1,209	1,048	1,008	1,039	1,001	933	853	816	673	637
Surplus ratio, %	69	68	71	74	72	71	69	67	67	67
Economic occupancy rate, %	92.1	93.4	93.2	93.1	92.6	93.2	90.9	91.3	90.3	88.7
Investments in properties, SEK M	3,746	5,911	59,946	5,158	6,112	5,292	6,488	31,491	3,553	2,525
Leasable area at end of period, 000 square metres	5,485	5,696	5,853	4,447	4,255	4,283	4,381	4,292	3,392	3,329
Number of properties at end of period	709	749	762	642	632	647	676	665	597	583
Property value at the balance sheet date, SEK/sq. m	25,258	26,737	26,667	23,549	22,363	20,417	18,268	16,558	12,282	11,118
<b>Financial key metrics</b>										
Return on total capital, %	-6.6	0.6	8.6	7.5	8.4	10.6	10.1	11.9	10.0	6.5
Return on equity, %	-14.8	2.2	22.7	13.0	14.5	22.6	20.6	20.1	21.7	9.5
Average closing interest rate, %	3.0	2.6	1.8	1.9	2.0	2.0	2.4	2.7	3.0	3.3
Interest coverage ratio, multiple	3.0	3.9	5.2	5.3	5.0	4.5	3.9	3.5	3.5	3.2
Loan-to-value ratio, property, %	43	50	45	44	43	45	47	50	49	49
<b>Data per share<sup>1</sup></b>										
Share price at end of period, SEK	143.30	106.06	204.81	175.32	186.49	137.22	116.26	104.92	101.39	102.57
Equity, SEK	157	202	206	146	135	122	104	90	70	61
Income from property management, SEK	9.69	11.45	10.46	10.38	9.67	9.08	7.78	7.40	6.81	6.44
Earnings after tax, SEK	-25.68	4.44	35.12	17.24	17.37	22.92	18.07	17.81	12.80	5.38
Cash flow before changes in working capital, SEK	9.06	10.24	9.73	9.77	9.65	8.95	7.81	7.55	6.68	6.31
Dividend per share, SEK	—	—	6.38	5.80	5.46	5.12	4.45	4.20	3.57	3.35
Number of shares outstanding, thousand <sup>1</sup>	492,601	390,929	405,384	329,852	325,218	325,218	325,218	325,218	225,002	225,002
Average number of shares, thousand <sup>1</sup>	451,377	393,849	336,784	325,727	325,218	325,218	325,218	279,196	225,002	225,002
<b>Key metrics under EPRA<sup>1</sup></b>										
EPRA EPS (income from property management after nominal tax), SEK	9.49	11.09	9.73	9.46	8.77	8.11	7.04	6.94	6.58	6.02
EPRA LTV (loan-to-value ratio, property), %	52.1	55.6	51.4	46.0	44.6	46.1	48.5	56.9	50.6	50.5
EPRA NRV (Long-term net reinstatement value), SEK	154	203	211	180	163	148	129	111	94	83
EPRA NTA (current net tangible assets), SEK	149	193	202	172	157	142	122	110	92	81
EPRA NDV (disposal value), SEK	127	165	166	142	129	117	99	85	70	61
EPRA vacancy rate, %	7.9	6.7	7.8	6.8	6.7	6.4	9.2	10.0	10.3	11.2

1. Outstanding and average number of shares and key metrics based on these have been restated with the adjustment factor 1.1904 for all comparative years, corresponding to the dilution attributable to the bonus issue element of this year's preferential rights issue.



## 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 40 per cent and an interest coverage ratio of at least 3. Furthermore, net debt to EBITDA that expresses how many years it takes for a company to repay its interest-bearing loans, is an important financial risk metric.

Interest coverage ratio	2023	2022
Income from property management	4,373	4,510
Reversed:		
Net interest costs	2,168	1,531
<b>Income from property management excl. net interest</b>	<b>6,541</b>	<b>6,041</b>
Interest coverage ratio	3.0	3.9

Loan-to-value ratio	31 Dec 2023	31 Dec 2022
Interest-bearing liabilities	61,671	76,849
Cash and cash equivalents	-2,088	-858
<b>Net interest-bearing liabilities</b>	<b>59,583</b>	<b>75,991</b>
<b>Total assets</b>	<b>159,336</b>	<b>179,731</b>
Loan-to-value ratio, %	37.4	42.3

Loan-to-value ratio, Property	31 Dec 2023	31 Dec 2022
<b>Net interest-bearing liabilities, according to above</b>	<b>59,583</b>	<b>75,991</b>
Investment properties	137,552	153,563
Loan-to-value ratio, property, %	43.3	49.5

Net debt to EBITDA	2023	2022
Interest-bearing liabilities	61,671	76,849
Cash and cash equivalents	-2,088	-858
<b>Net interest-bearing liabilities</b>	<b>59,583</b>	<b>75,991</b>
Net operating income	6,566	5,838
Central administration costs	-403	-270
<b>Operating income</b>	<b>6,163</b>	<b>5,568</b>
Net debt to EBITDA	9.7	13.6

## Investment

Net investments	2023	2022
Acquisitions	336	363
New construction, extensions and reconstructions	3,410	5,548
<b>Total investments</b>	<b>3,746</b>	<b>5,911</b>
Net sales prices	-5,206	-3,080
<b>Net investments</b>	<b>-1,460</b>	<b>2,831</b>
Proportion of the property value, %	-1.1	1.9

Surplus ratio	2023	2022
Net operating income	6,566	5,838
Reversed:		
Coworking income	-266	-232
Coworking costs	297	280
<b>Net operating income excl. coworking</b>	<b>6,597</b>	<b>5,886</b>
Rental income	8,524	7,739
Service income	1,016	957
<b>Total rental and service income</b>	<b>9,540</b>	<b>8,696</b>
Surplus ratio, %	69.2	67.7

Return on total capital	2023	2022
Income before tax	-14,608	2,237
Reversed:		
Net interest costs	2,168	1,531
Change in values on derivatives	1,235	-2,690
<b>Total</b>	<b>-11,205</b>	<b>1,078</b>
Average total capital	169,534	178,682
<b>Return on total capital, %</b>	<b>-6.6</b>	<b>0.6</b>

Return on equity	2023	2022
Earnings after tax	-11,592	1,750
Average equity	78,080	81,310
<b>Return on equity, %</b>	<b>-14.8</b>	<b>2.2</b>

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# Consolidated statement of comprehensive income

SEK M		2023	2022
<b>Income</b>	Note 2, 3	<b>9,806</b>	<b>8,928</b>
Operating costs	Note 4	-1,517	-1,490
Maintenance costs	Note 4	-349	-286
Property tax	Note 4	-590	-580
Lease and property administration costs	Note 4	-784	-734
<b>Net operating income</b>		<b>6,566</b>	<b>5,838</b>
Central administrative costs	Note 4	-403	-270
Acquisition costs		—	-7
Income from participations in associated companies	Note 5	-2,284	-373
<i>Net financial items</i>			
Interest income	Note 6	39	0
Interest costs	Note 6	-2,207	-1,531
Leasing cost/Site leasehold fee	Note 7	-67	-76
<b>Income from property management, incl. acquisition costs/financing costs</b>		<b>1,644</b>	<b>3,581</b>
<b>of which income from property management<sup>1</sup></b>		<b>4,373</b>	<b>4,510</b>
<i>Changes in value</i>			
Properties	Note 10	-14,534	-3,537
Financial holdings		-9	-57
Goodwill	Note 13	-474	-440
Derivatives		-1,235	2,690
<b>Income before tax</b>		<b>-14,608</b>	<b>2,237</b>
Current tax	Note 8	-12	-15
Deferred tax	Note 8	3,028	-472
<b>Net income for the year<sup>2</sup></b>		<b>-11,592</b>	<b>1,750</b>

SEK M	2023	2022
<b>Other comprehensive income</b>		
Net income for the year	-11,592	1,750
<i>Items that will be reclassified to net income for the year</i>		
Translation difference of currencies, etc.	-921	530
Change in values on derivatives, currency hedge	1,059	-694
<b>Comprehensive income for the year<sup>2</sup></b>	<b>-11,454</b>	<b>1,586</b>
<b>Data per share</b> (since there are no potential shares, there is no dilution effect)		
Average number of shares, thousand <sup>3</sup>	451,377	393,849
Earnings per share, SEK <sup>3</sup>	-25.68	4.44

1. For calculation, refer to Financial Key Metrics, page 121.

2. Of net income for the year, SEK -11,592 M (1,750) is attributable to the Parent Company's shareholders. Of comprehensive income for the year, SEK -11,454 M (1,586) is attributable to the Parent Company's shareholders.

3. Outstanding and average number of shares and key metrics based on these have been restated with the adjustment factor 1.1904 for all comparative years, corresponding to the dilution attributable to the bonus issue element of this year's preferential rights issue.

# Consolidated balance sheet

SEK M		31 Dec 2023	31 Dec 2022
<b>ASSETS</b>			
<b>Fixed assets</b>			
Investment properties	Note 10	137,552	153,563
Intangible fixed assets	Note 11	18	—
Tangible fixed assets	Note 11	108	210
Right-of-use assets site leasehold	Note 12	1,441	1,591
Goodwill	Note 13	4,495	4,969
Participations in associated companies	Note 14	10,008	13,286
Derivatives	Note 21	1,780	2,795
Other fixed assets	Note 15	98	102
<b>Total fixed assets</b>		<b>155,500</b>	<b>176,516</b>
<b>Current assets</b>			
Rent receivables	Note 3	95	135
Derivatives	Note 21	168	420
Other receivables		688	996
Prepaid expenses and accrued income		797	806
Cash and cash equivalents		2,088	858
<b>Total current assets</b>		<b>3,836</b>	<b>3,215</b>
<b>TOTAL ASSETS</b>		<b>159,336</b>	<b>179,731</b>

SEK M		31 Dec 2023	31 Dec 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	Note 16		
Share capital		246	173
Other capital contribution		38,942	29,027
Reserves		-27	-164
Hybrid bonds		10,169	10,169
Retained earnings		27,847	39,778
<b>Total equity attributable to Parent Company shareholders</b>		<b>77,177</b>	<b>78,983</b>
<b>Total equity</b>		<b>77,177</b>	<b>78,983</b>
<b>Liabilities</b>	Note 17		
<i>Long-term liabilities</i>			
Deferred tax liability	Note 8	14,810	17,754
Other provisions	Note 20	26	28
Derivatives	Note 21	498	311
Long-term interest-bearing liabilities	Note 17	57,134	64,616
Lease liability	Note 12	1,441	1,591
<i>Total long-term liabilities</i>		<i>73,909</i>	<i>84,300</i>
<i>Short-term liabilities</i>			
Short-term interest-bearing liabilities	Note 17	4,537	12,233
Accounts payable		285	394
Tax liabilities		54	138
Derivatives	Note 21	98	158
Other liabilities		625	1,165
Accrued expenses and prepaid income	Note 22	2,651	2,362
<i>Total short-term liabilities</i>		<i>8,250</i>	<i>16,450</i>
<b>Total liabilities</b>		<b>82,159</b>	<b>100,749</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>159,336</b>	<b>179,731</b>

## Income statement for the Parent Company

SEK M		2023	2022
Income	Note 3	325	211
Central administrative costs	Note 4	-459	-360
<i>Financial items</i>			
Income from participations in Group companies	Note 6	948	475
Income from participations in associated companies	Note 5	-2,532	333
Financial income	Note 6	1,771	1,170
Financial costs	Note 6	-2,070	-1,941
<b>Income before changes in value and tax</b>		<b>-2,017</b>	<b>-112</b>
<i>Changes in value</i>			
Financial investment		-9	-57
Derivatives	Note 21	-99	1,489
<b>Income after changes in value</b>		<b>-2,125</b>	<b>1,320</b>
Appropriations		-4	—
<b>Income before tax</b>		<b>-2,129</b>	<b>1,320</b>
Current tax	Note 8	-50	0
Deferred tax	Note 8	96	-383
<b>Net income for the year</b>		<b>-2,083</b>	<b>937</b>

## Statement of comprehensive income for the Parent Company

SEK M	2023	2022
Net income for the year according to the income statement	-2,083	937
<b>Other comprehensive income</b>		
<i>Items that will be reclassified to net income for the year</i>		
Translation difference of currencies	—	240
Unrealised change, currency hedge	30	-326
<b>Comprehensive income for the year</b>	<b>-2,053</b>	<b>852</b>

# Balance sheet for the Parent Company

SEK M		31 Dec 2023	31 Dec 2022
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible fixed assets	Note 11	14	—
Tangible fixed assets	Note 11	25	86
<i>Financial fixed assets</i>			
Participations in Group companies	Note 25	46,347	47,342
Participations in associated companies	Note 14	10,008	12,693
Derivatives	Note 21	1,287	1,764
Long-term receivables, Group companies	Note 26	42,503	38,923
Other long-term receivables		2	—
<i>Total financial fixed assets</i>		<i>100,147</i>	<i>100,722</i>
<b>Total fixed assets</b>		<b>100,186</b>	<b>100,808</b>
<b>Current assets</b>			
Current receivables, Group companies		1,219	11,286
Derivatives	Note 21	103	419
Prepaid expenses and accrued income		65	49
Other receivables		132	117
Cash and cash equivalents		942	10
<b>Total current assets</b>		<b>2,461</b>	<b>11,881</b>
<b>TOTAL ASSETS</b>		<b>102,647</b>	<b>112,689</b>

SEK M		31 Dec 2023	31 Dec 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	Note 16		
<i>Restricted equity</i>			
Share capital		246	173
Statutory reserves		20	20
<i>Non-restricted equity</i>			
Fair value reserve		-69	-97
Share premium reserve		31,131	25,026
Hybrid bonds		10,169	10,169
Retained earnings		8,632	4,223
Net income for the year		-2,083	937
<b>Total equity</b>		<b>48,046</b>	<b>40,451</b>
<b>Untaxed reserves</b>		<b>4</b>	<b>—</b>
<b>Liabilities</b>	Note 17		
<i>Long-term liabilities</i>			
Derivatives	Note 21	498	170
Deferred tax liability	Note 8	171	321
Long-term interest-bearing liabilities	Note 17	28,659	37,284
Long-term interest-bearing liabilities, Group companies		12,709	12,735
<i>Total long-term liabilities</i>		<i>42,037</i>	<i>50,510</i>
<i>Short-term liabilities</i>			
Short-term interest-bearing liabilities		3,251	10,020
Short-term liabilities, Group companies		8,941	10,709
Derivatives	Note 21	98	158
Other short-term liabilities		57	637
Accounts payable		4	27
Accrued expenses and prepaid income	Note 22	207	177
<i>Total short-term liabilities</i>		<i>12,558</i>	<i>21,728</i>
<b>Total liabilities</b>		<b>54,595</b>	<b>72,237</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>102,647</b>	<b>112,689</b>

# Change in equity

Group, SEK M	Attributable to Parent Company shareholders						Non-controlling interest	Total equity	
	Number of shares outstanding, thousand	Share capital	Other capital contribution	Currency translation reserve	Currency hedging reserve	Hybrid bonds			Retained earnings
<b>Equity, 31 Dec 2021</b>	<b>340,544</b>	<b>173</b>	<b>29,027</b>	<b>779</b>	<b>-780</b>	<b>10,164</b>	<b>43,581</b>	<b>693</b>	<b>83,637</b>
Dividend 2022 (SEK 7.60/share)	—	—	—	—	—	—	-2,496	—	-2,496
Repurchase of own shares	-12,143	—	—	—	—	—	-2,752	—	-2,752
Dividend, hybrid bond	—	—	—	—	—	5	-167	—	-162
Transactions with non-controlling interest	—	—	—	—	—	—	-137	-693	-830
Net income 2022	—	—	—	—	—	—	1,750	—	1,750
Other comprehensive income, 2022	—	—	—	530	-695	—	—	—	-164
<b>Equity, 31 Dec 2022</b>	<b>328,401</b>	<b>173</b>	<b>29,027</b>	<b>1,309</b>	<b>-1,475</b>	<b>10,169</b>	<b>39,779</b>	<b>—</b>	<b>78,983</b>
New issue of shares	164,200	82	10,098	—	—	—	—	—	10,180
Expenses for new share issue <sup>1</sup>	—	—	-183	—	—	—	—	—	-183
Cancellation of treasury shares	—	-9	—	—	—	—	9	—	—
Dividend, hybrid bond	—	—	—	—	—	—	-349	—	-349
Net income 2023	—	—	—	—	—	—	-11,592	—	-11,592
Other comprehensive income, 2023	—	—	—	-921	1,059	—	—	—	138
<b>Equity, 31 Dec 2023</b>	<b>492,601</b>	<b>246</b>	<b>38,942</b>	<b>388</b>	<b>-416</b>	<b>10,169</b>	<b>27,847</b>	<b>—</b>	<b>77,177</b>

Parent Company, SEK	Number of shares outstanding, thousand	Share capital	Statutory reserves	Fair value reserve		Hybrid bonds	Retained earnings	Share premium reserve	Total equity
				Currency translation reserve	Currency hedging reserve				
<b>Equity, 31 Dec 2021</b>	<b>340,544</b>	<b>173</b>	<b>20</b>	<b>176</b>	<b>-188</b>	<b>10,164</b>	<b>9,638</b>	<b>25,026</b>	<b>45,009</b>
Dividend 2022 (SEK 7.60/share)	—	—	—	—	—	—	-2,496	—	-2,496
Repurchase of own shares	-12,143	—	—	—	—	—	-2,752	—	-2,752
Dividend, hybrid bond	—	—	—	—	—	5	-167	—	-162
Net income 2022	—	—	—	—	—	—	937	—	937
Other comprehensive income, 2022	—	—	—	241	-326	—	—	—	-85
<b>Equity, 31 Dec 2022</b>	<b>328,401</b>	<b>173</b>	<b>20</b>	<b>417</b>	<b>-514</b>	<b>10,169</b>	<b>5,160</b>	<b>25,026</b>	<b>40,451</b>
New issue of shares	164,200	82	—	—	—	—	—	10,098	10,180
Expenses for new share issue <sup>1</sup>	—	—	—	—	—	—	—	-183	-183
Cancellation of treasury shares	—	-9	—	—	—	—	3,818	-3,809	—
Dividend, hybrid bond	—	—	—	—	—	—	-349	—	-349
Net income 2023	—	—	—	—	—	—	-2,083	—	-2,083
Other comprehensive income, 2023	—	—	—	-420	450	—	—	—	30
<b>Equity, 31 Dec 2023</b>	<b>492,601</b>	<b>246</b>	<b>20</b>	<b>-3</b>	<b>-65</b>	<b>10,169</b>	<b>6,546</b>	<b>31,132</b>	<b>48,046</b>

1. Expenditure for new share issue, net, after tax effect of SEK 48 M.

# Cash flow statement

SEK M	Group		Parent Company	
	2023	2022	2023	2022
<b>Operating activities</b>				
Net operating income/revenue (Parent Company)	6,566	5,838	325	211
Central administrative costs	-403	-270	-459	-360
Adjustment for non-cash items	Note 27	274	188	69
Interest received	39	0	1,550	1,170
Interest paid	-2,293	-1,579	2,042	-1,942
Tax paid	-92	-144	-3	—
<b>Cash flow from operating activities before change in working capital</b>	<b>4,091</b>	<b>4,033</b>	<b>560</b>	<b>-913</b>
<i>Cash flow from changes in working capital</i>				
Change in current receivables	326	153	8,109	-3,460
Change in current liabilities	396	101	19	-31
<b>Cash flow from operating activities</b>	<b>4,813</b>	<b>4,287</b>	<b>7,568</b>	<b>-4,404</b>
<b>Investment activities</b>				
Investments in new construction, extensions and reconstructions	Note 10	-3,368	-5,446	—
Property acquisitions	Note 27	-336	-72	—
Indirect property acquisitions	Note 27	—	-286	—
Sales of properties	Note 27	120	21	—
Indirect property sales	Note 27	4,354	3,022	—
Acquisition of machinery and equipment		-93	-85	-16
Sale of investments held as long-term assets		—	133	133
Investments in subsidiaries		—	—	-937
Dividend received		146	333	484
Investments in associated companies		—	—	-3
Other investments		-23	-26	-38
<b>Cash flow from investment activities</b>	<b>800</b>	<b>-2,406</b>	<b>4,098</b>	<b>-361</b>

SEK M		Group		Parent Company	
		2023	2022	2023	2022
<b>Financing activities</b>	Note 19				
New issue of shares		9,997	—	9,997	—
Repurchase of own shares		—	-2,752	—	-2,752
Dividend paid		-624	-1,872	-624	-1,872
Hybrid bond		-349	-167	-349	-167
Transactions with non-controlling interest		—	-830	—	—
Drawn loans		16,186	29,196	11,256	33,617
Repayment of loans		-29,994	-24,999	27,740	-20,432
Derivatives		407	-733	535	-733
Change in long-term receivables		-3	5	-3,809	-2,923
<b>Cash flow from financing activities</b>		<b>-4,380</b>	<b>-2,152</b>	<b>10,734</b>	<b>4,738</b>
<b>Cash flow for the year</b>		<b>1,233</b>	<b>-271</b>	<b>932</b>	<b>-27</b>
Cash and cash equivalents opening balance		858	1,197	10	37
Exchange-rate difference in cash and cash equivalents		-3	-68	—	—
<b>Cash and cash equivalents, closing balance</b>	Note 27	<b>2,088</b>	<b>858</b>	<b>942</b>	<b>10</b>

# Accounting policies and Notes

## Note 1 Accounting and valuation policies

### General information

Castellum Aktiebolag (publ) Corporate ID No. 556475-5550 is the Parent Company in the Castellum Group. The registered office of Castellum Aktiebolag (publ) is in Gothenburg, Sweden. The company has two head offices, located at Östra Hamngatan 16 in Gothenburg and at Hangövägen 20 in Stockholm.

The Annual Report and consolidated financial statements of Castellum Aktiebolag (publ) for the financial year ending 31 December 2023 were approved by the Board of Directors and the Chief Executive Officer on 9 April 2024, and will be proposed to the Annual General Meeting on 7 May 2024 for adoption. The business activities of the Group are described in the Directors' Report.

### Standards and legislation applied

Castellum's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, as well as with statements from the International Financial Reporting Interpretations Committee (IFRIC) as approved by the EU. Furthermore, the consolidated financial statements have been prepared in accordance with Swedish law by application of the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Corporate Groups.

### Amended accounting policies for 2023

In preparing the consolidated financial accounts, the same accounting and valuation policies are used as those described in the 2022 Annual Report. The updates to IAS 1 mean that only material and company-specific accounting policies are described. Other EU-approved new and amended standards, as well as interpretations from the IFRS Interpretations Committee, are not expected to affect Castellum's net income or financial position to any significant extent.

### *New standards that have not yet been applied*

EU-approved new and amended standards, as well as interpretations from the IFRS Interpretations Committee, are not expected to affect Castellum's net income or financial position to any significant extent. The same applies to Swedish regulations.

### Consolidated financial statements

The Group's balance sheet and income statements include all companies where the Parent Company has a direct or indirect controlling interest, which is obtained when Castellum achieves a voting majority. In addition to the Parent Company, the Group comprises the Group companies and their respective sub-groups listed in Note 25. The consolidated financial statements are based upon the accounts prepared for all Group companies as of 31 December.

The consolidated financial statements have been prepared in accordance with the acquisition method.

### *Associated companies*

Participation in another company is recognised as an associated company if Castellum exercises a significant influence over the company's operational and financial governance through holding at least 20 per cent and at most 50 per cent of the votes. Associated companies are recognised in the consolidated financial statements in accordance with the equity method.

### Foreign currency

Exchange rate differences on operational and financial assets and liabilities are included in other financial income and costs. Translation differences on loans and other financial instruments denominated in foreign currency, which hedge net assets of foreign subsidiaries and associated companies, are recognised in other comprehensive income and accumulated in a separate component of equity entitled the trans-

lation reserve. Exchange rate effects on fair value and cash flow hedges are included in the line derivatives in profit or loss.

### Critical assessments and estimates

Accounts are completed in accordance with the IFRS, and generally accepted accounting principles require assessments and assumptions affecting recognised assets, liabilities, income and costs, as well as other information. These assessments and assumptions are based upon historical experience and other factors which are considered reasonable under the prevailing circumstances. Actual outcomes may differ from these assessments if other assumptions are made or other conditions exist. Estimates and assessments are reviewed on a regular basis.

### *Investment properties*

For valuation of investment properties, assessments and assumptions can have a significant effect on the income and financial position of the Group. These valuations require estimates and assumptions of future cash flows and determination of the discounting factor (yield requirement). To reflect the uncertainty that exists in the assessments and assumptions, an uncertainty range of +/- 5–10 per cent is normally used in property valuations. Information about this, along with prevailing assessments and assumptions, is presented in Note 10.

### *Asset acquisitions versus business combinations*

A company acquisition can be classified as either a business combination or an asset acquisition. A company acquisition whose primary purpose is acquiring a company's property (i.e. where the company's potential property management and administration are of secondary importance to the acquisition) is classified as an asset acquisition. Other company acquisitions are classified as business combinations.

## Note 1 cont.

For asset acquisitions, no deferred tax is recorded in the acquisition. Instead, a possible tax discount reduces the acquisition cost of the property, meaning that changes in value will be affected by the tax discount in the subsequent valuation.

Business combinations are recognised using the acquisition method.

Establishing fair value often requires assumptions and estimates of future events by company management, which in general entails large assessments and estimates. Changes in the assumptions or estimates that are required to establish the fair value of the assets and liabilities acquired may impact the amount pertaining to assets, liabilities and goodwill as a result of allocating the purchase price.

### *Goodwill*

Estimates and assessments are also made regarding goodwill in the form of an impairment test. When goodwill is impairment tested, a number of material assumptions and assessments must be taken into consideration in order to calculate the value in use of the cash-generating unit. These assumptions and assessments are attributable to expected future discounted cash flows and risk factors. Forecasts for the future cash flows are based on the best possible assessments of future income and costs as well as general market conditions and trends in the industry. Impairment testing of goodwill that is attributable to previous asset portfolio acquisitions is carried out in conjunction with divestment, amended tax legislation, or alternately a downturn in the value of the properties that impacts the temporary difference.

### *Associated companies*

On every balance-sheet date, the carrying amounts of the company's holdings in associated companies are tested to assess whether there are indications of a need for impairment for the investment. If so, an impairment amount is calculated corresponding to the difference between the assessed recoverable amount and the carrying amount. There are significant assessments regarding the recoverable amount. The impairment is recognised under "Income from associated companies" in profit or loss.

### *Deferred tax liability*

According to the accounting rules, deferred tax is to be recognised using the nominal tax rate without discount, calculated according to the tax rate of 20.6 per cent in Sweden. As regards Denmark and Finland, local tax rates are used: 22 per cent and 20 per cent respectively. Actual tax is considerably lower, in part due to the possibility of selling properties in a tax-efficient manner, and in part due to the time factor.

### **Definition of operating segments**

The Group's operations are organised, governed and reported by geographical region and coworking. Operating segments are consolidated according to the same principles as the Group in its entirety. Income and costs for each operating segment are actual costs, without any allocation of joint costs. The same applies to the assets and liabilities recognised in the note on segments.

### **Cash flow statement**

The cash flow statement has been prepared according to the indirect method.

### **Income**

#### *Rental and service income, and income from coworking*

Rental income, which from an accounting perspective represents income from operating leases, is invoiced in advance and recognised as a linear allocation in profit or loss, based on the terms in the leases.

The income is divided into rental income and service income. The former includes the customary rent debited including index adjustments, additional charging for investments, and property tax; the latter refers to all other additional charging for extra services such as heating, cooling, waste, water, and so on. Service income is recognised in the period the service was performed and delivered to the tenant. Rental and service income are paid in advance, and prepaid rents are recorded as deferred rental income.

In cases where a lease permits a reduction in rent during a certain period of time matched by a higher rent at another point in time, this

rent deficit and surplus are distributed over the term of the lease. Pure discounts, such as reduction for gradual occupancy, are charged to the period in which they occur.

Income from United Spaces, the wholly owned coworking group, consists of membership fees and sales of other services. These are reported under income in profit or loss.

### *Financial income*

Financial income consists of interest income and is recognised in the period it refers to. The effective interest method is applied in calculating financial income.

### **Financial costs**

Financial costs include interest costs (interest and other costs that arise when borrowing money) as well as leasing costs and site leasehold fees. Pledging costs for mortgages are not considered financial costs but are capitalised as an increase in value of the investment property. Financial costs are recognised in the period they are attributable to. Interest costs also include costs for interest rate derivative agreements. Payment streams from these agreements are taken up as income in the period they refer to. Net financial items are not affected by market valuation of the derivative contracts entered into, which are instead recognised as changes in value under a separate heading. The portion of the interest cost pertaining to interest rates during the production period for larger new construction, extensions or reconstructions is capitalised. Interest is calculated based on the average funding cost for the Group.

Leasing costs consist primarily of leases in United Spaces, the coworking group.

### **Remuneration to employees**

Remuneration to employees is recognised in pace with the performance of services in exchange for remuneration. Remuneration under incentive plans, which is settled in cash and paid as non-pensionable salary, is recognised in pace with achieving objectives and the term of the plan.

## Note 1 cont.

Pensions and other post-employment benefits can be classified as defined-contribution or defined-benefit plans. The majority of the Castellum Group's pension commitments are defined-contribution plans, fulfilled through regular payments to independent authorities or bodies administering the plans. Obligations regarding payments to defined-contribution plans are recognised as costs when they arise. A small number of employees within the Castellum Group have defined-benefit ITP plans with ongoing payments to Alecta. These plans are recognised as defined-contribution plans, since Alecta does not provide the information needed in order to report the plan as a defined benefit plan. There are, however, no indications of any significant liabilities exceeding what has been paid to Alecta.

### Income taxes

Income tax is divided into current and deferred tax in profit or loss. Income tax is recognised in the income statement except when attributable to transactions recognised directly against equity, as the tax effect is also recognised directly against shareholders' equity. Current tax is calculated based on the current tax rate of 20.6 per cent in Sweden. As regards Denmark and Finland, current and deferred tax are calculated at 22 per cent and 20 per cent respectively.

### Deferred tax

Deferred tax on temporary differences arising between the carrying amount of an asset or liability and its tax base is recognised in Castellum under the balance-sheet method. A tax liability or tax asset is thus realised on the date the asset or liability is sold. Exceptions are made for temporary differences arising from the initial recognition of assets and liabilities that make up asset acquisitions. Castellum has four items that contain temporary differences: properties, financial instruments, tax loss carry forwards and untaxed reserves. Deferred tax assets related to tax loss carry forwards are recognised, since it is probable that future taxable income, which may be utilised to offset tax loss carry forwards, will be available. Deferred tax liability is calculated on the difference between the properties' carrying amount and their tax base, as well as on financial instruments and untaxed reserves. For

changes to any of the items above, the deferred tax liability/tax asset is also changed, which is recognised in profit or loss as deferred tax. The exemption rule in IAS 12 is applied, meaning that deferred tax on temporary differences attributable to the Top-Up Tax Act is not recognised.

### Current tax

Current tax recognised in profit or loss corresponds to the tax the company must pay on taxable income for the year, adjusted for any current tax regarding previous periods.

### Leases

Leases where essentially all risks and benefits associated with ownership fall to the lessor are classified as operational leases. From a reporting perspective, all current rental agreements attributable to Castellum's investment properties are to be regarded as leases. Recognition of these leases is indicated in the income policy and Note 3.

From an accounting perspective, site leasehold agreements are leases and are reported as right-of-use assets. There are also a small number of low-value leases, where Castellum is the lessee. These pertain primarily to cars. Payments made during the leasing period are expensed in profit or loss in a straight line over the leasing period.

### Investment properties

Investment properties are properties held for the purpose of generating rental income, capital appreciation, or a combination of both rather than for use in the company's own operations for production and supply of goods and services or for administrative purposes and sales in operating activities. All of Castellum's properties, whether owned or used through site leasehold agreements, are deemed to make up investment properties. If the Group begins investment in an existing investment property for continued use as an investment property, it is also recognised as an investment property going forward.

### Valuation

Investment properties, which upon acquisition were recognised at acquisition cost including costs directly attributable to the acquisition,

have been recognised at fair value. Fair value was established through an internal valuation model described in Note 10.

### Change in value

Change in value is recognised in profit or loss and consists of both unrealised and realised change in value. The unrealised change in value is calculated based on the valuation at the end of the period compared with the valuation last year, or alternately on the acquisition cost – if the property was acquired during the year – plus additional costs capitalised during the period. For properties sold during the year, unrealised change in value is calculated based on the valuation at the latest interim report prior to the sale, compared with the valuation at the end of the preceding year adjusted for additional expenditures capitalised during the period. The method for calculating realised change in value is indicated by the accounting policies for income from property sales.

### Additional expenditures

Additional expenditures that entail economic benefits for the company (i.e. they increase valuation and can be reliably calculated) are capitalised. Costs for repairs and maintenance are expensed in the period they arise in. For major new construction, extensions and reconstructions, interest expenditure during the construction period is capitalised.

### Acquisitions and sales

Acquisitions are consolidated as of the occupancy date, and divestments up until the closing date.

Income from property sales is recognised on the closing date. Sales of properties in corporate wrappers are net accounted for with reference to underlying property price and tax discount provided. Earnings from sales of properties are recognised as changes in value and refer to the differences between received sales prices after deduction of sales costs, tax and carrying amount in the most recent interim report, with adjustments for investments made after the most recent interim report.

Note 1 cont.

### **Tangible fixed assets**

Tangible fixed assets consist of equipment recognised at acquisition cost less any accumulated depreciation and impairment. Depreciation of equipment is based on the acquisition cost less any later impairments. The residual value is assumed to be non-existent. Impairments on assets acquired during the year take the acquisition date into account. Depreciation is on a straight-line basis, which means equal depreciation over the period of use – normally five years.

### **Goodwill**

Goodwill in the consolidated accounts represents the difference between the acquisition cost and the Group's share of the fair value of the acquired Group company's identifiable net assets at the acquisition date.

On the acquisition date, goodwill is valued at acquisition cost; thereafter, it is valued at acquisition cost less any impairment. Goodwill is tested at least once a year regarding the need for any impairment, or when there is an indication that a carrying amount is not recoverable.

### **Financial instruments**

Financial instruments recognised in the balance sheet include cash and cash equivalents, rent receivables, financial assets, other receivables excluding loan receivables among assets; and interest rate and currency derivative instruments, accounts payable, other liabilities and loans among liabilities.

Financial instruments are initially recorded at fair value equivalent to acquisition cost plus transaction costs, excepting the category of financial instruments recognised at fair value through the income statement, where transaction costs are instead expensed.

A financial asset is removed from the balance sheet when the rights in the agreement are realised or expire, or when the company no longer exercises control over it. A financial liability is removed from the balance sheet when contractual obligations in the agreement have been paid or otherwise extinguished.

### *Cash and cash equivalents*

Cash and cash equivalents consist entirely of unappropriated bank balances.

### *Receivables*

Financial assets which are not derivatives, that feature fixed or fixable payments and are not quoted on an active market, are recognised as receivables. Financial assets are classified under amortised cost, fair value through profit or loss or fair value through other comprehensive income based on the character of the asset's cash flow and on the business model that covers the asset. All Castellum's financial assets that are not derivatives meet the criteria for contractual cash flows and are held in a business model whose purpose is to collect these contractual cash flows. The receivables are thereby recognised at amortised cost. The Group has primarily rent receivables and receivables attributable to properties sold. After individual valuation, receivables were taken up at the amount at which they are expected to be received, which means that they are recognised at acquisition cost with allowance for expected credit losses.

The simplified model for credit loss provisions is used for the Group's receivables with the exception of cash and cash equivalents. This means that expected credit losses are reserved for the remaining term, which is expected to be less than one year for all receivables. Credit provisions are routinely assessed based on historic data as well as current and prospective factors. The Group defines "in default" as receivables that are overdue by more than 90 days; in such cases, an individual assessment and allowance are made. The allowance for cash and cash equivalents is assessed based on the likelihood of default and on prospective factors.

### *Liabilities*

Liabilities refer to credits and operating liabilities such as accounts payable. The credits are recognised in the balance sheet at amortised cost. Accrued unpaid interest is recognised under accrued expenses.

Accounts payable and other operating liabilities with short maturities are recognised at nominal value.

### *Derivatives*

Interest rate derivatives comprise financial assets or liabilities measured at fair value, with changes in value recognised in profit or loss. To manage exposure to fluctuations in the market interest rate in accordance with its adopted financial policy, Castellum has entered into interest rate derivative agreements. Changes in value will occur when using interest rate derivatives, depending primarily on changes to the market interest rate. Interest rate derivatives are initially recognised on the trade date at acquisition cost in the balance sheet, and subsequently appraised at fair value, with changes in value, in the income statement. Changes in value can be realised as well as unrealised. Realised changes in value refer to settled interest rate derivative contracts and constitute the difference between the price at the time of settlement and the carrying amount according to the latest interim report. Unrealised changes in value refer to the changes in value that arose during the period for the interest rate derivative agreements Castellum held at the end of the period. Changes in value are calculated based on valuation at the end of the period, compared to valuation from the previous year, or alternately the acquisition cost if the interest rate derivative agreement was entered into during the year.

Castellum uses currency derivatives in order to hedge investments in Denmark, Norway and Finland as well as to manage currency risk and adjust its interest rate structure for borrowing in the international capital market. Financing of foreign investments can be achieved both through raising loans in the functional currency of the foreign company, and by entering into currency derivatives. Castellum applies hedge accounting for net investments in foreign operations, negatively expanded net investments and currency exposure as a consequence of borrowing in the international capital market in those cases where currency derivatives are used. They are initially recognised in the balance sheet at acquisition cost on the transaction date, and thereafter

## Note 1 cont.

reported at fair value in which the effective portion of the change in exchange rate regarding the hedging instrument is recognised in other comprehensive income, while the ineffective portion is recognised as a change in value in the income statement. The exchange rate on the balance sheet date is used to establish fair value.

At the time the hedge is opened, there is hedging documentation describing the hedging as well as the company's strategy and risk management, and a description of the efficiency of the hedging and how it is measured and monitored.

Based on the following criteria, the hedging is deemed to be efficient. There is a financial link between the hedged item and the hedging instrument. The effects of credit risk are not predominant in the changes following from the financial link. The hedge ratio for the hedging relationship is the same as the one resulting from the quantity of the hedged item that the company actually hedges and the quantity of the hedging instrument that the company actually uses to hedge the amount of hedged items. If a hedge ceases to be efficient for reasons related to the hedge ratio but nothing changes in the risk strategy, the company will rebalance the hedge. Castellum designates only the spot risk in hedges using forward contracts; other parts of the market value are recognised in profit or loss. The Group discontinues hedge reporting only when the hedge no longer meets the qualification criteria: when the hedging instrument is sold or redeemed, or when a hedged forecast no longer meets the requirements for being highly probable. Adjustments for counterparty risk – credit valuation adjustment (CVA) and derivative valuation adjustment (DVA) – are made when appraising derivatives at fair value.

### *Provisions*

Provisions are liabilities that are uncertain as regards time of payment or amount. A provision is recognised when there are contractual obligations, court orders or other legal grounds likely to involve future payments. The amount allocated is routinely assessed. Obligations that fall due in over a year are appraised through discounting.

## Equity

### *Hybrid bond*

Castellum has issued a hybrid bond. Upon initial recognition, it was assessed that the hybrid bond was to be classified as equity and not as a financial liability. The assessment that forms the basis for the classification is that there is no explicit contractual obligation to settle the agreement through the payment of cash or another financial asset. Nor are there any other circumstances indicating that the agreement will be settled in cash or other financial asset. This assessment applies to both nominal amounts and interest payments. Castellum has the right to postpone interest payments indefinitely, provided that the hybrid bond holders are informed within the period of time agreed. The hybrid bond is subordinate to all other claimants.

### **Differences in Group and Parent Company accounting policies**

The Annual Report of the Parent Company has been prepared according to the Annual Accounts Act and by application of the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for legal entities. RFR 2 states that a legal entity shall apply the same IFRS/IAS that are applied in the consolidated accounts, with exceptions for and additions of rules and laws mainly according to the Annual Accounts Act, and with consideration to the relationship between accounting and taxation. Differences in accounting policies between the Group and the Parent Company are presented below.

### *Shares in Group companies and associated companies*

Shares in Group companies and associated companies are accounted for in the Parent Company according to the cost method. Transaction costs are capitalised as part of the cost of the shares. Dividends are recognised as income from participations in associated companies and Group companies, respectively. The carrying amount is regularly compared to the consolidated equity of the companies. In the event the carrying amount is lower than the consolidated value of the companies, an impairment is recognised in profit or loss. Previous write-downs that are no longer justified are reversed.

### *Receivables*

Receivables consist primarily of receivables from the subsidiaries, which are recognised at acquisition cost. Expected credit reserves are calculated with regard to the subsidiary's ability to pay, and taking the value of its securities into account.

### *Shareholders' contributions*

Shareholders' contributions are recognised by the contributor as an increase in the carrying amount of shares and by the recipient as an increase in non-restricted equity.

### *Dividend*

Both received and anticipated dividends are recognised as financial income.

### *Group contributions*

Group contributions that have been received from a subsidiary are recognised as financial income. Group contributions that are paid to subsidiaries are recognised as investments in participations in Group companies.

### *Contingent liabilities*

Contingent liabilities for the benefit of Group companies are financial guarantees and accounted for in accordance with RFR 2 (i.e. they are not recognised as provisions).

### *Changes in Swedish regulations*

Changes in 2023 had no material impact on Castellum's accounting.

## Note 2 Operating segments

Castellum owns properties primarily in Sweden, but in Denmark and Finland as well. The Group's operating segments consist of the following geographical areas: Stockholm; West (Greater Gothenburg including Borås and Halmstad); Central (Örebro, Linköping, Norrköping, Jönköping, and Växjö); Mälardalen (Uppsala and Västerås); Öresund

(Malmö, Lund, Helsingborg, and Copenhagen); Finland; and Coworking. The operating segments are largely identified by geographical field of activity, which is according to how they are followed up and analysed by the highest operational decision-maker in the Group.

Coworking through United Spaces is reported as its own segment starting in 2023. Retroactive restatements of the operating segments have been applied in the table below. Coworking was reported as Group-wide in preceding years.

Operating segments	Stockholm		West		Central		Mälardalen		Öresund		Finland		Coworking		Group-wide		Total segments	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Rental income	2,279	2,174	1,658	1,518	1,625	1,496	1,136	917	1,376	1,175	563	524	232	232	-79	-65	8,790	7,971
Service income	264	235	171	167	134	136	118	206	187	130	108	85	34	—	—	-3	1,016	957
<b>Income</b>	<b>2,543</b>	<b>2,409</b>	<b>1,829</b>	<b>1,685</b>	<b>1,759</b>	<b>1,632</b>	<b>1,254</b>	<b>1,123</b>	<b>1,563</b>	<b>1,305</b>	<b>671</b>	<b>609</b>	<b>266</b>	<b>232</b>	<b>-79</b>	<b>-68</b>	<b>9,806</b>	<b>8,928</b>
Property costs	-675	-671	-564	-521	-561	-583	-441	-366	-463	-444	-318	-293	-297	-267	79	56	-3,240	-3,089
<b>Net operating income</b>	<b>1,868</b>	<b>1,738</b>	<b>1,265</b>	<b>1,164</b>	<b>1,198</b>	<b>1,049</b>	<b>813</b>	<b>757</b>	<b>1,100</b>	<b>861</b>	<b>353</b>	<b>316</b>	<b>-31</b>	<b>-35</b>	<b>0</b>	<b>-12</b>	<b>6,566</b>	<b>5,838</b>
Central administration costs	-14	-18	-9	-6	-10	-7	-6	-3	-9	-9	-17	-48	—	-13	-338	-167	-403	-270
Income from property management, associated companies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	445	550	445	550
Interest income	2	119	2	27	2	34	1	4	2	22	1	13	—	—	29	-219	39	0
Leases/Site leasehold fees	-40	-41	-6	-9	-1	-2	-1	-1	-4	-5	-4	-3	—	—	-11	-15	-67	-76
Net interest costs	-684	-372	-387	-245	-456	-304	-253	-128	-148	-180	-259	-582	37	-9	-57	289	-2,207	-1,531
<b>Income from property management</b>	<b>1,132</b>	<b>1,426</b>	<b>865</b>	<b>931</b>	<b>733</b>	<b>770</b>	<b>554</b>	<b>629</b>	<b>941</b>	<b>689</b>	<b>74</b>	<b>-304</b>	<b>6</b>	<b>-57</b>	<b>68</b>	<b>425</b>	<b>4,373</b>	<b>4,510</b>
Impairment of goodwill/Transaction costs	-185	-199	-43	-46	-46	-1	-105	-14	-70	-12	—	—	-25	—	0	-175	-474	-447
Other income, associated companies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	-2,729	-922	-2,729	-922
Change in values on properties	-5,488	-1,323	-2,256	-528	-1,638	-568	-1,742	-330	-2,610	-177	-800	-611	—	—	—	—	-14,534	-3,537
Change in values on derivatives	—	—	—	—	—	—	—	—	—	—	—	—	—	—	-1,235	2,690	-1,235	2,690
Change in value on shares	—	—	—	—	—	—	—	—	—	—	—	—	—	—	-9	-57	-9	-57
<b>Income before tax</b>	<b>-4,541</b>	<b>-96</b>	<b>-1,434</b>	<b>357</b>	<b>-951</b>	<b>201</b>	<b>-1,293</b>	<b>285</b>	<b>-1,739</b>	<b>500</b>	<b>-726</b>	<b>-915</b>	<b>-19</b>	<b>-57</b>	<b>-3,905</b>	<b>1,961</b>	<b>-14,608</b>	<b>2,237</b>
Investment properties	43,819	49,611	26,531	28,421	22,836	25,293	15,664	17,192	21,760	25,164	6,942	7,432	—	—	—	—	137,552	153,563
of which investments this year	912	1,053	730	1,093	513	1,116	558	850	719	1,571	314	228	—	—	—	—	3,746	5,911

Of the Group's external rental income and investment properties, SEK 333 M (292) and SEK 563 M (524) pertain to rental income from tenants in Denmark and Finland respectively; SEK 5,739 M (6,257) and SEK 6,942 M (7,432) pertain to investment properties located in Denmark and Finland respectively.

## Note 3 Income

### Rental value

The Group's income totalled SEK 9,806 M (8,928). Rental income includes non-recurring remuneration of SEK 64 M (14) as a deduction for rental discounts paid totalling SEK 193 M (191). Rental income consists of the rental value less the value of vacant premises during the year and service income. Rental value refers to income received and the estimated market rent of vacant premises, as well as supplementary charges for the tenant such as heating, property tax and indexation supplements. The indexation supplement is normally settled once a year, which means that settlement against the October 2023 index will occur for the overwhelming majority of leases as of 1 January 2024. Rental levels in the like-for-like portfolio increased 8.9 per cent (7.2) year-on-year. Income for the year also includes SEK 266 M (232) from United Spaces, the wholly owned coworking company. Rental value in SEK per square metre for the different geographies and types of properties, as well as which areas contributed to the income trend, are shown in the tables below.

### Economic occupancy rate

The average economic occupancy rate during 2023 was 92.1 per cent (93.4).

Gross leasing (i.e. the annual value of total leasing) during the year was SEK 612 M (666), of which SEK 91 M (145) pertained to leases in conjunction with new construction, extensions and reconstructions. Notices of termination amounted to SEK 679 M (505), of which SEK 59 M (8) were bankruptcies and SEK 4 M (43) related to notice periods with more than 18 months left of the contract. Hence, net leasing for the year was SEK -67 M (161). The time difference between reported net leasing and its income effect is estimated to be 9–18 months in investment properties and 12–24 months for investments in new construction, extensions and reconstructions.

Rental value, SEK/sq. m.	Offices		Public sector properties		Warehouse/Light industry		Retail		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Stockholm	2,881	2,475	2,310	2,044	1,394	1,215	1,880	1,681	2,452	2,263
West	2,012	1,699	1,594	1,569	1,035	917	1,645	1,386	1,485	1,392
Central	1,800	1,532	2,092	1,878	988	850	1,492	1,338	1,774	1,642
Mälardalen	1,999	1,755	1,920	1,650	1,167	1,060	1,364	1,178	1,639	1,534
Öresund	2,396	2,012	2,513	1,874	945	826	1,736	1,396	1,770	1,562
Denmark	2,656	2,182	3,153	2,749	827	684	—	—	2,506	2,187
Finland	3,639	3,032	—	1,829	—	—	—	—	3,683	3,103
<b>Total</b>	<b>2,386</b>	<b>2,181</b>	<b>2,080</b>	<b>1,915</b>	<b>1,097</b>	<b>1,026</b>	<b>1,655</b>	<b>1,488</b>	<b>1,927</b>	<b>1,758</b>

Economic occupancy rate, %	Offices		Public sector properties		Warehouse/Light industry		Retail		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Stockholm	89.9	92.3	97.4	97.3	91.2	93.6	96.7	98.8	91.3	93.5
West	90.9	92.4	96.4	96.7	95.1	94.1	96.7	93.5	93.2	93.6
Central	90.7	91.8	93.9	95.1	91.3	95.1	94.2	94.8	92.1	93.4
Mälardalen	92.6	91.9	98.7	98.2	94.9	94.7	95.8	95.6	93.7	93.3
Öresund	91.6	92.9	95.6	98.0	91.2	92.2	95.6	95.3	92.6	93.4
Denmark	90.5	94.7	93.3	98.6	94.2	77.2	—	—	90.8	94.3
Finland	89.3	92.7	—	95.2	87.5	—	—	—	89.2	92.9
<b>Total</b>	<b>90.6</b>	<b>92.4</b>	<b>95.4</b>	<b>96.3</b>	<b>93.5</b>	<b>93.8</b>	<b>95.8</b>	<b>96.0</b>	<b>92.1</b>	<b>93.4</b>

Note 3 cont.

### Renegotiation

Commercial leases, for which rents are paid quarterly in advance, are signed for a fixed period of time, which means that a change in market rents does not have an immediate effect on rental income. Rental levels can only be changed when the lease in question is due for renegotiation. Commercial leases include an index clause, which provides for an upward adjustment of the rent corresponding to a certain percentage of inflation during the previous year. The lease maturity structure for Castellum's portfolio is shown in the table below, where lease value refers to annual value. The most common terms for new leaseings include a 3–5 year duration, with a nine-month notice period. The average remaining lease duration in the portfolio is 3.8 years (3.9).

Lease maturity structure	Number of leases	Thousand sq. m.	Contract value, SEK M	Proportion of value, %
<b>Commercial, term</b>				
2024	3,009	957	1,739	19
2025	1,744	894	1,640	17
2026	1,504	962	1,678	18
2027	855	658	1,282	14
2028	275	374	805	9
2029+	382	858	1,852	20
<b>Total</b>	<b>7,769</b>	<b>4,703</b>	<b>8,996</b>	<b>97</b>
Residential	480	38	49	1
Parking spaces and other	6,378	4	198	2
<b>Total</b>	<b>14,627</b>	<b>4,745</b>	<b>9,243</b>	<b>100</b>

### Risk exposure, credit risk

Castellum's lease portfolio features a good risk exposure. The Group has approximately 8,000 commercial leases and 500 residential leases; their distribution in terms of size is presented in the table above to the right. The single largest lease accounts for 1.2 per cent of the Group's total rental income, while the corresponding figure for the

single largest customer is around 2.3 per cent, which means that Castellum's exposure to credit risk from a single tenant is very low.

Lease size, SEK M	Number of leases	Share, %	Contract value, SEK M	Share, %
Commercial				
<0.25	3,430	23	236	3
0.25–0.5	1,145	8	423	5
0.5–1.0	1,242	8	878	9
1.0–3.0	1,277	9	2,172	23
>3.0	675	5	5,287	57
<b>Total</b>	<b>7,769</b>	<b>53</b>	<b>8,996</b>	<b>97</b>
Residential	480	3	49	1
Parking spaces and other	6,378	44	198	2
<b>Total</b>	<b>14,627</b>	<b>100</b>	<b>9,243</b>	<b>100</b>

Future rental income for existing leases	Group		Parent Company	
	2023	2022	2023	2022
Contractual rental income, year 1				
Commercial leases	8,479	8,286	—	—
Residential	16	24	—	—
Contractual rental income between 2 and 5 years	17,393	17,491	—	—
Contractual rental income after more than 5 years	8,802	9,454	—	—
<b>Total</b>	<b>34,690</b>	<b>35,255</b>	<b>—</b>	<b>—</b>

### Rent receivables

Rents are invoiced and paid in advance, which means that all of the Group's rent receivables total SEK 95 M (135) after provisions/impairments of SEK 51 M (46) fell due for payment.

### Parent Company

The Parent Company performs only Group-wide functions and sales mainly consist of intra-Group services.

## Note 4 Costs

Direct property costs totalled SEK 2,456 M (2,356), corresponding to SEK 440 per square metre (412). Property costs for the like-for-like portfolio increased 4.2 per cent. In addition, costs for coworking totalled SEK 297 M (280).

### Operating costs

Operating costs include costs such as electricity, heating, water, facilities management, cleaning, insurance, rent losses and property-specific marketing costs. Most costs are recharged to the tenants as supplements to rent. For warehouse and light industry properties, however, the tenants are in most cases directly responsible for the majority of operating costs. Operating costs amounted to SEK 1,517 M (1,490) corresponding to SEK 275 per square metre (263). Operating costs, which are considered to be at a normal level for the business, are weather dependent, and vary between years and seasons. Operating costs include rent losses of SEK 20 M (30), corresponding to 0 per cent of rental income.

### Maintenance

Maintenance costs are ongoing measures to maintain the property's standard and technical systems. Maintenance costs totalled SEK 349 M (286), corresponding to SEK 58 per square metre (47).

### Property tax

The Group's property tax was SEK 590 M (580), corresponding to SEK 107 per square metre (102). Property tax is a federal tax based on the property's tax-assessed value. The tax rate in Sweden was 1.0 per cent of the tax assessment value for office/retail properties and 0.5 per cent for warehouse/light industry. In Denmark and Finland, tax rates vary depending on which municipality the properties are located in. A large part of the property tax will be charged onward to the customer.

Note 4 cont.

### Lease and property administration costs

The Group's property administration costs for 2023 were SEK 566 M (522), corresponding to SEK 107 per square metre (99). Lease and property administration costs are indirect costs for routine property management, as well as costs for leasing operations, rent negotiation, leases, and rent debiting and collecting as well as accounting and project administration costs, and costs for depreciation on equipment and installations at subsidiaries. This also includes coworking costs and Group adjustments, see table on the right. Of those costs, SEK 276 M (284) pertained to employee benefits and SEK 49 M (32) to depreciation on equipment.

### Summary property costs

Property costs per square metre, distributed by property category and type of cost are shown below.

Property costs, SEK/sq. m.	Offices		Public sector properties		Warehouse/Light industry	
	2023	2022	2023	2022	2023	2022
Operating costs	344	327	243	258	191	175
Maintenance costs	76	62	46	42	35	28
Property tax	154	149	109	102	28	26
<b>Direct property costs</b>	<b>574</b>	<b>537</b>	<b>398</b>	<b>402</b>	<b>254</b>	<b>229</b>

Property costs, SEK/sq. m.	Retail		Total	
	2023	2022	2023	2022
Operating costs	164	188	275	262
Maintenance costs	42	36	58	47
Property tax	85	77	107	102
<b>Direct property costs</b>	<b>291</b>	<b>301</b>	<b>440</b>	<b>411</b>
Property administration	—	—	107	99
<b>Total</b>	<b>291</b>	<b>301</b>	<b>547</b>	<b>510</b>

Lease and property administration costs, SEK M	2023	2022
Property administration	566	522
Coworking	297	280
Group adjustment	-79	-68
<b>Total lease and property administration costs</b>	<b>784</b>	<b>734</b>

### Central administrative costs

Central administrative costs consist of costs for portfolio management and administration as well as costs for maintaining the Stock Exchange listing. This involves all costs for Castellum covering Executive Management, the finance and accounting department, IT, staff, investor relations, annual report, audit fees, depreciation of equipment and facilities, and so on. Costs for the Managing Director at the regional level are also included. Of these costs, excluding the incentive plan described below, SEK 210 M (173) pertains to remuneration to employees and SEK 8 M (8) to depreciation on equipment.

Central administrative costs also include costs relating to an earnings and share price-related incentive plan for Executive Management amounting to SEK 6 M (6).

### Auditors' fees

Auditors' fees, SEK M	Group		Parent Company	
	2023	2022	2023	2022
Audit assignment	12	9	2	2
Audit in addition to the audit assignment	1	1	—	—
Other services	1	1	—	1
<b>Total</b>	<b>14</b>	<b>11</b>	<b>2</b>	<b>3</b>

Of the Group's total remuneration of KSEK 14,339 (11,051), KSEK 11,645 (9,951) pertains to remuneration to Deloitte AB and KSEK 2,694 (1,100) pertains to remuneration to Ernst & Young.

## Note 5 Income from associated companies

Income from associated companies consists of Castellum's share of Entra's earnings. The income includes both income from property management, tax and changes in value in Entra's property portfolio. It is only Castellum's share of the associated company's income from property management that is included in the line item "of which income from property management" in the consolidated statement of comprehensive income, which totalled SEK 445 M (550) for the year. This means that changes in value, tax, and other items (pertaining primarily to changes in value of financial instruments) are excluded. Each quarter, Castellum also carries out an impairment test on the share; impairment for 2023 totalled SEK 451 M (178), which was caused by a lower net reinstatement value on the company. The impact for the year on Castellum's holding in Entra from changes in currency rates is recognised in other comprehensive income. The net investment in Entra is hedged. For further information on Entra, refer to Note 14.

SEK M	Group	
	2023	2022
Income from property management	445	550
Change in values on properties	-2,676	-863
Tax	427	-35
Other	-29	154
<b>Castellum's share of associated company earnings</b>	<b>-1,833</b>	<b>-195</b>
Impairment	-451	-178
<b>Total impact on net income for the year</b>	<b>-2,284</b>	<b>-373</b>
Translation difference	-847	420
Currency hedge	847	-333
<b>Total impact on comprehensive income for the year</b>	<b>-2,284</b>	<b>-286</b>

Income from associated companies in the Parent Company pertains to dividends received from Entra of SEK 146 M (333) and the negative revaluation of the participation in associated companies of SEK 2,678 M (—).

## Note 6 Interest and financial income, and costs

Income from participations in Group companies	Group		Parent Company	
	2023	2022	2023	2022
Impairment of shares and participations, subsidiaries	—	—	-3,840	-97
Group contributions received, subsidiaries	—	—	713	572
Received/anticipated dividend, subsidiaries	—	—	4,075	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>948</b>	<b>475</b>

Interest and financial income, SEK M	Group		Parent Company	
	2023	2022	2023	2022
Interest income	39	—	21	—
Interest income, subsidiaries	—	—	1,529	1,170
Other financial income	—	—	221	—
<b>Total</b>	<b>39</b>	<b>—</b>	<b>1,771</b>	<b>1,170</b>

Interest income, for both the Group and the Parent Company, is attributable to receivables measured at amortised cost.

Interest and financial costs, SEK M	Group		Parent Company	
	2023	2022	2023	2022
Interest costs	2,197	1,593	1,521	1,124
Less: Capitalised interest	-42	-101	—	—
Interest costs, subsidiaries	—	—	534	382
Other financial costs	52	39	15	435
<b>Total</b>	<b>2,207</b>	<b>1,531</b>	<b>2,070</b>	<b>-1,941</b>

Net interest for the year was SEK -2,168 M (-1,531). During the year, interest of SEK 42 M (101) was capitalised regarding investments in the asset portfolio, where an average interest rate level of 3.0 per cent (2.6) was used. Of the Group's interest costs, SEK 2,609 M (1,357) pertains to liabilities measured at amortised cost. The corresponding value for the Parent Company is SEK 2,071 M (1,333). Other financial costs in the Parent Company pertain to currency exchange losses on long-term liabilities measured at amortised cost. The remaining interest costs refer primarily to ongoing interest attributable to Castellum's interest rate and currency derivatives.

## Note 7 Leasing cost/Site leasehold fee

Site leasehold fees including leasing fees for 2023 totalled SEK 65 M (58). Site leasehold fees are the annual fees paid to the municipality by the owner of a building on land owned by the municipality. The fee is currently calculated in such a way that the municipality receives a fair real interest rate based on the estimated market value of the site. The site leasehold fee is spread over time and is mostly renegotiated at intervals of 10 to 20 years. At year-end 2023, Castellum had 86 (88) properties with site leaseholds. Existing site leasehold agreements mature relatively evenly over the next 60 years. Often, when notice of termination is given for a site leasehold agreement, the property owner (the municipality) is to compensate Castellum for buildings, etc. There are, however, a few agreements where the municipality can demand that the land be restored.

Future contractual site leasehold fees, SEK M	Group		Parent Company	
	2023	2022	2023	2022
Contractual site leasehold fees year 1	55	47	—	—
Contractual site leasehold fees between years 2 and 5	198	178	—	—
Contractual site leasehold fees later than 5 years	1,101	1,004	—	—
<b>Total</b>	<b>1,354</b>	<b>1,229</b>	<b>—</b>	<b>—</b>

In addition, interest costs for leases totalled approximately SEK 6 M (4) attributable to leases in United Spaces, the wholly owned coworking company.

## Note 8 Income taxes

### Income tax

Recognised tax for the year was SEK 3,016 M (-487), of which SEK -12 M (-15) pertained to current tax and SEK 3,028 M (-472) pertained to deferred tax. Current tax is based on taxable income for the year, which is lower than the recognised earnings. This is due primarily to the possibility of tax depreciations on buildings, direct tax deductions for certain property reconstructions that are capitalised in the accounts, tax-free sales of properties and existing tax loss carry forwards. Tax paid arises mainly as a result of existing tax loss carry forwards being locked up and thus can not be freely utilised within the Group.

Swedish accounting legislation does not permit the recognition of properties at fair value in legal entities; that is why changes in value on properties are reported only at Group level and thus do not affect corporate tax. Certain financial instruments, such as interest rate swaps, may be recorded at fair value at entity level. Castellum previously measured derivatives at fair value for tax purposes, but as of 2022 these will be recognised at cost with deferred taxes as a result. Deferred tax is also recognised on untaxed reserves and tax loss carry forwards, to the extent that it is felt they can be offset against future taxable income.

Note 8 cont.

	Basis 2023		Basis 2022	
	Current tax	Deferred tax	Current tax	Deferred tax
<b>Tax calculation for the Group, SEK M</b>				
Income from property management	4,373	—	4,510	—
<i>In associated holdings</i>	-445	—	-550	—
Deductions for tax purposes				
depreciation	-2,556	2,556	-2,486	2,486
reconstructions	-1,206	1,206	-835	835
Capitalised interest	-42	42	-101	101
Hybrid bond interest rate	-349	—	-162	—
Non-deductible interest	916	—	1,224	—
Other tax items	-255	-307	-916	477
<b>Taxable income from property management</b>	<b>436</b>	<b>3,497</b>	<b>684</b>	<b>3,899</b>
<i>Tax on income from property management</i>	-90	—	-141	—
Divestment of properties	0	-3,564	0	-1,809
Change in values on properties	—	-13,775	—	-3,563
Change in value on derivatives	348	-1,583	-11	3,162
<b>Taxable income before tax loss carry forwards</b>	<b>784</b>	<b>-15,425</b>	<b>673</b>	<b>1,690</b>
Tax loss carry forwards, opening balance	-1,635	1,635	-2,236	2,236
Tax loss carry forwards, closing balance	907	-907	1,635	-1,635
<b>Taxable income</b>	<b>56</b>	<b>-14,697</b>	<b>72</b>	<b>2,291</b>
<b>Tax according to the income statement for the period</b>	<b>-12</b>	<b>3,028</b>	<b>-15</b>	<b>-472</b>

### Tax recognised in the income statement

Recognised tax differs from nominal tax since there are recognised income and costs that are not taxable or deductible, or as a result of other types of tax adjustments. The effective tax on income from property management excluding associated companies, without consideration of tax loss carry forwards, can be calculated to 2 per cent (4).

Tax cost, SEK M	Group		Parent Company	
	2023	2022	2023	2022
Recognised income before tax	-14,608	2,237	-2,129	1,321
Tax according to current tax rate	3,009	-461	439	-272
Tax effects due to:				
non-deductible income from associated companies	-472	-77	-523	69
non-taxable change in goodwill	-98	-91	—	—
non-taxable divestment of properties/Group companies	702	373	—	—
hybrid bond interest rate	72	33	72	33
non-deductible interest	-189	-252	2	-185
interest transferred to other Group companies	—	—	-48	—
non-taxable dividend	—	—	839	70
non-deductible impairment of shares	—	—	-791	-19
other tax adjustments	-8	-12	56	-79
<b>Tax expense recognised</b>	<b>3,016</b>	<b>-487</b>	<b>46</b>	<b>-383</b>

Castellum has no ongoing tax disputes.

### Deferred tax in the balance sheet

Deferred tax is recognised based on the nominal tax rate on all temporary differences pertaining to assets and liabilities, as well as for the tax loss carry forwards that are estimated could be utilised. An exception is made for deferred tax liabilities attributable to the acquisition date for properties recognised as asset acquisitions. In these cases, no deferred tax is recognised on the temporary differences that existed on the date of acquisition. The difference between fair value and taxable residual value for Castellum's properties at 31 December 2023 totalled SEK 80,303 M (94,357), of which SEK 70,662 M (83,942) is the basis for provisions for deferred tax liability.

Tax loss carry forwards consist of prior years' tax losses. The losses, which are not restricted in time, will be rolled over to the following year and used to offset future taxable profits. Remaining tax loss carry forwards are estimated at SEK 907 M.

Deferred tax liability, SEK M	2023		2022	
	Basis	Tax	Basis	Tax
Tax loss carry forwards	907	187	1,635	337
Properties	-70,662	-14,579	-83,942	-17,292
Derivatives	-1,389	-286	-3,113	-641
Untaxed reserves	-641	-132	-764	-157
<b>Closing balance in the balance sheet</b>	<b>-71,785</b>	<b>-14,810</b>	<b>-86,185</b>	<b>-17,754</b>
Opening balance	-86,185	-17,754	-84,226	-17,351
Acquisition/sale of company/equity	-549	-113	332	69
Change for the year in comprehensive income	14,949	3,057	-2,291	-472
<b>Closing balance in the balance sheet</b>	<b>-71,785</b>	<b>-14,810</b>	<b>-86,185</b>	<b>-17,754</b>

Consolidated deferred tax totalled SEK 14,810 M (17,754). An estimated fair value for this can be calculated as an alternative to recognised deferred tax based on applicable reporting standards. The fair value according to this calculation as of December 31, 2023 is estimated at SEK 2,337 M (3,860), see the section on net reinstatement value in Note 16.

### Deferred tax in the Parent Company balance sheet

Deferred tax liability in the Parent Company balance sheet at 31 December 2023 totalled SEK 171 M (321) and is attributable to financial instruments.

### New in regulations

In 2024, legislation on top-up tax will enter into force. It is based on the OECD Pillar Two model rules and the EU Directive ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union. It is believed that the Group will fall under this legislation on top-up tax since its income is estimated to exceed MEUR 750. However, companies in Sweden, Denmark and Finland, do not expect to pay any significant top-up tax.

## Note 9 Personnel and Board of Directors

### Salaries, remuneration and benefits

Salaries, remuneration, and benefits, SEK M	Group		Parent Company	
	2023	2022	2023	2022
Chairman of the Board	1.3	1.0	1.3	1.0
Other Board members	2.5	3.1	2.5	3.1
Chief Executive Officer and Deputy CEO				
Base salary (incl. severance package) <sup>1</sup>	10.8	13.0	10.8	13.0
Variable remuneration <sup>2</sup> (only bonuses)	—	6.4	—	6.4
Benefits	—	0.2	—	0.2
Other senior executives				
Group: 13 (14), Parent Company: 8 (8)				
Base salary	21.9	25.0	12.0	13.2
Variable remuneration <sup>2</sup>	7.7	5.7	3.5	1.6
Benefits	1.0	0.9	0.4	0.3
Employees excluding executive management	363.6	330.6	95.6	64.4
<b>Total</b>	<b>408.8</b>	<b>385.9</b>	<b>126.1</b>	<b>103.2</b>
<b>Contractual pensions costs</b>				
Chief Executive Officer and Deputy CEO <sup>1</sup>	2.0	2.9	2.0	2.9
Other senior executives, for Group 13 (14); for Parent Company 8 (8)	6.5	8.1	3.5	4.4
Employees excluding executive management	49.4	40.7	14.6	9.5
<b>Total</b>	<b>57.9</b>	<b>51.6</b>	<b>20.1</b>	<b>16.8</b>
<b>Statutory social security costs incl. payroll tax</b>				
Chairman of the Board	0.4	0.3	0.4	0.3
Other Board members	0.8	1.0	0.8	1.0
Chief Executive Officer and Deputy CEO <sup>1</sup>	3.9	5.6	3.9	5.6
Other senior executives, for Group 13 (14); for Parent Company 8 (8)	11.2	11.9	5.8	5.8
Employees excluding executive management	119.5	103.6	33.8	20.3
<b>Total</b>	<b>135.8</b>	<b>122.4</b>	<b>44.7</b>	<b>33.0</b>
<b>Total</b>	<b>602.5</b>	<b>559.9</b>	<b>190.9</b>	<b>153.0</b>

1. For 2023 pertains to Joacim Sjöberg, Rutger Arnhult and Biljana Pehrsson; for 2022, Rutger Arnhult, Biljana Pehrsson, Henrik Saxborn and Ylva Sarby Westman.

2. Pertains to bonuses paid in 2023.

Number of employees	Group		Parent Company	
	2023	2022	2023	2022
Average number of employees	547	534	123	87
of which women	227	223	72	54
of which Finland (of which women)	11 (7)	10 (5)	—	—
of which Denmark (of which women)	12 (2)	12 (2)	—	—

At year-end the Parent Company had 6 (6) Board members, of whom 3 (2) were women, while the total number of Board members in the Group's subsidiaries was 20 (24), of whom 6 (11) were women. At year end, the Group had 12 (13) senior executives, of whom 4 (6) were women. The total number of senior executives in the management groups of all the subsidiaries, and senior executives of the Group, was 59 (50), of whom 23 (21) were women.

### Board remuneration

The 2023 AGM resolved to pay total remuneration to the Board of Directors, including committee work, of SEK 4,145 thousand (4,155). Board remuneration of SEK 1,110 thousand (1,075) is to be paid to the Chairman of the Board and SEK 450 thousand (440) to each of the other Board members. Additional remuneration totalling SEK 785 thousand (680) will also be paid. These amounts apply as of the AGM on 23 March 2023 up until the AGM on 7 May 2024.

Board fees, KSEK	2023	2022
Per Berggren	1,290	1,206
Pål Ahlsén	405	—
Anna-Karin Celsing	670	660
Henrik Käll	555	404
Ann-Louise Lökhölm-Klasson	525	—
Louise Richnau	550	—
Leiv Synnes	116	—
Rutger Arnhult	—	445
Christina Karlsson Kazeem	—	121
Anna Kinberg Batra	—	599
Zdravko Markovski	—	127
Joacim Sjöberg	—	515
<b>Total</b>	<b>4,111</b>	<b>4,077</b>

### Executive Management

At year end, Executive Management comprised the President and CEO, Chief Financial Officer, Chief Operating Officer, Chief Investment Officer, Chief Legal Officer, Communications Director and Head of People & Culture of Castellum Aktiebolag, as well as the five Regional Managing Directors.

### Remuneration and benefits

Remuneration and benefits for Executive Management are prepared by the Remuneration Committee and decided by the Board of Directors. The remuneration comprises a base salary as well as variable remuneration according to the incentive plan described below. At present, Castellum has two ongoing earnings and share price-related incentive plans for the periods 2022–2024 and 2023–2025, and it concluded one three-year share price-related plan, pertaining to the period 2020–2023, during the year.

The three-year incentive plan for 2020–2023 is described below:

- A share price-related portion that is based on the total return on the Castellum share in total numbers during a three-year period, as well as the total return on the Castellum share in comparison to property indexes during the period of measurement. For full outcome of the

## Note 9 cont.

incentive plan, the total return must be at least 50 per cent during the period and the total return has to exceed the respective index performances by at least 5 percentage points during the period. In the event of an outcome in the interval 0–50 per cent and 0–5 percentage points, respectively, a linear calculation is performed in respect of the outcome and the remuneration to be paid. Any variable remuneration is paid as salary after the measurement period from June 2020 to May 2023. During the three-year period, the share price-based portion may total no more than one and a half years' salary, equivalent to a cost for Castellum of SEK 20 M including social security costs. Executives in receipt of variable remuneration according to the incentive plan must acquire Castellum shares for at least half of the amount of the payment due after tax. The paid incentive does not affect pensionable contributions. The final determination and settlement took place in May 2023 with an outcome of SEK 0.

The incentive plans for 2022–2024 and 2023–2025 comprise two components: a one-year earnings-related component (STI) and a three-year share price-related component (LTI):

- An earnings-based portion that is based on a comparison between income from property management per share and on an overall assessment of the performance of individually determined factors that the Board chose to prioritise during the financial year in question. The profit-based component is paid out yearly as salary after the year-end closing and can total no more than six months' fixed salary per year. If income from property management per share is equal to or exceeds a 10 per cent annual growth rate, variable remuneration will be paid at 37.5 per cent of the fixed annual salary of the senior executive concerned. When growth is in the 0–10 per cent range, the outcome will be calculated on a linear basis. For those senior executives who are participating in the program, the earnings comparison will pertain to the Castellum Group as a whole. For the respective Regional Managing Directors, the comparison will pertain to both the entire Castellum Group and the parent company in the

sub-group for which the Regional Managing Director is responsible. The outcome of the individually determined factors should be evaluated in the form of an overall assessment, taking all parameters decided upon into account. When assessed, the variable remuneration is set in the range between 0 to 12.5 per cent of the fixed annual salary. The outcome for 2023 was 30 per cent (97), representing a cost of SEK 5 M (3) including social security contributions.

- A three-year share price-based remuneration that is based on the total return on the Castellum share in absolute numbers, as well as the total return on the Castellum share in comparison to real estate share indexes during the measurement period. Full variable remuneration under the three-year plan requires the total return to be at least 50 per cent during the period and the total return has to exceed the index performance by at least 5 percentage points during the period. For outcomes in the range from 0 to 50 per cent and 0 to 5 percentage points respectively, variable remuneration of between 0 and 25 per cent of the fixed annual salary as calculated on a linear basis. Share price-based remuneration has a three-year performance and vesting period, and the maximum outcome totals one half of the annual salary for the three-year period. Payment will occur in the form of salary, whereupon the executive will undertake to purchase Castellum shares for at least half of the net amount of the remuneration to be paid. Capitalisation will occur over the vesting period with a new assessment yearly. Final determination and settlement will take place in January 2025 and January 2026.

#### *Pensions*

Members of Executive Management have defined-contribution pensions with no other obligations for the company than to pay an annual premium during the time of employment. This implies that these persons, after completed employment, have the right to decide on their own, the time-frame during which the defined-contribution payments and subsequent return will be received as pension. The retirement age for the CEO and other members of Executive Management is 65 years.

#### *Notice of dismissal*

In the event of notice of dismissal by the company, the notice period will not exceed 6 months regarding the Chief Executive Officer and 12 months for any other member of Group executive management. When notice of termination is given by the Chief Executive Officer or any other member of Executive Management of the company, the notice period is six months. During the notice period, salary and other benefits are paid, with deduction for salary and remuneration derived from other employment or activity. No deduction will occur for the Chief Executive Officer. Upon notice of dismissal of the Chief Executive Officer by the company, a severance pay of 12 months' fixed salary is paid, and is not reduced as a result of other income received by the Chief Executive Officer.

#### *Pensions for other employees*

Other employees at Castellum have defined-contribution pensions, with no other obligations for the company than to pay an annual premium during the time of employment. This implies that these persons, after completed employment, have their own right to decide on the time-frame during which the defined-contribution payments and their return on investment will be received as pension. However, there is an exception for some 50 employees within the Castellum Group who instead have defined-benefit ITP plans with regular payments to Alecta. Costs for the year for pension insurance policies signed with Alecta totalled SEK 4.1 M (1.5). The surplus in Alecta may be distributed to the insurance holder and/or to the insured. Alecta's surplus in the collective consolidation level as of December had not been made official at the time of signing of this Annual Report and can therefore not be reported. Alecta's latest preliminary consolidation level for 2023 was 157 per cent (172). The collective consolidation level is made up by the market value of Alecta's assets as a percentage of the insurance obligations calculated according to Alecta's assumptions for calculating the insurance, which do not comply with IAS 19.

## Note 10 Investment properties

Schedule of the changes during the year, SEK M	Group	
	2023	2022
Opening balance	153,563	153,146
New construction, extensions and reconstructions	3,410	5,548
<i>of which capitalised interest costs</i>	42	101
Acquisitions	336	363
Sales	-5,415	-3,080
Change in value	-14,325	-3,563
Currency translation	-17	1,149
<b>Closing balance</b>	<b>137,552</b>	<b>153,563</b>
<b>Schedule of tax assessment value</b>		
Buildings	42,771	41,215
Land	16,615	16,238
<b>Total tax assessment value</b>	<b>59,386</b>	<b>57,452</b>
Income from investment properties	9,269	8,544
Property costs for investment properties	2,320	2,181

The year's change per category is shown in the table below. The Parent Company owns no properties.

Change for the year by category, SEK M	Offices		Public sector properties		Warehouse/Light industry		Retail		Developments and land		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	89,974	89,273	20,885	21,587	21,316	20,996	9,413	9,502	11,975	11,788	153,563	153,146
Category adjustments	5,042	1,096	1,256	1,212	639	-189	97	-155	-7,034	-1,962	—	—
New construction, extensions and reconstructions	1,607	1,710	362	550	689	1,068	233	147	519	2,071	3,410	5,548
Acquisitions	—	47	—	31	—	179	—	2	336	104	336	363
Sales	-2,966	-361	-510	-2,177	-619	-346	-1,068	-83	-252	-113	-5,415	-3,080
Change in value	-8,386	-2,826	-1,432	-416	-2,344	-408	-836	—	-1,327	87	-14,325	-3,563
Currency translation	-16	1,035	-1	98	—	16	—	—	—	—	-17	1,149
<b>Closing balance</b>	<b>85,255</b>	<b>89,974</b>	<b>20,560</b>	<b>20,885</b>	<b>19,681</b>	<b>21,316</b>	<b>7,839</b>	<b>9,413</b>	<b>4,217</b>	<b>11,975</b>	<b>137,552</b>	<b>153,563</b>

### Property portfolio by region

Region	31 December 2023				January–December 2023						
	Number	Area, thousand sq. m.	Property value, SEK M	NOI SEK/sq. m.	Lease value, SEK M	NOI SEK/sq. m.	Economic occupancy rate, %	Property costs, SEK M	NOI SEK/sq. m.	NOI SEK M	
Stockholm	115	1,141	42,189	36,975	2,799	2,453	91.3	532	466	1,979	
West	198	1,287	25,970	20,179	1,910	1,484	93.2	427	332	1,332	
Central	136	1,014	21,877	21,575	1,799	1,774	92.1	415	409	1,228	
Mälardalen	78	801	15,306	19,109	1,312	1,638	93.7	335	418	882	
Öresund	110	833	21,219	25,473	1,601	1,922	92.1	362	435	1,120	
Finland	19	203	6,774	33,369	748	3,685	89.2	249	1,227	408	
<b>Total investment properties</b>	<b>656</b>	<b>5,279</b>	<b>133,335</b>	<b>25,258</b>	<b>10,169</b>	<b>1,927</b>	<b>92.1</b>	<b>2,320</b>	<b>440</b>	<b>6,949</b>	
Lease and property administration costs								566	107	-566	
Projects	23	206	3,415	—	229	—	—	52	—	46	
Undeveloped land	30	—	802	—	31	—	—	16	—	14	
<b>Total</b>	<b>709</b>	<b>5,485</b>	<b>137,552</b>		<b>10,429</b>			<b>2,954</b>	<b>547</b>	<b>6,443</b>	

### Investments during the year

In 2023, Castellum invested a total of SEK 3,746 M (5,911) in properties, of which SEK 336 M (363) pertained to property acquisitions and SEK 3,410 M (5,548) to new construction, extensions and reconstructions. This includes capitalised interest of SEK 42 M (101).

### Significant obligations

In addition, Castellum has commitments to complete initiated projects in which the remaining investment volume amounts to around SEK 1.5 Bn above and beyond the amounts reported in the balance sheet.

### Larger ongoing investments

Property	Investment, SEK M	Remaining to invest, SEK M	Completed
Finnslätten 1 (part), Västerås	213	30	Q1 2024
Bollbro 15, Helsingborg	125	33	Q1 2024
Tistlarna 9, Malmö	195	7	Q1 2024
Werket, Jönköping	302	94	Q2 2024
Tusenskönan 2, Mölndal	443	224	Q4 2024
Backa 20:6, Gothenburg	490	328	Q4 2025

Note 10 cont.

### Valuation model

According to accepted theory, the value of an asset is the net present value of future cash flows that the asset is expected to generate. The value of the property portfolio is calculated in a 10 to 20-year cash flow model as the total present value of net operating income minus remaining investments on ongoing projects, during the calculation period of 10 to 20 years, and the present value of the estimated residual value after the cash-flow period. The residual value comprises the present value of all future net operating income after the cash-flow period. The estimated market value of undeveloped land and building rights are added to this. Accordingly, valuation is conducted pursuant to IFRS 13, level 3.

The assessment pertaining to the future earnings and the yield requirement, which are the most significant value-driving factors in the valuation model, are crucial for the calculated value of the property portfolio. The earnings are based on existing contracts and the most likely lease scenarios in the respective properties, while the yield requirement originates from market transactions on objects of equal value.

### Internal valuation

Castellum records its investment properties at fair value and has internally appraised all its properties as of 31 December 2023. The valuation was carried out in a uniform manner in the cash flow model described above. The internal valuation was based on both an individual assessment of each property's future earnings capacity and its required market yield. The valuations were carried out centrally by Castellum's valuation team and quality assured through a second opinion from external valuers on roughly 45 per cent of the property value during the fourth quarter.

### Assumptions of cash flow

In assessing a property's future earnings capacity, we took into account an assumed level of inflation of 2 per cent, and potential changes in rental levels from each contract's rent and expiry date compared with the estimated current market rent, as well as changes in occupancy rate

and property costs. Achieving the estimated market rent in the respective property often requires tenant adaptations, which was taken into account in the calculations. The cash flow is based on existing contracts and long-term vacancies are estimated individually by property, which become apparent in the calculations in pace with the expiration of the contracts. Included in property costs are operating costs, maintenance, site leasehold fee, property tax, and leasing and property administration. The property costs are based on a combination of outcome, budget, and standard amounts for periodic maintenance and property administration.

### Assumptions of yield requirement

The yield requirement is individual to each property and based on comparable transactions in the property market. To be able to assess the required market yield, Castellum monitors completed property transactions. In an inactive market within a certain area or for a certain type of property, Castellum compares the data from transactions completed in a similar area or for a similar type of property. In the absence of comparable transactions, the assessment is based on trends in the underlying macroeconomic factors such as inflation and risk-free interest rates. The yield requirement is thus specific to each property and comprises a complex weighted assessment that includes property category; the town/city in which the property is located; the property location within the town/city with reference to the property category; and whether the property has the right design, is appropriate and makes efficient use of space. Further considerations: the property's technical standard with regard to such criteria as choice of materials, the quality of installations, furnishing and equipment on the premises and in apartments, sustainability profile and sustainability certification; as well as the nature of the lease agreements with regard to such issues as length, size and number of agreements.

The transaction volume in Sweden has decreased compared to previous years and, according to Newsec, amounted to approximately SEK 104 Bn spread across 328 transactions in 2023, compared to approximately SEK 220 Bn and 607 transactions in 2022. The decrease

in volume was driven primarily by fewer office transactions. In particular, fewer office transactions were noted in the metropolitan areas compared to the previous year, while the volume is, as in previous years, relatively low for office transactions in regional cities. As a result of the lower transaction activity, Castellum has chosen a larger proportion of the portfolio for external assessment compared with previous years in order to ensure the valuation and its parameters. These assessments confirm Castellum's assumptions regarding yield requirements, and property values are generally in line with the assumptions of the external valuers. The divestment of 48 properties at the carrying amount during the year is also a strong indicator that Castellum's valuation assumptions are in line with the market.

As an addition to the completed transactions, the external valuers have a form of "actor-based approach" where they are in dialogue with potential buyers/sellers/brokers/banks and so on to assess the market's willingness to pay at the time of valuation. Castellum's information on local pricing materials, together with the external evaluators' assessments of the required market yield, forms the basis for Castellum's final assessment. The yield requirement is thus set in the same way as in previous years, meaning through an aggregate assessment of observable data collected using the methods described above.

### Yield requirement

Real estate is a real asset with long-term holding periods and a less volatile yield requirement than the interest-rate and stock market, something that was observed over the past two years when the increase in the interest rate was greater than the yield requirement. During the year, a Swedish 10-year government bond yield went from approximately 2.4 per cent at the beginning of the year to 2.0 per cent at the end of the year, peaking around 3 per cent in the autumn of 2023. Historically, the fluctuations were rapid, driven by high levels of underlying inflation and an expectation of future lowered key interest rates from global central banks. According to Catella, the historical yield gap between a 10-year Swedish government bond and yield requirements for offices in the Stockholm central business district (CBD) averaged about 1.9 percent-

Note 10 cont.

age points between 2000 and 2023. In recent years, with government bond yields down around 0 per cent, the yield gap has been historically high at levels around 3 percentage points, which does not reflect a historically long-term level. In 2023, the yield gap narrowed once again and is back to historical levels around 2 percentage points, reflecting the long-term yield gap between government bond yields and yield requirements for central office properties in Stockholm. Catella's assessment is that the yield requirement for offices in the Stockholm CBD at the end of 2023 is 4 per cent, compared with the corresponding figure of 5.75 per cent in 2000. The yield requirement for offices in the Stockholm CBD reached a low of around 3 per cent in 2021. Since the low point in the second quarter of 2002, Castellum has raised its yield requirement by 97 basis points to 5.62 per cent.

The yield requirement that a potential buyer uses in an acquisition calculation reflects the capital structure of the buyer in question and is not a direct reflection of underlying risk-free interest rates and risk premiums. The yield requirement is a long-term yield requirement for the property in question, where the initial yield can be both higher and lower depending on the estimated future cash flows from the property.

All future cash flows have their present value calculated using a cost of capital corresponding to the assumed yield requirement plus the assumption of average inflation during the calculation period. In certain cases, Castellum distinguishes between the cost of capital during the cash flow period and the residual value, for example, in cases where the risk in the cash flow is deemed to be lower than the residual value.

Castellum believes that changes in the yield requirement are the most significant assumption and that a reasonable range of outcomes over the next year is indicated by the sensitivity analyses presented on the following page.

#### Changes in value

Castellum reported SEK -14,325 M (-3,563) in unrealised changes in value for the year, attributable primarily to a 61-point upswing in the average yield requirement to 5.62, compared to 5.01 per cent at the start

of the year. Castellum's property sales completed during the year resulted in a realised change in value of SEK -209 M (26). The net sales price amounted to SEK 5,206 M less deferred tax and overheads of SEK -219 M. The underlying property value in the sales thus amounted to SEK 5,425 M, compared with the latest valuation of SEK 5,415 M, a difference of SEK 10 M.

#### Projects and building rights

Ongoing projects are valued using the same principle, but with reduction for remaining investment. Building rights were measured on the basis of an estimated market value for comparable transactions in combination with building rights calculations.

#### The value of the property portfolio

The internal valuation indicates a fair value of SEK 137,552 M (153,563), corresponding to a change in value of -9.3 per cent (-2.3). Fair value distributed by property category and region is shown below.

Property value, SEK M, 31 December 2023	Property category					
	Offices	Public sector properties	Warehouse/Light industry	Retail	Developments and land	Total
Stockholm	30,720	4,684	3,956	2,829	1,630	43,819
West	13,540	2,893	8,278	1,259	561	26,531
Central	10,636	8,547	1,042	1,652	959	22,836
Mälardalen	10,226	974	3,379	727	358	15,664
Öresund	8,488	2,826	2,795	1,372	541	16,022
Denmark	4,952	636	150	—	—	5,738
Finland	6,693	—	81	—	168	6,942
<b>Total</b>	<b>85,255</b>	<b>20,560</b>	<b>19,681</b>	<b>7,839</b>	<b>4,217</b>	<b>137,552</b>

A property's market value can only be confirmed when sold. Property valuations are calculations performed in accordance with accepted principles on the basis of certain assumptions. A summary of the valuation assumptions used is presented below.

Valuation assumptions	2023		2022	
	Average	Range	Average	Range
Annual inflation, %	2.00	—	2.20	—
Weighted discount rate, %	7.62	5.80–10.25	7.21	5.20–7.50
Weighted yield requirement, %	5.62	3.80–8.25	5.01	3.00–7.30
Average long-term vacancy rate (%)	5.80	1.00–15.00	5.00	1.00–15.00

Castellum has chosen to focus on the office and warehouse/light industry segments, which account for more than 90 per cent of the value of the property portfolio. The rent ranges for these categories are presented below where the categories offices and public sector properties are added together due to similar input data.

Region	Rent range of offices incl. public sector properties in property valuations for 2023	
	Range, SEK/sq. m.	Average, SEK/sq. m.
Stockholm	300–8,000	2,400
West	500–3,600	1,900
Central	400–4,700	1,900
Mälardalen	300–3,700	1,500
Öresund	300–6,700	1,900
Finland	600–5,500	2,500
<b>Group</b>	<b>300–8,000</b>	<b>2,000</b>

Region	Rent range of warehouse/light industry in property valuations for 2023	
	Range, SEK/sq. m.	Average, SEK/sq. m.
Stockholm	150–3,600	1,300
West	300–2,800	1,000
Central	100–2,400	900
Mälardalen	100–3,200	900
Öresund	200–1,800	800
Finland	1,000–2,600	1,300
<b>Group</b>	<b>100–3,600</b>	<b>900</b>

Note 10 cont.

Yield requirements by region and category are presented below.

Average yield requirement by region, %	2023		2022	
	Average	Range	Average	Range
Stockholm	5.24	4.15–7.50	4.58	3.60–7.00
West	5.72	3.80–7.60	5.09	3.00–7.25
Central	6.02	4.75–8.25	5.47	3.85–7.30
Mälardalen	6.02	4.90–8.00	5.39	4.00–7.00
Öresund	5.44	4.20–8.00	4.94	3.75–7.00
Finland	5.97	5.10–8.00	5.35	4.00–7.10
<b>Total</b>	<b>5.62</b>	<b>3.80–8.25</b>	<b>5.01</b>	<b>3.00–7.30</b>

Average yield requirement by category, %	2023		2022	
	Average	Range	Average	Range
Offices	5.48	4.10–8.00	4.89	3.55–7.00
Public sector properties	5.35	4.15–7.35	4.85	3.60–7.10
Warehouse/Light industry	6.28	5.00–8.00	5.57	4.25–7.15
Retail	6.31	3.80–7.50	5.75	3.00–7.00
Projects	5.54	4.40–8.25	4.58	3.75–7.30
<b>Total</b>	<b>5.62</b>	<b>3.80–8.25</b>	<b>5.01</b>	<b>3.00–7.30</b>

#### Uncertainty range and sensitivity analysis

The sensitivity assessments illustrate the sensitivity in Castellum's property valuations to changes in net operating income, economic occupancy rate and yield requirement.

Sensitivity analysis region, impact on value, SEK M	Stockholm	West	Central	Mälardalen	Öresund	Finland	Total
Net operating income +/- 5 percentage points	2,096	755	1,130	1,292	789	632	6,694
Economic occupancy rate, +/-1 percentage unit	444	272	238	159	166	133	1,412
Yield requirement +0.25 percentage points	-1,904	-1,083	-901	-602	-669	-553	-5,712
Yield requirement -0.25 percentage points	2,091	1,182	979	654	731	606	6,243

Sensitivity analysis, category, impact on value, SEK M	Offices	Public sector properties	Warehouse/Light industry	Retail	Projects	Total
Net operating income +/- 5 percentage points	4,154	1,024	949	382	185	6,694
Economic occupancy rate, +/-1 percentage unit	876	216	200	81	39	1,412
Yield requirement +0.25 percentage points	-3,620	-914	-727	-291	-160	-5,712
Yield requirement -0.25 percentage points	3,962	1,004	787	315	175	6,243

The changes in the various parameters are believed to be reasonable based on historical average outcomes for the Group. However, the sensitivity assessment provides a simplified picture, since one parameter rarely moves by itself; instead, the assumptions made are linked together regarding cash flow and yield requirement. The most significant interrelationship between observable inputs and other unobservable inputs is the relationship between the property's cash flow risk and the property's estimated yield requirement. A change in contract structure, such as a cancellation or new contract, has an effect on the property's estimated future cash flows. The change could also have an effect on the market's estimated willingness to pay as regards the property in question, with lesser or greater risk in the cash flow potentially involving a lower or higher yield requirement.

The following table summarizes how changes in various parameters affect the property valuation.

	Effect on valuation	
	+	-
Net operating income	↑	↓
Economic occupancy rate	↑	↓
Yield requirement	↓	↑
Inflation	↑→↓	↑→↓
Risk-free interest rate	↓	↑
Risk premium	↓	↑

Higher levels of inflation lead to higher rental income, higher operating costs and can also impact the yield requirement. Higher inflation can thus promote higher, unchanged or lower property values.

#### External valuation

In order to confirm the valuation, a total of 206 properties, equivalent in value to approximately 45 per cent of the portfolio, were valued externally by Cushman & Wakefield with 31 December 2023 as the valuation date. 9 per cent of the property portfolio – overlapping properties – was also externally assessed on a desktop basis by CBRE. The Group's entire property portfolio was externally assessed by Cushman & Wakefield, and Forum Fastighetsekonomi, during the first quarter of 2023 in conjunction with the new share issue. The properties were selected on the basis of the largest properties in terms of value to reflect the composition of the property portfolio as a whole in terms of category and geographical location. The external valuations carried out during the year were on par with the internal ones, thus confirming the carrying amount at 31 December 2023.

External independent experts have assessed Castellum's property portfolio for the risk of natural disasters. Their analysis shows a 10 per cent probability of costs of SEK 15 M per year and a 0.5 per cent probability of costs of SEK 1,100 M per year. Castellum does not regard these costs as significant effects on valuation; instead, this is regulated by factors such as uncertainty and climate risks in the yield requirement assigned to the property by the valuer.

## Note 11 Intangible and tangible fixed assets

	Group		Parent Company	
	2023	2022	2023	2022
<b>Intangible fixed assets, SEK M</b>				
Opening cost	—	—	—	—
Purchases	8	—	4	—
Reclassification	12	—	12	—
<b>Closing acquisition cost</b>	<b>20</b>	<b>—</b>	<b>16</b>	<b>—</b>
Opening depreciation	—	—	—	—
Depreciation for the year	-2	—	-2	—
<b>Closing depreciation</b>	<b>-2</b>	<b>—</b>	<b>-2</b>	<b>—</b>
<b>Carrying amount</b>	<b>18</b>	<b>—</b>	<b>14</b>	<b>—</b>

	Group		Parent Company	
	2023	2022	2023	2022
<b>Tangible fixed assets, SEK M</b>				
Opening cost	483	437	142	93
Purchases	45	85	16	49
Reclassification	-12	—	-12	—
Sales/retirement of assets	-162	-39	-73	—
<b>Closing acquisition cost</b>	<b>354</b>	<b>483</b>	<b>73</b>	<b>142</b>
Opening depreciation	-273	-233	-56	-48
Sales/retirement of assets	103	14	14	—
Depreciation for the year	-76	-54	-6	-8
<b>Closing depreciation</b>	<b>-246</b>	<b>-273</b>	<b>-48</b>	<b>-56</b>
<b>Carrying amount</b>	<b>108</b>	<b>210</b>	<b>25</b>	<b>86</b>

## Note 12 Leases, right-of-use assets, site leasehold and lease liabilities

	Group	
	2023	2022
<b>Right-of-use assets, site leasehold, SEK M</b>		
<b>Carrying amount at beginning of year</b>	<b>1,591</b>	<b>1,741</b>
Capitalisation for the year	110	146
Acquisitions for the year	—	100
Leases terminated	-137	—
Changes in commitments	-23	-257
Depreciation and impairment	-100	-139
<b>Carrying amount at year-end</b>	<b>1,441</b>	<b>1,591</b>

	2023	2022
<b>Lease liabilities, SEK M</b>		
<b>Carrying amount at beginning of year</b>	<b>1,591</b>	<b>1,741</b>
New leasings and renegotiated leases	110	146
Leases acquired	—	100
Leases terminated	-137	-63
Changes in commitments in calculating lease liability	-23	-257
Repayment of lease liability	-100	-76
<b>Carrying amount at year-end</b>	<b>1,441</b>	<b>1,591</b>
Long-term lease liabilities	1,416	1,575
Short-term lease liabilities	25	16

	2023	2022
<b>Lease liability maturity structure, SEK M</b>		
Falling due for payment within one year	25	16
Falling due for payment within one to five years	379	378
Falling due for payment later than five years	1,037	1,198
<b>Total</b>	<b>1,441</b>	<b>1,591</b>

	2023	2022
<b>Items affecting earnings attributable to leases, SEK M</b>		
Depreciation of leases, right-of-use	-100	-110
Interest costs on lease liabilities	-73	-80
<b>Total costs attributable to leases</b>	<b>-173</b>	<b>-190</b>

## Note 13 Goodwill

Castellum recognises goodwill of SEK 4,495 M (4,969), of which SEK 3,422 M (3,844) is attributable to the acquisition of Kungsleden in 2021 and SEK — M (25) to the acquisition of United Spaces in 2019. Goodwill of SEK 1,073 M (1,100) pertaining to deferred tax has been recognised from the acquisition of CORHEI and Norrporten in 2016. For Norrporten, CORHEI, and Kungsleden, the cash-generating units are deemed to be the properties where the difference between management of deferred tax on temporary differences due to business combinations and asset acquisitions becomes goodwill. Indication of needs for impairment on these could arise upon divestment of the cash-generating unit, decreased temporary differences on properties, or amended tax legislation. Impairments totalling SEK -474 M (-440) were implemented during the year. Of this, SEK -156 M (-200) was the result of divested properties and SEK -318 M (-72) was attributable to decreases in the property values.

Goodwill attributable to the United Spaces cash-generating unit was impaired by SEK -25 M (-168). The impairment was the result of increased yield requirements as a consequence of both increased interest rates and higher risk premiums. No retroactive adjustments were made to the scope of the amount.

SEK M	Group		Parent Company	
	2023	2022	2023	2022
Opening cost	4,969	5,544	—	—
Adjustment to acquisition analysis	—	-135	—	—
Change in goodwill	-474	-440	—	—
<b>Carrying amount</b>	<b>4,495</b>	<b>4,969</b>	<b>—</b>	<b>—</b>

## Note 14 Associated companies

### Entra

At the end of the year, Castellum owned 60,710,624 shares (60,710,624) in Entra ASA, corresponding to 33.3 per cent (33.3) of the voting rights and capital. The fair value of Castellum's holding in Entra amounted to SEK 6,916 M (6,791) at 31 December.

Entra owns and manages modern office properties in central locations close to public transportation. This, together with a strong customer base, lengthy leases and a large, high-quality development portfolio, means that the company is well positioned for the future.

Associated companies	Corporate ID No.	Registered office	Share of equity, %	
Entra ASA	999,296,432	Oslo	33.3	

Participations in associated companies, SEK M	Group		Parent Company	
	2023	2022	2023	2022
Opening cost	13,286	13,571	12,693	12,690
Share of associated company earnings	-1,833	-195	—	—
Dividend received	-146	-333	—	—
Impairment	-451	-178	-2,678	—
Exchange rate change	-848	420	-7	3
<b>Closing carrying amount.</b>	<b>10,008</b>	<b>13,286</b>	<b>10,008</b>	<b>12,693</b>

Entra's asset portfolio, 2023	Number of properties	Area, sq. m.	Occupancy rate, %	Contract length, years	Market value		Rent, LTM		Net yield, %	Market rent	
					SEK M	SEK M/sq. m.	SEK M	SEK M/sq. m.		SEK M	SEK M/sq. m.
Oslo	50	800,055	94.7	6.5	45,072	56,337	2,273	2,841	4.73	2,517	3,146
Trondheim	10	143,646	96.9	4.4	6,252	43,527	333	2,313	4.90	399	2,775
Bergen	13	187,474	94.8	4.9	6,518	34,766	402	2,142	5.74	405	2,160
Sandvika	9	129,255	96.4	5.8	4,196	32,461	257	1,984	5.79	257	1,986
Drammen	6	60,934	97.5	8.4	2,093	34,341	129	2,114	5.75	124	2,033
Stavanger	2	54,215	99.5	7.0	1,447	26,694	97	1,792	6.16	103	1,894
<b>Property management portfolio</b>	<b>90</b>	<b>1,375,579</b>	<b>95.3</b>	<b>6.1</b>	<b>65,578</b>	<b>47,673</b>	<b>3,491</b>	<b>2,537</b>	<b>4.98</b>	<b>3,805</b>	<b>2,765</b>
Development portfolio	5	79,883		11.0	2,414	30,230					
Development project	4	103,187		0.5	631	6114					
<b>Asset portfolio</b>	<b>99</b>	<b>1,558,649</b>		<b>6.3</b>	<b>68,623</b>	<b>44,028</b>					

Condensed income statement, SEK M	2023	2022
Rental income, SEK M	3,436	3,323
Net operating income, SEK M	3,153	3,046
Income from property management, SEK M	1,363	1,687
Net income for the year, SEK M	-5,612	-599
of which minority's, SEK M	-134	68
Other comprehensive income, SEK M	-6	13
Castellum's share of:		
Income from property management, SEK M	445	549
Net income for the year, SEK M	-1,833	-200

Condensed balance sheet, SEK M	31 Dec 2023	31 Dec 2022
<b>Assets</b>		
Investment properties	67,587	81,832
Other fixed assets	2,146	2,380
Current assets	2,488	2,411
Cash and cash equivalents	169	239
<b>Total assets</b>	<b>72,390</b>	<b>86,862</b>
<b>Equity and liabilities</b>		
Equity	25,225	33,483
Deferred tax liability	6,807	8,686
Long-term interest-bearing liabilities	37,664	40,270
Short-term interest-bearing liabilities	946	2,562
Other liabilities	1,748	1,861
<b>Total equity and liabilities</b>	<b>72,390</b>	<b>86,862</b>

Entra	31 Dec 2023	31 Dec 2022
Number of properties	99	102
Property value, SEK M	67,587	81,832
Leasable area, 000 sq. m.	1,376	1,396
Contract length, years	6.1	6.3
Economic occupancy rate, %	95.3	96.5
Interest-bearing liabilities, SEK M	38,610	42,832
Debt maturity, years	3.8	4.3
Fixed interest term, years	4.2	4.7
Loan-to-value ratio, %	57.1	52.3
EPRA NRV, SEK/share	165	218
Share price, NOK/share	115.40	105.80

## Note 15 Other fixed assets

Other fixed assets consist of holdings in smaller associated companies that are not material to the Group as well as participations in other companies, long-term receivables, and capital insurance.

## Note 16 Equity and net asset value

### Items in equity

#### Share capital

The share capital as of 31 December 2023 consisted of 492,601,452 registered A shares with one vote per share and a quotient value of SEK 0.50 per share. All shares are fully paid.

There are no restrictions regarding dividend or other types of repayment. There is no potential common stock, such as convertibles, or preferential rights to accumulated dividend (preference shares).

At the AGM in March 2023, Castellum's Board of Directors was authorized to decide on a new issue of shares with or without deviation from the shareholders' preferential rights. The AGM resolved to authorise the Board, during the period until the next AGM, to decide, on one or more occasions, on new issues of shares corresponding to a maximum of 10 per cent of the company's share capital at the point in time when the authorisation is first utilised, with or without deviation from the shareholders' preferential rights. The total issue price in connection with the preferential rights issue carried out in June 2023 was SEK 62 per share, corresponding to approximately 52 per cent of the fair value of the share as of the day before the separation of the subscription rights.

Furthermore, the 2023 Annual General Meeting resolved on a reduction of Castellum's share capital by an amount of SEK 8,665,500 through the cancellation of 17,331,000 treasury shares. The reduction amount has been earmarked for non-restricted equity. The Board has utilised its authorisation in conjunction with the preferential rights issue, which means that Castellum does not hold any treasury shares any longer.

Development of share capital	Date	Number of shares	Quotient value/share	Share capital, SEK
Formation A shares	27 Oct 1993	+500	100.00	+50,000
New share issue, A shares	27 Sep 1994	+999,500	100.00	+99,950,000
Share split 50:1	25 Mar 1997	+49,000,000	2.00	—
<b>IPO</b>	<b>23 May 1997</b>	<b>50,000,000</b>	<b>2.00</b>	<b>100,000,000</b>
New share issue, C shares	12 Jul 2000	+7,142,857	2.00	+14,285,714
Redemption, A shares	12 Jul 2000	-6,998,323	2.00	-13,996,646
Redemption, C shares	13 Nov 2000	-7,142,857	2.00	-14,285,714
Share split 4:1	27 Apr 2006	+129,005,031	0.50	—
New issue of shares	14 Jun 2016	+82,000,000	0.50	+41,000,000
Share issue in kind	15 Jun 2016	+19,194,458	0.50	+9,597,229
Share issue in kind	13 Nov 2020	+4,061,745	0.50	+2,030,873
Share issue in kind	10 Nov 2021	+64,835,553	0.50	+32,417,776
Share issue in kind	19 Nov 2021	+3,633,504	0.50	+1,816,752
New issue of shares	7 Jun 2023	+164,200,484	0.50	+82,100,242
Cancellation of treasury shares	7 Jun 2023	-17,331,000	0.50	-8,665,500
<b>Year end</b>	<b>31 Dec 2023</b>	<b>492,601,452</b>		<b>246,300,726</b>

#### Net asset value

Net asset value can be calculated both long and short term. 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 or that do not belong to owners of ordinary shares. In Castellum's case, these would include derivatives, goodwill attributable to deferred tax, deferred tax liability, and the hybrid bond as well as non-controlling interest.

Short-term net tangible assets (EPRA NTA) comprises EPRA NRV adjusted for the estimated fair value of deferred tax liability.

Net asset value	SEK M	SEK/share
Equity according to the balance sheet	77,177	157
Reversed:		
Hybrid bonds	-10,169	-21
Derivatives according to the balance sheet	-1,352	-3
Goodwill attributable to deferred tax	-4,495	-9
Deferred tax according to the balance sheet	14,810	30
<b>Net reinstatement value (EPRA NRV)</b>	<b>75,971</b>	<b>154</b>
Deduction:		
Estimated real liability, deferred tax <sup>1</sup>	-2,337	-5
<b>Net tangible assets (EPRA NTA)</b>	<b>73,634</b>	<b>149</b>
Reversed:		
Derivatives according to above	1,352	3
Deferred tax	-12,473	-25
<b>Net disposal value (EPRA NDV)</b>	<b>62,513</b>	<b>127</b>

1. The estimated fair value of the deferred tax liability is 3 per cent based on a discount rate of 3 per cent. The properties are expected to be realized indirectly in corporate wrappers over 50 years where the buyer's tax deduction is 5.15 per cent. Furthermore, it has been assumed that the remaining tax loss carry forwards will be utilised within two years and that derivatives and appropriations will be realized within five years, yielding a tax rate of 19 per cent.

#### Capital structure

Castellum should have a stable capital structure with low financial risk, meaning a loan-to-value ratio not permanently exceeding 40 per cent and an interest coverage ratio of at least 3.

Castellum's targets are based on growth in cash flow and the goal is for cash flow, meaning income from property management per share, of at least 10 per cent.

## Note 17 Liabilities

SEK M	Group		Parent Company	
	2023	2022	2023	2022
Non-interest bearing liabilities due within one year of the balance sheet date	3,615	4,058	270	842
Interest bearing liabilities due within one year of the balance sheet date	4,626	12,233	12,192	20,729
1–5 years after balance-sheet date	39,928	49,708	31,469	39,221
later than five years after the balance-sheet date	17,117	14,908	9,899	10,798
<b>Total liabilities excl. deferred tax liability, leases, other provisions and derivatives</b>	<b>65,286</b>	<b>80,907</b>	<b>53,830</b>	<b>71,591</b>

Credit agreements/limits, SEK M	Amount	Utilised
Long-term credit agreements in bank	49,339	25,101
Overdraft facility	950	—
<b>Total credit agreements</b>	<b>50,289</b>	<b>25,101</b>
MTN programme (SEK 40,000 M facility)	16,304	16,304
EMTN programme (EUR 3,000 M facility)	19,479	19,479
Commercial paper (SEK 10,000 M facility)	787	787
<b>Total</b>	<b>86,859</b>	<b>61,671</b>

Debt maturity structure for credit agreements, presented in the table below, shows when in time the credit agreements fall due for renegotiation or repayment. Group financial risks are shown on page 100, and other risk management is shown on pages 97–101.

Credit agreement maturity structure, SEK M	Bank	Bonds	Commercial paper	Total interest-bearing liabilities	Share, %	Unutilised credits	Total available credit facilities
2024	—	3,750	787	4,537	7	950	5,487
2025	3,347	11,680	—	15,027	24	7,150	22,177
2026	4,530	8,523	—	13,053	21	15,588	28,641
2027	2,591	2,699	—	5,290	9	—	5,290
2028	5,424	1,096	—	6,520	11	1,500	8,020
>2028	9,209	8,035	—	17,244	28	—	17,244
<b>Total</b>	<b>25,101</b>	<b>35,783</b>	<b>787</b>	<b>61,671</b>	<b>100</b>	<b>25,188</b>	<b>86,859</b>

### Market interest rate sensitivity analysis (all amounts in SEK M)

	SEK	DKK	EUR	NOK
Interest-bearing liabilities	38,953	3,239	17,137	2,341
Fixed rate loans >6m	-5,388	0	-17,137	-1,749
Interest rate derivatives >6m	-29,900	0	2,610	938
<b>Exposure to market interest rates</b>	<b>3,665</b>	<b>3,239</b>	<b>2,610</b>	<b>1,530</b>

Market interest rates	Stibor	Cibor	Euribor	Nibor
Effect on interest costs of a +/- 1 percentage point change in the underlying market interest rate	-/+ 37	-/+ 32	-/+ 26	-/+ 15

## Note 18 Financial instruments

2023, SEK M	Financial assets recognised at amortised cost	Financial assets recognised at fair value via profit or loss	Derivatives used in hedge accounting	Financial liabilities recognised at fair value via profit or loss	Financial liabilities recognised at amortised cost
<b>Assets</b>					
Interest rate derivatives	—	1,089	—	—	—
Currency derivatives	—	794	65	—	—
Long-term receivables	11	—	—	—	—
Rent receivables	95	—	—	—	—
Other receivables	243	—	—	—	—
Cash and bank	2,088	—	—	—	—
<b>Total assets</b>	<b>2,437</b>	<b>1,883</b>	<b>65</b>	<b>—</b>	<b>—</b>
<b>Liabilities</b>					
Interest rate derivatives	—	—	—	324	—
Currency derivatives	—	—	272	—	—
Interest-bearing liabilities	—	—	—	—	61,671
Accounts payable	—	—	—	—	285
Other liabilities	—	—	—	—	1,824
<b>Total liabilities</b>	<b>—</b>	<b>—</b>	<b>272</b>	<b>324</b>	<b>63,780</b>

### 2022, SEK M

2022, SEK M	Financial assets recognised at amortised cost	Financial assets recognised at fair value via profit or loss	Derivatives used in hedge accounting	Financial liabilities recognised at fair value via profit or loss	Financial liabilities recognised at amortised cost
<b>Assets</b>					
Interest rate derivatives	—	2,096	—	—	—
Currency derivatives	—	682	437	—	—
Long-term receivables	8	—	—	—	—
Rent receivables	135	—	—	—	—
Other receivables	373	—	—	—	—
Cash and bank	858	—	—	—	—
<b>Total assets</b>	<b>1,374</b>	<b>2,778</b>	<b>437</b>	<b>—</b>	<b>—</b>
<b>Liabilities</b>					
Interest rate derivatives	—	—	—	196	—
Currency derivatives	—	—	272	—	—
Interest-bearing liabilities	—	—	—	—	76,849
Accounts payable	—	—	—	—	394
Other liabilities	—	—	—	—	2,670
<b>Total liabilities</b>	<b>—</b>	<b>—</b>	<b>272</b>	<b>196</b>	<b>79,913</b>

Financial instruments such as rent receivables, accounts payable and so on are recognised at amortised cost less any impairments, which is why fair value is deemed to agree with carrying amount. Long-term interest-bearing liabilities are reported at amortised cost. Fair value of long-term MTNs totalled SEK 29,279 M (27,984), while fair value for short-term bonds totalled SEK 3,713 M (10,904).

### Currency exposure and sensitivity analysis

Exposure in foreign currency	DKK M	EUR M	NOK M
Fair value, properties	3,855	626	—
Associated companies	—	—	10,139
Interest-bearing liabilities	-2,183	-1,550	-2,450
<b>Exposure excl. derivatives and hybrid bond</b>	<b>1,672</b>	<b>-924</b>	<b>7,689</b>
Hybrid bond <sup>1</sup>	—	-1,000	—
Nominal amount, currency derivatives	-533	1,647	-5,470
<b>Net exposure in foreign currency</b>	<b>1,139</b>	<b>-277</b>	<b>2,219</b>

1. Recognised in equity

Change in exchange rate +/- 10%, SEK M	Change in		
	DKK	EUR	NOK
Impact on:			
Investment properties	+/- 574	+/- 695	—
Participations in associated companies	—	—	+/- 1,001
Interest-bearing liabilities	-/+ 325	-/+ 1,720	-/+ 242
Currency derivatives	-/+ 79	+/- 1,873	-/+ 530
<b>Comprehensive income excl. tax</b>	<b>+/- 170</b>	<b>+/- 847</b>	<b>+/- 229</b>

## Note 19 Reconciliation of liabilities arising from financing activities

Group, SEK M	31 Dec 2022	Cash flow	Change in value	Amended exchange rate	Periodisation premium/discount	31 Dec 2023
Long-term interest-bearing liabilities	64,616	-7,071	—	-398	-13	57,134
Short-term interest-bearing liabilities	12,233	-7,322	—	-395	21	4,537
Derivatives	-2,746	407	987	—	—	-1,352
<b>Total liabilities attributable to financing activities</b>	<b>74,103</b>	<b>-13,986</b>	<b>987</b>	<b>-793</b>	<b>8</b>	<b>60,319</b>

Group, SEK M	31 Dec 2021	Cash flow	Change in value	Amended exchange rate	Periodisation premium/discount	31 Dec 2022
Long-term interest-bearing liabilities	51,997	10,810	—	1,822	-13	64,616
Short-term interest-bearing liabilities	18,832	-6,615	—	16	—	12,233
Derivatives	563	-733	-2,576	—	—	-2,746
<b>Total liabilities attributable to financing activities</b>	<b>71,392</b>	<b>3,462</b>	<b>-2,576</b>	<b>1,838</b>	<b>-13</b>	<b>74,103</b>

Parent Company, SEK M	31 Dec 2022	Cash flow	Non-cash items			31 Dec 2023
			Change in value	Amended exchange rate	Periodisation premium/discount	
Long-term interest-bearing liabilities	37,281	-8,320	—	-293	-9	28,659
Short-term interest-bearing liabilities	10,023	-6,399	—	-396	23	3,251
Long-term interest-bearing liabilities to Group companies	12,735	—	—	-37	11	12,709
Short-term interest-bearing liabilities to Group companies	10,708	-1,764	—	-3	—	8,941
Derivatives	-1,855	535	526	—	—	-794
<b>Total liabilities attributable to financing activities</b>	<b>68,892</b>	<b>-15,948</b>	<b>526</b>	<b>-729</b>	<b>25</b>	<b>52,766</b>

Parent Company, SEK M	31 Dec 2021	Cash flow	Non-cash items			31 Dec 2022
			Change in value	Amended exchange rate	Periodisation premium/discount	
Long-term interest-bearing liabilities	28,387	8,646	—	258	-10	37,281
Short-term interest-bearing liabilities	13,869	-3,862	—	16	—	10,023
Long-term interest-bearing liabilities to Group companies	6,596	5,186	—	953	—	12,735
Short-term interest-bearing liabilities to Group companies	7,493	3,215	—	—	—	10,708
Derivatives	619	-733	1,741	—	—	-1,855
<b>Total liabilities attributable to financing activities</b>	<b>56,964</b>	<b>12,452</b>	<b>1,741</b>	<b>-1,227</b>	<b>-10</b>	<b>68,892</b>

## Note 20 Other provisions

Other provisions relate to pension provisions as well as rental guarantees issued in conjunction with transactions that have a maximum commitment assessed at SEK 20 M (18).

## Note 21 Derivatives

### Valuation and changes in value

Castellum uses interest rate derivatives in order to manage interest rate risk and achieve the desired interest rate maturity structure. This strategy means that there will be changes in value of the interest rate derivatives portfolio from time to time, primarily as a result of changes in market interest rates. In addition, Castellum uses currency derivatives in order to hedge investments in Denmark, Norway and Finland as well as to manage currency risk and adjust its interest rate structure for borrowing in the international capital market. These also give rise to change in value which are included in the derivative portfolio's market value.

To calculate the fair value of derivatives, market rates for each term and exchange rates as quoted in the market for the closing date are used. Interest rate swaps are valued by discounting future cash flows to present value, while instruments that include an option are measured at the current repurchase price. When calculating the fair value of derivatives, adjustments are made for counterparty risk in the form of Credit Value Adjustments (CVA) and Debt Value Adjustments (DVA). CVA shows Castellum's risk of experiencing credit loss in the event of counterparty default, whereas DVA shows the opposite. The adjustment is calculated at the counterparty level based on expected future credit exposure, risk of default and the recovery rate of exposed credits. As of 31 December 2023, the market value of the interest rate and currency derivatives portfolio amounted to SEK 1,352 M (2,746) where fair value is established according to level 2, IFRS 13.

Note 21 cont.

#### Parent Company

Total change in value on derivatives in the Parent Company during the year amounted to SEK –1,061 M (2,474), of which SEK –99 M (1,489) was recognised in profit or loss and the remainder in other comprehensive income. The negative changes in value are attributable to the decline in interest rates on longer maturities during the period as well as changes in currency exchange rates. As of 31 December 2023, the market value of the interest rate derivatives portfolio amounted to SEK 208 M (1,009), and of the currency derivatives portfolio to SEK 587 M (847) where fair value is established according to level 2, IFRS 13.

#### Counterparty risk

In order to limit counterparty risk, Castellum's derivative contracts are covered by general agreement with derivative contracts (ISDA). This allows Castellum to offset positive and negative market values in the event of default.

Group, SEK M	31 Dec 2023			31 Dec 2022		
	Asset	Liability	Net	Asset	Liability	Net
Interest rate derivatives	1,089	–324	765	2,096	–197	1,899
Currency derivatives	859	–272	587	1,119	–272	847
<b>Gross value derivatives</b>	<b>1,948</b>	<b>–596</b>	<b>1,352</b>	<b>3,215</b>	<b>–469</b>	<b>2,746</b>
Covered by netting	–388	388	—	–455	455	—
<b>Net value derivatives</b>	<b>1,560</b>	<b>–208</b>	<b>1,352</b>	<b>2,760</b>	<b>–14</b>	<b>2,746</b>

Parent Company, SEK M	31 Dec 2023			31 Dec 2022		
	Asset	Liability	Net	Asset	Liability	Net
Interest rate derivatives	532	–324	208	1,064	–56	1,008
Currency derivatives	859	–272	587	1,119	–272	847
<b>Gross value derivatives</b>	<b>1,391</b>	<b>–596</b>	<b>795</b>	<b>2,183</b>	<b>–328</b>	<b>1,855</b>
Covered by netting	–388	388	—	–324	324	—
<b>Net value derivatives</b>	<b>1,003</b>	<b>–208</b>	<b>795</b>	<b>1,859</b>	<b>–4</b>	<b>1,855</b>

#### Future cash flow

Future cash flows attributable to interest rate derivatives consist of interest paid minus interest received as presented below. To calculate the variable part of the interest rate derivative, the STIBOR and CIBOR interest rates – as listed at year end – have been used throughout the full term of the derivative.

Year	Future cash flow of interest rate derivatives, SEK M		
	Interest to pay	Interest to receive	Net
2024	–1,323	2,039	716
2025	–1,002	1,284	282
2026	–905	768	–137
2027	–447	661	214
2028	–283	528	245
2029+	–680	1,213	533
<b>Total</b>	<b>–4,640</b>	<b>6,493</b>	<b>1,853</b>

#### Sensitivity analysis

The table below shows the interest rate derivative portfolio's nominal net amount and market value and the market value of the portfolio with a change of +/- 1 percentage point in the interest rate. Based on the date of termination, interest rate derivatives that include an option have been reported in the same time segment as prior to the assumed change in interest rate.

End date	Amount, SEK M	Acquisition cost, SEK M	Market value, SEK M	Average interest rate, %	Market value, interest rate +1 pp	Market value, interest rate –1 pp
2024	6,450	—	129	4.00%	154	104
2025	6,250	—	268	2.86%	304	232
2026	2,450	—	130	2.11%	185	72
2027	3,750	—	–61	–0.47%	65	–194
2028	2,800	—	172	1.36%	284	52
2029+	11,388	—	25	0.04%	680	–693
<b>Total</b>	<b>33,088</b>	<b>—</b>	<b>663</b>	<b>1.55%</b>	<b>1,672</b>	<b>–427</b>

Currency derivatives with a market value of SEK 689 M (920) are not included in the table above, since a change in the market interest rate has an insignificant effect on the market value.

## Note 22 Accrued expenses and prepaid income

SEK M	Group		Parent Company	
	2023	2022	2023	2022
Pre-paid rents	1,703	1,226	—	—
Accrued interest	299	277	177	147
Other	649	858	30	30
<b>Total</b>	<b>2,651</b>	<b>2,362</b>	<b>207</b>	<b>177</b>

## Note 23 Pledged assets

SEK M	Group		Parent Company	
	2023	2022	2023	2022
Pledged mortgages	45,170	37,385	—	—
Long-term receivables, Group companies	—	—	29,507	22,681
<b>Total</b>	<b>45,170</b>	<b>37,385</b>	<b>29,507</b>	<b>22,681</b>

## Note 24 Contingent liabilities

SEK M	Group		Parent Company	
	2023	2022	2023	2022
Guarantee commitments for Group companies	—	—	28,068	26,503
<b>Total</b>	<b>—</b>	<b>—</b>	<b>28,068</b>	<b>26,503</b>

Normally the Parent Company is the borrower, but when the property-owning company borrows directly, the Parent Company provides guarantee commitments for subsidiaries.

## Note 25 Participations in Group companies

Directly owned subsidiaries are listed below. Other companies in the Group are included in each respective subsidiary's annual report.

Directly owned subsidiaries	Corporate ID No.	Registered office	Share of equity, %	Carrying amount, SEK M
Castellum Stockholm AB	556002-8952	Stockholm	100	4,854
Castellum Mitt AB	556121-9089	Örebro	100	5,507
Castellum Väst AB	556122-3768	Gothenburg	100	3,579
Castellum Öresund AB	556476-7688	Malmö	100	5,087
Castellum Norr AB	556594-3999	Sundsvall	100	971
United Spaces Network Offices AB	556668-1069	Stockholm	100	60
Fastighets AB Regeringsgatan	556571-4051	Gothenburg	100	6
Castellum Finland AB	559154-9828	Gothenburg	100	541
Castellum Projektutveckling AB	559249-3430	Gothenburg	100	35
Castellum Innovation AB	559110-6538	Gothenburg	100	97
Kungsleden AB	556545-1217	Stockholm	100	23,198
Castellum Mälardalen AB	559292-6678	Västerås	100	2,412
<b>Total</b>				<b>46,347</b>

Principles for consolidation of Group companies are described in the accounting policies, Note 1.

Participations in Group companies, SEK M	Parent Company	
	2023	2022
Opening cost	47,342	46,239
Acquisitions	—	855
Shareholders' contributions paid, and Group contributions	2,825	345
Reversal of previous impairments	2	84
Impairment	-3,822	-181
<b>Closing cost/carrying amount</b>	<b>46,347</b>	<b>47,342</b>

## Note 26 Long-term receivables, Group companies

SEK M	Parent Company	
	2023	2022
Opening cost	38,923	35,578
New borrowing/amortisation from Group companies	3,583	2,501
Currency translation	-3	844
<b>Closing cost/carrying amount</b>	<b>42,503</b>	<b>38,923</b>

## Note 27 Additional cash flow disclosures

Adjustments for non-cash items	Group		Parent Company	
	2023	2022	2023	2022
Depreciation/amortisation and impairment of intangible and tangible fixed assets	183	160	8	8
Change in provisions	-1	-11	2	—
Disposals and impairment of intangible and tangible fixed assets	60	—	59	—
Provisioned for and confirmed bad debts	26	39	—	—
Exchange rate effects and other	6	—	—	—
<b>Total</b>	<b>274</b>	<b>188</b>	<b>69</b>	<b>8</b>

Cash and cash equivalents	2023	2022	2023	2022
The following components are included in cash and cash equivalents				
Cash and bank	2,088	858	942	10
<b>Total</b>	<b>2,088</b>	<b>858</b>	<b>942</b>	<b>10</b>

Property acquisitions via companies	2023	2022
<i>Acquired assets and liabilities</i>		
Investment properties	—	291
Operating receivables	—	1
Cash and cash equivalents	—	2
<b>Total assets</b>	<b>—</b>	<b>294</b>
Operating liabilities	—	5
<b>Total provisions and liabilities</b>	<b>—</b>	<b>5</b>
Cash paid, shares	—	-244
Cash paid, repayment of loan	—	-44
Less: cash and cash equivalents in acquired companies	—	2
<b>Property acquisitions via companies, net of cash and cash equivalents</b>	<b>—</b>	<b>-286</b>

Sales of properties via companies	2023	2022
<i>Sold assets and liabilities</i>		
Investment properties	5,290	3,051
Other fixed assets	9	—
Operating receivables	15	84
Cash and cash equivalents	24	0
<b>Total assets</b>	<b>5,338</b>	<b>3,135</b>
Deferred tax liability	4	—
Loan payables	1,730	790
Lease liabilities	8	—
Operating liabilities	160	139
<b>Total provisions and liabilities</b>	<b>1,902</b>	<b>929</b>
Purchase consideration received for shares	3,232	2,232
Cash received, repayment of loans	1,730	790
<b>Total cash received</b>	<b>4,962</b>	<b>3,022</b>
Less: cash and cash equivalents in divested companies	-24	—
Less: repayment of loans	-584	—
<b>Sales of properties via companies</b>	<b>4,354</b>	<b>3,022</b>

## Note 28 Related-party transactions

In 2023, the Group engaged Sweco Sverige AB for consulting services related to property management and property development. Sweco Sverige AB is also a tenant of Castellum. Transactions with Sweco Sverige AB constitute (since 23 March 2023) related-party transactions. Sweco Sverige AB is considered a related company to Castellum since Board member Ann-Louise Lökhölm-Klasson is the CEO of Sweco Sverige AB. During the period, the Group purchased consulting services for approximately SEK 8.6 M and Sweco paid rent of approximately SEK 6.4 M.

In conjunction with the preferential rights issue in 2023, a related-party transaction of SEK 55 M arose with Castellum's largest owner, Akelius Residential Property AB, since that company stood as guarantor for the issue. All related-party transactions were concluded on market terms and at arm's length.

Furthermore, remuneration was paid to Board members and senior executives pertaining to work performed, refer to Note 9. Apart from the aforementioned transactions, the Group's related-party transactions pertain solely to transactions with related companies within the Group, as well as transactions with associated companies in the form of dividends.

## Note 29 Events after balance sheet date

Bonds totalling SEK 3,000 M were issued on two separate occasions, of which SEK 1,750 M with a five-year maturity and the remainder with a three-year maturity. The Castellum Group also repurchased existing bonds at a nominal amount of SEK 4,510 M.

For the eighth consecutive year, Castellum was included in the Sustainability Yearbook, which ranks the world's foremost companies in sustainability. As a property company, Castellum is ranked first in the Nordic region, first in Europe, and fourth globally.

## Note 30 Proposed appropriation of profits

**The following funds are at the Annual General Meeting's disposal:**

Retained earnings	SEK 49,863,178,728
Net income for the year	SEK -2,083,022,347
<b>Total</b>	<b>SEK 47,780,156,381</b>

**The Board of Directors propose that the profits be appropriated as follows:**

Carried forward	SEK 47,780,156,381
<b>Total</b>	<b>SEK 47,780,156,381</b>

# Pronouncement of the Board, signing

As far as we can determine, the annual accounts have been prepared in accordance with generally accepted accounting principles. The annual accounts give a true and fair view of the company's financial position and results, and the Directors' Report gives a true and fair overview of the development of the company's operations, financial position and results, and describes the significant risks and factors of uncertainty facing the company.

The consolidated accounts have been prepared in accordance with the international accounting standards covered in Regulation (EC) No

1606/2002 of the European Parliament and of the Council of 19 July, 2002 on the application of international accounting standards. The consolidated accounts give a true and fair view of the Group's financial position and results, and the Directors' Report for the consolidated accounts give a true and fair overview of the development of the Group's operations, financial position and results as well as the significant risks and factors of uncertainty facing the companies within the Group.

Gothenburg, 9 April 2024

**Per Berggren**  
Chairman of the Board

**Pål Ahlsén**  
Board member

**Anna-Karin Celsing**  
Board member

**Henrik Käll**  
Board member

**Ann-Louise Lökholm-Klasson**  
Board member

**Louise Richnau**  
Board member

**Joacim Sjöberg**  
Chief Executive Officer

Our Auditor's Report regarding these annual accounts was submitted on 9 April 2024.

Deloitte AB

**Harald Jagner**  
Authorised Public Accountant

# Auditor's report

To the general meeting of the shareholders of Castellum Aktiebolag corporate identity number 556475-5550

*This is a translation of the Swedish language original. In the events of any differences between this translation and the Swedish original the latter shall prevail.*

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Castellum Aktiebolag for the financial year 2023-01-01–2023-12-31 with the exception of the corporate governance report included on the pages 102–117. The annual accounts and consolidated accounts of the company are included on pages 88–157 and 162 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinion does not include the corporate governance report on pages 102–117. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company

and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

### Key Audit Matter

Investment properties are recognized in the consolidated financial statements at fair value. The carrying amount to fair value amounts to SEK 137,552 million as of December 31, 2023 and is based on an internal valuation of each property for Castellum's portfolio. In order to ensure the internal valuation, value approximately half of the property portfolio has been valued externally.

The valuations are carried out through an individual assessment for each property of future earning capacity and market return requirements. Changes in value can occur either as a result of macro- and microeconomic or property-specific reasons. The valuations are based on assessments and assumptions that can have a significant impact on the Group's earnings and financial position.

In terms of valuation of investments in existing investment properties, it is necessary to assess the Group's project management process, taking

into account in particular the expenditure on investments and any financial commitments related to these projects.

For further information, please refer to the Risks and risk management section on page 97, the Group's accounting policies and critical assessment areas on page 130 and Note 10.

Our audit procedures

Our audit covered, but was not limited to, the following procedures:

- We have reviewed the internal valuation process and evaluated the assumptions made and its application in the internal valuation model.
- We have reviewed the inputs and calculations in the internal valuation model at the property level for a selection of properties for the assessment of completeness and valuation.
- We have obtained the external valuations and assessed whether the differences versus the internal valuations were within the normal uncertainty range.
- For investments in existing investment properties, we have reviewed Castellum's procedures for project management and for a selection of existing investments reviewed capitalization of expenses.
- We have reviewed relevant disclosure notes to the financial statements.

### Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2–86, 161 and 163–164. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the

annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of the Board of Directors and the Managing Director*

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

#### *Auditor's responsibility*

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar) This description forms part of the auditor's report"

#### **Report on other legal and regulatory requirements**

##### *Opinions*

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Castellum Aktiebolag for the financial year 2023-01-01–2023-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

##### *Basis for Opinions*

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### *Responsibilities of the Board of Directors and the Managing Director*

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

#### *Auditor's responsibility*

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in

risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

### The auditor's examination of the Esef report

#### *Opinion*

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Castellum Aktiebolag for the financial year 2023-01-01–2023-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

#### *Basis for opinion*

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Castellum Aktiebolag in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of The Board of Directors and the Managing Director*

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section

4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

#### *The auditor's examination of the corporate governance statement*

The Board of Directors is responsible for that the corporate governance statement on pages 102–117 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Deloitte AB, was appointed auditor of Castellum Aktiebolag by the general meeting of the shareholders on the 2023-03-23 and has been the company's auditor since 2017-03-23.

Signature on Swedish Original

Deloitte AB

Harald Jagner

Authorised Public Accountant

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## Other



Från början till slut  
Under ombyggnationen av Werket öppnades fasaden upp mot Verkstadsgatan. Tegel byttes mot fönster från golv till tak, för att bjuda in och binda samman. Men teglet togs tillvara, och även de trasiga bitarna har ett värde. De fyller upp gabionmuren här, medan de hela bitarna blev en bänk.  
WERKET

In central Jönköping, Castellum has renovated the old Statliga verken building, turning it into a modern meeting place with workspaces, flexible office solutions and services including a gym and restaurant. During the reconstruction of the building, called Werket, Castellum focused sharply on re-use of materials such as brick, glass and insect-damaged wood.

# Definitions

## Alternative key performance indicators

Castellum applies the European Securities and Market Authority (ESMA) guidelines on alternative performance measures. According to these guidelines, an alternative performance measure is a financial measurement of historical or future earnings trends, financial position, financial earnings or cash flows that are not identified or indicated in the applicable rules for financial reporting (IFRS and the Swedish Annual Accounts Act).

Castellum is also a member of the European Public Real Estate Association (EPRA), which is why the financial key metrics EPRA EPS, EPRA LTV, EPRA NRV, EPRA NTA, EPRA NDV, and EPRA vacancy rate are reported.

### Dividend yield

Dividend as a percentage of the share price at the end of the period.

### Return on equity

Income after tax as a percentage of average equity. In the interim accounts the return has been recalculated on an annual basis, disregarding seasonal variations normally occurring in operations.

### Return on total capital

Income before tax with reversed net financial items and changes in values on derivatives during the year as a percentage of average total capital. In the interim accounts the return has been recalculated on an annual basis, disregarding seasonal variations normally occurring in operations.

### Loan-to-value ratio

Interest-bearing liabilities after deduction for cash and cash equivalents as a percentage of total assets.

### Loan-to-value ratio, Property

Interest-bearing liabilities after deduction for cash and cash equivalents as a percentage of the properties' fair value with deduction for acquired properties not taken into possession, and with addition for divested properties still in Castellum's possession.

### 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 EPS – Earnings Per Share

Income from property management adjusted for nominal tax attributable to income from property management, divided by the average number of shares. Taxable income from property management means income from property management less deductions for tax purposes of depreciation and reconstruction.

### EPRA LTV – Loan to Value

Interest-bearing liabilities with the addition of hybrid bonds, adjusted for the currency portion of hedging for loans in foreign currencies, and less cash and cash equivalents. Negative working capital increases interest-bearing liabilities, whereas positive working capital is added to the value of investment properties. Principal associated companies are included in proportion to the share owned.

### EPRA NRV – Net Reinstatement Value

Equity as recognised adjusted for hybrid bonds, declared and undistributed dividends, carrying amounts of derivatives, goodwill pertaining to deferred tax and nominal deferred tax.

### EPRA NTA – Net Tangible Assets

Equity as recognised adjusted for hybrid bonds, declared and undistributed dividends, carrying amounts of derivatives and goodwill adjusted for the fair value of deferred tax instead of nominal deferred tax.

### EPRA NDV – Net Disposal Value

Equity as recognised adjusted for hybrid bonds, declared and undistributed dividends and carrying amounts of goodwill.

### EPRA Vacancy rate

The estimated market rent for vacant leases divided by the rental value on an annual basis for the entire asset portfolio excluding properties classified as development properties.

### Income from property management

Income before tax adjusted for acquisition costs, impairment of goodwill and changes in value as well as Castellum's share of associated company earnings excluding income from property management.

### Rental income

Rents debited plus supplements such as reimbursement of heating costs and property tax.

### Rental value

Rental income with the addition of estimated market rent for vacant premises.

### Contract value

Rental and service income on an annual basis for Castellum's leases.

### Net leasing

Rental and service income for leases signed during the year for the entire property portfolio, less rental income for leases terminated during the year. All discounts are included for newly signed leases, and are restated at an annual value based on the length of the lease.

### Interest coverage ratio

Income from property management after reversal of net financial items as a percentage of net interest items.

### Net debt to EBITDA

Interest-bearing liabilities after deduction for cash and cash equivalents in relation to net operating income less central administrative costs. In the interim accounts, net operating income less central administrative costs have been recalculated on an annual basis, disregarding seasonal variations normally occurring in operations.

### Surplus ratio

Net operating income adjusted for coworking as a percentage of rental income and service income.

## Other definitions

### Number of shares

Registered number of shares – the number of shares registered at a given point in time. Number of shares outstanding – the number of shares registered with a deduction for the company's own repurchased shares at a given point in time. Average number of shares – the weighted average number of shares outstanding during a given period.

### Data per share

Calculation of income and cash flow per share uses the average number of shares, and calculation of assets, equity and net asset value per share uses the number of shares outstanding.

### Property type

The property's primary rental value with regard to the type of premises. Premises for purposes other than the primary use may therefore be found within a property type. Castellum's property types are: office, public sector properties (customers that are directly or indirectly tax funded), warehouse/light industry, retail and development projects.

### Property costs

This item includes both direct property costs, such as operating costs, maintenance, site leasehold fees and property tax, as well as indirect property costs in the form of lettings and property administration.

### SEK per square metre

Property-related key metrics, expressed in terms of SEK per square metre, are based on properties owned at the end of the period. Properties acquired/completed during the year have been restated as if they had been owned or completed for the whole year, while properties disposed of have been completely excluded. Development projects and undeveloped land have been excluded. In the interim accounts, key metrics have been recalculated on an annual basis, disregarding seasonal variations normally occurring in operations.

# Financial calendar, owner's information and contact details

## Financial calendar

Interim report January–March 2024	3 May 2024
Annual General Meeting 2024	7 May 2024
Half-year report January–June 2024	16 July 2024
Interim report January–September 2024	25 October 2024

## Annual General Meeting

The Annual General Meeting (AGM) of shareholders in Castellum Aktiebolag (publ) will be held on Tuesday, 7 May 2024 in Gothenburg. More information and instructions on how to register will be provided by the notice to attend the meeting, which will be publicised in a separate press release and will be available through such sources as Castellum's website.

## Contact details

For more information please contact:

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