



# Q4

**YEAR-END REPORT**  
**16 FEBRUARY 2022**

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RUTGER ARNHULT, CEO  
YLVA SARBY WESTMAN, DEPUTY CEO & CFO



**CASTELLUM**



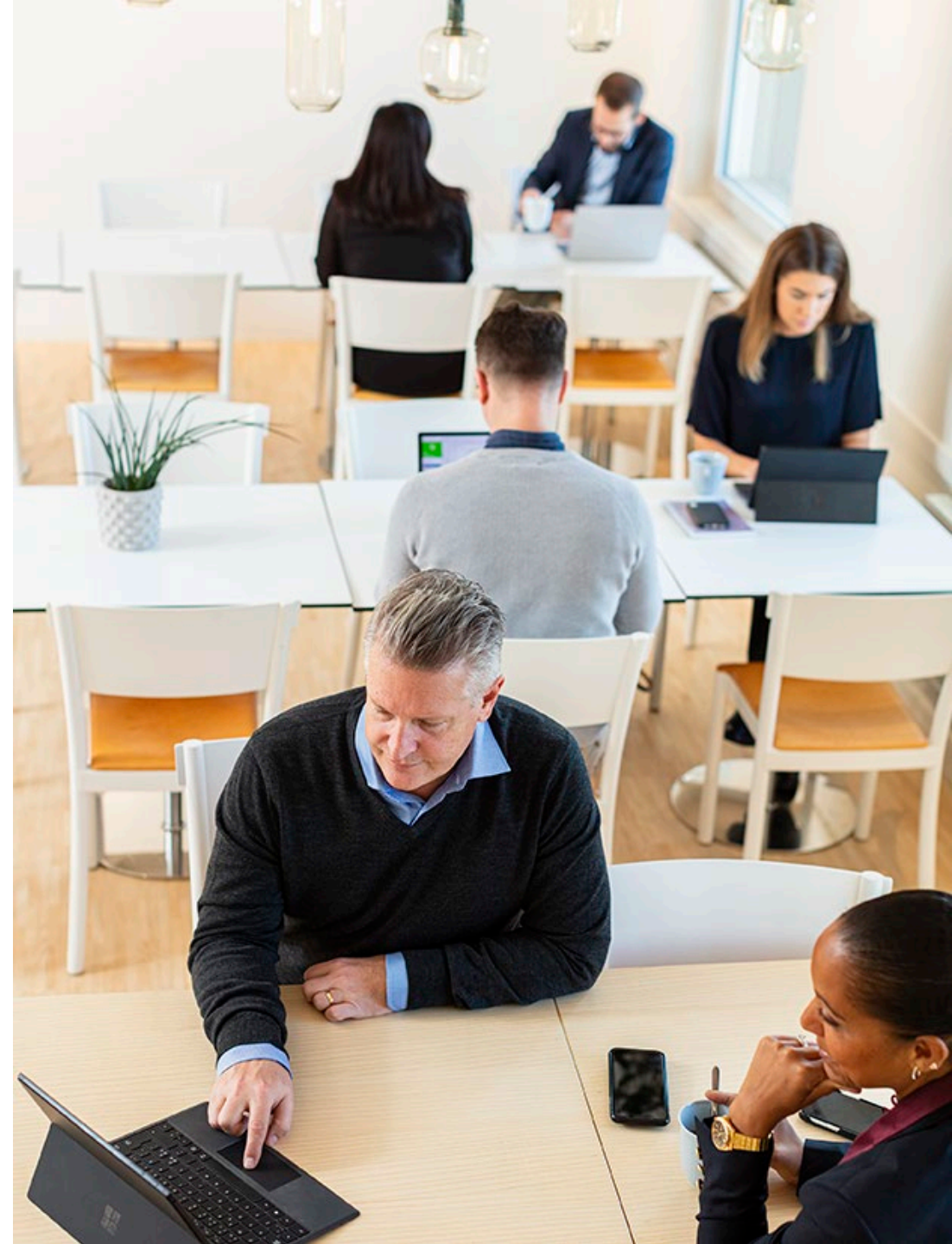
# Year-end result 2021

- Castellum delivers its highest result ever
- Nordic expansion
- Improved profit from property management and strengthened earnings capacity
- Strong underlying business and transaction market

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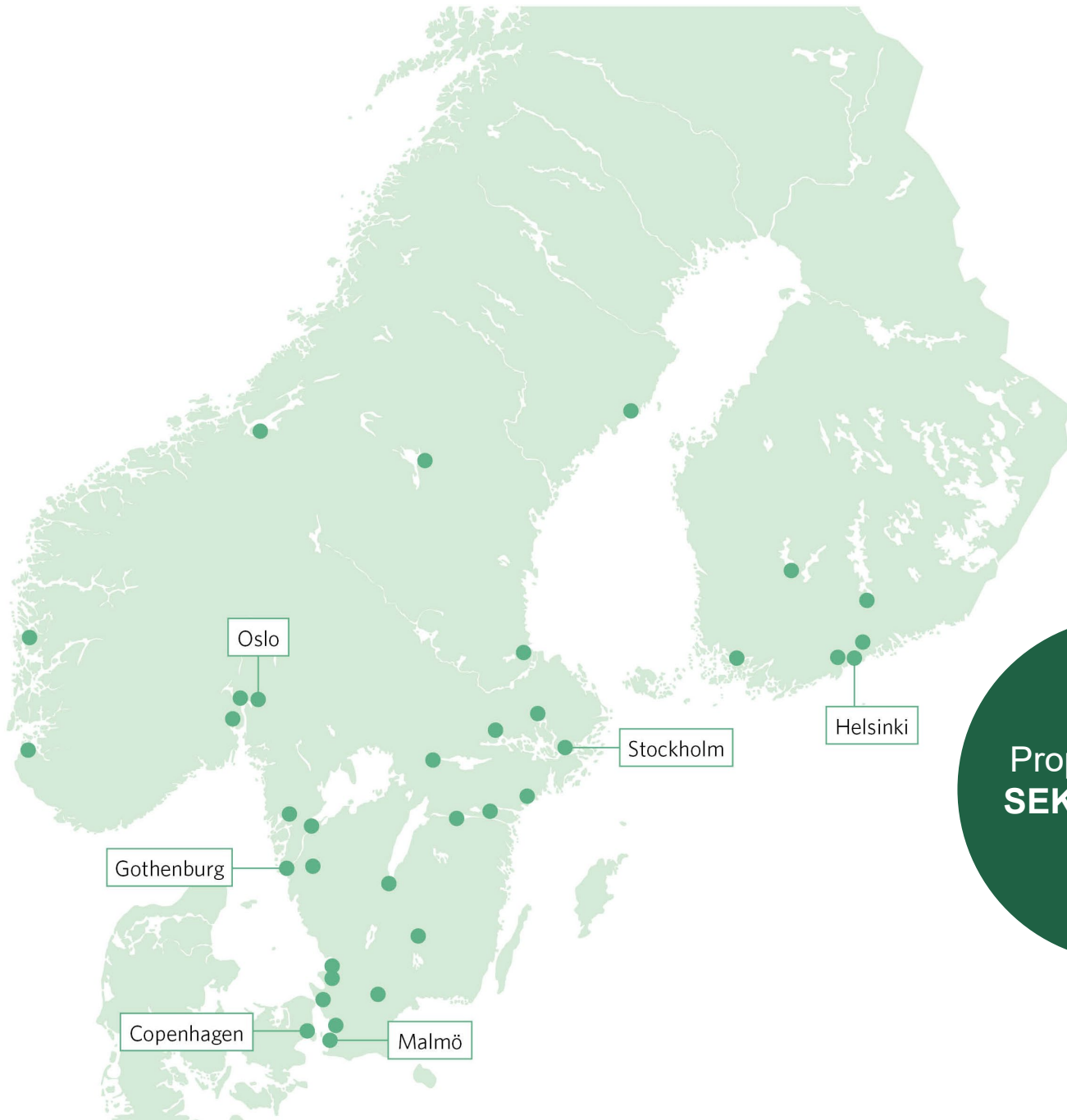
## Acquisition of Kungsleden successfully completed

- Strengthened position in main markets
- Value creating synergies
- Integration ongoing



## The leading property company in the Nordics

- Strategic acquisitions strengthening our Nordic platform
  - Merger with Kungsleden
  - Finnish property company Kielo
  - Two properties in Solna, Stockholm
- Exposure to the Norwegian market through the associated company Entra



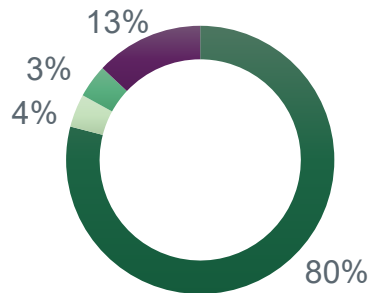
Property value\*  
SEK 176 billion

Lettable area\* of  
6,300,000 sq.m.

\* Including holdings in Entra

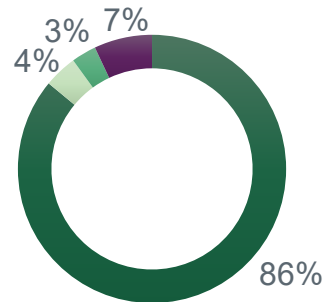
# The leading property company in the Nordics

Property value of SEK 176 billion per country



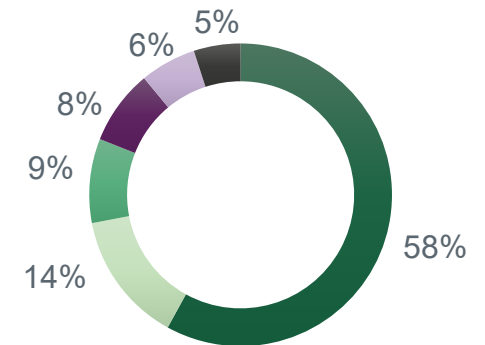
■ Sweden ■ Finland ■ Denmark ■ Norway (Entra)

Lettable area of 6,300,000 sq. m. per country



■ Sweden ■ Finland ■ Denmark ■ Norway (Entra)

Property value per category\*



■ Office  
 ■ Public sector properties  
 ■ Warehouse/logistics  
 ■ Developments & undeveloped land  
 ■ Retail  
 ■ Light industry

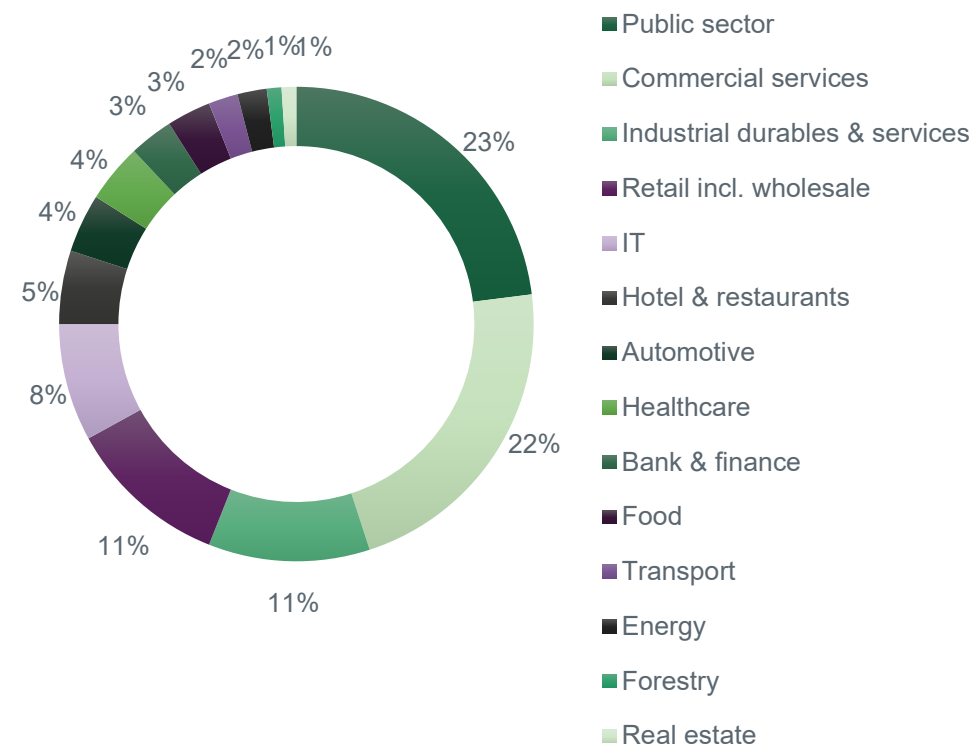
\* Excluding Entra

# Well diversified customer base

Largest tenants	Rental value, MSEK
ABB AB	192
AFRY Group	181
The Swedish Police Authority	166
The Swedish National Courts Administration	135
Svenska Handelsbanken AB	107
The Swedish Social Insurance Agency	90
The Swedish Migration Agency	84
Axis Communications Aktiebolag	71
E.ON Sverige AB	69
Region Stockholm	63
<b>Total</b>	<b>1,158</b>



Commercial leases distributed by sector, %



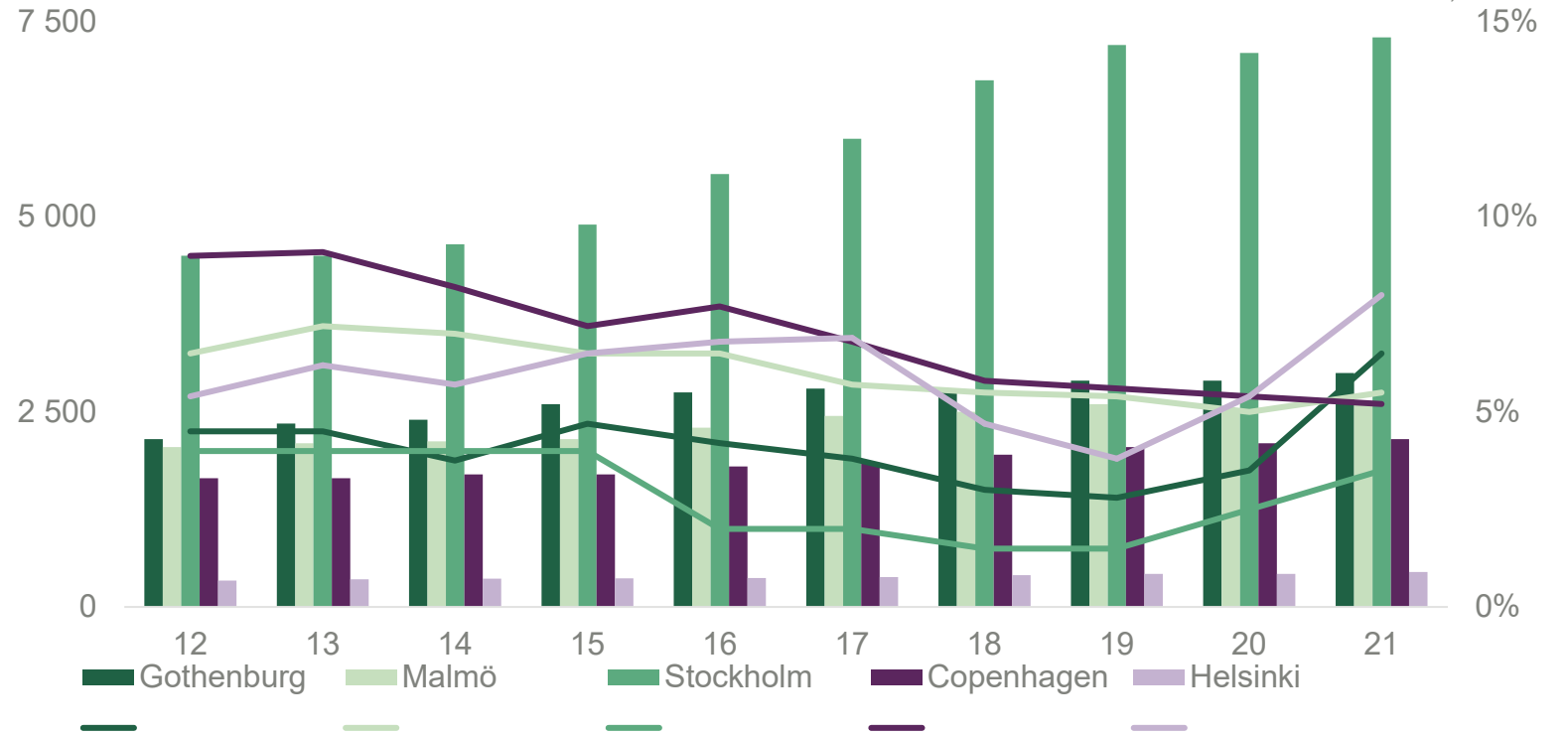
# Stable rental markets

- No area reductions
- Positive renegotiations
- Positive net leasing

## RENTAL LEVEL AND VACANCY RATES

Rental level CBD,  
SEK/sq. m.

Vacancy rates  
CBD, %

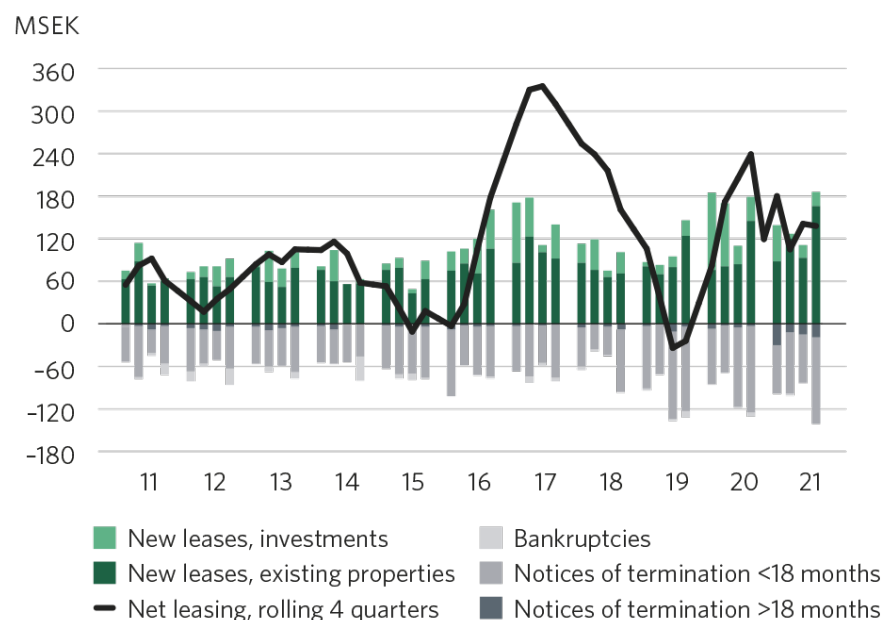


Source: Newsec, JLL



# Positive net leasing of MSEK 162

## NET LEASES 2011–Q4 2021



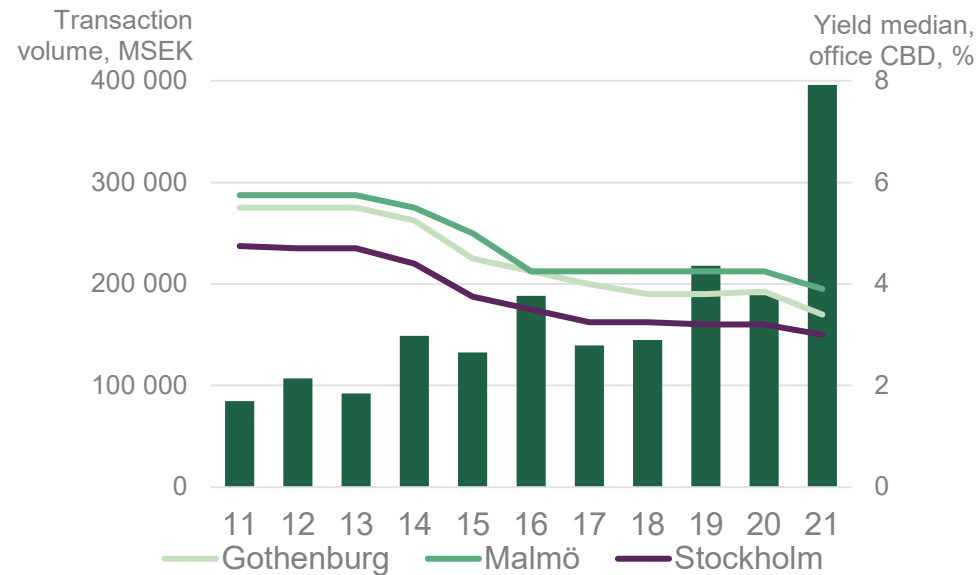
## NET LEASING JANUARY–DECEMBER 2021

MSEK	Region					Total	
	Central	West	Öresund	Sthlm	North Finland		
<b>New lettings</b>							
Existing properties	147	128	91	146	7	16	535
Investments	70	72	20	23	—	—	185
<b>Total</b>	<b>217</b>	<b>200</b>	<b>111</b>	<b>169</b>	<b>7</b>	<b>16</b>	<b>720</b>
<b>Notices of terminations</b>							
Existing properties	-159	-147	-76	-152	-6	-10	-550
Bankruptcies	-5	—	—	-3	—	—	-8
<b>Total</b>	<b>-164</b>	<b>-147</b>	<b>-76</b>	<b>-155</b>	<b>-6</b>	<b>-10</b>	<b>-558</b>
<b>Net leasing</b>	<b>53</b>	<b>53</b>	<b>35</b>	<b>14</b>	<b>1</b>	<b>6</b>	<b>162</b>
<i>D:o Q4 2020</i>	<i>88</i>	<i>39</i>	<i>77</i>	<i>22</i>	<i>10</i>	<i>3</i>	<i>239</i>



# Uplift in values of 5%

## TRANSACTION VOLUME AND YIELDS



Source: Newsec

## CHANGES IN VALUES ON PROPERTIES

MSEK	2021 Jan–Dec	2020 Jan–Dec
Cash flow	589	502
Project gains/Building rights	1,162	780
Required yield	4,489	2,065
Acquisitions	67	365
<b>Unrealised changes in value</b>	<b>6,307</b>	<b>3,712</b>
%	4.3%	3.7%
Sales	878	151
<b>Total</b>	<b>7,185</b>	<b>3,863</b>
%	4.9%	3.9%



**Kv. Sorbonne/Infinity**

Investment: SEK 1.7 billion

Lettable area: approx. 19,800 sq. m.



**Sjustjärnan/E.ON**

Investment: SEK 1.3 billion

Lettable area: approx. 31,500 sq. m.



**Godsfinkan 1**

Investment: SEK 1.3 billion

Lettable area: approx. 26,500 sq. m.

## High activity in ongoing projects

MSEK

Ongoing	8,580
– of which built up	3,711
– remaining investments	4,869
Occupancy rate	61%
Yield on cost, average	5.6%
Further potential project gains	1,700



**Effekten 13**

Investment: MSEK 445

Lettable area: approx. 15,400 sq. m.



**Götaland 9**

Investment: MSEK 323

Lettable area: approx. 9,200 sq. m.



**Drevet 1/Långeberga**

Investment: MSEK 261

Lettable area: approx. 21,800 sq. m.

# Ten largest projects

Property	Category	Investment type	Location	Completed	Area, sq.m.	Rental value, MSEK	Econ. occup. Jan 2022, %	Total inv. incl. land, MSEK	Of which built up, MSEK	Remaining investment MSEK
Kv. Sorbonne/Infinity	Office	New construction	Stockholm	Q1 2026	19,800	99.6	0	1,713	75	1,638
Sjustjärnan/E.ON	Office	New construction	Malmö	Q1 2023	31,460	78.0	91	1,296	750	546
Godsfinkan 1	Public sector property	New construction	Malmö	Q1 2023	26,500	81.0	91	1,270	1,018	252
Effekten 13	Office	New construction	Västerås	Q3 2023	15,400	31.2	100	445	32	413
Götaland 9 /Domstolsverket	Public sector property	New construction	Jönköping	Q3 2022	9,200	22.9	100	323	145	178
Jeppe 1/GreenHaus	Office	New construction	Helsingborg	Q2 2022	7,000	21.4	75	320	288	32
Åseby 1:5	Public sector property	New construction	Gothenburg	Q3 2023	14,780	21.0	100	301	67	234
Götaland 5/Werket	Office	Reconstruction	Jönköping	Q1 2026	20,718	46.9	23	281	17	264
Drevet/Långeberga 1	Warehouse	New construction	Helsingborg	Q4 2022	21,784	15.2	17	261	70	191
Sesamfröet 2	Public sector property	Reconstruction	Göteborg	Q3 2022	5,600	24.0	100	260	167	93
<b>Total 10 largest projects</b>					<b>172,242</b>	<b>441.2</b>		<b>6,470</b>	<b>2,629</b>	<b>3,841</b>
<b>Total ongoing projects</b>					<b>286,109</b>	<b>661</b>	<b>61</b>	<b>8,580</b>	<b>3,711</b>	<b>4,869</b>

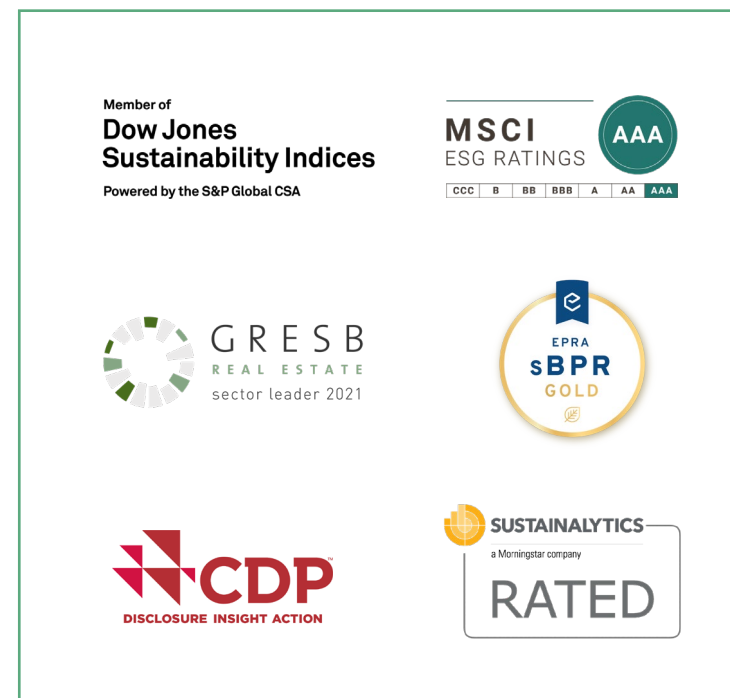
# One of Europe's most sustainable property companies

Key metrics	Target	Outcome
Carbon dioxide emissions	Net-zero carbon dioxide emissions 2030	77%*
Energy use	22% reduced energy use 2025 compared with 2015	11%**
Equality, % women and men	Equality in all occupational categories 2025	43%/57%

\* Less carbon emissions in Scope 1 and 2 since 2007.

\*\* Reduced energy use per sq.m. compared with 2015.

*Read more about all sustainability targets and the outcome for 2021 in the year-end report.*





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# Financial performance

JAN-DEC 2021



# Financial performance 2021

## Property portfolio

SEK 176 bn (103)

**+71%**

## Change in value on properties

MSEK 7,185 (3,863)

**+4.9%**

## Net income

MSEK 11,828 (5,615)

**+111%**

## Income from property management

MSEK 3,522 (3,380)

**+4%**

## Net letting

MSEK 162 (239)

## Rental income

like-for-like

**+2% (2)**

## Loan-to-value

39% (41)

## ICR

517% (530)

# Income statement January–December 2021

MSEK	Jan–Dec 2021		Jan–Dec 2020	
Rental income (fully let)	6,818	1,648 SEK/sq. m.	6,438	1,538 SEK/sq. m.
Vacancies and incentives	–634	93.2%	–546	93.1%
Property expenses	–1,813	425 SEK/sq. m.	–1,549	369 SEK/sq. m.
Coworking net	–25		–8	
<b>Net operating income</b>	<b>4,346</b>		<b>4,335</b>	
Central administrative expenses	–174		–149	
Income from property management from company of interest	161		—	
Net interest costs	–845	1.8%/3.3 years	–786	1.8%/2.6 years
Dividend	61		—	
Letting costs/site leasehold fee	–27		–20	
<b>Income from property management</b>	<b>3,522</b>	12.45 SEK/share	<b>3,380</b>	12.35 SEK/share
Acquisition and financing costs M&A	–103		–95	
Changes in value properties	7,185		3,863	
Changes in value derivatives	325		–120	
Changes in value financial holdings	153		—	
Other result from company of interest	981		—	
Impairment of goodwill	–194			
Tax	–41		–1,413	
<b>Net income for the period</b>	<b>11,828</b>	<b>41.81 SEK/share, 111%</b>	<b>5,615</b>	<b>20.52 SEK/share</b>

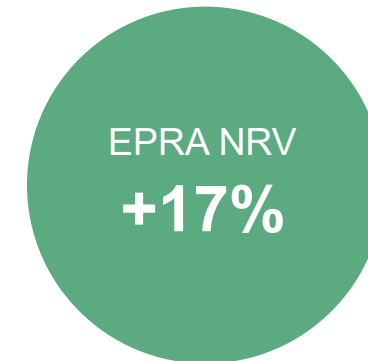


# Balance sheet 31 December 2021

MSEK	31 Dec 2021		31 Dec 2020	
Investment properties	153,146	26,667 SEK/sq. m. and 4.7% yield	103,042	23,549 SEK/sq. m. and 5.0% yield
Goodwill	5,544		1,673	
Leases, right-of-use	1,741		888	
Associated companies	13,571		—	
Financial assets	1,197		161	
Other assets	2,433		4,152	
<b>Total assets</b>	<b>177,632</b>		<b>109,916</b>	
Equity	83,637	NRV 251 SEK/share	48,243	NRV 214 SEK/share
Deferred tax liability	17,351		11,376	
Interest-bearing liabilities	70,829	Loan-to-value 39%	45,720	Loan-to-value 41%
Derivatives	563		1,132	
Lease liability	1,741		888	
Other liabilities	3,511		2,557	
<b>Total equity and liabilities</b>	<b>177,632</b>		<b>109,916</b>	

## Strong growth in net asset value

	31 Dec 2021	31 Dec 2020
<b>EPRA EPS</b> (profit from property management after tax), SEK per share	11.58	11.25
<b>EPRA NRV</b> (long-term net asset value), SEK per share	<b>251</b>	<b>214</b>
<b>EPRA NTA</b> (current net asset value), SEK per share	241	205

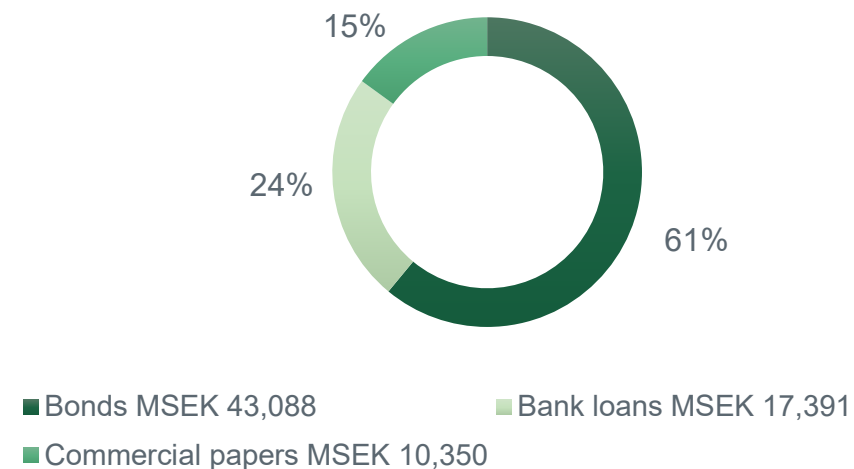


# Diversified debt structure

## CREDIT MATURITY STRUCTURE, 31 DECEMBER 2021

Credit agreements	Utilised in			Total	Share, %
	MSEK	Bank	MTN/ Comm. papers		
0-1 years	19,278	1,422	17,410	18,832	27
1-2 years	21,266	2,207	10,759	12,966	18
2-3 years	11,261	3,563	3,750	7,313	10
3-4 years	21,422	2,528	5,194	7,222	11
4-5 years	7,186	630	6,556	7,186	10
>5 years	16,810	7,041	9,768	16,809	24
<b>Total</b>	<b>97,223</b>	<b>17,391</b>	<b>53,438</b>	<b>70,829</b>	<b>100</b>

## Distribution of interest bearing financing, 31 Dec 2021



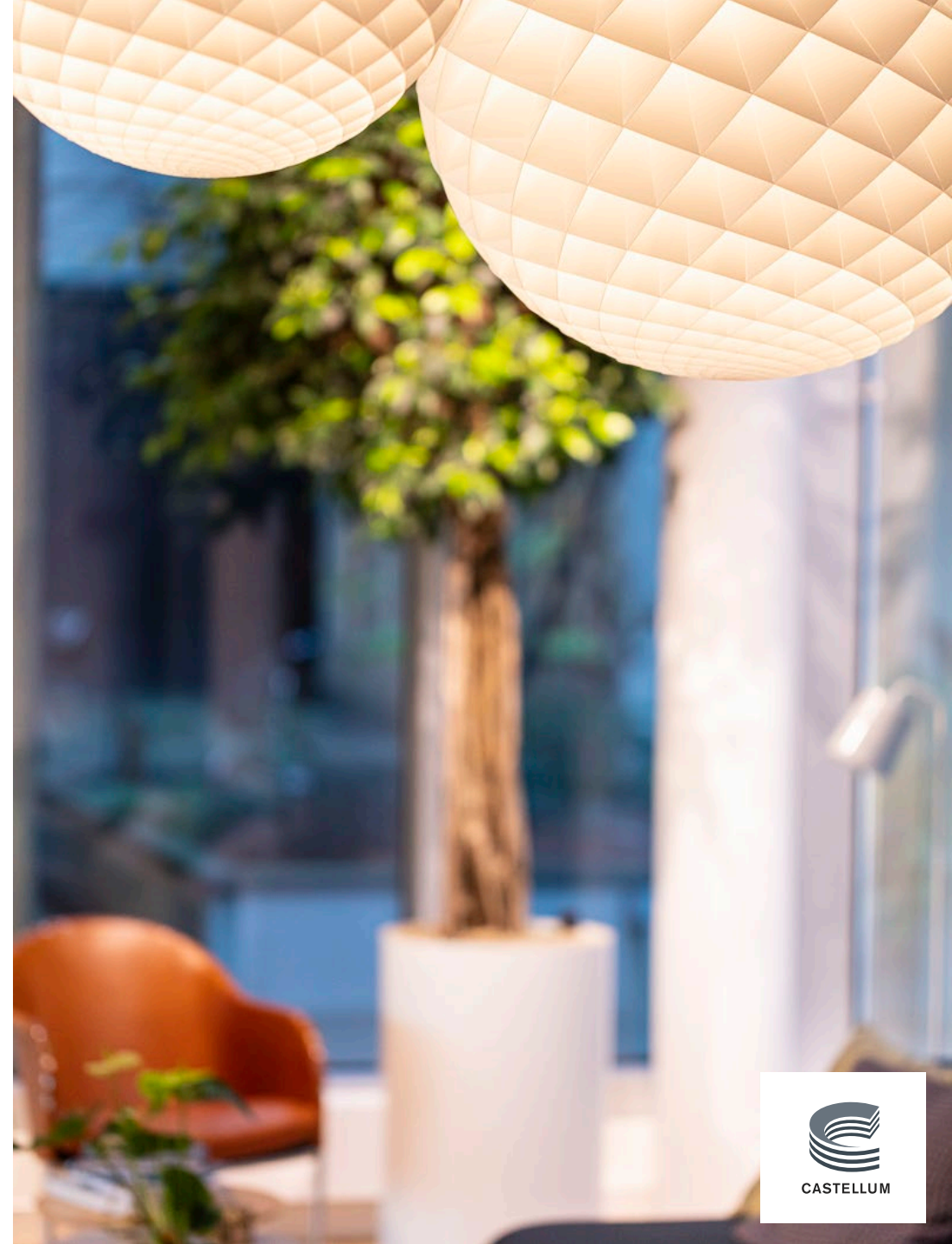


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# Outlook

## Improved earnings capacity

<b>Outcome 2021, MSEK</b>	<b>Castellum</b>	<b>Kungsleden</b>	<b>Total</b>
Income	5,983	2,593	8,576
Property costs	-1,864	-883	-2,747
<b>Net operating income</b>	<b>4,119</b>	<b>1,710</b>	<b>5,829</b>
Central administration expenses	-172	-15	-187
Associated companies	161	0	161
Financial items	-763	-373	-1,136
<b>Income from property management</b>	<b>3,345</b>	<b>1,322</b>	<b>4,667</b>



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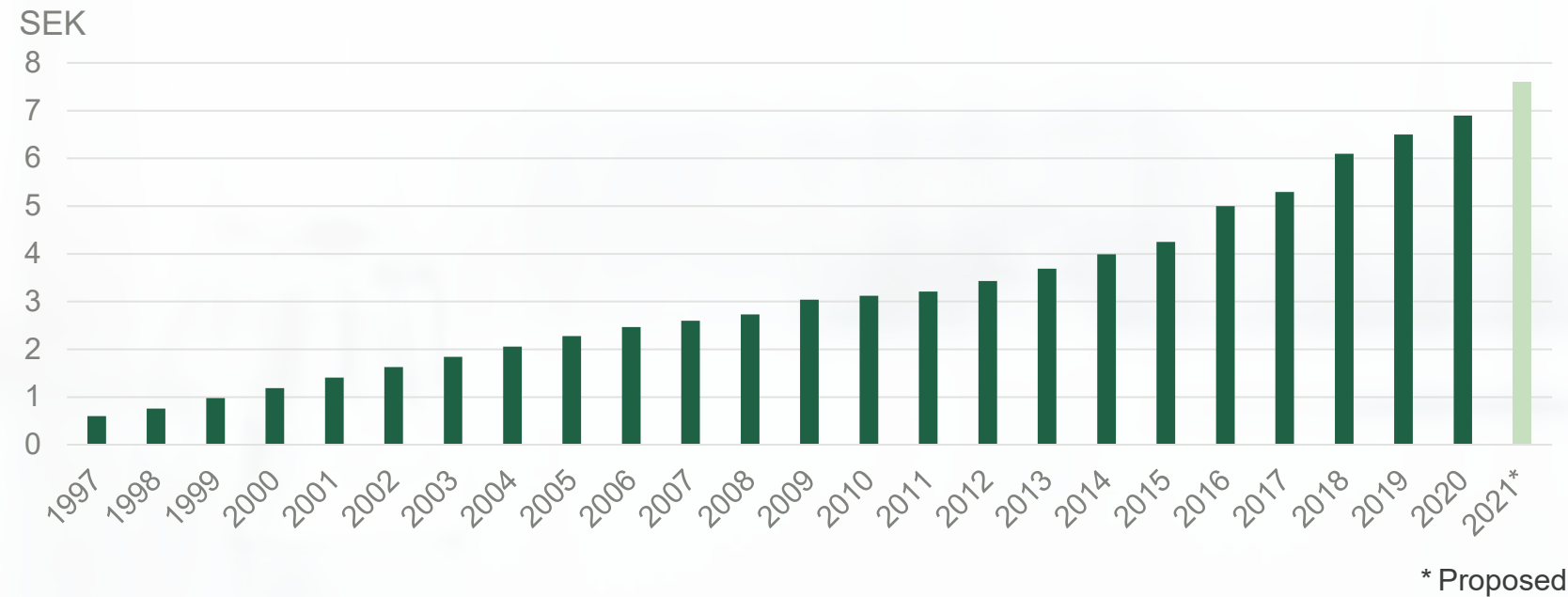
# Outlook

- Stable rental markets
- Strong transaction markets
- Prepared for continued growth with financial stability
- Large focus on project development
- Continued sustainability focus



# Dividend history and proposed dividend 2021

## PROPOSED DIVIDEND INCREASE FOR THE 24TH CONSECUTIVE YEAR



The Board of Directors proposes an increase in the dividend to SEK 7.60 per share, which corresponds to an increase of 10%.





**Q&A**



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# Thank you!

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