



# Q2

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Half-year report  
January–June 2023

# Increased net operating income and lower loan-to-value ratio

## Summary, January–June 2023

- Income for the January–June period totalled SEK 4,953 M (4,400). In the like-for-like portfolio of the investment properties, rental income increased by 9.8 per cent (4.4).
- Net operating income for the January–June period totalled SEK 3,222 M (2,917), corresponding to an increase of 10.5 per cent.
- Income from property management totalled SEK 2,093 M (2,375), corresponding to SEK 4.98 per share (7.13).
- Changes in value on properties amounted to SEK -6,618 M (2,812) and on derivatives to SEK 753 M (2,470).
- After the new share issue was completed, the loan-to-value ratio amounted to 36.9 per cent (42.3).
- 71 per cent of the loan portfolio has a fixed interest term exceeding one year.
- The total lease value of all leases at 30 June 2023 was SEK 9,376 M (8,888).
- The occupancy rate was 92.8 per cent (93.7). The decrease is attributable primarily to the divestment of properties that were fully let at handover.
- Property sales totalled SEK 3,406 M (2,448).

## Key metrics

	2023 Apr–Jun	2022 Apr–Jun	2023 Jan–Jun	2022 Jan–Jun	LTM Jul 2022– Jun 2023	2022 Jan–Dec
Income, SEK M	2,483	2,207	4,953	4,400	9,548	8,996
Net operating income, SEK M	1,685	1,512	3,222	2,917	6,141	5,838
Income from property management, SEK M	1,077	1,226	2,093	2,375	4,226	4,510
SEK/share	2.41	3.73	4.98	7.13	10.33	13.63
Growth, %	-35	22	-30	21	-24	10
Net income for the period, SEK M	481	3,320	-3,820	6,933	-9,005	1,750
SEK/share	1.08	8.50	-9.10	17.47	-22.02	4.44
Growth, %	-87	62	-152	3	-163	-87
Net investment, SEK M	-2,250	1,409	-1,837	377	617	2,831
Net lettings, SEK M	21	84	-31	109	21	161
Loan-to-value ratio, %	36.9	39.4	36.9	39.4	36.9	42.3
Interest coverage ratio, multiple	2.9	4.7	2.8	4.7	3.1	3.9
EPRA NRV, SEK/share	166.97	263.42	166.97	263.42	166.97	242.09
EPRA NTA, SEK/share	159.62	251.56	159.62	251.56	159.62	230.26
EPRA NDV, SEK/share	142.11	214.62	142.11	214.62	142.11	196.39

For the "Net income for the period, SEK per share" key financial metric, the average number of shares has been adjusted by a factor of 1.1904 for all comparison years in accordance with IAS 33 *Earnings per Share*. No other earnings-based key financial metrics were adjusted, which is why this is a non-recurring effect for comparability. The comparison figures for earnings items pertain to the value for the corresponding period in 2022 and balance-sheet items as of 31 December 2022.

*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.*



# New share issue creates financial stability

Castellum is standing strong after the new share issue, completed property divestments and renegotiated rents. Despite an incipient recession, a higher key interest rate and a grim capital market, the second quarter demonstrated a continued strong demand in the Nordic office and logistics market. Castellum has concluded favourable renegotiations and signed many new contracts. This, together with increased rental income through inflation indexing, provided the company with record-high income of SEK 4,953 M, an increase of SEK 553 M over the year-earlier period.

The world's property companies have gone from strongly benefiting from the expansive monetary policy of the central banks to being disadvantaged by the global struggle against inflation. The high level of inflation has resulted in a rapid increase in the key interest rate, and we have likely not seen the peak before the downturn. The interest-rate situation is gradually deteriorating in pace with the hikes in the key interest rate, but is effectively protected by signed interest-rate hedging agreements that increased proportionally as a result of repayments made after the new share issue. The average interest rate thus only increased from 2.6 per cent at the start of the year to only 2.7 per cent on the balance-sheet date. Additionally, the company has shown an increase of approximately 10.5 per cent in net operating income, due primarily to inflation-indexed agreements and continued stability in the rental market. Costs have increased in recent quarters, owing primarily to rising electricity prices and electricity price hedges concluded at high levels in the autumn but also as a result of higher property tax and in non-recurring administrative costs attributable to systems development. During the quarter,

energy costs fell back to more normal levels and costs adjustments for the new market situation are in progress.

A higher key interest rate and underlying market rates also adversely impact the yield requirements, and thus the company's property values. In the preceding quarter, the yield requirement was adjusted upward 15 points owing to higher market rates. During the first half of the year, Castellum impaired its property values by approximately 4.2 per cent, corresponding to SEK 6.5 Bn. The appraisal was confirmed by both external evaluations of the entire property portfolio during the first quarter and completed divestments of SEK 3.4 Bn. Since the end of the third quarter of 2022, when the appraisals had reached their peak, Castellum has impaired its property assets by a total of approximately SEK 13 Bn, corresponding to 8.5 per cent. The aggregate adjustment of the yield requirement during the same period amounted to 41 points.

## Financial position strengthened through rights issue

During the quarter, Castellum completed a new share issue, observing the equal rights of all shareholders, and taking Swedish stock market regulations into account. The rights issue was fully subscribed without exercise of subscription rights, and brought in just over SEK 10 Bn for the company. In the short term, the money was used to repay bonds that had matured and secured credit facilities in banks. Castellum's financial position has been strengthened through the new rights issue, which shows clearly in improved financial key metrics, such as a loan-to-value ratio of 36.9 per cent (42.3), and a strengthened liquidity position that covers all bond maturities for the next three years. This provides Castellum with stability in turbulent times, and the opportunity to create long-term value going forward. In the worst-case scenario, with the capital market remaining closed to the property industry for the foreseeable future, Castellum can, with simpler assumptions regarding vesting and sales, repay all its bonds issued in pace with their maturities.



*Castellum is standing strong after the new share issue, completed property divestments and renegotiated rents. Despite an incipient recession, a higher key interest rate and a grim capital market, the second quarter demonstrated a continued strong demand in the Nordic*

In a somewhat better – and more likely – scenario, the capital market will recover going forward and the key interest rate will stabilise or fall in coming years. In that situation, Castellum will be well equipped to use its cashflow for both investments that create value and dividends again.

### **Completed projects provide increased earnings**

Project completed during the quarter included the first facility for the SEEL Swedish Electric Transport Laboratory at Gateway Säve, with an annual rental value of over SEK 20 M. Earlier in the year, two major office properties in Malmö were completed, with an aggregate rental value of SEK 168 M, and projects to be completed in late 2023 include Effekten, for Northvolt, in Västerås and Hornsberg 1 in Stockholm, where Martin & Servera will have its new head office. Projects completed during the year will provide SEK 280 M in annual rental value, and the average length of contract in these projects is 11 years.

Under the prevailing market conditions, Castellum is starting only a very limited number of new projects but is ready to invest again when circumstances improve. The company's development portfolio is an extensive one, with a land bank of 660,000 square metres, of which approximately 60,000 square metres GFA are land allocation agreements with detailed development plans. Some exciting investment opportunities are located in the Hagastaden and Slakthusområdet districts in Stockholm, at Gateway Säve in Gothenburg, the Pasila district of Helsinki and the Främre Boländerna district in central Uppsala. During the quarter, the company postponed occupancy by up to two years at Infinity, one of the planned new construction projects in the Hagastaden district, after constructive dialogue with the City of Stockholm. The flexibility was thus created that is needed to optimise the project in relation to market conditions.

### **A sustainable Nordic platform**

Castellum's long-term and enduring focus on sustainability will continue to pay off. In 2020, Castellum decided to make a large-scale investment in the build-out of solar panels. This has also been done. During the quarter, the 87th solar PV system was installed in the property portfolio, and these systems now provide for just over 12 per cent of the company's energy use, corresponding to approximately 13,600 MWh on an annual basis.



*The Hornsberg 1 property in Stockholm, where Martin & Servera will have its new head office, is one of the projects that will be completed in 2023.*

Castellum's determined efforts to reduce the energy consumption of its property portfolio has resulted in the company's energy consumption now being among the lowest in the industry: 45 per cent lower than the average in Sweden, according to the Swedish Energy Agency. Over the last twelve months, the company's energy consumption decreased by 4 per cent, which exceeded the company's current goal of 2.5 per cent annual energy savings. Castellum's assets are located primarily in large cities and growth cities in the Nordic region, where the company intends to continue its growth. With the geographic allocation in the office and logistics segments, and with a highly diversified customer base in which approximately 25 per cent of the rental income is derived from public sector tenants, Castellum is a unique Nordic platform for both Swedish and foreign investors and creditors.

### **Joacim Sjöberg**

Chief Executive Officer, Castellum AB

# Condensed consolidated statement of comprehensive income

SEK M	2023 Apr–Jun	2022 Apr–Jun	2023 Jan–Jun	2022 Jan–Jun	LTM Jul 2022–Jun 2023	2022 Jan–Dec
Rental income	2,169	1,948	4,336	3,907	8,232	7,803
Service income	247	201	483	385	1,058	960
Coworking income	67	58	134	108	258	232
<b>Income</b>	<b>2,483</b>	<b>2,207</b>	<b>4,953</b>	<b>4,400</b>	<b>9,548</b>	<b>8,996</b>
Operating costs	-366	-293	-872	-700	-1,662	-1,490
Maintenance expenses	-68	-63	-142	-115	-313	-286
Property tax	-148	-128	-297	-257	-620	-580
Coworking expenses	-72	-78	-144	-143	-281	-280
Lettings and property administration expenses	-144	-133	-277	-268	-531	-522
<b>Net operating income</b>	<b>1,685</b>	<b>1,512</b>	<b>3,222</b>	<b>2,917</b>	<b>6,141</b>	<b>5,838</b>
Central administrative expenses	-131	-87	-201	-156	-315	-270
Acquisition costs	—	—	—	—	-7	-7
Income from associated companies	-701	-21	-718	917	-2,008	-373
Net financial items						
Net interest costs	-576	-334	-1,143	-648	-2,026	-1,531
Letting cost/Site leasehold fee	-14	-14	-31	-31	-76	-76
<b>Income including associated companies</b>	<b>263</b>	<b>1,056</b>	<b>1,129</b>	<b>2,999</b>	<b>1,709</b>	<b>3,581</b>
<i>of which income from property management<sup>1</sup></i>	<i>1,077</i>	<i>1,226</i>	<i>2,093</i>	<i>2,375</i>	<i>4,226</i>	<i>4,510</i>
Changes in value						
Properties	-651	2,370	-6,618	2,812	-12,968	-3,537
Financial holdings	—	-229	—	-58	1	-57
Change in goodwill	-83	—	-214	-151	-503	-440
Derivatives	840	1,104	753	2,470	973	2,690
<b>Income before tax</b>	<b>369</b>	<b>4,301</b>	<b>-4,950</b>	<b>8,073</b>	<b>-10,788</b>	<b>2,237</b>
Current tax	-26	-90	-51	-187	121	-15
Deferred tax	137	-891	1,181	-953	1,662	-472
<b>Net income for the period</b>	<b>481</b>	<b>3,320</b>	<b>-3,820</b>	<b>6,933</b>	<b>-9,005</b>	<b>1,750</b>
<b>Other comprehensive income</b>						
<i>Items that can be reclassified to net income for the period</i>						
Translation difference of currencies, etc.	215	871	-280	571	-321	530
Change in values on derivatives, currency hedge	-142	-417	392	-107	-195	-694
<b>Comprehensive income for the period</b>	<b>554</b>	<b>3,774</b>	<b>-3,709</b>	<b>7,397</b>	<b>-9,521</b>	<b>1,586</b>
Average number of shares, thousand <sup>2</sup>	448,515	390,929	419,724	396,834	409,033	393,849
Earnings, SEK/share <sup>2</sup>	1.08	8.50	-9.10	17.47	-22.02	4.44

## COMPARISONS SHOWN IN BRACKETS

Comparisons shown in brackets are made with the corresponding period in the previous year except in sections describing assets and financing, where comparisons are made with the end of the previous year.

1. For calculation, refer to Financial Key Metrics on page 23.

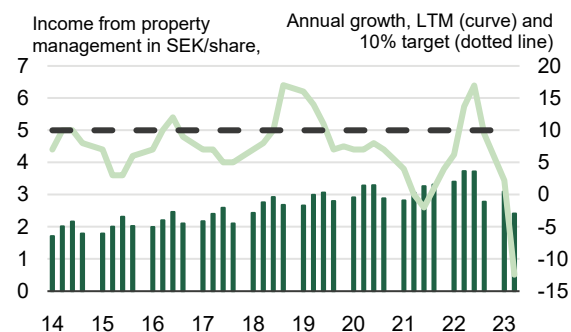
2. For the "Net income for the period, SEK per share" key financial metric, the average number of shares has been adjusted by a factor of 1.1904 for all comparison years in accordance with IAS 33 *Earnings per Share*.

# Performance analysis, January–June 2023

## Income from property management

With a sharp rise in heating and electricity prices, as well as substantial increases in costs for financing, in 2023 compared to 2022, income from property management for the period decreased to SEK 2,093 M (2,375), corresponding to SEK 4.98 per share (7.13). The decrease in comparison per share is attributable primarily to the dilution effect on the figures from 2023. Castellum's participation in Entra added SEK 246 M (293) to income from property management. Income from property management for the quarter totalled SEK 1,077 M (1,226).

## INCOME FROM PROPERTY MANAGEMENT PER SHARE



## Income

During the period, total income increased by 12.6 per cent to SEK 4,953 M (4,400). The increase is attributable primarily to indexation of leases, completed projects, and increased recharging of property tax. For the like-for-like portfolio of investment properties, the increase corresponds to 9.8 per cent. The economic occupancy rate for the period totalled 92.8 per cent (93.7).

## DEVELOPMENT OF INCOME

SEK M	2023 Jan–Jun	2022 Jan–Jun	Change, %
Like-for-like portfolio	4,060	3,697	9.8
Development properties	349	200	
Transactions	410	395	
Coworking	134	108	
<b>Total income</b>	<b>4,953</b>	<b>4,400</b>	<b>12.6</b>

## SEGMENT INFORMATION

SEK M	Income	
	2023 Jan–Jun	2022 Jan–Jun
Stockholm	1,277	1,201
West	915	827
Central	888	800
Mälardalen	628	560
Öresund	779	622
Finland	332	281
Coworking	134	108
<b>Total income per segment</b>	<b>4,953</b>	<b>4,400</b>

## Costs

Direct property costs increased to SEK 1,311 M (1,072). For the like-for-like portfolio of investment properties, the increase corresponds to 21.9 per cent, primarily as a result of higher costs of electricity, which rose by approximately 60 per cent, but also due to increased costs for property tax following new tax assessments that were only settled in the third quarter of 2022.

Property administration for the period amounted to SEK 277 M (268), corresponding to SEK 105 per square metre (103). Central administrative expenses were SEK 201 M (156). The increase is attributable to a non-recurring item of SEK -63 M relating to expensed administrative projects that had previously been capitalised.

## COST TRENDS

SEK M	2023 Jan–Jun	2022 Jan–Jun	Change, %
Like-for-like portfolio	1,068	876	21.9
Development properties	103	65	
Transactions	140	131	
<b>Direct property costs</b>	<b>1,311</b>	<b>1,072</b>	<b>22.3</b>
Coworking	144	143	
Property administration	277	268	
Central administration expenses	201	156	
<b>Total costs</b>	<b>1,933</b>	<b>1,639</b>	<b>17.9</b>

## PROPERTY COSTS, 12 MONTHS, SEK/SQ. M.

SEK M	Offices	Public sector properties	Ware-house/light industry	Retail	Total
Operating costs	380	300	237	196	314
Maintenance expenses	58	38	37	36	48
Property tax	154	107	27	87	106
<b>Property costs</b>	<b>592</b>	<b>446</b>	<b>300</b>	<b>319</b>	<b>467</b>
Lettings and property administration expenses					105
<b>Total</b>	<b>592</b>	<b>446</b>	<b>300</b>	<b>319</b>	<b>572</b>
<i>LTM, Q2 2022</i>	<i>491</i>	<i>362</i>	<i>227</i>	<i>264</i>	<i>380</i>

## 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 246 M (293) for the period. This means that changes in value, tax, and other items (which pertain primarily to changes in value of financial instruments) are excluded. Each quarter, Castellum also impairment tests participations in associated companies. As of the balance-sheet date, a need for impairment totalling SEK -269 M had been identified owing to a lower net reinstatement value for Entra. The accumulated exchange-rate impact on Castellum's shareholding in Entra is recognised in other comprehensive income. For further information on Entra, refer to page 18.

SEK M	2023 Jan–Jun	2022 Jan–Jun
Income from property management	246	293
Change in values on properties	-942	600
Tax	138	-228
Other	109	166
<b>Castellum's share of associated company earnings</b>	<b>-449</b>	<b>831</b>
Impairment/reversal of participations in associated companies	-269	86
<b>Total impact on net income for the period</b>	<b>-718</b>	<b>917</b>
Currency translation (other comprehensive income)	-591	80
<b>Earnings from associated companies in comprehensive income for the period</b>	<b>-1,309</b>	<b>997</b>



## Net financial items

Net financial items totalled SEK -1,174 M (-679). The change is attributable primarily to a higher underlying market rate.

The average closing interest rate for the loan portfolio on the balance sheet date amounted to 2.7 per cent, compared with 2.6 per cent at the beginning of the year.

SEK M	2023 Jan–Jun	2022 Jan–Jun
Financial income	0	0
Interest costs	-1,129	-625
Less: capitalised interest	25	43
Site leasehold fees	-31	-31
Other financial costs	-39	-66
<b>Total net financial items</b>	<b>-1,174</b>	<b>-679</b>

## Changes in value

### Properties

In the first half of the year, Castellum reported SEK 6,524 M (2,786) in unrealised changes in value, attributable primarily to an upswing in the average yield requirement to 5.16 per cent, compared to 5.01 per cent at the start of the year. The required market yield generally rose as a result of rising interest rates and credit margins, but in our internal appraisal of the entire portfolio at the end of the quarter the Group's yield requirement was deemed to be unchanged in relation to the first quarter of the year.

During the spring, a number of transactions were concluded in which Castellum divested properties on a par with their carrying amounts. In addition, completed property sales resulted in a change in value of SEK -93 M (26). Less deferred tax and transaction costs totalling SEK 153 M, the net sale price was approximately SEK 3,406 M. Underlying property prices that thus totalled SEK 3,562 M exceeded the latest assessment of SEK 3,499 M by SEK 63 M.

## CHANGE IN VALUES ON PROPERTIES

SEK M	2023 Jan–Jun	2022 Jan–Jun
Cash flow	-1,572	756
Project gains/building rights	-592	1,271
Yield requirement	-4,361	760
Acquisitions	—	76
<b>Unrealised changes in value</b>	<b>-6,524</b>	<b>2,786</b>
%	-4.2	1.8
Sales	-93	26
<b>Total</b>	<b>-6,618</b>	<b>2,812</b>
%	-4.3	1.8

### 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 period was SEK 1,344 M (3,030), of which SEK 753 M (2,470) was recognised in profit or loss and the remainder in other comprehensive income as the result of hedging relationships. The positive changes in value are attributable to the rise in interest rates on longer maturities during the period as well as changes in currency exchange rates. As of 30 June 2023, the market value of the interest rate and currency derivatives portfolio amounted to SEK 4,090 M (2,467) where fair value is established according to level 2, IFRS 13.

### Goodwill

Goodwill in the first half of 2023 was impaired in a total of SEK -214 M, of which around SEK -64 M pertain to divestments. The negative value trend in properties linked to goodwill had an impact of SEK -125 M, and goodwill attributable to United Space was impaired by SEK -25 M.

### Tax

Total tax for the period was SEK 1,130 M (-1,140), of which SEK -51 M (-187) pertained to current tax. Applying the nominal tax rate, the total theoretical tax expense is SEK 1,020 M. The difference of SEK 110 M at a 20.6 per cent tax rate on income before tax pertains primarily to deferred tax on properties divested.

## TAX CALCULATION JAN–JUN 2023

SEK M	Basis current tax	Basis deferred tax
Income from property management	2,093	
<i>In associated holdings</i>	-246	
Deductions for tax purposes		
depreciation	-909	909
reconstructions	-175	175
Other tax items	191	448
<b>Taxable income from property management</b>	<b>955</b>	<b>1,531</b>
<i>Current tax if tax loss carry forwards not utilised</i>	-197	
Divestment of properties		-1,855
Change in values on properties		-6,524
Change in values on derivatives	-387	791
<b>Taxable income before tax loss carry forwards</b>	<b>568</b>	<b>-6,057</b>
Tax loss carry forwards, opening balance	-1,635	1,635
Tax loss carry forwards, closing balance	1,313	-1,313
<b>Taxable income</b>	<b>246</b>	<b>-5,735</b>
<b>Tax according to the income statement for the period</b>	<b>-51</b>	<b>1,181</b>

## NET DEFERRED TAX LIABILITY, 30 JUNE 2023

SEK M	Basis	Nominal tax liability	Real tax liability <sup>1</sup>
Tax loss carry forwards	1,313	270	270
Derivatives	-3,253	-670	-670
Untaxed reserves	-808	-166	-166
Properties	-85,554	-17,625	-3,082
<b>Total</b>	<b>-88,302</b>	<b>-18,191</b>	<b>-3,648</b>
Properties, asset acquisitions	9,012	1,856	
<b>Closing balance</b>	<b>-79,290</b>	<b>-16,335</b>	<b>-3,648</b>

1. In total, deferred tax set aside in the Group was SEK 16,335 M (18,299). Estimated fair value for the total deferred tax can be calculated as an alternative to recognised deferred tax based on applicable accounting policies (refer to the assumptions in Note 18 of the 2022 Annual Report). The aggregate fair value of temporary differences for the four existing situations is estimated to amount to a liability of SEK 3,648 M (3,701).

## Condensed consolidated balance sheet

SEK M	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>ASSETS</b>			
Investment properties	145,897	156,888	153,563
Goodwill	4,755	5,392	4,969
Leases, right-of-use	1,531	1,746	1,591
Associated companies	11,830	14,402	13,286
Derivatives	4,577	2,886	3,215
Other fixed assets	283	284	312
Other receivables	1,944	2,051	1,937
Cash and cash equivalents	1,755	1,290	858
<b>Total assets</b>	<b>172,572</b>	<b>184,939</b>	<b>179,731</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	84,926	84,789	78,983
Deferred tax liability	16,335	18,299	17,754
Other provisions	28	27	28
Derivatives	487	419	468
Interest-bearing liabilities	65,480	74,153	76,849
Lease liability	1,531	1,746	1,591
Non-interest bearing liabilities	3,785	5,506	4,058
<b>Total equity and liabilities</b>	<b>172,572</b>	<b>184,939</b>	<b>179,731</b>

## Condensed Changes in Equity

SEK M	30 Jun 2023	30 Jun 2022	31 Dec 2022
Equity at start of period	78,983	83,637	83,637
Dividend	—	-2,496	-2,496
Repurchase of own shares	—	-2,752	-2,752
Transactions with non-controlling interests	—	-830	-830
New issue of shares	10,000	—	—
Dividend, hybrid capital	-349	-167	-162
Net income for the period	-3,820	6,933	1,750
Other comprehensive income for the period	112	464	-164
<b>Equity at end of period</b>	<b>84,926</b>	<b>84,789</b>	<b>78,983</b>



# Customers\*

\*Excluding Castellum's holding in Entra, 30 June 2023.

Castellum's exposure to individual tenants is extremely low, with a lease portfolio that has a large spread across many different tenants, customer sizes and industries. This spreads the risk for rent losses and vacancies. The Group has approximately 8,000 commercial leases and approximately 500 residential leases, and their distribution in terms of size is presented in the table below. 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 2.1 per cent. As at 30 June 2023, the remaining average length of contract was 3.9 years (4.0).

## LEASE MATURITY STRUCTURE

SEK M	Number of leases	Lease value, SEK M	Proportion of value, %
<b>Commercial, term</b>			
2023	1,737	727	8
2024	2,156	1,714	18
2025	1,472	1,635	17
2026	1,424	1,713	18
2027	465	902	10
2028+	555	2,435	26
<b>Total commercial</b>	<b>7,809</b>	<b>9,125</b>	<b>97</b>
Residential	494	50	1
Parking spaces and other	6,358	201	2
<b>al</b>	<b>14,661</b>	<b>9,376</b>	<b>100</b>

## LEASE SIZE

SEK M	Number of leases	Lease value, SEK M	Proportion of value, %
<b>Commercial</b>			
<0.25	3,432	242	3
0.25–0.5	1,136	420	4
0.5–1.0	1,264	896	10
1.0–3.0	1,296	2,210	23
>3.0	681	5,357	57
<b>Total</b>	<b>7,809</b>	<b>9,125</b>	<b>97</b>
Residential	494	50	1
Parking spaces and other	6,358	201	2
<b>Total</b>	<b>14,661</b>	<b>9,376</b>	<b>100</b>

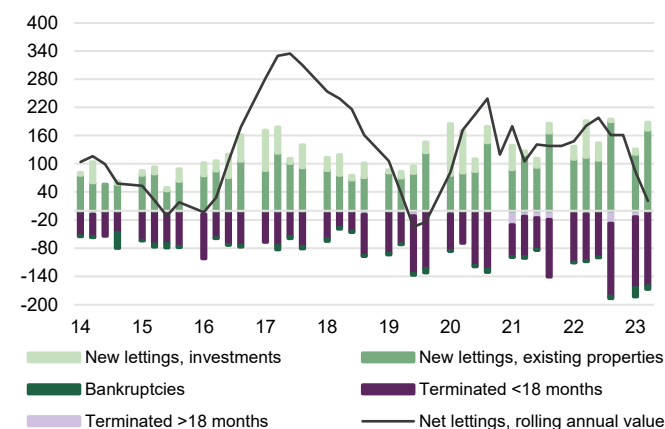
## NET LETTINGS JAN–JUN 2023

SEK M	Sthlm	West	Central	Mälardalen	Öresund	Finland	Total
<b>NEW LETTINGS</b>							
Existing properties	46	65	59	26	85	15	296
Investments	9	1	—	5	9	—	24
<b>Total</b>	<b>55</b>	<b>66</b>	<b>59</b>	<b>31</b>	<b>94</b>	<b>15</b>	<b>320</b>
<b>TERMINATED</b>							
Existing properties	-85	-47	-45	-21	-103	-24	-325
Bankruptcies	-11	-9	-4	0	0	-2	-26
<b>Total</b>	<b>-96</b>	<b>-56</b>	<b>-49</b>	<b>-21</b>	<b>-103</b>	<b>-26</b>	<b>-351</b>
<b>Net lettings</b>	<b>-41</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>-9</b>	<b>-10</b>	<b>-31</b>
NOI H1 2022	15	48	1	35	18	-9	109

During the period, Castellum signed leases with an annual rental value of SEK 320 M (328). Notices of termination amounted to SEK -351 M (-219), of which bankruptcies were SEK -26 M (-2) and SEK -17 M (-13) were notices of termination with more than 18 months left of contract.

Net lettings for the period thus totalled SEK -31 M (109). Net lettings for the quarter totalled SEK 21 M (84). The time difference between reported net lettings 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 LETTINGS



## CASTELLUM'S LARGEST TENANTS

Largest tenants:	Rental value, SEK M
The Swedish Police Authority	195
AFRY Group	186
ABB	182
The Swedish National Courts Administration	169
Handelsbanken	149
The Swedish Social Insurance Agency	116
The Swedish Migration Board	86
Region Stockholm	81
Hedin Group	72
Northvolt	71
<b>Total rental value, largest tenants</b>	<b>1,307</b>

# Castellum's property portfolio

Category	30 Jun 2023				January–June 2023							
	Number	Area, 000 sq. m.	Property value, SEK M	NOI SEK/sq. m.	Rental value, SEK M	NOI SEK/sq. m.	Econ. occ. rate, %	Income, SEK M	Property costs, SEK M	NOI SEK/sq. m.	Net operating income, SEK M	
<b>OFFICES</b>												
Stockholm	53	663	30,879	46,599	946	2,854	91.0	845	192	580	653	
West	79	479	14,215	29,689	479	1,999	91.8	442	126	526	316	
Central	72	526	10,864	20,661	474	1,802	91.3	426	128	486	298	
Mälardalen	29	381	10,203	26,774	399	2,095	92.1	365	105	553	259	
Öresund	34	261	8,923	34,190	312	2,389	92.1	281	73	560	208	
Denmark	14	141	5,585	39,572	183	2,590	93.1	167	43	614	124	
Finland	18	203	7,425	36,571	367	3,610	90.8	328	118	1,164	210	
<b>Total Office</b>	<b>299</b>	<b>2,654</b>	<b>88,095</b>	<b>33,199</b>	<b>3,158</b>	<b>2,380</b>	<b>91.5</b>	<b>2,854</b>	<b>786</b>	<b>592</b>	<b>2,068</b>	
<b>PUBLIC SECTOR PROPERTIES</b>												
Stockholm	7	126	4,950	39,213	146	2,306	97.5	140	27	430	113	
West	19	146	3,072	21,112	116	1,600	96.5	111	29	399	82	
Central	29	301	9,106	30,231	314	2,085	95.1	293	71	472	222	
Mälardalen	7	37	1,010	27,245	34	1,841	98.8	33	7	365	27	
Öresund	7	71	2,967	41,707	90	2,533	96.4	86	18	494	69	
Denmark	1	12	703	58,375	20	3,274	90.8	18	3	504	15	
<b>Total Public sector properties</b>	<b>70</b>	<b>693</b>	<b>21,809</b>	<b>31,459</b>	<b>720</b>	<b>2,077</b>	<b>96.0</b>	<b>682</b>	<b>155</b>	<b>446</b>	<b>527</b>	
<b>WAREHOUSE/LIGHT INDUSTRY</b>												
Stockholm	34	193	3,813	19,799	134	1,392	91.6	125	27	281	98	
West	85	603	8,435	13,988	328	1,086	95.3	304	85	281	219	
Central	21	109	1,176	10,760	51	933	91.4	46	12	229	34	
Mälardalen	28	338	3,823	11,320	187	1,109	95.6	176	73	430	103	
Öresund	41	266	3,011	11,305	123	927	92.3	125	30	225	95	
Denmark	1	17	169	9,725	7	804	94.1	7	2	287	4	
<b>Total Warehouse/Light industry</b>	<b>210</b>	<b>1,526</b>	<b>20,426</b>	<b>13,383</b>	<b>830</b>	<b>1,088</b>	<b>94.1</b>	<b>783</b>	<b>229</b>	<b>300</b>	<b>554</b>	
<b>RETAIL</b>												
Stockholm	19	114	3,054	26,706	105	1,842	97.0	101	12	211	89	
West	12	54	902	16,766	41	1,523	90.9	37	13	473	24	
Central	19	130	2,240	17,256	100	1,536	95.5	93	20	311	73	
Mälardalen	12	48	776	16,288	33	1,391	95.6	30	7	315	22	
Öresund	16	72	1,439	19,974	63	1,738	95.4	57	14	393	43	
<b>Total Retail</b>	<b>78</b>	<b>418</b>	<b>8,411</b>	<b>20,139</b>	<b>342</b>	<b>1,637</b>	<b>95.4</b>	<b>318</b>	<b>67</b>	<b>319</b>	<b>251</b>	
<b>Total investment properties</b>	<b>657</b>	<b>5,291</b>	<b>138,741</b>	<b>26,223</b>	<b>5,050</b>	<b>1,909</b>	<b>92.8</b>	<b>4,636</b>	<b>1,236</b>	<b>467</b>	<b>3,400</b>	
Lettings and property administration expenses	—	—	—	—	—	—	—	—	277	105	277	
<b>Total after lettings and property administration expenses</b>	<b>657</b>	<b>5,291</b>	<b>138,741</b>	<b>26,223</b>	<b>5,050</b>	<b>1,909</b>	<b>92.8</b>	<b>4,636</b>	<b>1,513</b>	<b>572</b>	<b>3,123</b>	
Project	40	266	6,076	—	184	—	—	92	46	346	46	
Undeveloped land	22	9	1,080	—	25	—	—	24	4	932	20	
<b>Total</b>	<b>719</b>	<b>5,565</b>	<b>145,897</b>	<b>—</b>	<b>5,259</b>	<b>—</b>	<b>—</b>	<b>4,752</b>	<b>1,563</b>	<b>—</b>	<b>3,189</b>	

The difference between the net operating income of SEK 3,189 M reported above and the net operating income of SEK 3,222 M in the consolidated statement of comprehensive income are attributable to the deduction of the net operating income of SEK 65 M in properties divested during the period, and the SEK -30 M downward adjustment of the net operating income on properties acquired/completed during the period as if they had been owned or been completed during the entire period. The table above does not include coworking of SEK -10 M and non-property income items of SEK 7 M.

## Investment properties

As of 30 June 2023, after the divestment of 30 properties during the period, Castellum owns a total of 719 properties at a carrying amount of SEK 146 Bn. The property portfolio is located in growth areas in Sweden as well as Copenhagen and Helsinki. The properties are located in city centre locations and well-situated business districts, with excellent public transportation and services. Castellum's ownership is characterised by sustainability and a long-term perspective, and 59 per cent of the value of the asset portfolio is certified for sustainability. The company is continually engaged in developing, refining, modernising and customising its properties.

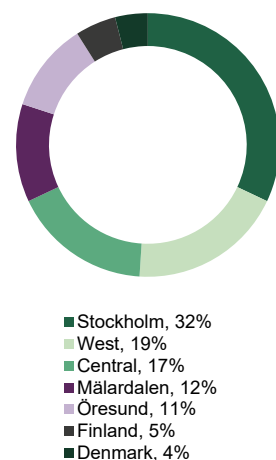
## CHANGES IN THE PROPERTY PORTFOLIO

SEK M	Carrying amount, SEK M	Number
Property portfolio on 1 Jan. 2023	153,563	749
+ Acquisitions	—	—
+ New construction, extensions and reconstructions	1,569	—
– Divestments	-3,499	-30
+/- Unrealised changes in value	-6,524	—
+/- Currency translation	788	—
<b>Property portfolio on 30 June 2023</b>	<b>145,897</b>	<b>719</b>

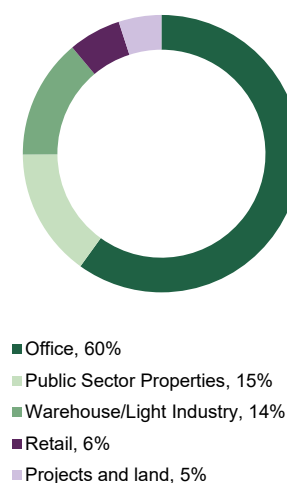
## PROPERTY-RELATED KEY METRICS

	2023 Jan– Jun	2022 Jan– Jun	2022 Jan– Dec
Rental value, SEK/sq. m.	1,909	1,717	1,758
Economic occupancy rate, %	92.8	93.7	93.4
Property costs, SEK/sq. m.	572	483	511
Net operating income, SEK/sq. m.	1,180	1,021	1,048
Property value on the balance-sheet date, sq. m.	26,223	27,498	26,737
Number of properties	719	752	749
Lettable area, thousand sq. m.	5,565	5,757	5,696
Average property yield requirement, %	5.2	4.7	5.0

## PROPERTY VALUE BY REGION



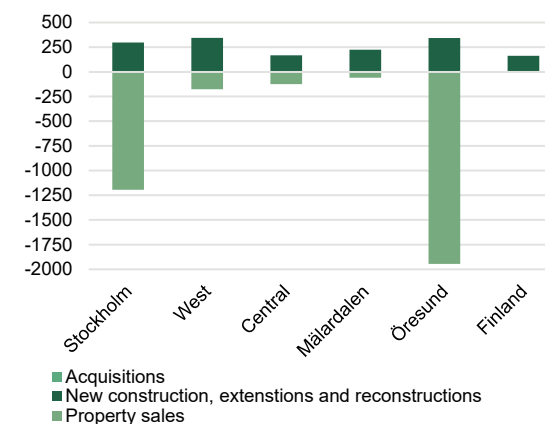
## PROPERTY VALUE BY CATEGORY



## Investments

During the period, investments in property totalled SEK 1,569 M (2,825), of which SEK 0 M (147) pertained to acquisitions and SEK 1,569 M (2,678) to new construction, extensions and reconstructions. After sales of SEK -3,406 M (-2,448), net investments amounted to SEK -1,837 M (377).

## NET INVESTMENTS PER REGION





## Larger ongoing projects

Castellum has ongoing projects totalling approximately SEK 2.8 Bn, of which SEK 1.2 Bn remains to be invested. The average economic occupancy rate in July 2023 was 81 per cent. Five major projects were completed during the half-year period, including two new constructions in Malmö pertaining to a court building and a new head office for E.ON, as well as the new construction of a laboratory for SEEL in the Säve district of Gothenburg. The completed projects have an average occupancy rate of 92 per cent and an annual rental value of SEK 217 M, excluding the Götaland 9 property that was sold and vacated at the conclusion of the project. The prevailing market conditions have slowed down the project volumes, but Castellum is putting greater focus on risk management in the ongoing projects and has an attractive development portfolio to start up with once the market conditions are more favourable.

Properties	Category	Inv. type	Location	Completed	Area, sq. m.	Rental value, SEK M	Econ. occ. rate, %	Total investment, SEK M	Of which invested, SEK M	Remaining to invest, SEK M
Backa 20:5	P	N	Gothenburg	Q4 2025	9,000	40	100	490	68	422
Tusenskönan 2	P	N	Mölnådal	Q4 2024	10,600	29	100	443	141	302
Effekten 13	O	N	Västerås	Q3 2023	15,400	34	100	435	376	59
Kungsängen-Tibble 1:648	W	N	Stockholm	Q3 2023	15,200	20	77	301	252	49
Werket	O	R	Jönköping	Q1 2026	25,500	47	44	300	147	153
Hornsberg 10	O	R	Stockholm	Q4 2023	8,700	32	82	268	213	55
Finnslätten 1 (part)	O/I	R	Västerås	Q4 2024	21,000	28	65	220	113	107
Tistlarna 9	Lo	N	Malmö	Q1 2024	11,300	13	97	195	150	45
Bollbro 15	P	R	Helsingborg	Q3 2023	3,800	7	92	125	87	38
<b>Total larger ongoing projects</b>					<b>120,500</b>	<b>250</b>	<b>81</b>	<b>2,777</b>	<b>1,547</b>	<b>1,230</b>
<b>Developments completed or fully/partly occupied</b>										
Sjustjärnan 1	O	N	Malmö	Q1 2023	31,500	83	99	1,362	1,240	122
Godsfinkan 1	O/P	N	Malmö	Q1 2023	26,500	85	98	1,350	1,350	0
Götaland 9 <sup>1</sup>	P	N	Jönköping	Q2 2023	9,200	23	100	323	293	30
Åseby 1:5	O/I	N	Gothenburg	Q2 2023	14,800	21	100	283	231	43
Borgarfjord 5	O	R	Stockholm	Q2 2023	9,300	28	45	182	131	51
<b>Total projects &gt;SEK 100 m</b>					<b>211,800</b>	<b>490</b>	<b>87</b>	<b>6,277</b>	<b>4,792</b>	<b>1,476</b>
<b>Smaller ongoing projects, SEK 10–100 M</b>								<b>2,645</b>	<b>2,104</b>	<b>541</b>

1. The property was divested and vacated at the conclusion of the project

Category: O=Office, W=Warehouse, Lo=Logistics, P=Public sector, I=Industry  
Investment type: N=New construction, R=Reconstruction

## Castellum's project pipeline

In the prevailing market situation, Castellum will postpone certain project starts until more stable conditions have appeared. This means that the volume of estimated project starts over the next five years will decrease. Castellum still has a great deal of potential in its development portfolio, and currently believes that projects corresponding to approximately 660,000 square metres can be started over the next five years given improved market conditions, a healthy pace of lettings, and proper progress in detailed development plans. Out of this volume, approximately 315,000 square metres are offices and the rest primarily logistics. The geographic distribution and the 20 largest development projects by area are shown in the following table.

## FUTURE POTENTIAL DEVELOPMENT PROJECTS, 20 LARGEST BY AREA

Project	Location	Type	Category	Detailed development plan	Lettable area, sq. m.
Säve Stage 1	Gothenburg	N	Lo	Ongoing	51,500
Halvorsång Stage III*	Gothenburg	N	Lo	In effect	50,500
Halvorsång Stage I*	Gothenburg	N	Lo	In effect	38,500
Läkaren 10	Stockholm	R	O	In effect	38,000
Part of Västerås 3:69**	Västerås	N	Lo	Ongoing	32,000
Charkuteristerna 1–8	Stockholm	R	O	Ongoing	28,000
Finnslätten 1	Västerås	N	Lo	In effect	28,000
Norr om Nordstaden**	Gothenburg	N	O	Ongoing	25,000
Höjdpunkten	Lund	N	O	Ongoing	22,000
Smärgelskivan	Helsingborg	N	Lo	In effect	21,000
Infinity	Stockholm	N	O	In effect	19,500
K3	Helsinki	R	O	In effect	17,000
Flabohult	Jönköping	N	Lo	In effect	15,000
Sunnanå 8:51	Malmö	N	Lo	In effect	13,000
Brunna Örnäs 1:28	Stockholm	N	Lo	In effect	12,500
Brunna Örnäs 1:29	Stockholm	N	Lo	In effect	12,500
Amasonen 3	Linköping	R	Oth	In effect	11,000
Gladan 5,6,7	Stockholm	R	O	In effect	11,000
Halvors ång Stage V*	Gothenburg	N	Lo	In effect	10,000
Effekten 2	Västerås	N	O	In effect	10,000
<b>Total</b>					<b>466,000</b>

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

\*The projects are being administered by JV. Castellum's share is 50 per cent

\*\*Land allocation agreement

## FUTURE POTENTIAL DEVELOPMENT PROJECTS BY LOCATION AND CATEGORY

Location	Category	Lettable area, sq. m.	
		Detailed development plan exists	Change to detailed dev. plan required
Gothenburg	Lo*	115,000	50,500
Gothenburg	O	—	25,000
Gothenburg	Oth	5,500	—
Helsingborg	Lo	21,000	—
Helsingborg	O	1,500	—
Helsinki	O	34,000	—
Jönköping	O	10,000	—
Jönköping	Lo	15,000	—
Jönköping	Oth	7,500	—
Copenhagen	Lo	7,000	—
Linköping	O	—	8,000
Linköping	Oth	14,000	—
Lund	O	—	22,000
Lund	Oth	3,000	—
Malmö	O	6,000	22,500
Malmö	Lo	13,000	—
Norrköping	O	9,000	—
Stockholm	O	84,000	63,000
Stockholm	Lo	33,000	—
Stockholm	Oth	—	7,500
Uppsala	O	8,000	—
Västerås	O	20,500	—
Västerås	Lo	28,000	—
Västerås	Oth	9,500	—
Örebro	O	12,500	—
Örebro	Oth	—	3,500
<b>Total</b>		<b>457,000</b>	<b>202,000</b>

\*130,000 square metres pertain to projects being carried out by JV, where Castellum's share is 50 per cent

# Key metrics – Sustainability

	2023 Q2, LTM	2022	2021
<b>Resource efficiency</b>			
Total energy use, kWh/sq. m., year	98	96	91
Total energy use, degree-day corrected, kWh/sq. m., year	100	99	92
Energy savings/yr, like-for-like portfolio, LTM, % (deg. day corr.)	-4	-4	0
Energy savings/yr, like-for-like portfolio, LTM, % (actual energy use)	-4	-9	13
Total water use, m <sup>3</sup> /sq. m., year	0.3	0.3	0.2
Water savings/yr, like-for-like portfolio, LTM, %	-2	1	-6
<b>Fossil-free</b>			
Share of non-fossil energy, %	97	95	95
Number of charging posts for electric vehicles	1,008	922	674
Number of solar PV systems installed	87	76	55
<b>Road map to climate neutrality by 2030</b>			
Property management – CO <sub>2</sub> emissions in kg/sq. m., year (market-based)	2.2	2.3	1.5
of which Scope 1	0.1	0.1	0.1
of which scope 2 – market-based	2.1	2.2	1.4
of which scope 2 – location-based	4.1	5.5	4.3
Project Development – Reduced emissions in project development portfolio (scope 3), %	-32	-29	-15
<b>Sustainability certification</b>			
Sustainability certification, % of sq. m.	46	45	48
Sustainability certificates	242	249	206
Sustainability certification, % of property value	59	61	63
<b>ESG benchmarks</b>			
GRESB points (0–100)	TBA	92	95
DJSI points (0–100)	TBA	82	80
CDP mark (A to D-)	TBA	B	A-
<b>Social key metrics</b>			
Sick leave, % (long- and short-term)	2	2.9	2.9
Equality, women/men, %	43/57	42/58	43/57
Diversity, international background, %	12	10	9
Apprentices, % of employees	1	2	4
<b>EU Taxonomy Regulation</b>			
<b>Contextual information for environmental target 1<sup>1</sup></b>	<b>Taxonomy-aligned proportion of property management portfolio, Q2 2023 (%)</b>		
Share of total sales (Turnover), %	35		
Share of total operational expenditure (OpEx), %	31		
Share of total investments and acquisitions (CapEx), %	19		

1. Complete information on reporting under Article 8 in the Taxonomy Regulation is available in Castellum's Annual Report and Sustainability Report for 2022.

Castellum will be one of the most sustainable property companies in Europe. Castellum's sustainability agenda, *The sustainable city*, is divided into four areas of focus: The Planet, Future-proofing, Wellness and Social Responsibility. These areas of focus ensure that operations are conducted responsibly, creating long-term solutions from an economic, ecological and social perspective. For more detailed information, refer to Castellum's Annual Report and Sustainability Report for 2022, which was published in February 2023.

## Sustainability initiatives

Castellum works sustainably. The company's environmental impact is decreasing, and ecosystem services are being developed to promote biodiversity. Nearly half of Castellum's properties are certified for sustainability, and energy efficiency is continually being improved. Carbon emissions will decrease, and the company is installing solar PV systems and charging stations. In partnership with tenants, the work life of the future and our shared society are being developed. Sustainability is a natural part of everything Castellum does, and of all of the company's investments.

## Sustainability goals and strategy

Castellum's sustainability goals are ambitious. By 2030 at the latest, the company will be completely climate neutral. To achieve this, carbon emissions must be reduced. At the same time, efforts to promote achievement of the UN Sustainable Development Goals must be successful. The sustainability strategy, *The sustainable city 2030*, is updated annually. The strategy is intended to ensure that the company, by contributing to sustainable development in selected areas, is a relevant and successful company, not just for today, but for a long time to come. The sustainability strategy is integrated into the business strategy and comprises 23 measurable targets. The climate-related goals are scientifically grounded and have been approved by the Science Based Targets initiative (SBTi). Castellum works continually toward achieving the targets in the respective areas of focus. Castellum conducts its operation so as to become more sustainable and to create profitable solutions that promote community development from a social, ecological, and economic perspective.

## Sustainability results

38 per cent of Castellum's turnover is aligned with the EU Taxonomy in terms of the climate change mitigation requirements. There is a sharp focus on reducing energy consumption, and in the like-for-like asset portfolio the savings LTM total 4 per cent. 46 per cent of the company's portfolio is sustainability certified, and Castellum is expected to achieve the target set of a 50 per cent certified portfolio before 2025. Castellum has installed 87 solar PV systems as part of its "100 on Solar" programme. The solar panels owned produce electricity corresponding to 12 per cent of Castellum's total energy use. During the preceding year, Castellum – as the first major property company in the Nordic region – was approved and classified as a green share on Nasdaq Stockholm. Castellum's entire property portfolio has been analysed based on climate risks, and 7 per cent of the value of the property portfolio has been identified as vulnerable to high risk.



# Financing

Total net proceeds of SEK 10.1 Bn from the new share issue were received during the quarter. Moreover, new loans of SEK 1 Bn and a further DKK 0.4 Bn, which were contracted in 2022, were paid out. The liquidity was used primarily to repay bonds of SEK 3.4 Bn that had matured during the quarter and to repay drawn revolving credit facilities. The results of these measures included a loan-to-value ratio of 36.9 per cent (42.3) on the balance-sheet date.

At the end of the second quarter, interest-bearing liabilities totalled SEK 65,480 M (76,849). The interest-bearing liabilities consist of bond loans of SEK 40,676 M (44,503), loans in banks of SEK 24,510 M (32,137) and commercial paper of SEK 294 M (209). Unsecured liabilities correspond to 63 per cent (58) of interest-bearing liabilities. The interest coverage ratio (LTM) amounted to 3.1, compared to 3.9 for full-year 2022, and the loan-to-value ratio was 36.9 per cent (42.3). The average remaining interest-rate and debt maturity totalled 3.1 years (2.7) and 3.2 years (3.1) respectively.

Castellum has applied interest-rate hedging to 71 per cent of the loan portfolio with a fixed interest term exceeding one year. An increase of 100 basis points in the underlying key interest rate would thus result in increased interest costs of SEK 190 M, compared with SEK 655 M if the entire loan portfolio had floating interest. Cash and unutilised credit facilities on the balance-sheet date totalled SEK 24.4 Bn.

## INTEREST RATE MATURITY STRUCTURE, 30 JUN 2023

Maturity date	SEK M	Share, %	Average interest rate, %	Average fixed interest rate term, yrs
0–1 year	19,029	29	5.9	0.3
1–2 years	14,514	22	0.9	1.5
2–3 years	3,200	5	0.8	2.6
3–4 years	8,134	13	2.3	3.3
4–5 years	310	0	2.5	4.7
>5 years	20,293	31	1.4	7.0
<b>Total</b>	<b>65,480</b>	<b>100</b>	<b>2.7</b>	<b>3.1</b>

KEY METRICS – INTEREST-BEARING FINANCING	30 Jun 2023	30 Jun 2022	31 Dec 2022
Interest-bearing liabilities, SEK M	65,480	74,153	76,849
Bonds outstanding, SEK M	40,676	46,314	44,503
Commercial paper outstanding, SEK M	294	3,706	209
Banking credit etc., SEK M	24,510	24,133	32,137
Cash and cash equivalents, SEK M	1,755	1,290	858
Unutilised credit facilities, SEK M	22,675	18,668	12,301
Share of unsecured assets, %	52	53	52
Share of secured borrowing/property value, %	17	18	21
Share of secured borrowing/total assets, %	14	13	18
Loan-to-value ratio, %	36.9	39.4	42.3
Interest coverage ratio, multiple	2.8	4.7	3.9
Net liability/EBITDA, multiple	10.5	13.2	13.6
Average debt maturity, years	3.2	3.6	3.1
Average fixed interest rate term	3.1	2.9	2.7
Credit rating	Baa3, Stable Outlook	Baa2, Stable Outlook	Baa3, Stable Outlook
Average effective rate excluding pledges, %	2.7	1.9	2.6
Average effective rate including pledges, %	2.8	2.0	2.7
Market value interest rate derivatives, SEK M	1,977	1,711	1,899
Market value currency derivatives, SEK M	2,112	756	847

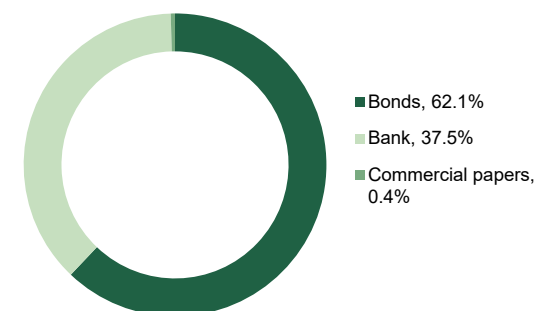
## CREDIT MATURITY STRUCTURE, 30 JUN 2023

Credit agreements	Bank balances, SEK M	Bonds, SEK M	Commercial paper, SEK M	Total interest-bearing liabilities, SEK M	Share, %	Unutilised credits, SEK M	Total available credit facilities, SEK M
2023	861	6,455	294	7,610	12	950	8,560
2024	1,484	3,750	—	5,234	8	4,400	9,634
2025	8,198	11,016	—	19,213	29	17,325	36,538
2026	4,528	7,165	—	11,694	18	—	11,694
2027	516	2,698	—	3,214	5	—	3,214
>2027	8,923	9,591	—	18,515	28	—	18,515
<b>Total</b>	<b>24,510</b>	<b>40,676</b>	<b>294</b>	<b>65,480</b>	<b>100</b>	<b>22,675</b>	<b>88,155</b>

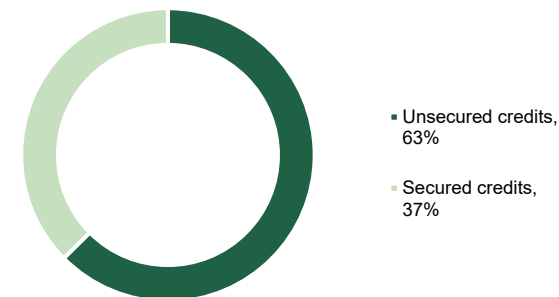
## CASTELLUM'S FINANCIAL POLICY AND COMMITMENTS IN CREDIT AGREEMENTS

	Policy	Commitments	Outcome
<b>Loan-to-value ratio</b>	Not to permanently exceed 40%	Not exceeding 65 per cent	<b>37%</b>
<b>Interest coverage ratio, LTM</b>	>3	>1.5	<b>3.1</b>
<b>The share of secured borrowing/total assets</b>		Not exceeding 45 per cent	<b>14%</b>
<b>Funding risk</b>			
• average debt maturity	At least 2 years		<b>3.2 years</b>
• proportion maturing within 1 year	No more than 30 per cent of loans outstanding and unutilised credit agreements		<b>12%</b>
• Liquidity reserve	Liquidity reserve corresponding to 12 months' impending loan maturities		<b>Achieved</b>
<b>Interest rate risk</b>			
• average interest duration	1.5–4.5 years		<b>3.1 years</b>
• maturing within 6 months	No more than 50 per cent		<b>25%</b>
<b>Credit and counterparty risk</b>			
• rating restriction	Credit institutions with high ratings, at least S&P BBB+		<b>Achieved</b>
<b>Currency risk</b>			
• net exposure in foreign currency	Maximum 10 per cent of balance sheet total		<b>Achieved</b>

## ALLOCATION OF INTEREST-BEARING LIABILITIES, 30 JUN 2023



## SECURED AND UNSECURED CREDITS, 30 JUN 2023



# Consolidated cash flow statement

## cash flow statement

SEK M					LTM	
	2023 Apr–Jun	2022 Apr–Jun	2023 Jan– Jun	2022 Jan– Jun	Jul 2022– Jun 2023	2022 Jan–Dec
Net operating income	1,685	1,512	3,222	2,917	6,142	5,838
Central administrative expenses	-131	-89	-201	-156	-315	-270
Reversed depreciation	40	22	79	65	174	160
Interest paid <sup>1</sup>	-516	-276	-1,051	-582	-1,947	-1,478
Tax paid	6	-41	-32	-6	-170	-144
Translation difference of currencies	-38	-58	-11	-13	9	7
<b>Cash flow from operating activities before change in working capital</b>	<b>1,046</b>	<b>1,070</b>	<b>2,006</b>	<b>2,225</b>	<b>3,893</b>	<b>4,113</b>
Change in current receivables	-68	137	-75	-154	117	38
Change in current liabilities	-33	104	106	379	-124	149
<b>Cash flow from operating activities</b>	<b>945</b>	<b>1,311</b>	<b>2,037</b>	<b>2,450</b>	<b>3,886</b>	<b>4,300</b>
Investments in new construction, extensions and reconstructions	-861	-1,483	-1,569	-2,678	-4,439	-5,548
Property acquisitions	6	-72	0	-147	-216	-363
Change in liabilities at acquisitions of property	-52	-93	-58	-138	-62	-142
Divestment of properties	3,105	75	3,406	2,377	4,109	3,080
Change in receivables at divestment of properties	77	-1	76	69	-2	-9
Sale of investments held as long-term assets	—	133	—	133	—	133
Dividend paid from associated companies	146	165	146	165	314	333
Other investments	-15	-30	-58	-71	3	-10
<b>Cash flow from investment activities</b>	<b>2,406</b>	<b>-1,306</b>	<b>1,943</b>	<b>-290</b>	<b>-293</b>	<b>-2,526</b>
Repayment of loans	-15,385	-5,804	-19,626	-14,415	-30,210	-24,999
Drawn loans	1,780	6,344	7,032	16,935	19,293	29,196
Change in long-term receivables	4	1	0	—	-5	-5
Derivatives	98	310	317	-271	-145	-733
Preferential rights issue	10,089	—	10,089	—	10,089	—
Repurchase of own shares	—	—	—	-2,752	—	-2,752
Hybrid bond	—	—	-349	-167	-349	-167
Transactions with non-controlling interests	—	-490	—	-830	—	-830
Dividend paid	—	-624	-624	-624	-1,872	-1,872
<b>Cash flow from financing activities</b>	<b>-3,414</b>	<b>-263</b>	<b>-3,161</b>	<b>-2,124</b>	<b>-3,199</b>	<b>-2,162</b>
Cash flow for the period	-63	-258	819	36	394	-388
Cash and cash equivalents opening balance	1,757	1,505	858	1,197	1,290	1,197
Exchange-rate difference in cash and cash equivalents	61	43	78	57	71	49
<b>Cash and cash equivalents, closing balance</b>	<b>1,755</b>	<b>1,290</b>	<b>1,755</b>	<b>1,290</b>	<b>1,755</b>	<b>858</b>
Average number of shares, thousand	448,515	328,401	419,724	333,362	409,033	330,854
Cash flow, SEK/share	-0.14	-0.79	1.95	0.11	0.96	-1.17

### CASTELLUM'S CASH FLOW

The cash flow statement has been prepared according to the indirect method. Net profit or loss is adjusted for effects of non-cash transactions during the period as well as for income or costs associated with the cash flow from investment or financing activities. Operating cash flow after change in working capital was SEK 2,037 M. SEK 1,569 M has been invested in existing properties and projects. 30 properties were divested in the first half of the year, with a total purchase consideration of SEK 3,406 M received. Ongoing currency hedging during the period totalling SEK 317 M impacted the cash flow. A dividend of SEK 624 M pertaining to the final disbursement of dividends for financial year 2021 was paid to shareholders. SEK 349 M pertaining to coupons on the hybrid bond has also been disbursed. Net debt as of 30 June 2023 totalled SEK 63,725 M after a decrease in liabilities of SEK M 11,369 and an increase in cash and bank balances of SEK 898 M during the period.

1. As of Q4 2022, amended policies have been applied, meaning that interest received from and paid to the same counterparty are net accounted for.



# Associated companies

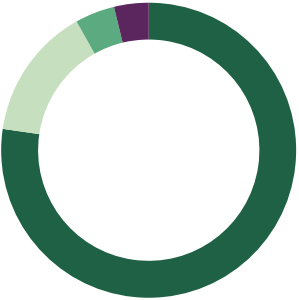
At the end of the period, Castellum owned 60,710,624 shares in Entra ASA, corresponding to 33.3 per cent of the voting rights and capital. Entra owns and manages modern office properties in central locations in Norway close to public transportation. This, together with a strong customer base, lengthy leases and a large, high-quality development portfolio, means that the company is well positioned for the future. Castellum recognises its holdings in Entra in accordance with the equity method.

**ENTRA'S ASSET PORTFOLIO, 30 JUNE 2023**



- Oslo, 67%
- Bergen, 9%
- Trondheim, 9%
- Sandvika, 6%
- Drammen, 3%
- Stavanger, 2%
- Project and land, 4%

**CASTELLUM'S PROPERTY VALUE BY COUNTRY INCL. ENTRA**



- Sweden, 77%
- Norway, 15%
- Finland, 4%
- Denmark, 4%

**CASTELLUM'S LETTABLE AREA BY COUNTRY INCL. ENTRA**



- Sweden, 85%
- Norway, 9%
- Finland, 3%
- Denmark, 3%

# Key metrics

	2023 Jan–Jun	2022 Jan–Jun	2022 Jan–Dec	2021 Jan–Dec	2020 Jan–Dec	2019 Jan–Dec	2018 Jan–Dec
<b>Property-related key metrics</b>							
Surplus ratio, %	67	66	67	71	74	72	71
Occupancy rate, %	92.8	93.7	93.4	93.2	93.1	92.6	93.2
Lettable area at the end of the period, '000 square metres	5,565	5,757	5,696	5,853	4,447	4,255	4,283
Number of properties at end of period	719	752	749	762	642	632	647
<b>Financial key metrics</b>							
Return on total capital, %	-5.2	14.9	0.6	8.6	7.5	8.4	10.6
Return on equity, %	-9.1	16.7	2.2	22.7	13.0	14.5	22.6
Average closing interest rate, %	2.7	1.9	2.6	1.8	1.9	2.0	2.0
<b>Data per share</b>							
Share price at end of period, SEK	102.95	131.45	126.25	243.80	208.70	222.00	163.35
EPRA EPS (income from property management after nominal tax), SEK <sup>1</sup>	4.51	6.81	13.21	11.58	11.25	10.44	9.65
EPRA NRV (current net reinstatement value), SEK <sup>1</sup>	167	263	242	251	214	195	176
EPRA NTA (long-term net reinstatement value), SEK <sup>1</sup>	160	252	230	241	205	187	169
EPRA NDV (equity), SEK <sup>1</sup>	142	215	196	197	168	154	139
Equity, SEK	172	254	239	296	176	160	145
Net income for the year, SEK <sup>2</sup>	-9.10	17.47	4.44	35.12	17.24	17.37	22.92
Income from property management, SEK <sup>1</sup>	4.98	7.12	13.63	12.45	12.35	11.52	10.81
Cash flow, SEK	1.95	0.28	-1.02	3.66	-0.04	-0.26	0.15
Dividend per share, SEK	—	—	—	7.60	6.90	6.50	6.10
Number at end of period, thousands	492,601	328,401	328,401	340,544	277,093	273,201	273,201
Average number of shares, thousand	419,724	333,362	330,854	282,917	273,628	273,201	273,201

1. For calculation, refer to Financial Key Metrics on page 23.

2. For the "SEK per share" key financial metric, the average number of shares has been adjusted by a factor of 1.1904 for all comparison years in accordance with IAS 33 *Earnings per Share*.

# The Castellum share

The Castellum share is listed on Nasdaq Stockholm Large Cap. At the end of the period the company had approximately 115,600 shareholders. The 15 individual largest shareholders confirmed as of 30 June 2023 are presented in the table below.

## SHAREHOLDERS 30 JUN 2023

Shareholders	Number of shares, thousand	Share of votes/capital, %
Akelius Residential Property	66,601	13.5
Länsförsäkringar Fonder	21,955	4.5
Gösta Welandson with companies	19,638	4.0
Handelsbanken Fonder	17,934	3.6
Nordea Fonder	16,591	3.4
BlackRock	15,471	3.1
Swedbank Robur Fonder	13,251	2.7
Vanguard	10,683	2.2
Futur Pension	10,450	2.1
Folksam	7,857	1.6
APG Asset Management	7,800	1.6
Fourth Swedish National Pension Fund	7,720	1.6
PGGM Pensioenfonds	6,701	1.4
Norges Bank	6,688	1.4
DWS Investments	4,652	1.2
<b>15 largest owners</b>	<b>233,992</b>	<b>47.5</b>
Foreign owners, other	112,198	22.8
Swedish owners, other	146,411	29.7
<b>Total shares outstanding</b>	<b>492,601</b>	<b>100.0</b>

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

## Preferential rights issue

At the Annual General Meeting in March 2023, Castellum's Board of Directors was authorised to decide on a new share issue with or without derogation of the shareholders' preferential rights. The Annual General Meeting resolved to authorise the Board to decide, on one or more occasions during the time up until the next AGM, on a new share issue corresponding to a maximum of 10 per cent of the company's share capital at the point in time the authorisation is first exercised, with or without derogation of the shareholders' preferential rights. The total issue price during 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. The comparison figures have been restated as a consequence of the preferential rights issue with an estimated bonus factor of 1.1904.

## Reduction of the share capital through cancellation of Castellum's own shares

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 will be earmarked for non-restricted equity. The Board has exercised this authority in conjunction with the preferential rights issue, which means that Castellum no longer holds any treasury shares.

## Dividend

To safeguard the company's credit rating, the Board decided on a tightened financial policy and a savings programme with reduced scope for investments in 2023 and 2024, for the purpose of strengthening the company's balance sheet. At the 2023 Annual General Meeting, Castellum's Board of Directors proposed no dividend for financial year 2022.

The share	30 Jun 2023	31 Dec 2022
Share price, SEK	102.95	126.25
Market capitalisation, SEK Bn	50.7	43.6
Sales, millions	294	386
Turnover rate, %	142	115
Dividend yield	—	6.0

## SHAREHOLDERS BY COUNTRY, 30 JUN 2023



- Sweden, 63%
- USA, 12%
- Netherlands, 5%
- Finland, 4%
- Other, 16%

# Parent Company

## CONDENSED INCOME STATEMENT

SEK M	2023 Apr– Jun	2022 Apr– Jun	2023 Jan– Jun	2022 Jan– Jun	2022 Jan– Dec
Income	39	72	77	101	211
Central administrative expenses	-161	-9	-255	-83	-360
Financial items	-216	-217	-293	-239	-20
<b>Income before changes in value and tax</b>	<b>-338</b>	<b>-154</b>	<b>-471</b>	<b>-221</b>	<b>-169</b>
Impairment of participations in Group companies	—	—	-808	—	—
Impairment of participations in associated companies	-680	—	-856	—	—
Change in value on financial instruments	626	1,331	1,238	1,600	1,489
<b>Income before tax</b>	<b>-392</b>	<b>1,177</b>	<b>-897</b>	<b>1,379</b>	<b>1,320</b>
Tax	-33	-204	-73	-262	-383
<b>Net income for the period</b>	<b>-425</b>	<b>973</b>	<b>-970</b>	<b>1,117</b>	<b>937</b>
<b>Items that will be reclassified to net income for the period</b>					
Translation difference of currencies	17	128	31	128	241
Unrealised change, currency hedge	-19	-89	-34	-9	-326
<b>Comprehensive income for the period</b>	<b>-427</b>	<b>1,012</b>	<b>-973</b>	<b>1,236</b>	<b>852</b>

## CONDENSED BALANCE SHEET

SEK M	30 Jun 2023	30 Jun 2022	31 Dec 2022
Participations in Group companies	46,544	47,120	47,342
Participations in associated companies	11,830	12,691	12,693
Receivables, Group companies	46,006	48,105	50,209
Derivatives	3,603	1,953	2,183
Other receivables	217	229	252
Cash and cash equivalents	69	34	10
<b>Total assets</b>	<b>108,269</b>	<b>110,132</b>	<b>112,689</b>
Equity	49,129	40,835	40,451
Derivatives	487	291	327
Interest-bearing liabilities	32,902	45,095	47,304
Liabilities, Group companies	24,975	21,477	23,444
Deferred tax liability	394	207	321
Other liabilities	382	2,227	842
<b>Total equity and liabilities</b>	<b>108,269</b>	<b>110,132</b>	<b>112,689</b>

The Parent Company's contingent liabilities increased by SEK 1.5 Bn during the period, totalling SEK 30.9 Bn at 30 June 2023. The contingent liabilities are attributable to sureties for subsidiaries.

## Parent Company net income

The Parent Company is Castellum AB (publ). The main object of the Parent Company's operations is to own shares in the operating subsidiaries. Income before tax for the year totalled SEK -897 M (1,379). The lower level of income is attributable to impairment of participations in Group companies, which was justified by the decrease in the property value in Group companies. Income before tax was also impacted by impairment of participations in associated companies, which is attributable primarily to a downturn in the assessed value in use. The lower level of income was offset by an upswing in unrealised changes in value in financial instruments, which totalled SEK 1,238 M (1,600) during the period. The Parent Company's assets for the year totalled SEK 108,269 M (110,132). The debt/equity ratio was 45 per cent (37).

## Other information

### Risks and uncertainties

Castellum's operations, earnings and financial position are impacted by a number of risk factors. These are related primarily to properties, tax and financing. The company works actively to identify and manage the risks and opportunities that are of material significance to its operations. Castellum manages these risks in relation to a changing market by having a strong balance sheet and keeping the loan-to-value ratio low. Combined with active asset management, we reduce the risk for increased cost of capital. On the operational side, we are working with a carefully composed tenant portfolio with a spread across notice periods, industries, tenant size and geographic location concentrated in growth markets. To facilitate risk management, Castellum has chosen to classify risks into the categories of business environment risks, operational risks, financial risks, and sustainability risks. More information on Castellum's risks and their management can be found in the Annual Report for 2022.

### Forward-looking information

A number of items recognised in this report are forward-looking, and the actual outcome may differ substantially. Apart from the factors that have expressly been commented on, other factors such as economic growth, interest-rate levels, financing terms, yield requirements on property assets and political decisions may also have a material impact on the actual outcome.

### Accounting policies

Castellum's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS). The interim report has been prepared in accordance with IAS 34 *Interim Financial Reporting*, and for the Parent Company in accordance with Chapter 9 of the Annual Accounts Act. Moreover, the relevant provisions in the Annual Accounts Act and the Securities Markets Act have been applied. For the Group and the Parent Company, the same accounting policies and bases for calculation as in the latest annual report have been applied. In addition to the financial statements, disclosures in accordance with IAS

34.16A appear in the remainder of this interim report. Preparation of the interim report requires company management to make assessments and estimates, and to make assumptions that have impacted the application of the accounting policies and the recognised amounts of assets, liabilities, income and costs. The actual outcome may deviate from these estimates and assessments. The critical assessments made and the sources of uncertainty in existing estimates are the same as those in the latest published annual report.

In the second half of the year, Castellum will analyse the effects of introducing a global minimum tax and the effects of the announced changes to IAS 12.

#### VALUATION OF THE ASSET PORTFOLIO

Castellum internally values its entire property holdings on a quarterly basis, corresponding to level 3 in IFRS 13. 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. This section aims to describe and illustrate Castellum's cash flow-based model for calculation of the value of the property portfolio. The value of the property portfolio is calculated in a 10 to 20-year cash flow model as the 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 weightiest value-driving factors in the valuation model, are crucial for the calculated value of the property portfolio. The yield requirement is derived from market transactions on objects of equal value, known as the local price method. The earnings are based on existing contracts and the most likely lettings scenarios in the respective properties. For further information on Castellum's valuation of its property portfolio, refer to Note 11 in the Sustainability Report for 2022.

#### VALUATION OF FINANCIAL ASSETS AND LIABILITIES

To calculate the fair value of our interest-rate and currency 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. When calculating the fair value of derivatives, adjustments are made for counterparty risk in the form of Credit Value Adjustments (CVA) and Debit 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.

#### Related-party transactions

Remuneration has been paid to Board members and senior executives pertaining to work performed. Additional related-party transactions also took place with Sweco, which is deemed to be a related party since one of Castellum's Board members holds an executive position within the company. The total value of related-party transactions with Sweco is deemed to be SEK 6 M. All related-party transactions took place at arm's length. The Parent Company'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.

## Important events during the reporting period

- By virtue of the authorisation submitted at the AGM on 23 March 2023, the Board of Directors of Castellum resolved on a fully guaranteed new share issue of approximately SEK 10 Bn for the purpose of strengthening the company's financial position. The preferential rights issue was fully subscribed, and provided Castellum with SEK 10,180 M before issue costs.
- During the quarter, Castellum sold two properties in Lund to its tenant, Axis Communications. Earlier in the year, an additional 18 minor properties were sold, which together with the divestment in Lund total SEK 2.3 Bn. The sale prices were in line with the carrying amounts. Castellum vacated a total of 30 properties during the half-year period.
- Leiv Synnes announced that he was resigning from his post on the Board of Directors of Castellum, effective immediately. Akelius Residential Property informed Castellum that they intended to nominate Pål Ahlsén as a new Board member.

## Events after balance sheet date

In accordance with the proposal from the Nomination Committee, Pål Ahlsén was elected as a new member of Castellum's Board of Directors at an extraordinary general meeting on 13 July 2023.

Gothenburg, 14 July 2023

<b>Per Berggren</b> Chairman of the Board	<b>Pål Ahlsén</b> Board member	<b>Anna-Karin Celsing</b> Board member
<b>Henrik Käll</b> Board member	<b>Ann-Louise Lökholm Klasson</b> Board member	<b>Louise Richnau</b> Board member
<b>Joacim Sjöberg</b> Chief Executive Officer		

*This disclosure contains information that Castellum AB is obligated to make public pursuant to the EU Market Abuse Regulation and the Swedish Security Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 8:00 a.m. CEST on 14 July 2023. This Interim Report has not been reviewed by the company's auditor.*



# Financial key metrics

A number of the financial key metrics presented by Castellum are not defined in accordance with the IFRS accounting standards. However, the company believes that these metrics provide useful supplementary information to both investors and Castellum management, as they facilitate evaluation of company performance. It is to be noted that, since not all companies calculate financial metrics in the same manner, these are not always comparable to metrics used by other companies. These financial metrics should therefore not be seen as a substitute for metrics defined according to IFRS. Unless otherwise stated, the table below presents metrics, along with their reconciliation, which are not defined according to IFRS. Furthermore, definitions for these metrics also appear on page 26.

	2023 Apr–Jun	2022 Apr–Jun	2023 Jan–Jun	2022 Jan–Jun	LTM, Jul 2022–Jun 2023	2022 Jan–Dec						
<b>Average number of shares, thousand</b>	<b>448,515</b>	<b>328,401</b>	<b>419,724</b>	<b>333,362</b>	<b>409,033</b>	<b>330,854</b>						
<b>Income from property management</b>	<b>SEK M</b>	<b>SEK/share</b>	<b>SEK M</b>	<b>SEK/share</b>	<b>SEK M</b>	<b>SEK/share</b>						
Income before tax	369	0.82	4,301	13.10	-4,950	-11.80	8,073	24.22	-10,788	-26.37	2,237	6.76
Reversed												
Acquisition costs	—	—	—	—	—	—	—	—	7	0.02	7	0.02
Income from associated companies excluding income from property management	814	1.81	170	0.52	964	2.30	-624	-1.87	2,510	6.14	922	2.79
Change in values on properties	650	1.45	-2,370	-7.22	6,618	15.77	-2,812	-8.44	12,968	31.70	3,537	10.69
Change in values on financial holdings	—	—	229	0.70	—	—	58	0.17	-1	0	57	0.17
Change in values on derivatives	-840	-1.87	-1,104	-3.36	-753	-1.79	-2,470	-7.41	-973	-2.38	-2,690	-8.13
Changes in value on goodwill	83	0.19	0	0.00	214	0.51	151	0.45	503	1.23	440	1.33
<b>= Income from property management</b>	<b>1,077</b>	<b>2.41</b>	<b>1,226</b>	<b>3.73</b>	<b>2,093</b>	<b>4.98</b>	<b>2,375</b>	<b>7.13</b>	<b>4,226</b>	<b>10.33</b>	<b>4,510</b>	<b>13.63</b>
<b>EPRA Earnings (Income from property management after tax)</b>												
Income from property management	1,077	2.41	1,226	3.73	2,093	4.98	2,375	7.13	4,226	10.33	4,510	13.63
Reversed: Current tax, income from property management	-141	-0.32	-11	-0.03	-197	-0.47	-104	-0.31	-234	-0.57	-141	-0.43
<b>EPRA Earnings/EPRA EPS</b>	<b>938</b>	<b>2.09</b>	<b>1,215</b>	<b>3.70</b>	<b>1,895</b>	<b>4.51</b>	<b>2,271</b>	<b>6.81</b>	<b>3,992</b>	<b>9.76</b>	<b>4,369</b>	<b>13.21</b>
<b>Interest coverage ratio</b>	<b>2023 Apr–Jun</b>	<b>2022 Apr–Jun</b>	<b>2023 Jan–Jun</b>	<b>2022 Jan–Jun</b>	<b>LTM, Jul 2022–Jun 2023</b>	<b>2022 Jan–Dec</b>						
Income from property management, SEK M	1,077	1,226	2,093	2,375	4,226	4,510						
Reversed:												
Net interest items, SEK M	575	334	1,143	648	2,026	1,531						
<b>Income from property management excluding net interest, SEK M</b>	<b>1,653</b>	<b>1,560</b>	<b>3,236</b>	<b>3,023</b>	<b>6,252</b>	<b>6,041</b>						
Interest coverage ratio, multiple	2.9	4.7	2.8	4.7	3.1	3.9						

	30 Jun 2023		30 Jun 2022		31 Dec 2022	
<b>Number of shares outstanding, thousand</b>		<b>492,601</b>		<b>328,401</b>		<b>328,401</b>
	30 Jun 2023		30 Jun 2022		31 Dec 2022	
<b>Net asset value</b>	<b>SEK M</b>	<b>SEK/share</b>	<b>SEK M</b>	<b>SEK/share</b>	<b>SEK M</b>	<b>SEK/share</b>
Equity according to the balance sheet	84,926	172.40	84,789	258.19	78,983	240.51
Reversed:						
Hybrid bonds	-10,169	-20.64	-10,164	-30.95	-10,169	-30.97
Non-controlling interest	—	—	—	—	—	—
Declared, undistributed dividend	—	—	1,248	3.80	624	1.90
Derivatives according to the balance sheet	-4,090	-8.30	-2,467	-7.51	-2,747	-8.36
Goodwill attributable to deferred tax	-4,755	-9.65	-5,199	-15.83	-4,944	-15.05
Deferred tax according to the balance sheet	16,335	33.16	18,299	55.72	17,754	54.06
<b>Net reinstatement value (EPRA NRV)</b>	<b>82,247</b>	<b>166.97</b>	<b>86,506</b>	<b>263.42</b>	<b>79,501</b>	<b>242.09</b>
Deduction:						
Goodwill due to acquisition of United Spaces	—	—	-193	-0.59	-25	-0.08
Estimated real deferred tax, 4%	-3,623	-7.35	-3,701	-11.27	-3,860	-11.75
<b>Net tangible assets (EPRA NTA)</b>	<b>78,624</b>	<b>159.62</b>	<b>82,612</b>	<b>251.56</b>	<b>75,616</b>	<b>230.26</b>
Reversed:						
Derivatives according to above	4,090	8.30	2,467	7.51	2,747	8.36
Deferred tax	-12,712	-25.81	-14,598	-44.45	-13,870	-42.23
<b>Net disposal value (EPRA NDV)</b>	<b>70,002</b>	<b>142.11</b>	<b>70,481</b>	<b>214.62</b>	<b>64,493</b>	<b>196.39</b>
<b>Loan-to-value ratio</b>			<b>30 Jun 2023</b>	<b>30 Jun 2022</b>	<b>31 Dec 2022</b>	
Interest-bearing liabilities, SEK M			65,480	74,153	76,849	
Cash and cash equivalents, SEK M			-1,755	-1,290	-858	
<b>Net interest-bearing liabilities, SEK M</b>			<b>63,725</b>	<b>72,863</b>	<b>75,991</b>	
<b>Total assets, SEK M</b>			<b>172,572</b>	<b>184,939</b>	<b>179,731</b>	
Loan-to-value ratio, %			36.9	39.4	42.3	
<b>Loan-to-value ratio, Property</b>			<b>30 Jun 2023</b>	<b>30 Jun 2022</b>	<b>31 Dec 2022</b>	
<b>Net interest-bearing liabilities, SEK M</b>			<b>63,725</b>	<b>72,863</b>	<b>75,991</b>	
Investment properties, SEK M			145,897	156,888	153,563	
Acquired properties not taken into possession, SEK M			13	-49	-45	
Divested properties still in Castellum's possession, SEK M			21	0	97	
<b>Investment properties, SEK M</b>			<b>145,931</b>	<b>156,839</b>	<b>153,615</b>	
Loan-to-value ratio, Property, %			43.7	46.5	49.5	
<b>Net debt to EBITDA</b>			<b>30 Jun 2023</b>	<b>30 Jun 2022</b>	<b>31 Dec 2022</b>	
<b>Net interest-bearing liabilities, SEK M</b>			<b>63,725</b>	<b>72,863</b>	<b>75,991</b>	
Net operating income, SEK M			3,222	2,917	5,838	
Central administration expenses, SEK M			-201	-156	-270	
<b>Operating income, SEK M</b>			<b>3,021</b>	<b>2,761</b>	<b>5,568</b>	
Net debt to EBITDA, mult			10.5	13.2	13.6	

	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	LTM, Jul 2022-Jun 2023	2022 Jan-Dec
<b>Net investment, SEK M</b>						
Acquisitions	-6	72	—	147	216	363
New construction, extensions and reconstructions	861	1,483	1,569	2,678	4,439	5,548
<b>Total investments</b>	<b>855</b>	<b>1,555</b>	<b>1,569</b>	<b>2,825</b>	<b>4,655</b>	<b>5,911</b>
Net sales prices	-3,105	-146	-3,406	-2,448	-4,038	-3,080
<b>Net investments</b>	<b>-2,250</b>	<b>1,409</b>	<b>-1,837</b>	<b>377</b>	<b>617</b>	<b>2,831</b>
Proportion of the property value, %	-1.5	0.9	-1.2	0.2	0.4	1.8

	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	LTM, Jul 2022-Jun 2023	2022 Jan-Dec
<b>Other key financial metrics</b>						
Surplus ratio, %	70	71	67	66	66	67
Gross lettings, SEK M	189	192	320	328	658	666
Net lettings, SEK M	21	84	-31	109	21	161
Return on total capital, %	0.2	33.1	-5.2	14.9	-5.4	0.6
Return on equity, %	2.4	16.3	-9.1	16.7	-10.1	2.2
Property value, SEK/share	296	478	296	478	296	468

# 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 NRV, EPRA NTA and EPRA NDV are reported.

## Share-related key metrics

### Dividend yield

Dividend as a percentage of the share price at the end of the period.

### 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.

### 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 NRV – Net Reinstatement Value

Equity as recognised in the balance sheet less non-controlling interests and hybrid bonds and adjusted for derivatives, goodwill relating to deferred tax, and deferred tax in its entirety.

### EPRA NTA – Net Tangible Assets

Equity as recognised in the balance sheet less non-controlling interests and hybrid bonds and adjusted for derivatives, goodwill relating to deferred tax, and deferred tax in its entirety, adjusted for fair value of deferred tax instead of nominal deferred tax.

### EPRA NDV – Net Disposal Value

Equity as recognised in the balance sheet, less non-controlling interests and hybrid bonds and adjusted for goodwill that does not constitute deferred tax.

## Property-related key metrics

### Gross lettings

Rental income for signed leases, including investments, during the period.

### 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.

### 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 expenses, maintenance, site leasehold fees and property tax, as well as indirect property costs in the form of lettings and property administration.

### Income from property management

Net income following add-back of acquisition and restructuring costs, revaluation of results due to stepwise acquisitions, impairment of goodwill and changes in value, as well as tax for both the Group and for associated companies/joint ventures. Income from property management is calculated before tax paid, as well as after the theoretical tax that Castellum would have paid on income from property management had there been no loss carryforwards.

### Rental income

Rents debited plus supplements such as reimbursement of heating costs and property tax.

### Rental value

Rental income plus estimated market rent for vacant premises.

### 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 during 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.

## Net lettings

Gross lettings less rental income for leases terminated during the period. All discounts are included for newly signed leases, and are restated at an annual value based on the length of the lease.

## Surplus ratio

Net operating income adjusted for coworking as a percentage of rental income and service income.

## Financial key metrics

### 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 interest 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.

### Hybrid bond

Castellum has issued hybrid bonds with a fixed coupon rate of 3.125 per cent. The hybrid bonds are recognised as equity according to IFRS. Moody's gave the instrument a rating of Ba1, and confirmed that they classified 50 per cent as equity and 50 per cent as liabilities.

### 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 expenses. In the interim accounts, net operating income less central administrative expenses have been recalculated on an annual basis, disregarding seasonal variations normally occurring in operations.

### Financial calendar

Interim report, January–September 2023	27 October 2023
Year-end report January–December 2023	14 February 2024
Interim report January–March 2024	3 May 2024
Annual General Meeting 2024	7 May 2024
Half-year report January-June 2024	16 July 2024

### [www.castellum.se](http://www.castellum.se)

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### About Castellum

Castellum is one of the largest listed property companies in the Nordic region that develops flexible workplaces and smart logistics solutions. As of 30 June 2023, the property value totalled approximately SEK 171 Bn, including the ownership share of the Norwegian company Entra ASA. We are active in attractive Nordic growth regions. One of our sustainability goals is to become entirely climate neutral by 2030 at the latest. Castellum is the only Nordic property and construction company elected to the Dow Jones Sustainability Indices (DJSI). The Castellum share is listed on Nasdaq Stockholm Large Cap.

Beyond expectations.  
[www.castellum.se](http://www.castellum.se)



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