



Interim report  
January–September 2023

Q3

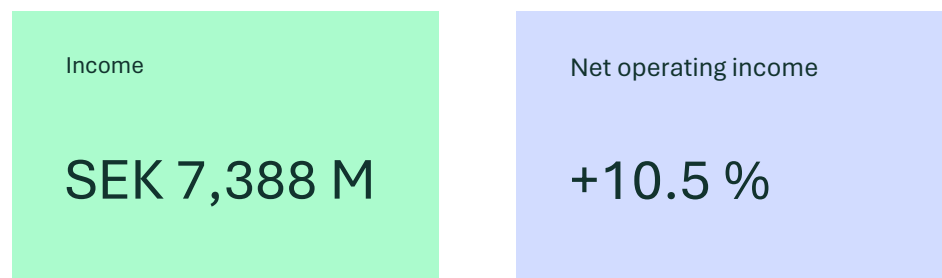
# The period in brief

## January–September 2023

- Income totalled SEK 7,388 M (6,732). In the like-for-like portfolio, rental income increased 9.6 per cent (5.2).
- Net operating income totalled SEK 4,939 M (4,470), corresponding to an increase of 10.5 per cent.
- Income from property management totalled SEK 3,343 M (3,598), corresponding to a decrease of 7.1 per cent.
- Property sales of SEK 3,711 M (2,564) were concluded, in line with the carrying amounts.
- The loan-to-value ratio was 37.8 per cent (42.3).
- The interest coverage ratio totalled 3.1x (4.4) during the period, and interest-rate hedging was applied to over 64 per cent of the loan portfolio.
- During the quarter, a new bond was issued for the first time since Q2 2022, totalling SEK 1 Bn with a two-year maturity.

## Important events during the reporting period

- During the quarter, Castellum divested eight properties for approximately SEK 430 M in Haninge, Linköping, Malmö and Uddevalla. The sale price was in line with the carrying amounts.
- Castellum's share was once again approved for and received the Green Equity Designation by Nasdaq Stockholm and thus remains the only major property company in the Nordics to be approved and classified as such.



*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*

	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	LTM, Oct 2022-Sep 2023	2022 Jan-Dec
Income, SEK M	2,435	2,332	7,388	6,732	9,652	8,996
Net operating income, SEK M	1,717	1,553	4,939	4,470	6,307	5,838
Income from property management, SEK M	1,250	1,223	3,343	3,598	4,255	4,510
SEK/share	2.25	3.13	7.18	9.11	9.53	11.45
Growth, %	-28	-1	-21	-4	-31	10
Net income for the period, SEK M	-1,461	-280	-5,281	6,653	-10,184	1,750
SEK/share	-2.63	-0.72	-11.35	16.85	-22.80	4.44
Growth, %	267	49	-167	176	-162	-87
Net investment, SEK M	774	987	-1,063	1,435	333	2,831
Net leasing, SEK M	15	44	-16	153	-8	161
Loan-to-value ratio, %	37.8	40.0	37.8	40.0	37.8	42.3
Interest coverage ratio, multiple	3.6	4.1	3.1	4.4	3.0	3.9
EPRA NRV, SEK/share	164.40	259.37	164.40	259.37	164.40	242.09
EPRA NTA, SEK/share	156.36	246.71	156.36	246.71	156.36	230.26
EPRA NDV, SEK/share	139.18	211.03	139.18	211.03	139.18	196.38

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.



# Stable quarter with positive net leasing

**Castellum's core business continues to deliver stable earnings. Positive net leasing of SEK 15 M during the quarter and an increase in net operating income show that in many respects, Castellum's strategy is sustainable over the long term. The completed new share issue of SEK 10 Bn has given the company conditions for managing a bond market that remains cautious.**

Inflation remains troublesomely high, and the central banks will continue to use interest rates as a weapon to cool the Nordic economy down. It is not merely unavoidable that this will impact the real economy we all work in – it is the whole point.

Despite the slowdown in the economy, Castellum secured and renegotiated leases valued at SEK 117 M during the quarter. We noted higher levels of turnover in the office segment, with increased demand for premises in central locations. More notices of termination and weaker demand in less attractive sub-markets will likely affect the entire industry. Despite two consecutive quarters with positive net leasing, the aggregate net leasing for the year was SEK -16 M owing to larger notices of termination and bankruptcies early in the year. However, the rental losses are small – less than 0.5 per cent of the total contract value – but higher than in previous years when bankruptcies were almost nonexistent. To date, Castellum's customers have displayed continued good ability to pay for the inflationary adjustments in their leases, which supported an increase of 10.5 per cent in net operating income.

## **Cost control and a focus on customers**

A number of factors have pushed Castellum's operating costs upward. Since the start of the year, there has therefore

been greater focus on cost control. From January until the end of the third quarter, operating costs increased 14 per cent, attributable primarily to increased utility costs. We are preparing for the winter and higher energy prices, and we are putting a priority on measures that reduce energy use and hedge energy prices. Castellum's energy consumption in the like-for-like portfolio has decreased by 6 per cent over the last 12 months. In addition, the company's 97th solar PV system was installed during the quarter. The equivalent of 14 per cent of the Group's total energy use comes from solar panels. In addition to cost control, a great deal of resources are being devoted to leasings and customer relations. Castellum's occupancy rate is 92.6 per cent.

Castellum's customer and contract structure is highly diversified and represents a cross-section of the Nordic business community and public sector. No individual contract comprises more than 1.2 per cent of the total rental income. The changing needs of individual tenants for premises therefore entails a low level of impact on the company's total rental stock.

## **Active portfolio shift for refinement**

During and after the third quarter, Castellum signed contracts for the sale of 13 properties for a total of approximately SEK 1.3 Bn. To date in 2023, the company has signed sales agreements for an aggregate total of SEK 4.6 Bn. As a result of the completed divestments, Castellum has left the cities of Halmstad and Uddevalla and a large portion of its stock in Nyköping. These sales represent a refinement of the portfolio, which is a part of Castellum's strategy. Castellum is selling because we want to, not because we have to.

The transaction market remains active, but closing deals is taking longer and fewer transactions have taken place compared to the preceding year. At the same time, there is plenty of investment capital available, both locally and in the form of property funds. Castellum's sales have been in line with the carrying amounts, which substantiates both internal and external valuations of the company's properties.

*Positive net leasing of SEK 15 M during the quarter and an increase in net operating income show that in many respects, Castellum's strategy is sustainable over the long term.*



Castellum's entire stock was externally appraised during the first quarter of the year, in conjunction with the new share issue being conducted. In the third quarter, Castellum impaired its property values by a further 1 per cent. Since the start of the year, Castellum has impaired its properties by approximately 5.5 per cent, and by 9.5 per cent since the peak in Q3 2022.

#### **Projects create value**

During the quarter, the company completed the LEED Gold certified, 15,400-square meter Effekten property (the new Northvolt head office in Västerås) as well as the 15,200-square meter warehouse/light industry property in Brunna, north of Stockholm. The transition towards a fossil-free society will continue to require major investments in projects. Even if they are profitable, Castellum will not be able to bear the entire investment volume needed – for example, in Västerås – on its own. It is therefore extremely gratifying that the industry itself, as well as several property companies, want to help in preparing development opportunities for Swedish business.

#### **Stable net interest and expanded financing**

The average interest rate remains relatively stable owing to the company's interest rate maturity structure, which was 2.9 per cent at the end of the period compared with 2.6 per cent at the start of the year. At the same time, the underlying market interest rate rose by nearly 1.4 percentage points. During the quarter, bank loans of just over SEK 8 Bn were expanded or extended resulting, for example, in an extension of debt maturity to 3.4 years compared with 3.2 years at the end of the preceding quarter.

Owing to Castellum's capital discipline and good bank relationships, the company can raise new bank loans without difficulties. Cash and unutilized credit facilities totaled SEK 25.5 Bn, which covers all bond maturities up through the first six months of 2026. During and after the quarter, Castellum conducted two bond issues in Swedish kronor. The volumes – SEK 1 Bn and SEK 400 M, respectively – are not in themselves insufficient to mark a shift but perhaps show that a change in the bond market is under way. It is Castellum's hope that the bond market will continue to strengthen, but has the scope to manage outstanding bond loans when they mature.

#### **The future must be sustainable**

The construction and property industry accounts for nearly 40 per cent of global emissions. During the quarter, GRESB ranked Castellum at the top of its "Sustainability in projects" category with 100 points out of a possible 100, and additionally 92 points out of 100 in the "Office/Industry" category. This rating is gratifying, of course, but to be honest if we are to achieve the global climate targets, much more is required of us as a company, and an industry, than what is being done today.

It is therefore a sign of hope to see investors around the world looking for green alternatives to invest capital in. Castellum will continue to strive to achieve ambitious goals, both in its own operation and in the supplier and customer stages, and thus continue to merit the green equity designation our share has on Nasdaq Large Cap.

#### **Joacim Sjöberg**

Chief Executive Officer



During the quarter, Castellum completed the Effekten 13 property in Västerås, which received a Gold rating in the LEED New Construction certification. In addition, processing of the application for certification according to NollCO<sub>2</sub> is ongoing.

# Condensed consolidated statement of comprehensive income

SEK M	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	LTM, Oct 2022-Sep 2023	2022 Jan-Dec
Rental income	2,145	1,990	6,481	5,897	8,387	7,803
Service income	227	286	710	671	999	960
Coworking income	63	56	197	164	266	233
<b>Income</b>	<b>2,435</b>	<b>2,332</b>	<b>7,388</b>	<b>6,732</b>	<b>9,652</b>	<b>8,996</b>
Operating costs	-311	-338	-1,182	-1,038	-1,634	-1,490
Maintenance expenses	-71	-78	-213	-193	-306	-286
Property tax	-149	-176	-446	-433	-593	-580
Coworking expenses	-68	-67	-212	-210	-282	-280
Lease and property administration expenses	-119	-120	-396	-388	-530	-522
<b>Net operating income</b>	<b>1,717</b>	<b>1,553</b>	<b>4,939</b>	<b>4,470</b>	<b>6,307</b>	<b>5,838</b>
Central administrative expenses	-78	-57	-279	-213	-336	-270
Acquisition costs	0	-4	0	-4	-3	-7
Income from associated companies	-738	-1,244	-1,456	-327	-1,502	-373
Net financial items <sup>1</sup>						
Net interest costs	-480	-397	-1,623	-1,045	-2,109	-1,531
Leasing costs/Site leasehold fee	-14	-21	-45	-52	-69	-76
<b>Income including associated companies<sup>1</sup></b>	<b>407</b>	<b>-170</b>	<b>1,536</b>	<b>2,829</b>	<b>2,288</b>	<b>3,581</b>
<b>of which income from property management<sup>1 2</sup></b>	<b>1,250</b>	<b>1,223</b>	<b>3,343</b>	<b>3,598</b>	<b>4,255</b>	<b>4,510</b>
Changes in value						
Properties	-1,612	44	-8,230	2,857	-14,624	-3,537
Financial holdings	—	—	—	-58	1	-57
Change in goodwill	-77	—	-291	-151	-580	-440
Derivatives	-221	242	532	2,712	510	2,690
<b>Income before tax</b>	<b>-1,503</b>	<b>116</b>	<b>-6,453</b>	<b>8,189</b>	<b>-12,405</b>	<b>2,237</b>
Current tax	-46	2	-97	-185	73	-15
Deferred tax	88	-398	1,269	-1,351	2,148	-472
<b>Net income for the period<sup>1</sup></b>	<b>-1,461</b>	<b>-280</b>	<b>-5,281</b>	<b>6,653</b>	<b>-10,184</b>	<b>1,750</b>
<b>Other comprehensive income</b>						
<i>Items that will be reclassified to net income for the period</i>						
Translation difference of currencies, etc. <sup>1</sup>	55	-30	-226	422	-118	530
Change in values on derivatives, currency hedge	-103	-268	289	-375	-30	-694
<b>Comprehensive income for the period<sup>1</sup></b>	<b>-1,509</b>	<b>-578</b>	<b>-5,218</b>	<b>6,700</b>	<b>-10,332</b>	<b>1,586</b>
Average number of shares, thousand <sup>3</sup>	555,133	390,933	465,310	394,836	446,716	393,849
Earnings, SEK/share <sup>3</sup>	-2.63	-0.72	-11.35	16.85	-22.80	4.44

1. Net financial items were incorrectly charged SEK 119 M in Q3 2022, which impacted the following line items: net interest, income including associated companies, income from property management, and income before tax as well as net income for the period. The item should have been recognised in other comprehensive income instead. The comparative figures have been adjusted in this quarterly report.

2. For calculation, refer to Alternative Performance Measures on page 26.

3. 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*.

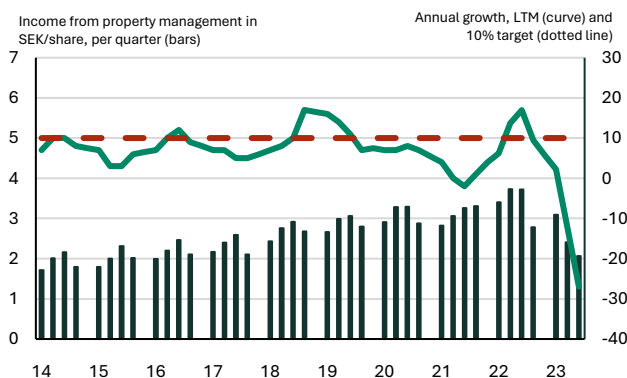
# Performance analysis, January–September 2023

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

## 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 3,343 M (3,598), corresponding to SEK 7.18 per share (9.11). The decrease in comparison per share is attributable primarily to the dilution effect of the figures from 2023. Castellum's participation in Entra added SEK 351 M (438) to income from property management. Income from property management for the quarter totalled SEK 1,250 M (1,223).

### Income from property management per share



## Income

During the period, total income increased by 9.7 per cent to SEK 7,388 M (6,732). The increase is attributable primarily to indexation of leases and completed projects. For the like-for-like portfolio of investment properties, the increase corresponds to 9.6 per cent. The increase in revenue is also affected by currency exchange effects of SEK 66 M. The economic occupancy rate for the period totalled 92.6 per cent (93.4).

### Development of income

SEK M	2023	2022	Change, %
	Jan–Sep	Jan–Sep	
Like-for-like portfolio	6,474	5,908	9.6
Development properties	560	308	
Transactions	157	352	
Coworking	197	164	
<b>Total</b>	<b>7,388</b>	<b>6,732</b>	<b>9.7</b>

### Segment information

SEK M	Income		Net operating income	
	2023	2022	2023	2022
	Jan–Sep	Jan–Sep	Jan–Sep	Jan–Sep
Stockholm	1,907	1,821	1,381	1,316
West	1,360	1,256	946	887
Central	1,333	1,215	926	832
Mälardalen	924	867	589	571
Öresund	1,167	960	826	668
Finland	500	449	286	242
Coworking	197	164	-15	-46
<b>Total</b>	<b>7,388</b>	<b>6,732</b>	<b>4,939</b>	<b>4,470</b>

## Costs

Direct property costs totalled SEK 1,841 M (1,664). For the like-for-like portfolio of investment properties, the increase corresponds to 12.4 per cent, primarily as a result of higher costs for electricity and heating. The increase in costs is also affected by currency exchange effects of SEK 24 M, which corresponds to an increase of 1.5 percent in the like-for-like portfolio. Property administration for the period amounted to SEK 396 M (388), corresponding to SEK 99 per square metre (98). Central administrative expenses were SEK 279 M (213). The increase is largely attributable to a non-recurring item of SEK 63 M relating to expensed administrative projects that had previously been capitalised.

### Development of costs

SEK M	2023	2022	Change, %
	Jan–Sep	Jan–Sep	
Like-for-like portfolio	1,632	1,452	12.4
Development properties	148	109	
Transactions	61	103	
<b>Direct property costs</b>	<b>1,841</b>	<b>1,664</b>	<b>10.6</b>
Coworking	212	210	
Property administration	396	388	
Central administration	279	213	
<b>Total costs</b>	<b>2,728</b>	<b>2,475</b>	<b>10.2</b>

### Property costs, 12 months, SEK/sq. m.

SEK M	Offices	Public sector properties	Warehouse/light industry	Retail	Total
Operating costs	346	261	203	165	279
Maintenance expenses	60	40	34	33	48
Property tax	153	107	27	88	105
<b>Property costs</b>	<b>559</b>	<b>408</b>	<b>264</b>	<b>286</b>	<b>432</b>
Lease and property administration expenses	—	—	—	—	99
<b>Total</b>	<b>559</b>	<b>408</b>	<b>264</b>	<b>286</b>	<b>531</b>
LTM, Q3 2022	510	367	210	278	484

## 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 351 M (438) 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 from income from property management for the Group.



Each quarter, Castellum also impairment tests participations in associated companies. As of the balance-sheet date, a need for impairment totalling SEK 490 M had been identified owing to a lower net reinstatement value for Entra. The accumulated exchange-rate impact on Castellum's holding in Entra is recognised in other comprehensive income. For further information on Entra, refer to page 10.

SEK M	2023 Jan-Sep	2022 Jan-Sep
Income from property management	351	438
Change in values on properties	-1,679	-735
Tax	244	-37
Other	118	210
<b>Castellum's share of associated company earnings</b>	<b>-966</b>	<b>-124</b>
Impairment of participations in associated companies	-490	-203
<b>Total impact on net income for the period</b>	<b>-1,456</b>	<b>-327</b>
Currency translation (other comprehensive income)	-473	220
<b>Earnings from associated companies in comprehensive income for the period</b>	<b>-1,929</b>	<b>-107</b>

## Net financial items

Net financial items totalled SEK -1,668 M (-1,097). The increase 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 2.9 per cent, compared with 2.6 per cent at the beginning of the year.

SEK M	2023 Jan-Sep	2022 Jan-Sep <sup>1</sup>
Financial income	0	0
Interest costs	-1,630	-984
Less: capitalised interest	36	70
Site leasehold fees	-45	-52
Other financial costs	-29	-131
<b>Total net financial items</b>	<b>-1,668</b>	<b>-1,097</b>

1. Net financial items were incorrectly charged SEK 119 M in Q3 2022, which impacted the following line items: net interest, income including associated companies, income from property management, and income before tax as well as net income for the period. The item should have been recognised in other comprehensive income instead. The comparative figures have been adjusted in this quarterly report.

## Changes in value

### Properties

During the period, Castellum reported unrealised change in value of SEK -8,136 M (2,815), attributable primarily to the fact that required market yields in general had risen during the first nine months of the year. The average yield requirement for Castellum's stock is now 5.19 per cent, corresponding to an increase of 3 basis points over the preceding quarter and 18 basis points over the start of the year.

Castellum's completed property sales during the period resulted in a realised change in value of SEK -94 M. Less deferred tax and transaction costs totalling SEK -146 M, the net sale price totalled SEK 3,711 M. Total underlying property value in the sales was SEK 3,858 M, a difference of SEK 52 M compared with the latest assessment of SEK 3,806 M. Castellum also sold properties in October with an underlying property value of SEK 900 M, on par with the carrying amounts.

### Change in values on properties

SEK M	2023 Jan-Sep	2022 Jan-Sep
Cash flow	-2,354	3,987
Project gains/building rights	-623	1,350
Required yeald	-5,159	-2,525
Acquisitions	—	3
<b>Unrealised changes in value</b>	<b>-8,136</b>	<b>2,815</b>
%	-5.3	1.8
Sales	-94	42
<b>Total</b>	<b>-8,230</b>	<b>2,857</b>
%	-5.4	1.9

### Goodwill

Goodwill during the period was impaired by a total of SEK -291 M, of which SEK -79 M is attributable to divestments. The negative value trend in properties linked to goodwill had an impact of SEK -187 M, and goodwill attributable to United Spaces was impaired by SEK -25 M.

### Derivatives

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 1,291 M (3,557), of which SEK 532 M (2,712) 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 September 2023, the market value of the interest rate and currency derivatives portfolio amounted to SEK 4,038 M (2,746) where fair value is established according to level 2, IFRS 13.

## Tax

Total tax for the period was SEK 1,172 M (-1,536), of which SEK -97 M (-185) pertained to current tax. Applying the nominal tax rate of 20.6 per cent to income before tax, the total theoretical tax is SEK 1,330 M. The difference of SEK -158 M against total tax for the period is due to tax not being paid on income statement items for Entra, goodwill and non-deductible interest costs. This was offset somewhat by reversal of deferred tax on properties sold.

### Tax calculation Jan-Sep 2023

SEK M	Basis current tax	Basis deferred tax
Income from property management	3,343	
<i>In associated companies</i>	-351	
Deductions for tax purposes		
depreciation	-1,543	1,543
reconstructions	-355	355
Non-deductible interest	838	
Other tax items	-282	-334
<b>Taxable income from property management</b>	<b>1,650</b>	<b>1,564</b>
<i>Tax, if tax loss carry forwards not utilised</i>	-340	
Divestment of properties		-2,686
Change in values on properties		-7,643
Change in values on derivatives	-257	1,685
<b>Taxable income before tax loss carry forwards</b>	<b>1,393</b>	<b>-7,080</b>
Tax loss carry forwards, opening balance	-1,635	1,635
Tax loss carry forwards, closing balance	714	-714
<b>Taxable income</b>	<b>472</b>	<b>-6,159</b>
<b>Tax according to the income statement for the period</b>	<b>-97</b>	<b>1,269</b>

# Condensed consolidated balance sheet

SEK M	30 Sep 2023	30 Sep 2022	31 Dec 2022
<b>ASSETS</b>			
Investment properties	144,709	158,329	153,563
Goodwill	4,678	5,247	4,969
Leases, right-of-use	1,424	1,746	1,591
Associated companies	11,210	13,298	13,286
Derivatives	4,223	3,414	3,215
Other fixed assets	249	288	312
Other receivables	2,101	2,051	1,937
Cash and cash equivalents	1,397	2,101	858
<b>Total assets</b>	<b>169,991</b>	<b>186,474</b>	<b>179,731</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	83,406	84,096	78,983
Deferred tax liability	16,461	18,677	17,754
Other provisions	16	28	28
Derivatives	185	419	468
Interest-bearing liabilities	65,687	76,637	76,849
Lease liability	1,424	1,746	1,591
Non-interest bearing liabilities	2,812	4,871	4,058
<b>Total equity and liabilities</b>	<b>169,991</b>	<b>186,474</b>	<b>179,731</b>



# Change in equity

SEK M	Attributable to Parent Company shareholders								
	Number of shares outstanding, thousand	Share capital	Other capital contribution	Currency translation reserve	Currency hedge reserve	Hybrid bonds	Retained earnings	Non-controlling interest	Total equity
<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 capital	—	—	—	—	—	5	-167	—	-162
Transactions with non-controlling interests	—	—	—	—	—	—	-137	-693	-830
Net income Jan–Sep 2022	—	—	—	—	—	—	6,653	—	6,653
Other comprehensive income Jan–Sep 2022	—	—	—	422	-376	—	—	—	46
<b>Equity, 30 Sep 2022</b>	<b>328,401</b>	<b>173</b>	<b>29,027</b>	<b>1,201</b>	<b>-1,156</b>	<b>10,169</b>	<b>44,682</b>	<b>—</b>	<b>84,096</b>
Net income Oct–Dec 2022	—	—	—	—	—	—	-4,903	—	-4,903
Other comprehensive income Oct–Dec 2022	—	—	—	108	-319	—	—	—	-211
<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>78,982</b>
Dividend, hybrid capital	—	—	—	—	—	—	-349	—	-349
New share issue	164,200	82	9,915	—	—	—	—	—	9,997
Cancellation own shares	—	-9	—	—	—	—	9	—	—
Change to hedge reserve for the period	—	—	—	—	—	—	-6	—	-6
Net income Jan–Sep 2023	—	—	—	—	—	—	-5,281	—	-5,281
Other comprehensive income Jan–Sep 2023	—	—	—	-226	289	—	—	—	63
<b>Equity, 30 Sep 2023</b>	<b>492,601</b>	<b>246</b>	<b>38,942</b>	<b>1,083</b>	<b>-1,186</b>	<b>10,169</b>	<b>34,152</b>	<b>—</b>	<b>83,406</b>

# Comments on the balance sheet as at 30 September 2023

## Investment properties

The property portfolio is located in growth areas in Sweden as well as Copenhagen and Helsinki. Through the associated company Entra, Castellum is also exposed to robust areas in Norway. The properties are located in city centre locations and well-situated business districts, with excellent public transportation and services.

As of 30 September 2023, after the divestment of 36 properties, two property settlements and an acquired property during the period, Castellum owns a total of 716 properties (excluding holdings in Entra) at a carrying amount of SEK 145 Bn.

### Changes in the property portfolio

SEK M	Carrying amount, SEK M	Number
Property portfolio on 1 Jan. 2023	153,563	749
+ Acquisitions	327	1
+ New construction, extensions and reconstructions	2,321	—
– Divestments	-3,806	-36
+/- Property settlements	—	2
+/- Unrealised changes in value	-8,136	—
+/- Currency translation	440	—
<b>Property portfolio on balance-sheet date</b>	<b>144,709</b>	<b>716</b>

## Goodwill

Castellum recognises goodwill of SEK 4,678 M (4,969), of which SEK 3,580 M (3,844) is attributable to the acquisition of Kungsleden, and the remaining SEK 1,098 M (1,100) is attributable to the acquisitions of CORHEI and Norrporten. Goodwill attributable to the acquisition of United Spaces was fully impaired during the period, compared to SEK 25 M at the start of the year. For Norrporten, CORHEI, and Kungsleden, 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 of SEK 291 M (-151) were carried out during the period. Of this, SEK 79 M (-151) was the result of divested properties and SEK 187 M (—) was attributable to decreases in the property values. Goodwill attributable to the acquisition of United Spaces was impaired by SEK -25 M (—) during the period.

### Goodwill

SEK M	2023 Jan-Sep	2022 Jan-Sep
Opening balance	4,969	5,544
Adjustment to acquisition analysis	—	-146
Change in goodwill	-291	-151
<b>Closing balance on balance-sheet date</b>	<b>4,678</b>	<b>5,247</b>

## 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. Castellum recognises its holdings in Entra in accordance with the equity method and conducts an impairment test on the participation every quarter. The participation is measured at the higher of the value in use and fair value after sales costs. Fair value after sales costs was determined based on the current share price, while value in use was calculated and determined based on EPRA NRV.

Participations in associated companies, SEK M	30 Sep 2023	30 Sep 2022
Opening balance	13,286	13,571
Share of associated company earnings	-973	-238
Dividend received	-146	-165
Impairment	-491	-203
Currency translation	-466	333
<b>Closing cost</b>	<b>11,210</b>	<b>13,298</b>

Entra	2023 Jan-Sep	2022 Jan-Sep
Rental income, NOK M	2,559	2,352
Income from property management, NOK M	1,060	1,283
Castellum's share of income from property management, NOK M	353	428
Net income for the period, NOK M	-2,956	-369
Of which non-controlling interest, NOK M	-80	35

Entra	30 Sep 2023	30 Sep 2022
Number of properties	99	105
Property value, NOK M	72,053	78,930
Lettable area, thousand sq. m.	1,547	1,604
Contract length, years	6.2	6.3
Economic occupancy rate, %	95.6	96.6
Interest-bearing liabilities, NOK M	39,277	40,278
Debt maturity, years	4.1	4.4
Fixed interest rate, years	2.2	2.4
Loan-to-value ratio, %	54.7	49.4
EPRA NRV, NOK/share	181	210

## Deferred tax liability

SEK M	Basis	Nominal tax liability	Real tax liability
Tax loss carry forwards	714	147	147
Derivatives	-4,147	-854	-854
Untaxed reserves	-815	-168	-168
Properties	-85,659	-17,646	-3,086
<b>Total</b>	<b>-89,907</b>	<b>-18,521</b>	<b>-3,961</b>
Properties, asset acquisitions	10,002	2,060	—
<b>Closing balance on balance-sheet date</b>	<b>-79,905</b>	<b>-16,461</b>	<b>-3,961</b>

In total, deferred tax set aside in the Group was SEK 16,461 M (17,754). Estimated fair value of 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 fair value of temporary differences is estimated to amount to SEK 3,961 M (3,860).

# Property portfolio

Category	30 Sep 2023				January–September 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	30,744	46,396	1,421	2,860	90.7	1,264	280	563	984	
West	79	479	14,188	29,625	712	1,982	91.2	649	167	464	482	
Central	70	516	10,635	20,602	697	1,800	90.8	627	171	440	456	
Mälardalen	32	410	10,543	25,701	610	1,983	92.5	560	151	491	409	
Öresund	32	260	8,866	34,138	463	2,375	91.4	413	108	555	305	
Denmark	14	142	5,430	38,172	284	2,662	92.6	264	66	617	198	
Finland	18	203	7,167	35,281	557	3,653	89.8	492	179	1,174	313	
<b>Total Office</b>	<b>298</b>	<b>2,673</b>	<b>87,573</b>	<b>32,761</b>	<b>4,744</b>	<b>2,366</b>	<b>91.1</b>	<b>4,269</b>	<b>1,122</b>	<b>559</b>	<b>3,147</b>	
<b>PUBLIC SECTOR PROPERTIES</b>												
Stockholm	7	126	4,952	39,212	217	2,300	97.5	208	38	397	172	
West	19	147	3,019	20,688	174	1,587	96.3	166	38	344	128	
Central	29	301	9,135	30,324	484	2,142	95.0	453	98	432	355	
Mälardalen	7	37	1,006	27,156	51	1,818	98.7	49	9	326	40	
Öresund	7	71	2,971	41,756	134	2,517	96.0	128	26	488	102	
Denmark	1	12	700	57,362	29	3,202	91.8	28	4	454	24	
<b>Total Public sector properties</b>	<b>70</b>	<b>694</b>	<b>21,783</b>	<b>31,394</b>	<b>1,089</b>	<b>2,094</b>	<b>95.9</b>	<b>1,032</b>	<b>213</b>	<b>408</b>	<b>821</b>	
<b>WAREHOUSE/LIGHT INDUSTRY</b>												
Stockholm	35	208	4,069	19,609	217	1,392	90.5	197	38	246	159	
West	86	609	8,493	13,956	485	1,063	95.5	449	105	230	344	
Central	21	112	1,186	10,572	88	1,047	91.4	80	19	224	61	
Mälardalen	28	337	3,752	11,119	290	1,145	95.3	272	99	390	174	
Öresund	40	261	2,882	11,044	184	939	91.5	165	42	215	123	
Denmark	1	17	165	9,466	11	820	94.2	10	3	255	7	
<b>Total Warehouse/Light industry</b>	<b>211</b>	<b>1,544</b>	<b>20,547</b>	<b>13,307</b>	<b>1,275</b>	<b>1,101</b>	<b>93.7</b>	<b>1,173</b>	<b>306</b>	<b>264</b>	<b>868</b>	
<b>RETAIL</b>												
Stockholm	18	108	2,945	27,173	152	1,872	96.7	145	15	198	129	
West	13	64	1,461	22,974	69	1,451	96.6	66	14	305	51	
Central	19	130	2,188	16,833	149	1,529	95.7	140	30	306	110	
Mälardalen	11	44	752	17,125	45	1,362	95.2	40	9	283	31	
Öresund	16	72	1,426	19,781	93	1,722	95.3	85	19	364	65	
<b>Total Retail</b>	<b>77</b>	<b>418</b>	<b>8,772</b>	<b>20,988</b>	<b>508</b>	<b>1,622</b>	<b>96.0</b>	<b>476</b>	<b>87</b>	<b>286</b>	<b>386</b>	
<b>Total investment properties</b>	<b>656</b>	<b>5,329</b>	<b>138,675</b>	<b>26,023</b>	<b>7,616</b>	<b>1,906</b>	<b>92.6</b>	<b>6,950</b>	<b>1,728</b>	<b>432</b>	<b>5,222</b>	
Lease and property administration expenses									396	99	396	
<b>Total after lease and property administration expenses</b>	<b>656</b>	<b>5,329</b>	<b>138,675</b>	<b>26,023</b>	<b>7,616</b>	<b>1,906</b>	<b>92.6</b>	<b>6,950</b>	<b>2,124</b>	<b>531</b>	<b>4,826</b>	
Project	38	241	5,149	—	255	—	—	138	61	—	77	
Undeveloped land	22	—	885	—	24	—	—	23	6	—	17	
<b>Total</b>	<b>716</b>	<b>5,570</b>	<b>144,709</b>		<b>7,895</b>			<b>7,111</b>	<b>2,191</b>		<b>4,920</b>	

The difference between the net operating income of SEK 4,920 M reported above and the net operating income of SEK 4,939 M in the consolidated statement of comprehensive income are attributable to the deduction of the net operating income of SEK 82 M in properties divested during the period, and the SEK 101 M upward 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 -15 M and non-property income items of SEK 15 M.

## Asset portfolio

Castellum's ownership is characterised by sustainability and a long-term perspective, and 61 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. Castellum is the Nordic region's leading commercial property company, and one of the companies that owns the most properties in the Nordic region. The portfolio is concentrated in attractive growth areas in Sweden as well as Copenhagen and Helsinki. Through the associated company Entra, Castellum is also exposed to robust areas in Norway. During the period, Castellum continued its geographic concentration and reduced exposure to the retail segment in order to deliver on its strategy while strengthening its financial position. Going forward, Castellum intends to grow in its strongest markets.

Castellum's geographical focus combined with stable tenants – state and municipal operations, for example – provides good conditions for stability and long-term growth. Our commercial portfolio consists largely of offices (60 per cent), followed by public sector properties (15 per cent), warehouse/light industry (14 per cent), and retail (6 per cent). What all these properties have in common is that they are located in or near city centre locations, have good means of communication and supplementary services. The remaining 5 per cent consists of developments and undeveloped land.

Castellum's property portfolio at 30 September 2023 comprised 716 properties (749) with a total contract value of SEK 9,368 M (9,063) and a total lettable area of 5,570,000 square metres (5,969,000).

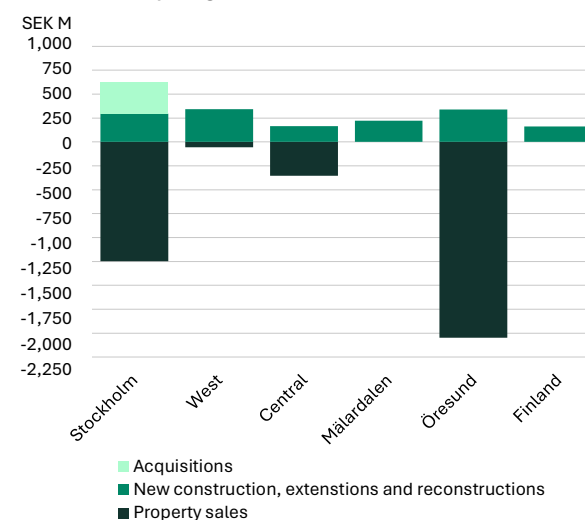
## Transactions

The transaction market remains active in Castellum's segment, but closing is taking longer. The divestments that Castellum signed in 2023 were sold at 7 per cent less than the carrying amounts as reported for Q3 2022, when Castellum's carrying amounts were at their highest. The sales values are thus higher than the average impairment for the entire portfolio, which totalled approximately 9.5 per cent during the same period.

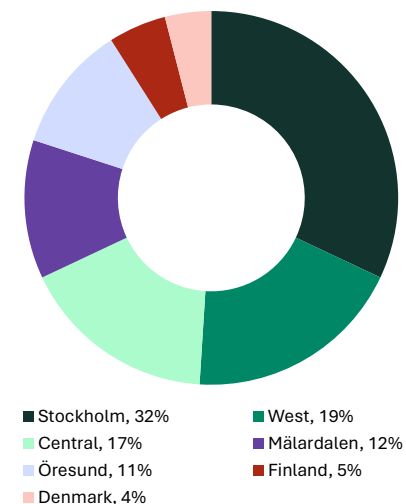
## Investments

Castellum invests in its asset portfolio primarily through new construction, extensions and reconstructions of properties in the existing portfolio, but also through acquisitions. The prevailing market conditions mean that planning activity has been dialled back. During the period, investments in property totalled SEK 2,648 M (3,999), of which SEK 327 M (312) pertained to acquisitions and SEK 2,321 M (3,687) to new construction, extensions and reconstructions. After sales of SEK -3,711 M (-2,564), net investments amounted to SEK -1,063 M (1,435).

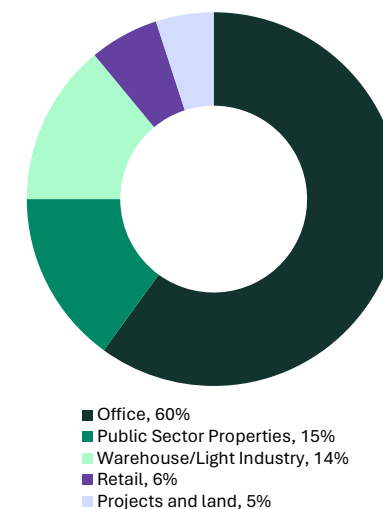
### Net investments per region



### Property value by region



### Property value by category





# Larger ongoing projects

Castellum has a development portfolio containing larger projects totalling approximately SEK 2 Bn, with SEK 0.9 Bn remaining to be invested. The average occupancy rate totalled 83 per cent. Two larger projects were completed during the interim period – a new office for Northvolt in the Finnslätten district of Västerås and a new warehouse building in the Brunna district of Stockholm. This means that seven larger projects have been completed during the year with a total rental value of SEK 270 M and an average occupancy rate of 92 per cent, excluding Götaland 9 that was sold and handed over at the conclusion of the project.

## 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 somewhat. 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. At present, projects corresponding to approximately 560,000 square metres can be started over the next five years given improved market conditions, a healthy pace of leasing, and proper progress in detailed development plans. Out of these volumes, approximately 327,000 square metres are logistics and the rest primarily offices.

Property	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	116	374
Tusenskönan 2	P	N	Mölnådal	Q4 2024	10,600	29	100	443	171	272
Werket	O	R	Jönköping	Q4 2023	21,000	47	58	302	182	120
Hornsberg 10	O	R	Stockholm	Q4 2023	8,700	32	82	268	228	40
Finnslätten 1 (part)	O/I	R	Västerås	Q4 2023	21,000	28	72	220	144	76
Tistlarna 9	Lo	N	Malmö	Q1 2024	11,300	13	97	195	176	19
Bollbro 15	P	R	Helsingborg	Q4 2023	5,000	7	92	125	88	37
<b>Total larger ongoing projects</b>					<b>86,600</b>	<b>195</b>	<b>83</b>	<b>2,043</b>	<b>1,105</b>	<b>938</b>

Developments completed or fully/partly occupied										
Godsfinkan 1	O/P	N	Malmö	Q1 2023	26,500	85	100	1,394	1,394	0
Sjustjärnan 1	O/P	N	Malmö	Q1 2023	31,500	83	99	1,362	1,264	98
Götaland 9 <sup>1</sup>	P	N	Jönköping	Q2 2023	9,200	23	100	323	297	26
Åseby 1:5	I	N	Gothenburg	Q2 2023	14,800	21	100	283	240	43
Borgarfjord 5	O	R	Stockholm	Q2 2023	9,300	28	45	182	131	51
Effekten 13	O	N	Västerås	Q3 2023	15,400	34	100	425	390	35
Kungsängen Tibble 1:648	W	N	Stockholm	Q3 2023	15,200	20	77	302	283	19
<b>Total projects &gt;SEK 100 M</b>					<b>208,500</b>	<b>489</b>	<b>89</b>	<b>6,314</b>	<b>5,105</b>	<b>1,209</b>
<b>Smaller ongoing projects, SEK 10–100 M</b>								<b>2,948</b>	<b>2,332</b>	<b>616</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

# Customers

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 of 30 September 2023, the remaining average length of contract was 3.8 years (3.9).

## Lease maturity structure

SEK M	No. of leases	Contract value, SEK M	Proportion of value, %
<b>Commercial, term</b>			
2023	1,103	397	4
2024	2,346	1,728	18
2025	1,573	1,651	18
2026	1,482	1,730	18
2027	660	1,085	12
2028+	597	2,526	27
<b>Total commercial</b>	<b>7,761</b>	<b>9,117</b>	<b>97</b>
Residential	482	50	1
Parking spaces and other	6,333	201	2
<b>Total</b>	<b>14,576</b>	<b>9,368</b>	<b>100</b>

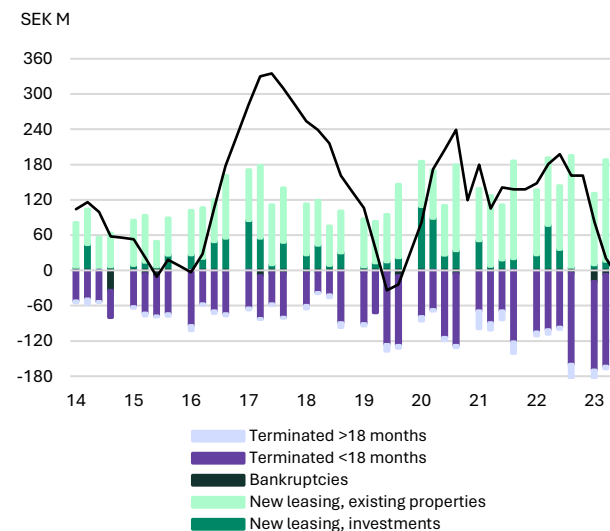
## Lease size

SEK M	No. of leases	Contract value, SEK M	Proportion of value, %
<b>Commercial</b>			
<0.25	3,392	241	3
0.25–0.5	1,158	429	5
0.5–1.0	1,243	880	9
1.0–3.0	1,289	2,192	23
>3.0	678	5,375	57
<b>Total</b>	<b>7,760</b>	<b>9,117</b>	<b>97</b>
Residential	482	50	1
Parking spaces and other	6,334	201	2
<b>Total</b>	<b>14,576</b>	<b>9,368</b>	<b>100</b>

## Net leasing

During the period, Castellum signed leases with an annual rental value of SEK 437 M (472). Notices of termination amounted to SEK -453 M (-319), of which bankruptcies were SEK -44 M (-3) and SEK -18 M (-16) were notices of termination with more than 18 months left of contract.

Net leasing thus totalled SEK -16 M (153) for the period, and SEK 15 M (44) for the quarter. 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.



## January–September 2023

SEK M	Sthlm	West	Central	Mälardalen	Öresund	Finland	Total
<b>NEW LEASINGS</b>							
Existing properties	71	81	83	31	105	19	390
Investments	25	2	2	9	9	—	47
<b>Total</b>	<b>96</b>	<b>83</b>	<b>85</b>	<b>40</b>	<b>114</b>	<b>19</b>	<b>437</b>
<b>TERMINATED</b>							
Existing properties	-103	-66	-59	-26	-120	-35	-409
Bankruptcies	-14	-18	-5	-3	-2	-2	-44
<b>Total</b>	<b>-117</b>	<b>-84</b>	<b>-64</b>	<b>-29</b>	<b>-122</b>	<b>-37</b>	<b>-453</b>
<b>Net leasing</b>	<b>-21</b>	<b>-1</b>	<b>21</b>	<b>11</b>	<b>-8</b>	<b>-18</b>	<b>-16</b>
<i>NOI Q3 2022</i>	<i>12</i>	<i>82</i>	<i>10</i>	<i>45</i>	<i>15</i>	<i>-11</i>	<i>153</i>

## CASTELLUM'S LARGEST TENANTS

Largest tenants:	Contract value, SEK M
The Swedish Police Authority	193
ABB	183
AFRY	177
The Swedish National Courts Administration	169
Handelsbanken	122
The Swedish Social Insurance Agency	116
Northvolt	103
The Swedish Migration Board	84
Region Stockholm	83
Hedin Group	74
<b>Total contract value, largest tenants</b>	<b>1,304</b>

# Financing

During the quarter, secured financing totalling SEK 8.3 Bn was contracted, of which SEK 1.5 Bn is new financing and the remainder is new re-financing and extension of existing credits. An unsecured bond totalling SEK 1.0 Bn was also issued during the quarter, with a maturity of 2.0 years. The bond carries a margin of 2.15 per cent over STIBOR. After the quarter, we also issued a bond totalling SEK 0.4 Bn, with a maturity of 2.6 years. The bond carries a margin of 2.0 per cent over STIBOR.

At the end of the third quarter, interest-bearing liabilities totalled SEK 65,687 M (76,849). The interest-bearing liabilities consist of bond loans of SEK 40,524 M (44,503), bank loans of SEK 24,289 M (32,137) and commercial paper of SEK 874 M (209). Unsecured liabilities correspond to 63 per cent (58) of interest-bearing liabilities. The interest coverage ratio (LTM) amounted to 3.0, compared to 3.9 for full-year 2022, and the loan-to-value ratio was 37.8 per cent (42.3).

The average remaining interest-rate and debt maturity totalled 2.9 years (2.7) and 3.4 years (3.1) respectively. Cash and unutilised credit facilities on the balance-sheet date totalled SEK 25.5 Bn (13.2).

## Interest rate maturity structure, 30 Sep 2023

Maturity date	SEK M	Share, %	Average interest rate, %	Average fixed interest rate term, years
0–1 year	23,781	36	5.4	0.3
1–2 years	10,473	16	1.1	1.4
2–3 years	8,216	13	1.3	2.7
3–4 years	2,799	4	3.9	3.4
4–5 years	1,329	2	2.6	4.8
>5 years	19,089	29	1.3	6.8
<b>Total</b>	<b>65,687</b>	<b>100</b>	<b>2.9</b>	<b>2.9</b>

## Secured and unsecured credits, 30 Sep 2023

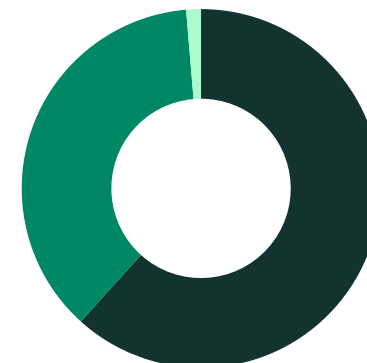


■ Unsecured credits, 63% ■ Secured credits, 37%

	30 Sep 2023	30 Sep 2022	31 Dec 2022
Interest-bearing liabilities, SEK M	65,687	76,637	76,849
Bonds outstanding, SEK M	40,524	44,965	44,503
Commercial paper outstanding, SEK M	874	2,889	209
Bank loans, SEK M	24,289	28,783	32,137
Cash and cash equivalents, SEK M	1,397	2,101	858
Unutilised credit facilities, SEK M	24,108	13,226	12,301
Share of unsecured assets, %	48	54	52
Share of secured borrowing/property value, %	17	20	21
Share of secured borrowing/total assets, %	14	15	18
Loan-to-value ratio, %	37.8	40.0	42.3
Interest coverage ratio, multiple	3.0	4.1	3.9
Net liability/EBITDA, multiple	10.3	13.1	13.6
Average debt maturity, years	3.4	3.2	3.1
Average fixed interest rate term, years	2.9	2.6	2.7
Credit rating	Baa3, Stable Outlook	Baa3, Stable Outlook	Baa3, Stable Outlook
Average effective rate excluding pledges, %	2.9	2.3	2.6
Average effective rate including pledges, %	3.0	2.4	2.7
Market value interest rate derivatives, SEK M	2,071	1,958	1,899
Market value currency derivatives, SEK M	1,967	1,037	847

**CREDIT MATURITY STRUCTURE, 30 SEP 2023**

Credit agreements	Bank loans, 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	21	5,741	726	6,488	10	929	7,417
2024	—	3,750	148	3,898	6	—	3,898
2025	6,560	11,875	—	18,435	28	14,279	32,714
2026	4,530	7,053	—	11,583	18	8,900	20,483
2027	2,599	2,698	—	5,297	8	—	5,297
>2027	10,579	9,407	—	19,986	30	—	19,986
<b>Total</b>	<b>24,289</b>	<b>40,524</b>	<b>874</b>	<b>65,687</b>	<b>100</b>	<b>24,108</b>	<b>89,795</b>

**Allocation of interest-bearing liabilities, 30 Sep 2023**


■ Bonds, 61,7% ■ Bank loans, 37,0% ■ Commercial papers, 1,3%

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

	Policy	Commitments	Outcome
<b>Loan-to-value ratio</b>	Not to permanently exceed 40 per cent	Not exceeding 65 per cent	<b>37.8%</b>
<b>Interest coverage ratio, LTM</b>	>3	>1.5	<b>3.0</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>3.4 years</b>
• proportion maturing within 1 year	No more than 30 per cent of loans outstanding and unutilised credit agreements		<b>11%</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>2.9 years</b>
• maturing within 6 months	No more than 50 per cent		<b>29%</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>

Sensitivity analysis	Change, %	Effect on income from property management, SEK M
Economic occupancy rate	+/- 1 percentage point	+102/-102
Rental income	+/- 1%	+93/-93
Property costs	+/- 1%	-28/+28
Effect on interest costs in the event of a change in underlying market rate	+/- 1 percentage point	-236/+236



# Condensed consolidated cash flow statement

SEK M	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	LTM, Oct 2022-Sep 2023	2022 Jan-Dec
Net operating income	1,717	1,553	4,939	4,470	6,307	5,838
Central administrative expenses	-78	-57	-279	-213	-336	-270
Reversed depreciation	39	12	118	77	201	160
Interest paid <sup>1</sup>	-563	-449	-1,614	-1,031	-2,061	-1,478
Tax paid	-71	-30	-103	-36	-211	-144
Translation difference of currencies	11	-170	0	-183	190	7
<b>Cash flow from operating activities before change in working capital</b>	<b>1,055</b>	<b>859</b>	<b>3,061</b>	<b>3,084</b>	<b>4,090</b>	<b>4,113</b>
Change in current receivables	-157	0	-156	-85	-42	29
Change in current liabilities	-694	-306	-646	-66	-573	7
<b>Cash flow from operating activities</b>	<b>204</b>	<b>553</b>	<b>2,259</b>	<b>2,933</b>	<b>3,475</b>	<b>4,149</b>
Investments in new construction, extensions and reconstructions	-752	-1,009	-2,321	-3,686	-4,183	-5,548
Property acquisitions	-327	-165	-327	-312	-378	-363
Divestment of properties	305	187	3,711	2,564	4,227	3,080
Sale of investments held as long-term assets	—	—	—	133	—	133
Dividend paid from associated companies	—	—	146	165	314	333
Other investments	-5	-19	-63	-90	17	-10
<b>Cash flow from investment activities</b>	<b>-779</b>	<b>-1,006</b>	<b>1,146</b>	<b>-1,226</b>	<b>-3</b>	<b>-2,375</b>
Repayment of loans	-1,796	-3,043	-21,422	-17,458	-28,963	-24,999
Drawn loans	2,673	5,012	9,705	21,947	16,954	29,196
Change in long-term receivables	0	-2	0	-2	-3	-5
Derivatives	-535	-99	-218	-370	-581	-733
Preferential rights issue	-90	—	9,999	—	9,999	—
Repurchase of own shares	—	—	—	-2,752	—	-2,752
Hybrid bond	—	—	-349	-167	-349	-167
Transactions with non-controlling interests	—	—	—	-830	—	-830
Dividend paid	—	-624	-624	-1,248	-1,248	-1,872
<b>Cash flow from financing activities</b>	<b>252</b>	<b>1,244</b>	<b>-2,909</b>	<b>-880</b>	<b>-4,191</b>	<b>-2,162</b>
Cash flow for the period	-323	791	496	827	-719	-388
Cash and cash equivalents opening balance	1,755	1,290	858	1,197	2,101	1,197
Exchange-rate difference in cash and cash equivalents	-35	20	43	77	15	49
<b>Cash and cash equivalents, closing balance</b>	<b>1,397</b>	<b>2,101</b>	<b>1,397</b>	<b>2,101</b>	<b>1,397</b>	<b>858</b>
Average number of shares, thousand	555,133	390,933	465,310	394,836	446,716	330,854
Cash flow, SEK/share	-0.58	2.02	1.07	2.09	-1.61	-1.17

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.

## Castellum's cash flow

The cash flow statement has been prepared according to the indirect method that means that 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 2,259 M. Working capital during the quarter was negatively affected owing to lower rental payments as a result of the holiday effect.

SEK -2,321 M has been invested in existing properties and projects. 36 properties were divested during the period, with a total purchase consideration of SEK 3,711 M received. One property was acquired during the quarter with a purchase consideration of SEK 327 M.

Ongoing currency hedging during the period impacted the cash flow by SEK -218 M, while the preferential rights issue that was carried out during the second quarter contributed positively to the cash flow with SEK 9,999 M. Disbursements of SEK -349 M pertaining to the coupon rate on the hybrid bond were paid out, and a disbursement of SEK -624 M pertaining to the dividend to shareholders – the last disbursement of the dividend for financial year 2021 – was also paid out. Net debt as of 30 September 2023 totalled SEK 64,290 M after a decrease in liabilities of SEK 11,162 M and an increase in cash and bank balances of SEK 539 M during the period.

# Key metrics

	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec	2021 Jan-Dec	2020 Jan-Dec	2019 Jan-Dec	2018 Jan-Dec
<b>Property-related key metrics</b>							
Rental value, SEK/sq. m.	1,906	1,733	1,758	1,648	1,538	1,495	1,407
Property costs, SEK/sq. m.	531	484	511	425	369	384	378
Net operating income, SEK/sq. m.	1,208	1,041	1,048	1,008	1,039	1,001	933
Surplus ratio, %	69	69	67	71	74	72	71
Economic occupancy rate, %	92.6	93.4	93.4	93.2	93.1	92.6	93.2
Lettable area at the end of the period, 000 sq. m.	5,570	5,741	5,696	5,853	4,447	4,255	4,283
Number of properties at the end of the period	716	754	749	762	642	632	647
Property value on the balance-sheet date, SEK/sq. m	26,023	27,592	26,737	26,667	23,549	22,363	20,417
<b>Financial key metrics</b>							
Return on total capital, %	-4.1	4.8	0.6	8.6	7.5	8.4	10.6
Return on equity, %	-8.7	10.9	2.2	22.7	13.0	14.5	22.6
Average closing interest rate, %	2.9	2.3	2.6	1.8	1.9	2.0	2.0
<b>Data per share</b>							
Share price at end of period, SEK	111.35	125.15	126.25	243.80	208.70	222.00	163.35
Equity, SEK	169	256	239	296	176	160	145
Net income for the year, SEK <sup>1</sup>	-11.35	16.85	4.44	35.12	17.24	17.37	22.92
Income from property management, SEK <sup>2</sup>	7.18	9.11	11.45	12.45	12.35	11.52	10.81
Cash flow, SEK	1.07	2.09	-1.17	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	555,133	331,684	330,854	282,917	273,628	273,201	273,201
<b>Key metrics according to EPRA</b>							
EPRA EPS (income from property management after nominal tax), SEK <sup>2</sup>	6.46	9.97	13.21	11.58	11.25	10.44	9.65
EPRA NRV (current net reinstatement value), SEK <sup>2</sup>	164	259	242	251	214	195	176
EPRA NTA (long-term net reinstatement value), SEK <sup>2</sup>	156	247	230	241	205	187	169
EPRA NDV (equity), SEK <sup>2</sup>	139	211	196	197	168	154	139
EPRA vacancy rate, % <sup>2</sup>	8.5	7.7	7.7	6.8	6.9	7.4	6.8

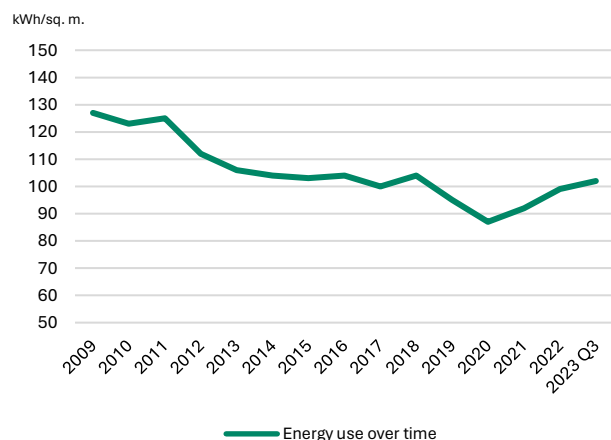
1. For the "SEK per share" key financial metric, the average number of shares has been adjusted by a factor of 1.1904 for all comparison years in accordance with IAS 33 *Earnings per Share*.

2. For calculation, refer to Alternative Performance Measures on page 26.

# Sustainability

## Castellum remains one of the most sustainable property companies in the world

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. For more detailed information, refer to Castellum’s Annual Report and Sustainability Report for 2022, which was published in February 2023.



## Sustainability goals and strategy

Castellum should be one of the most sustainable property companies in the Nordic region. Castellum’s sustainability strategy, “The sustainable city 2030,” is divided into four areas of focus: The Planet, Future-proofing, Wellness and

Social Responsibility. The strategy is intended to ensure that the company is a relevant, responsible and successful company – not just for today, but for the long term, by promoting sustainable development. The sustainability strategy, which comprises 21 measurable targets, is updated annually and integrated into the business strategy. The climate-related goals are scientifically grounded and have been approved by the Science Based Targets initiative (SBTi). 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.

## Sustainability results

In the third quarter, Castellum was recognised as a global sector leader by GRESB for the eighth consecutive year. Castellum retained a high score in the “Office/Industry” category, with 92 out of a possible 100 points, and additionally ranked at the top globally in the “Sustainability in Project Development” category with 100 out of a possible 100 points. In the third quarter, Castellum once again was approved for and received the Green Equity Designation by Nasdaq Stockholm and thus remains the only major property company in the Nordics to be approved and classified as such.

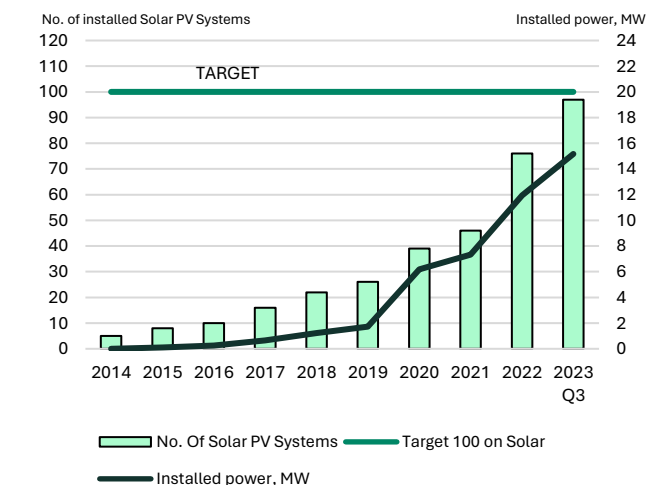
During the summer, Castellum’s sustainability goals were updated and adopted by the Board of Directors. For instance was a third climate transition road map for Castellum’s customers added under the company’s climate neutrality goals for 2030. A new long-term goal of not having any serious climate risks in the asset portfolio was added. In addition, a target that 10 per cent of Castellum’s employees would be interns on an annual basis was added, replacing the previous apprenticeship target. 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 6 per cent.

47 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.

EU Taxonomy Regulation – contextual information for environmental objectives <sup>1</sup>	Taxonomy-aligned proportion of property mgmt portfolio, Q3 2023 (%)
Share of total sales (Turnover), %	38
Share of total operational expenditure (OpEx), %	32
Share of total investments and acquisitions (CapEx), %	23







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 has installed 97 solar PV systems as part of its “100 on Solar” programme. The solar panels owned produce electricity corresponding to 14 per cent of Castellum’s total energy use. More large solar PV systems were completed during the latest year, and it appears Castellum will achieve its target of installing 100 large solar PV systems by 2025 well ahead of the set timeline.



	2023 Q3 LTM	2022	2021
<b>Resource efficiency</b>			
Total energy use, kWh/sq. m., year	100	96	91
Total energy use, degree-day corrected, kWh/sq. m., year	102	99	92
1. of which actual heating	66	64	65
2. of which degree-day corrected heating	68	67	66
3. of which electricity and cooling	34	32	26
Energy savings/yr, like-for-like portfolio, LTM, % (deg. day corr.)	-6	-4	0
Energy savings/yr, like-for-like portfolio, LTM, % (actual energy use)	-6	-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, %	-11	1	-6
<b>Fossil-free</b>			
Share of non-fossil energy, %	93	95	95
Fossil-free vehicles, %	97	96	100
Number of charging posts for electric vehicles	1,037	922	674
Number of large solar PV systems installed	97	76	46
<b>Road map to climate neutrality by 2030</b>			
Property management - CO <sub>2</sub> emissions in kg/sq. m., year (market-based)	2.1	2.3	1.5
of which Scope 1	0.1	0.1	0.1
of which Scope 2 – market-based	2.0	2.2	1.4
of which Scope 2 – location-based	4.3	5.5	4.3
Project Development – reduced emissions in project development portfolio (scope 3), %	-30	-29	-15
<b>Sustainability certification</b>			
Sustainability certification, % of sq. m.	47	45	48
Sustainability certificates, number	246	249	206
Sustainability certification, % of rental income	57	56	61
Sustainability certification, % of property value	60	61	63
<b>ESG benchmarks</b>			
GRESB points (0–100)	92	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)	2.0	2.9	2.9
Equality, women/men, %	43/57	42/58	43/57
Diversity, international background, %	12	10	9
Interns, % of employees <sup>1</sup>	5	—	—

1. New sustainability goal from 2023 that 10 per cent of all employees on an annual basis will be interns.

Ratings	
<p>Member of <b>Dow Jones Sustainability Indices</b> Powered by the S&amp;P Global CSA</p>	<p>Castellum's rating: <b>82/100</b> (the only Nordic property company to be included)</p>
<p><b>MSCI ESG RATINGS</b>   </p>	<p>Castellum's rating: <b>AAA</b></p>
<p> <b>GRESB</b> REAL ESTATE sector leader 2023</p>	<p>Castellum's rating: <b>100/100</b> (global sector leader)</p>
<p></p>	<p>Castellum's rating: <b>Gold</b></p>
<p> <b>CDP</b> DISCLOSURE INSIGHT ACTION</p>	<p>Castellum's rating: <b>B</b></p>
<p> <b>SUSTAINALYTICS</b> a Morningstar company</p>	<p>Castellum's rating: <b>Region Top-Rated</b></p>
<p>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.</p>	



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



# 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 individually largest shareholders as of 30 September 2023 are presented in the table below.

## Shareholders as of 30 September 2023

Shareholders	Number of shares, thousand	Share of votes/capital, %
Akelius Residential Property	66,601	13.5
Länsförsäkringar Fonder	20,480	4.1
Gösta Welandson with companies	19,638	4.0
Handelsbanken Fonder	18,117	3.7
Vanguard	17,705	3.6
BlackRock	16,758	3.4
Nordea Fonder	16,558	3.4
Swedbank Robur Fonder	15,770	3.2
Cliens Fonder	7,838	1.6
Folksam	7,826	1.6
Fourth Swedish National Pension Fund	7,520	1.5
Norges Bank	7,281	1.5
APG Asset Management	6,553	1.3
Third Swedish National Pension Fund	5,439	1.1
PGGM Pensioenfonds	4,980	1.0
<b>15 largest owners</b>	<b>239,064</b>	<b>48.5</b>
Foreign owners, other	129,527	26.3
Swedish owners, other	124,010	25.2
<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 Millistream.

## 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 for the key performance indicator "Earnings, SEK/share" have been restated as a consequence of the preferential rights issue with a calculated factor of 1.1904.

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

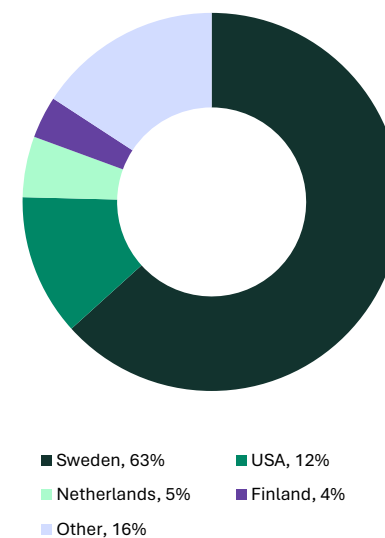
The 2023 Annual General Meeting resolved on a reduction of Castellum's share capital by an amount of SEK 8,665,500 through the cancellation of 17,331,000 treasury shares. The reduction amount has been earmarked for non-restricted equity. The Board has exercised this authority in conjunction with the 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 Sep 2023	31 Dec 2022
Share price, SEK	111.35	126.25
Market capitalisation, SEK Bn	54.9	43.6
Sales, millions	381	386
Turnover rate, %	109	115
Dividend yield	—	6.0

## Shareholders by country, 30 September 2023



# Parent Company

## Condensed income statement

SEK M	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Income	39	39	116	140	211
Central administrative expenses	-84	-78	-339	-269	-360
Financial items	4,094	-302	3,801	-434	-20
<b>Income before changes in value and tax</b>	<b>4,049</b>	<b>-341</b>	<b>3,578</b>	<b>-563</b>	<b>-169</b>
Impairment of participations in Group companies	-745	—	-1,553	—	—
Impairment of participations in associated companies	-620	—	-1,476	—	—
Changes in value on financial instruments	-318	43	920	1,643	1,489
<b>Income before tax</b>	<b>2,366</b>	<b>-298</b>	<b>1,469</b>	<b>1,080</b>	<b>1,320</b>
Tax	-121	-165	-194	-427	-383
<b>Net income for the period</b>	<b>2,245</b>	<b>-463</b>	<b>1,275</b>	<b>653</b>	<b>937</b>
<b>Items that will be reclassified to net income for the period</b>					
Translation difference of currencies	-31	-128	—	—	240
Unrealised change, currency hedge	55	23	21	14	-326
<b>Comprehensive income for the period</b>	<b>2,269</b>	<b>-568</b>	<b>1,296</b>	<b>667</b>	<b>852</b>

## Condensed balance sheet

SEK M	30 Sep 2023	30 Sep 2022	31 Dec 2022
Participations in Group companies	48,207	47,161	47,342
Participations in associated companies	11,210	12,691	12,693
Receivables, Group companies	45,021	49,110	50,209
Derivatives	3,321	2,343	2,183
Other assets	302	220	252
Cash and cash equivalents	66	763	10
<b>Total assets</b>	<b>108,127</b>	<b>112,288</b>	<b>112,689</b>
Equity	51,389	40,278	40,451
Derivatives	185	270	327
Interest-bearing liabilities	32,938	47,323	47,304
Liabilities, Group companies	22,841	22,489	23,444
Deferred tax liability	515	427	321
Other liabilities	259	1,501	842
<b>Total equity and liabilities</b>	<b>108,127</b>	<b>112,288</b>	<b>112,689</b>

## Comments on Parent Company earnings

The Parent Company is Castellum Aktiebolag (publ). The object of the Parent Company's operations is to own and manage shares in the operating subsidiaries and to be responsible for issues relating to the stock market, such as Group reporting and stock market information, and related to the credit market in the form of borrowing and financial risk management.

Income before tax for the year totalled SEK 1,469 M (1,080). The increased income is attributable to a dividend of SEK 4,075 M from subsidiaries, but it was also charged an 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 estimated value in use. Changes in value of financial instruments totalled SEK 920 M (1,643). The Parent Company's assets for the year totalled SEK 108,127 M (112,689). The debt/equity ratio was 48 per cent (36), an increase attributable primarily to the new share issue of approximately SEK 10 Bn in the second quarter.

The Parent Company's contingent liabilities increased by SEK 0.1 Bn during the period, totalling SEK 31.0 Bn at 30 September 2023. The contingent liabilities are attributable to sureties for subsidiaries.

# 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.

## 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 lease 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 2 M, net.

In conjunction with the private placement in 2023, a related-party transaction of SEK 55 M arose in relation to Castellum's largest shareholder, Akelius Residential Property, with Akelius Residential Property acting as guarantor for the share issue. All related-party transactions took place at arm's length. The Parent Company's related-party transactions, aside from the aforementioned transaction with Akelius Residential Property, pertain solely to transactions with related companies within the Group, as well as transactions with associated companies in the form of dividends.

## Events after balance sheet date

- Castellum divested five properties for approximately SEK 900 M in Nyköping, Jönköping, Linköping and Västerås. The sale price was in line with the carrying amounts.
- Castellum was recognised as a global sector leader by the Global Real Estate Sustainability Benchmark (GRESB) for the eighth consecutive year, and additionally ranked at the top globally in the category of sustainability in project development with 100 points out of a possible 100.
- During October, an additional bond of SEK 400 M was issued, with a maturity of 2.6 years.

# Signing of the Report

Gothenburg, 27 October 2023

Joacim Sjöberg  
Chief Executive Officer

This disclosure contains information that Castellum Aktiebolag (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact persons set out above on 27 October 2023 at 8:00 am CEST.

# Independent Auditor's Report on the review of interim financial information

To the Board of Directors and the Chief Executive Officer of Castellum Aktiebolag (publ),  
Corporate ID No. 556475–5550

## Introduction

We have reviewed the interim report for Castellum Aktiebolag (publ) for the period January 1-September 30, 2023. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Deloitte AB

Harald Jagner  
Authorized Public Accountant

# 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, 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 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.

### Economic occupancy rate

Rental income excluding discounts reported during the period, as well as properties acquired/completed during the period that have been restated as if they had been owned or completed during the whole year. Sold properties, development projects and undeveloped land have been excluded.

### EPRA EPS – Earnings Per Share

Income from property management adjusted for nominal tax, divided by the average number of shares. The estimate of current tax takes into account factors such as depreciation and reconstruction that are deductible for tax purposes.

### 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 value

Rental and service income with the addition of estimated market rent for vacant spaces.

### 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 period for the entire property portfolio, 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.

### 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.

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

# Alternative performance measures

A number of the financial alternative performance measures 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 25.

	2023 Jul-Sep		2022 Jul-Sep		2023 Jan-Sep		2022 Jan-Sep		LTM, Oct 2022-Sep 2023		2022 Jan-Dec	
Average number of shares, thousand	555,133		328,401		465,310		331,684		446,716		330,854	
<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>	<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	-1,503	-2.71	-3	-0.01	-6,453	-13.87	8,189	24.69	-12,405	-27.77	2,237	6.76
Reversed												
Acquisition costs	—	—	4	0.01	—	—	4	0.01	3	0.01	7	0.02
Income from associated companies excluding income from property management	844	1.52	1,389	4.23	1,808	3.89	765	2.31	1,965	4.40	922	2.79
Change in values on properties	1,612	2.90	-44	-0.13	8,230	17.69	-2,857	-8.61	14,624	32.74	3,537	10.69
Change in values on financial holdings	—	—	—	—	—	—	58	0.17	-1	0.00	57	0.17
Change in values on derivatives	221	0.40	-242	-0.74	-532	-1.14	-2,712	-8.18	-510	-1.14	-2,690	-8.13
Changes in value on goodwill	-77	-0.14	0	0.00	291	0.63	151	0.46	580	1.30	440	1.33
<b>= Income from property management</b>	<b>1,097</b>	<b>1.98</b>	<b>1,104</b>	<b>3.36</b>	<b>3,344</b>	<b>7.19</b>	<b>3,598</b>	<b>10.85</b>	<b>4,256</b>	<b>9.53</b>	<b>4,510</b>	<b>13.63</b>
<b>EPRA Earnings (Income from property management after tax)</b>												
Income from property management	1,097	1.98	1,104	3.36	3,344	7.19	3,598	10.85	4,256	9.53	4,510	13.63
Current tax on income from property management	-143	-0.26	-187	-0.57	-340	-0.73	-290	-0.87	-191	-0.43	-141	-0.43
<b>EPRA Earnings/EPRA EPS</b>	<b>954</b>	<b>1.72</b>	<b>917</b>	<b>2.79</b>	<b>3,004</b>	<b>6.46</b>	<b>3,308</b>	<b>9.97</b>	<b>4,065</b>	<b>9.10</b>	<b>4,369</b>	<b>13.21</b>
<b>Interest coverage ratio</b>												
Income from property management, SEK M	1,250		1,223		3,343		3,598		4,255		4,510	
Reversed:												
Net interest items, SEK M	480		397		1,623		1,045		2,109		1,531	
<b>Income from property management excluding net interest, SEK M</b>	<b>1,730</b>		<b>1,620</b>		<b>4,966</b>		<b>4,643</b>		<b>6,364</b>		<b>6,041</b>	
Interest coverage ratio, multiple	3.6		4.1		3.1		4.4		3.0		3.9	



	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	LTM, Oct 2022-Sep 2023	2022 Jan-Dec
<b>Surplus ratio</b>						
Net operating income	1,717	1,553	4,939	4,470	6,307	5,838
Reversed:						
Coworking income	-63	-56	-197	-164	-266	-233
Coworking expenses	68	67	212	210	282	280
<b>Net operating income excluding coworking income</b>	<b>1,722</b>	<b>1,564</b>	<b>4,954</b>	<b>4,516</b>	<b>6,323</b>	<b>5,885</b>
Rental income	2,145	1,990	6,481	5,897	8,387	7,803
Service income	227	286	710	671	999	960
<b>Rental and service income</b>	<b>2,372</b>	<b>2,276</b>	<b>7,191</b>	<b>6,568</b>	<b>9,386</b>	<b>8,763</b>
Surplus ratio, %	72.6	68.7	68.9	68.8	67.4	67.2

	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	LTM, Oct 2022-Sep 2023	2022 Jan-Dec
<b>Return on total capital</b>						
Income before tax	-1,503	116	-6,453	8,189	-12,405	2,237
Reversed:						
Net interest items	480	397	1,623	1,045	2,109	1,531
Change in values on derivatives	221	-242	-532	-2,712	-510	-2,690
<b>Net, adjusted to a full-year basis</b>	<b>-3,208</b>	<b>1,084</b>	<b>-7,149</b>	<b>8,696</b>	<b>-10,806</b>	<b>1,078</b>
Average total capital	171,592	185,707	174,861	182,053	178,543	178,682
<b>Return on total capital, %</b>	<b>-1.9</b>	<b>0.6</b>	<b>-4.1</b>	<b>4.8</b>	<b>-6.1</b>	<b>0.6</b>

	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	LTM, Oct 2022-Sep 2023	2022 Jan-Dec
<b>Return on equity</b>						
Earnings after tax, adjusted to a full-year basis	-5,844	-1,120	-7,041	8,871	-10,184	1,750
Average equity	84,476	84,443	81,195	81,539	84,061	78,981
<b>Return on equity, %</b>	<b>-6.9</b>	<b>-1.3</b>	<b>-8.7</b>	<b>10.9</b>	<b>-12.1</b>	<b>2.2</b>

	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	LTM, Oct 2022-Sep 2023	2022 Jan-Dec
<b>Net investment, SEK M</b>						
Acquisitions	327	165	327	312	378	363
New construction, extensions and reconstructions	752	1,009	2,321	3,687	4,182	5,548
<b>Total investments</b>	<b>1,079</b>	<b>1,174</b>	<b>2,648</b>	<b>3,999</b>	<b>4,560</b>	<b>5,911</b>
Net sales prices	-305	-187	-3,711	-2,564	-4,227	-3,080
<b>Net investments</b>	<b>774</b>	<b>987</b>	<b>-1,063</b>	<b>1,435</b>	<b>333</b>	<b>2,831</b>
Proportion of the property value, %	0.5	0.6	-0.7	0.9	0.2	1.8

	30 Sep 2023		30 Sep 2022		31 Dec 2022	
Number of shares outstanding, thousand		492,601		328,401		328,401
<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	83,406	169.32	84,096	256.08	78,983	240.51
Reversed:						
Hybrid bonds	-10,169	-20.64	-10,169	-30.97	-10,169	-30.97
Declared, undistributed dividend	—	—	624	1.90	624	1.90
Derivatives according to the balance sheet	-4,038	-8.20	-2,995	-9.12	-2,747	-8.36
Goodwill attributable to deferred tax	-4,678	-9.50	-5,054	-15.39	-4,944	-15.05
Deferred tax according to the balance sheet	16,461	33.42	18,677	56.87	17,754	54.06
<b>Net reinstatement value (EPRA NRV)</b>	<b>80,982</b>	<b>164.40</b>	<b>85,179</b>	<b>259.37</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%	-3,961	-8.04	-3,967	-12.08	-3,860	-11.75
<b>Net tangible assets (EPRA NTA)</b>	<b>77,021</b>	<b>156.36</b>	<b>81,019</b>	<b>246.71</b>	<b>75,616</b>	<b>230.26</b>
Reversed:						
Derivatives according to above	4,038	8.20	2,995	9.12	2,747	8.36
Deferred tax	-12,500	-25.38	-14,710	-44.79	-13,870	-42.23
<b>Net disposal value (EPRA NDV)</b>	<b>68,559</b>	<b>139.18</b>	<b>69,304</b>	<b>211.03</b>	<b>64,493</b>	<b>196.38</b>
<b>Loan-to-value ratio</b>		<b>30 Sep 2023</b>		<b>30 Sep 2022</b>		<b>31 Dec 2022</b>
Interest-bearing liabilities, SEK M		65,687		76,637		76,849
Cash and cash equivalents, SEK M		-1,397		-2,101		-858
<b>Net interest-bearing liabilities, SEK M</b>		<b>64,290</b>		<b>74,536</b>		<b>75,991</b>
<b>Total assets, SEK M</b>		<b>169,991</b>		<b>186,474</b>		<b>179,731</b>
Loan-to-value ratio, %		37.8		40.0		42.3
<b>Loan-to-value ratio, Property</b>		<b>30 Sep 2023</b>		<b>30 Sep 2022</b>		<b>31 Dec 2022</b>
Net interest-bearing liabilities, SEK M		64,290		74,536		75,991
Investment properties, SEK M		144,709		158,329		153,563
<b>Loan-to-value ratio, Property, %</b>		<b>44.4</b>		<b>47.1</b>		<b>49.5</b>
<b>Net debt to EBITDA</b>		<b>30 Sep 2023</b>		<b>30 Sep 2022</b>		<b>31 Dec 2022</b>
<b>Net interest-bearing liabilities, SEK M</b>		<b>64,290</b>		<b>74,536</b>		<b>75,991</b>
Net operating income, SEK M		4,939		4,470		5,838
Central administration expenses, SEK M		-279		-213		-270
<b>Operating income, SEK M</b>		<b>4,660</b>		<b>4,257</b>		<b>5,568</b>
Net debt to EBITDA, mult		10.3		13.1		13.6
<b>Dividend yield</b>		<b>30 Sep 2023</b>		<b>30 Sep 2022</b>		<b>31 Dec 2022</b>
Approved dividend		—		7.60		7.60
Share price at end of period		111.35		125.15		126.25
<b>Dividend yield, %</b>		<b>—</b>		<b>6.1</b>		<b>6.0</b>

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### Financial calendar

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

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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 September 2023, the property value totalled approximately SEK 168 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.

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**CASTELLUM**