



CASTELLUM

Press Release
04 May 2023 23:45:00 CEST

Castellum resolves on a fully underwritten rights issue of approximately SEK 10 billion and announces terms

The Board of Directors of Castellum Aktiebolag ("Castellum" or the "Company") has on 4 May 2023, by virtue of the authorisation from the Annual General Meeting held on 23 March 2023, resolved upon a fully underwritten new share issue of approximately SEK 10 billion with preferential rights for existing shareholders in order to strengthen the Company's financial position. Through this press release, the Board of Directors of Castellum also announces the terms of the rights issue.

The rights issue in brief

- The rights issue comprises a maximum of 164,200,484 new shares.
- Shareholders in Castellum have preferential rights to subscribe for one (1) new share per two (2) existing shares.
- The subscription price has been set to SEK 62 per share, which will, upon full subscription, result in total issue proceeds of approximately SEK 10,180 million before deduction of costs related to the rights issue.
- The purpose of the rights issue is to strengthen the Company's financial position.
- Akelius Residential Property AB (publ) ("**Akelius Residential Property**"), Castellum's largest shareholder representing 13.4 per cent of the shares and votes in Castellum[1], supports the decision of the rights issue and has undertaken to subscribe for its pro rata share (13.4 per cent) of the rights issue.
- Akelius Residential Property has, additionally, entered into a guarantee commitment to subscribe, subject to certain terms, for an additional 28.5 per cent of the rights issue without subscription rights.
- Citigroup Global Markets Europe AG and Nordea Bank Abp, filial i Sverige have entered into a guarantee commitment by way of an underwriting agreement, subject to customary terms, for the remaining part of the rights issue that is not covered by Akelius Residential Property's subscription undertaking and guarantee commitment, i.e. 58.1 per cent of the rights issue (divided equally between Citigroup Global Markets Europe AG and Nordea Bank Abp, filial i Sverige). Hence, 100 per cent of the rights issue is covered by subscription undertakings and guarantee commitments.

Background and reasons

The Board of Directors of Castellum believes that the proceeds from the rights issue will strengthen the Company's financial position and enable the Company, in the current macroeconomic environment, to (i) manage balance sheet liquidity alongside repayment of upcoming near and mid-term bond maturities with adequate margins, (ii) maintain and reinforce the Company's credit profile and public credit rating and (iii) enable the Company to keep growing selectively through planned and future value-creating development projects.



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The Company's financial position is strengthened by the rights issue, which is assumed to increase the Company's attractiveness as an investment. Through Castellum, investors are hereby given access to one of the Nordic region's leading commercial property companies – largest among listed companies in the Nordics within commercial properties[2] and second largest in the warehouse/light industry segment[3].

Cash and unutilised credit facilities amounted to SEK 24.4 billion as of 31 March 2023, adjusted for the proceeds from the rights issue of approximately SEK 10,180 million before deduction of issue costs. Moreover, Castellum's LTV[4] will decrease from 43.6[5] per cent to 37.8 per cent and the net debt to EBITDA[6] from 13.0x to 11.2x[7] (excluding any potential further positive impact deriving from the assets disposal already announced but not completed as of 31 March 2023[8]). The rights issue affirms the Company's current Baa3 Moody's credit rating, which Moody's confirmed in a report[9] published on 14 February 2023, and creates conditions to strengthen the Company's credit rating over time, which is the Company's ambition.

Subscription undertakings and guarantee commitments

Akelius Residential Property, Castellum's largest shareholder representing 13.4 per cent of the shares and votes in Castellum[10], supports the decision of the rights issue and has undertaken to subscribe for its pro rata share (13.4 per cent) of the rights issue. Akelius Residential Property has, additionally, entered into a guarantee commitment to subscribe, subject to certain terms, for an additional 28.5 per cent of the rights issue without subscription rights. Citigroup Global Markets Europe AG and Nordea Bank Abp, filial i Sverige have entered into a guarantee commitment by way of an underwriting agreement, subject to customary terms, for the remaining part of the rights issue that is not covered by Akelius Residential Property's subscription undertaking and guarantee commitment, i.e. 58.1 per cent of the rights issue (divided equally between Citigroup Global Markets Europe AG and Nordea Bank Abp, filial i Sverige). Hence, 100 per cent of the rights issue is covered by subscription undertakings and guarantee commitments.

The above-mentioned subscription undertakings and guarantee commitments are not secured through, for example, bank guarantees.

Terms of the rights issue

The Company's shareholders have preferential rights to subscribe for new shares in Castellum in proportion to the number of shares held on the record date of the rights issue. The record date for the right to participate in the rights issue is 11 May 2023. Those who are registered as shareholders in Castellum on the record date will receive one (1) subscription right for each share held in Castellum. Two (2) subscription rights entitle the holder to subscribe for one (1) new share in Castellum.

Should all shares not be subscribed for by virtue of subscription rights, the Board of Directors shall, within the framework of the rights issue's maximum amount, decide on the allocation of shares which have not been subscribed for by virtue of subscription rights. In such case, shares shall firstly be allotted to those who have also applied for subscription and subscribed for shares by virtue of subscription rights, irrespective of whether or not they were shareholders on the record date, 11 May 2023, pro rata in relation to the number of subscription rights exercised for subscription of shares or,



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to the extent not possible, through the drawing of lots. Secondly, allotment shall be made to others who have applied for subscription for shares without exercising subscription rights pro rata in relation to the number of shares stated in the respective application form or, to the extent not possible, through the drawing of lots. Lastly, allotment shall be made to Akelius Residential Property, Nordea Bank Abp, filial i Sverige and Citi Global Markets Europe AG in accordance with the guarantee commitments entered into with Castellum.

The rights issue will entail that Castellum's share capital will increase by not more than SEK 82,100,242, from the current SEK 172,865,984 to not more than SEK 246,300,726, through the issuance of not more than 164,200,484 new shares. After the rights issue, the number of outstanding shares in Castellum will amount to not more than 492,601,452 shares.[11]

The subscription price has been set to SEK 62 per share. Upon full subscription, the rights issue will result in proceeds for Castellum of approximately SEK 10,180 million before deduction of costs related to the rights issue. Upon full subscription of the rights issue, the number of shares in Castellum will increase with 164,200,484 shares, from 328,400,968 outstanding shares to 492,601,452 outstanding shares, which corresponds to a dilution of approximately 33.3 per cent of the number of outstanding shares and 33.3 per cent of the number of votes in the Company.[12] Shareholders who decide not to participate in the rights issue will have the possibility to partly gain economic compensation for the dilution by selling their subscription rights.

The shares in Castellum will be traded including the right to receive subscription rights up to and including 9 May 2023. The shares will be traded excluding the right to receive subscription rights from and including 10 May 2023. The record date for establishing who is entitled to receive subscription rights in the rights issue is 11 May 2023.

Subscription for new shares shall be carried out during the period from and including 15 May 2023 up to and including 29 May 2023. The Board of Directors of Castellum is entitled to extend the subscription period, which – in such case – would be announced through a press release as soon as such decision has been taken.

Trading with subscription rights in Castellum is expected to take place on Nasdaq Stockholm during the period from and including 15 May 2023 up to and including 24 May 2023.

The complete terms and conditions for the rights issue and information about Castellum will be presented in the prospectus regarding the rights issue, that is intended to be published on 10 May 2023 on the Company's website, www.castellum.com.

Indicative timetable for the rights issue



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Last day of trading in Castellum's shares including the right to receive subscription rights	9 May 2023
First day of trading in Castellum's shares excluding the right to subscription rights	10 May 2023
Estimated date for publication of the prospectus	10 May 2023
Record date for the right to receive subscription rights in the rights issue	11 May 2023
Trading in subscription rights	15 – 24 May 2023
Subscription period	15 – 29 May 2023
Trading in paid subscribed shares (BTA)	15 May – 5 June 2023
Preliminary outcome of the rights issue is announced	30 May 2023
Final outcome of the rights issue is announced	1 June 2023

Advisors

Citigroup Global Markets Europe AG, Handelsbanken Capital Markets and Nordea Bank Abp, filial i Sverige are acting as Joint Global Coordinators and Joint Bookrunners. Danske Bank A/S, Danmark, Sverige filial, DNB Markets, a part of DNB Bank ASA, Sweden branch, Nykredit Bank A/S, Skandinaviska Enskilda Banken AB and Swedbank AB (publ) are acting as Joint Bookrunners. Roschier Advokatbyrå AB is legal adviser to Castellum in relation to Swedish law and Cleary Gottlieb Steen & Hamilton LLP is legal advisor to Castellum in relation to U.S. law. White & Case is legal advisor to the Joint Global Coordinators and Joint Bookrunners in relation to Swedish and U.S. law.

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IMPORTANT INFORMATION

None of the securities referred to herein have been or will be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state or other jurisdiction in the United States, and may not be offered, pledged, sold, delivered or otherwise transferred, directly or indirectly, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable other securities laws. There will not be any public offering of any of the securities in the United States.

In the United Kingdom, this press release is directed only at, and communicated only to, persons who are qualified investors within the meaning of article 2(e) of the Prospectus Regulation (2017/1129) of the European Parliament and of the Council of 14 June 2017 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 who are (i) persons who fall within the definition of "investment professional" in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), or (ii) persons who fall within article 49(2)(a) to (d) of the Order, or (iii) persons to whom it may otherwise be lawfully communicated (all such persons referred to in (i), (ii) and (iii) above together being referred to as "**Relevant Persons**"). This press release must not be acted on or relied on by persons in the UK who are not Relevant Persons.



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Citigroup Global Markets Europe AG, Handelsbanken Capital Markets and Nordea Bank Abp, filial i Sverige, Danske Bank A/S, Danmark, Sverige filial, DNB Markets, a part of DNB Bank ASA, Sweden branch, Nykredit Bank A/S, Skandinaviska Enskilda Banken AB and Swedbank AB (publ) are acting for Castellum in connection with the transaction and no one else and will not be responsible to anyone other than Castellum for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

The press release is for informational purposes only and does not constitute an offer to sell or issue, or the solicitation of an offer to buy or acquire, or subscribe for, any of the securities mentioned herein (collectively, the “**Securities**”) or any other financial instruments in Castellum. Any offer in respect of any of the Securities will only be made through the prospectus that Castellum expects to publish in due course. Offers will not be made to, and application forms will not be approved from, subscribers (including shareholders), or persons acting on behalf of subscribers, in any jurisdiction where applications for such subscription would contravene applicable laws or regulations, or would require additional prospectuses, filings, or other measures in addition to those required under Swedish law. Measures in violation of the restrictions may constitute a breach of relevant securities laws.

This press release contains forward-looking statements that reflect Castellum’s current view of future events as well as financial and operational development. Words such as “intend”, “assess”, “expect”, “may”, “plan”, “estimate” and other expressions involving indications or predictions regarding future development or trends, not based on historical facts, identify forward-looking statements and reflect Castellum's beliefs and expectations and involve a number of risks, uncertainties and assumptions which could cause actual events and performance to differ materially from any expected future events or performance expressed or implied by the forward-looking statement. The information contained in this press release is subject to change without notice and, except as required by applicable law, Castellum does not assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained in it and nor does it intend to. You should not place undue reliance on forward-looking statements, which speak only as of the date of this press release. As a result of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements as a prediction of actual future events or otherwise.

This announcement does not constitute an investment recommendation. The price and value of securities and any income from them can go down as well as up and you could lose your entire investment. Past performance is not a guide to future performance. Information in this announcement cannot be relied upon as a guide to future performance.



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The securities mentioned in this press release have not been registered and will not be registered under any applicable securities law in Australia, Japan, Canada, New Zealand, South Africa or Switzerland and may, with certain exceptions, not be offered or sold within, or on behalf of a person or for the benefit of a person who is registered in, these countries. The Company has not made an offer to the public in to subscribe for or acquire the securities mentioned in this press release other than in Sweden.

In the EEA Member States, with the exception of Sweden, Denmark, Finland and Norway (each such EEA Member State, a “**Relevant State**”), this press release and the information contained herein are intended only for and directed to qualified investors as defined in Article 2 (e) of Regulation (EU) 2017 /1129 of the European Parliament and of the Council of 14 June 2017 (the “**Prospectus Regulation**”). The securities mentioned in this press release are not intended to be offered to the public in any Relevant State and are only available to qualified investors except in accordance with exceptions in the Prospectus Regulation. Persons in any Relevant State who are not qualified investors should not take any actions based on this press release, nor rely on it.

[1] Excluding 17,331,000 treasury shares, corresponding to SEK 8,665,500 in share capital, held by Castellum (which will be cancelled in connection with the rights issue in accordance with the resolution from the Annual General Meeting held on 23 March 2023).

[2] Based on property value excluding development projects and land for the financial year 2022. Compared to Fabege AB, Corem Property Group AB and Wihlborgs Fastigheter AB for commercial properties.

[3] Based on property value excluding development projects and land for the financial year 2022. Compared to AB Sagax, Corem Property Group AB, Nyfosa AB and Wallenstam AB for light industrial and warehouse properties.

[4] Interest-bearing liabilities after deduction for cash and cash equivalents as a percentage of total assets.

[5] Calculated as of 31 March 2023.

[6] 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.

[7] Calculated as of 31 March 2023, adjusted for the rights issue.

[8] Includes the divestment of a soon-to-be-completed property in Jönköping for SEK 510 million, announced on 22 December 2022, and the divestment of the properties Marievik 27 and 30 to AMF Fastigheter for SEK 962 million, announced on 22 December 2022.

[9] Moody's on 14 February 2023: *Moody's affirms Castellum's Baa3 issuer rating, outlook stable.*

[10] Excluding 17,331,000 treasury shares, corresponding to SEK 8,665,500 in share capital, held by Castellum (which will be cancelled in connection with the rights issue in accordance with the resolution from the Annual General Meeting held on 23 March 2023).

[11] Excluding 17,331,000 treasury shares, corresponding to SEK 8,665,500 in share capital, held by Castellum (which will be cancelled in connection with the rights issue in accordance with the resolution from the Annual General Meeting held on 23 March 2023).



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[12] Excluding 17,331,000 treasury shares, corresponding to SEK 8,665,500 in share capital, held by Castellum (which will be cancelled in connection with the rights issue in accordance with the resolution from the Annual General Meeting held on 23 March 2023).

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 31 March 2023, the property value totalled approximately SEK 174 billion, 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 Index (DJSI). The Castellum share is listed on Nasdaq Stockholm Large Cap.

Beyond expectations.

www.castellum.se

This information is information that Castellum 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, at 2023-05-04 23:45 CEST.

Attachments

[Castellum resolves on a fully underwritten rights issue of approximately SEK 10 billion and announces terms](#)