

CASTELLUM

Annual Report

2014



In 2014, the Svalan block in Uppsala was awarded the Urban Environment Award by Uppsala Nya Tidning



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The audited legal Annual Report, which comprises director's report and financial reports, comprises the pages 4-113. Comparisons shown in brackets are made with the corresponding amount previous year. EPRA's key ratios (European Public Real Estate Association) can be found under the section The Castellum Share. In the event of conflict in interpretation or differences between this report and the Swedish version, the latter will have priority.

## FURTHER INFORMATION

All press releases, quarterly reports and annual reports, both in Swedish and English, are available immediately after publication on [www.castellum.se](http://www.castellum.se). On the website, it is possible to subscribe to Castellum's press releases and quarterly reports. A printed year-end report is sent to all shareholders while the annual year report and other quarterly reports in print can be ordered from [info@castellum.com](mailto:info@castellum.com).

For further information please contact CEO Henrik Saxborn, tel +46 705-60 74 50, or CFO Ulrika Danielsson, tel +46 706-47 12 61, and [www.castellum.se](http://www.castellum.se).

Cover photo: The Svalan block in Uppsala, Dragarbrunn 20:4. Aspholmen Fastigheter completed the reconstruction in 2014, and the building was awarded the Urban Environment Award by Uppsala Nya Tidning, the Uppsala daily newspaper.

**"Castellum is a far-sighted owner. We manage and develop commercial premises to grow business opportunities for our customers.**

**Through our efforts, we create economic growth at low financial risk for shareholders"**

CEO Henrik Saxborn





# Castellum can be found wherever companies and cities are growing

Castellum has been listed on the Stockholm Stock Exchange since 1997. Castellum is the employer of 300 people. Castellum as landlord hosts 4,400 Swedish companies. For 16,200 shareholders in Sweden and internationally, the Castellum share has achieved a total yield averaging 11% per year over the last 10 years. In addition to this, we collaborate closely with 35 municipalities.

The basis of our strategy is a keen business focus on commercial properties, selected markets with development potential, and close and long-term customer relationships. Add to this a pronounced focus on economic growth at low financial risk. Our overall objective is to create shareholder value by achieving an annual growth in cash flow of 10%. To succeed, we need to perform in other areas.

We know that satisfied employees are the key to satisfied customers, and we know that customer satisfaction is a requirement for sustainable growth. Since 85% of our employees award us the highest rating as employers (ESI 2014), and a large portion of our customers are happy to recommend us as landlords, we dare to believe in continued positive development for our shareholders as well.

## We work with commercial properties ...

- Office
- Warehouse/  
Logistics
- Retail
- Industrial

**SEK 38 billion**

Castellum property value 2014

## ... on strong growth markets ...

- Greater Gothenburg
- Greater Stockholm
- Öresund Region
- Mälardalen
- Eastern Götaland

## ... with focus on customer needs ...

- Service and property management through local subsidiaries
- Personnel employed by us
- Serving our customers at close range

**NKI 79**

Satisfied-Customer-Index 2014

## ... and stable economic growth.

- Development of the real estate portfolio by yearly net investments of 5% of property value
- Strong balance sheet
- Economic, social, and environmental sustainability

**-529**

SEKm net investments 2014

**49%**

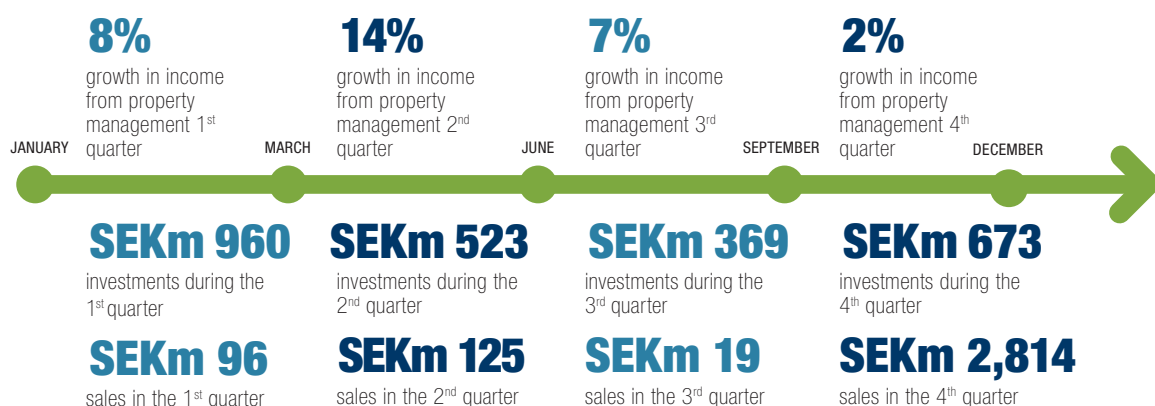
Loan to value ratio 2014



# Castellum 2014

- Rental income for 2014 amounted to SEKm 3,318 (SEKm 3,249 previous year).
- Income from property management totalled SEKm 1,450 (1,346), corresponding to SEK 8.84 (8.21) per share, an increase of 8%.
- Changes in value on properties reached SEKm 344 (328) and on derivatives to SEKm -660 (429).
- Net income after tax amounted to SEKm 1,211 (1,707), corresponding to SEK 7.38 (10.41) per share.
- Net investments amounted to SEKm -529 (1,081) of which SEKm 1,378 (1,583) were new constructions, extensions and reconstructions, SEKm 1,147 (185) acquisitions and SEKm 3,054 (687) sales.
- The Board proposes a dividend of SEK 4.60 (4.25) per share, corresponding to an increase of 8%.

## 2014 quarterly



## Key figures

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Income from property management, SEK/share	8.84	8.21	7.65	7.15	6.96	6.89	5.93	5.63	5.38	5.00
Change previous year	+8%	+7%	+7%	+3%	+1%	+16%	+5%	+5%	+8%	+11%
Net income after tax, SEK/share	7.38	10.41	8.98	4.34	11.98	0.98	-4.04	9.07	10.21	7.89
Change previous year	-29%	+16%	+107%	-64%	+1122%	pos.	neg.	-11%	+29%	+41%
Dividend, SEK/share (for 2014 proposed)	4.60	4.25	3.95	3.70	3.60	3.50	3.15	3.00	2.85	2.62
Change previous year	+8%	+8%	+7%	+3%	+3%	+11%	+5%	+5%	+9%	+11%
Properties fair value, SEKm	37,599	37,752	36,328	33,867	31,768	29,267	29,165	27,717	24,238	21,270
Net investments, SEKm	- 529	1,081	2,545	1,908	1,279	1,129	2,710	2,559	1,823	889
Loan to value	49%	52%	53%	51%	50%	52%	50%	45%	45%	45%
Interest coverage ratio	318%	292%	284%	278%	299%	309%	255%	287%	343%	315%



# CEO's Comments

## Castellum stands stronger than ever

“Dare to make changes – even when successful”, was the main heading for my CEO's comments of last year.

2014 also turned out to be a year when Castellum carried out the largest changes in our real estate portfolio in a very long time. We implemented major sales for close to SEK 3 billion in markets where we ascertained that future growth will not be so high. Furthermore, we invested SEK 2.5 billion in markets where we believe growth will be considerable. During such a comprehensive change process, it is not uncommon for individual years to have a lower investment rate than targeted, which occurred this year.

However, Castellum still managed to deliver 8% growth in income from property management in 2014 – slightly better than for 2013. In addition, Castellum also strengthened its financial position.

Due to the changes implemented, our good earnings capacity, low loan-to-value ratio and access to long-term credits, Castellum now has an investment capacity of SEK 6 billion.

The growth in income from property management can be explained by three main components: existing portfolio, investments and interest rate market.

Our existing portfolio operates over several districts in a rental market with slightly lower vacancy rates and stable rents. Furthermore, rental income increased, due to leases being drawn up with an eye to protecting against a weaker macro-economic environment. Costs were reduced through efficiency actions, plus the fact that 2014 was warmer than the previous year. Investments and completed projects and falling interest rates also contributed to cash flow growth.

In light of Castellum's earnings and financial strength, the Board proposes raising the dividend to SEK 4.60, which corresponds to an increase of 8%. This means that we have enjoyed growth in property management income as well as increased dividends every year since the IPO in 1997, by an average of 12% per year.

In 2014, the real estate market was driven by strong demand and growth expectations, which increased turnover and slightly decreased required yield – especially in big-city regions. Turnover in the Swedish real estate market was the highest since 2008.

Sweden's urbanization rate is one of the fastest in Europe. Economic growth is greatest in the growing regions in the southern part of the country. Successful communities are characterized by technical development – but also tolerance. Regions that provide opportunities for excellent education – those which embrace diversity and openness – are hence the most attractive ones.

Castellum operates here, in these parts of Sweden where 65% of the country's population lives and works. We're creating the conditions to further participate in the construction of the workplaces of tomorrow. Our project activity is high and here are some examples:

At year-end, Semcon moved to its new headquarters of 9,000 sq.m. at Lindholmen, Gothenburg, and we are currently planning for new environmentally classified office premises of just over 9,000 sq.m. in the same area. In Jönköping, the development of two new city blocks is almost completed, and we continue the construction of a flexible office building of more than 2,100 sq.m. In central Uppsala, we have completed the city's most modern office and are currently planning for another 8,000 sq.m. in close proximity to the Travel Centre. When it comes to logistics facilities, we have constructed Puma's Nordic, fully automated distribution centre of 9,600 sq.m. in Helsingborg. We're also currently preparing for participation in the construction of a logistics centre on Hisingen, Gothenburg, over the next few years. When completed, this major project will enable continued expansion of the port of Gothenburg, where Castellum plans new facilities of approx. 75,000 sq.m. in total.

During the year, we welcomed two new subsidiary managers into the management team: Cecilia Fasth at Eklandia Fastighets AB and Ola Orsmark at Fastighets AB Briggen. Ulrika Danielsson acquired a new role as CFO of the Group.



I'm convinced that proficient and committed employees generate satisfied customers, and we're happy to say that in 2014, our NKI (Satisfied Customer Index) rose to a level well above the sector benchmark.

Castellum also continued important sustainability activities, which are a condition for the company's development and long-term economic growth. I am proud that we have offered apprentices, holiday workers, interns and trainees a chance to gain hands-on work experience. Castellum has the lead when it comes to environmentally classified buildings: For example, our portfolio includes 30% of all Swedish Green Building certified properties.


In 2014, we signed the Global Compact, the UN's ten principles on how the business sector can take global responsibility concerning the environment, working conditions and corruption. Furthermore, we established a whistleblower function to report concerns that could seriously affect the company – or a person's life and health – to ensure compliance with company values and ethical principles.

Castellum, currently one of the largest real estate companies in Sweden, has never had the goal of becoming the largest player, but has managed – in accordance with our ambitious cash-flow goals – to achieve continuous growth. The company continues to operate with lower financial risk than the industry average. It is pleasing to note that the Board once again proposes an increase in dividend, and that the long-term net asset value after dividend, increased by 7% in 2014.

I look forward to 2015 – a year with continued, if cautious, growth in Sweden. To achieve our growth objective in such an economy and against the background of Castellum's strategic sales during last autumn, it is important that we continue high activity and focus on efficient and sustainable management, as well as on investments.

I would like to take this opportunity to once again sincerely thank all our shareholders and stakeholders for your trust during 2014.

Gothenburg January 21, 2015



Henrik Saxborn  
CEO





# Business Concept, Objectives and Strategies

Malin at Harry Sjögren AB

## Castellum's business opportunities are created by providing our customers with increased business opportunities

Castellum focuses on properties with commercial space. Our business model is about creating economic growth by increasing the business value of the premises for our customers.

The Group works with office, retail, warehouse, logistics and industrial facilities, centrally located downtown or in commercially attractive areas outside the city centre. What matters is that they accommodate business opportunities – for us as well as for our customers.



## Castellum's business concept

Castellum's business concept is to develop and add value to its real estate portfolio, focusing on the best possible earnings and asset growth, by offering customized commercial properties, through a strong and clear presence in five growth regions.

### Our business model

Castellum's business model focuses on management and development of the property portfolio.

#### Development through investments

The real estate and the rental market are dependent on long-term economic growth. Hence, Castellum needs to be present in region areas with anticipated high growth rates.

Castellum actively works with developing the real estate portfolio in order to improve cash flow and thereby increase property value. Castellum will continue to grow through customer demand. This will mainly occur through new constructions, extensions and reconstructions which are expected to generate high returns, but also through the acquisition of buildings and building rights for future development.

Sales of properties will take place when justified from a business standpoint.

The real estate portfolio will consist of commercial properties, and distribution among various real estate categories is determined by business opportunities, cash flow, risk exposure and the value growth of assets.

#### Leasing and property management

Castellum will be a company with a strong and clear customer focus, long-term customer relations and providing properties and services that meet and exceed customer needs.

Service and property management is mainly carried out by employed personnel, in a decentralized and small-scale organization with wholly owned subsidiaries. A strong local presence provides knowledge of customer needs and requirements.

Castellum continuously works with improving productivity to obtain more cost- and resource-efficient property management. Risk within customer circles will be kept low by spreading the risk over many fields of business, length of contracts and size of contracts.



#### Financing with low risk

Castellum has chosen to operate the business at low financial risk. Selected risk measures are loan-to-value ratio (i.e. the proportion of the property value that may be covered by loans) and interest-coverage ratio (i.e. the ability of a company to cover its interest expenses).

For Castellum, the loan-to-value ratio will not permanently exceed 55% and the interest-coverage ratio will be at least 200%.

Funding is obtained through credit and capital markets.

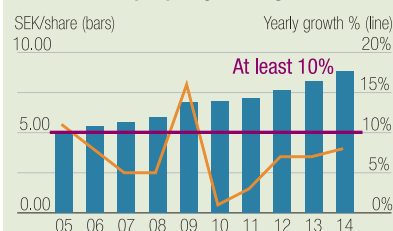




## Overall objective

Castellum's overall objective is an annual growth in cash flow, i.e. income from property management per share, of at least 10%

### Income from property management



## Strategy for the property portfolio and its management

### Development of commercial properties in growth regions

#### Geography and category

Castellum's real estate portfolio is located in the five growth regions Greater Gothenburg, Öresund Region, Greater Stockholm, Mälardalen and Eastern Götaland. This, together with rational property management and a strong presence in the market, provides for good business opportunities.

The real estate portfolio will consist of commercial properties with general and flexible premises for office, retail, warehouse, logistics and industry purposes.

#### Property portfolio development

The real estate portfolio will be continuously enhanced and developed in order to improve cash flow. Castellum will continue to grow with customer demand, mainly through new constructions, extensions and reconstructions but also through acquisitions.

All investments will contribute to the objective of growth in income from property management within 1-2 years and have a potential asset growth of at least 10%. Sales of properties will take place when justified from a business standpoint.

### Customer focus through local organizations

#### Customers

Castellum will be perceived as a customer focused company. This is achieved by developing long-term relations and supplying premises and services meeting customer demands.

with strong local presence. Property management will be carried out mainly by our own employed personnel. Castellum shall have skilled and committed employees, which is achieved by being an attractive workplace with good development possibilities.

#### Organization and employees

Service and property management will be delivered by a decentralized organization with wholly owned subsidiaries

The business will contribute to sustainable development, in view of ecological, social and economic aspects.

## Strategy for funding

### Strong balance sheet with low financial and operational risk

#### Capital structure

Castellum will have low financial risk. The chosen risk key ratios are loan to value and interest coverage ratio. Purchase or transfer of own shares will be available as a method for adjusting the company's capital structure to the company's capital need and as payment or funding of real estate investments. Company owned shares may not be traded for short term purpose of capital gain.

All actions will be made from a long-term perspective and the company will hold frequent, open and fair reports to shareholders, the capital and credit markets and the media, without disclosing any individual business relationship.

#### Low operational risk

Castellum's real estate portfolio has a geographical distribution covering five Swedish growth regions and will consist of various types of commercial premises. The risk within in the customer portfolio will be kept low.

#### The stock and credit markets

Castellum will work for a competitive total return on the company's share relative to risk and also strive for high liquidity.



## Strategic tools

## Investments

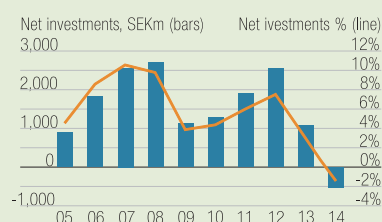
In order to achieve the overall objective of 10% growth, annual net investments of at least 5% of the property value will be made. This is currently equivalent to approx. SEK 2 billion.

## Subsidiaries

One of the three largest real estate owners in each local market.

## Outcome

## Net investments



One of the three largest real estate owners in 10 of the 13 local markets

## Property value per region



**SEKm -529**  
net investments 2014

## Strategic tools

## Customer and employee satisfaction

In order to develop the Group as well as customer relations, the customers' and employees' level of satisfaction will be measured regularly and be on a high level.

## Sustainability

Focus on efficient energy usage, sustainable new constructions, good control and continuously improved status in the properties, green customer relations, as well as social commitment and responsibility in our regions.

## Outcome



**NKI 79**  
Satisfied Customer Index 2014

**NMI 85**  
Satisfied Employees Index 2014

## Strategic tools

## Capital structure

Loan to value ratio not permanently exceeding 55%. Interest coverage ratio of at least 200%.

## Dividend

At least 50% of pre-tax property management income will be distributed. Investment plans, consolidation needs, liquidity and financial position in general will be taken into account.

## The stock and credit markets

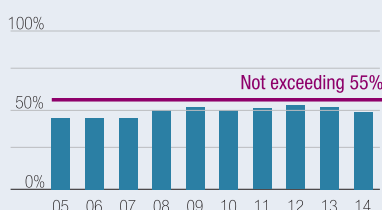
Castellum will be one of the largest listed real estate companies in Sweden.

## Low operational risk

Risk within the customer portfolio will be kept low using diversification over many fields of business, length and size of contracts.

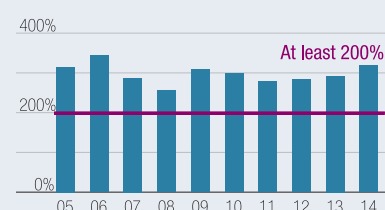
## Outcome

## Loan to value ratio



**52%**  
Dividend ratio 2014

## Interest coverage ratio



**49%**  
Loan to value 2014

**4,400**  
commercial contracts where single largest contract accounts for approx. 2%





# Real estate portfolio

## Market share is important. But choice of market is even more important.

Financially, Castellum is one of Sweden's largest real estate companies, but we have no ambition to become the largest. On the contrary – an important part of our business model is to focus on selected markets which demonstrate optimal conditions for development.

Castellum operates in five strong growth regions in Sweden; from Mälardalen and Greater Stockholm, down via Eastern Götaland to Greater Gothenburg and the Öresund Region. Together, these five markets represent 65% of the Swedish population. Castellum's objective is to be one of the three largest real estate companies in each market.



# Market comments

## Swedish economy

Sweden, with over 9.7 million inhabitants, is a country with an open and strong economy. This is primarily due to a stable and transparent business climate, high education levels, healthy public finances and high productivity. Sweden has long and extensive experience in international trade and international relations. This is evident from its relatively large share of world-leading corporations. The high export dependency of Swedish industry contributes to the fact that, historically, Sweden has shown the strong adaptability required to re-structure the economy during economic changes.

The Swedish economy continues to improve, although recovery is somewhat modest. The current economy continues to be divided into two parts: a strong domestic demand driving growth, and a sluggish export market. Exports usually comprise the major driving force behind a Swedish economic recovery. The latter can partially be attributed to the fact that economic development has been weak in some parts of the world – particularly in the Euro zone – where geopolitical turmoil has further dampened the economy.

The economic situation in Sweden and abroad, along with sharply falling oil prices, has resulted in very low inflation, which is expected to remain low in the coming year.

Despite the economic situation, the labour market continues to develop positively and the employment rate is rising in most sectors, with the exception of manufacturing.

## Macro indicators

Unemployment	7.0%	(December 2014)
Inflation rate	-0.3%	(December 2014 compared to December 2013)
GDP growth	2.1%	(Q3 2014 compared to Q3 2013)

Source: SCB

## Interest and credit markets

During the year, declining interest rates for all maturities characterized the interest rate market. The absence of inflation led to expansive actions by the Riksbank, which cut the repo rate in two stages from 0.75% to 0%. The interest rate curve

was also revised down, and no interest rate rise is indicated until the second half of 2016. The drop in short term market interest rates ran parallel to the repo rate cuts. At the beginning of the year, the three-month STIBOR interest rate was 0.94%, and at the end of the year it was 0.26%.

A weak macro situation, where developments in Europe overshadowed the positive developments in the US, has pushed down Swedish long-term interest rates. At the beginning of the year, the Swedish 10-year swap rate was 2.88%, and by the end of the year it was 1.28%.

Access to bank financing as well as capital market financing is considered favourable, and credit margins are stable.

## Sweden's foreign trade Jan-Oct 2014 (10 months)

Export	Total SEKbn 941	Import	Totalt SEKbn 920
Norway	98	Germany	158
Germany	96	Norway	77
Great Britain	68	The Netherlands	72
Finland	65	Denmark	68
Denmark	65	Great Britain	57
USA	64	Russia	47

Source: SCB

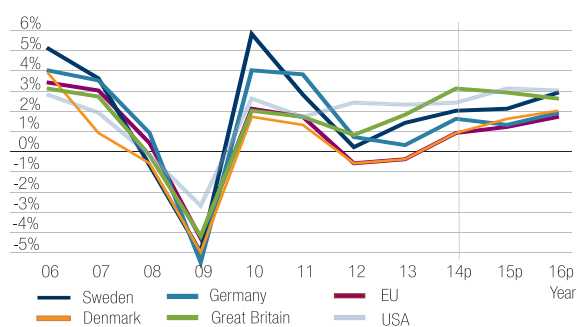
## European real estate market

The transaction volume for the European real estate market totalled approx. EUR 218 billion (154), which is an increase of 42% compared with the previous year. In 2014, Great Britain accounted for the highest transaction volume, corresponding to EUR 77 billion (56), followed by Germany's EUR 40 billion (30).

The Swedish transaction market represented approx. 7% (6%) of the European volume, and this translated into the fourth largest turnover in Europe.

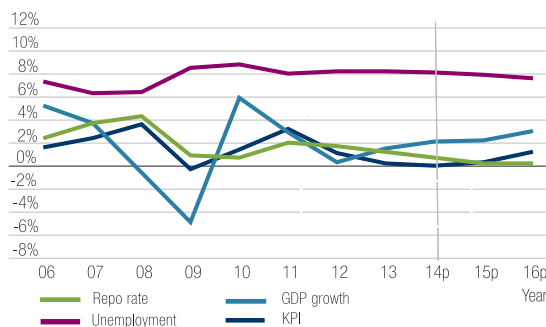
At year end, Castellum was the 22nd largest listed real estate company in the European real estate market in terms of market capitalization.

## GDP growth per year



Source: National Institute of Economic Research in Sweden

## Macro indicators Sweden



Source: National Institute of Economic Research in Sweden



## Swedish real estate market

The Swedish real estate market comprises apartment buildings and industrial properties for a total tax assessment value of around SEK 2,800 billion. This corresponds to a market value of approx. SEK 3,700 billion. However, the real estate portfolio also includes properties that are not quite part of the commercial real estate portfolio. This includes certain customized buildings for industrial operations, as well as apartment buildings owned by housing cooperatives. Castellum is considered one of Sweden's largest real estate owners of commercial properties and owns 1–2% of Sweden's commercial real estate portfolio. In all, Swedish listed real estate companies own about 13% of the commercial real estate portfolio in Sweden.

In addition to the listed companies, the largest real estate owners in Sweden are public corporations as well as both Swedish and foreign institutional investors. Furthermore, Sweden contains a vast number of smaller real estate owners such as real-estate and construction companies, users and individuals.

In 2014, the Swedish real estate market was characterized by strong demand and high turnover. In total, the transaction volume amounted to approximately SEK 160 billion (100), which is in line with the record years 2006–2008. Turnover was particularly high in the fourth quarter when it amounted to nearly SEK 70 billion (35). In addition to continued strong domestic interest, increased foreign interest was also noted: Foreign buyers accounted for 17%

(13%) of the volume. Commercial properties accounted for about 76% (69%) of the volume. The interest in office properties was stable and still accounts for the largest segment. However, interest in community properties and hotels also increased.

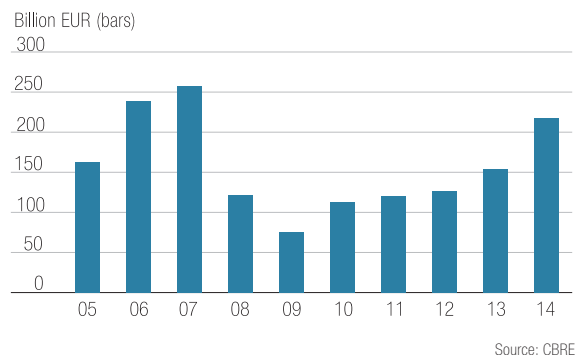
Big-city regions accounted for 62% (58%) of the volume. However, in absolute terms, significantly increased interest was demonstrated for markets outside major cities.

Castellum estimates that the overall increase in value noted earlier in 2014 has been sustained. Price structure has generally remained unchanged from the previous quarter.

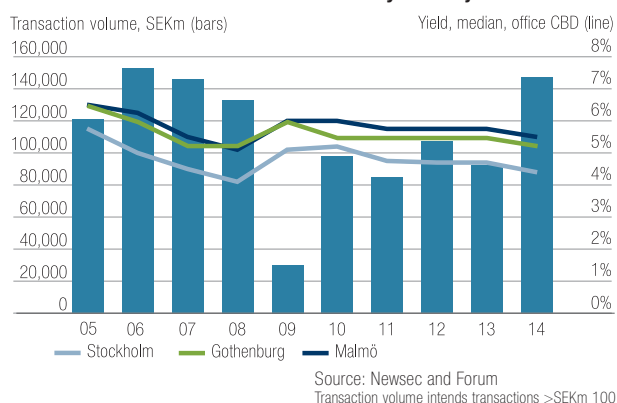
## Swedish rental market

During the year, the rental market has been solid or positive in all markets and segments, featuring high demand for both new constructions and existing premises. Rental levels generally remained unchanged. However, a slight increase in rental levels was noted for office rents in markets where the demand was higher and the vacancy rate was low. Compared with 2013, the supply of newly constructed office space has remained relatively stable in Gothenburg and Stockholm, but decreased in Malmö. An increase in new constructions in a number of Castellum's markets outside the big cities could also be seen. However, this increase started from a low level and is not considered to result in excess supply.

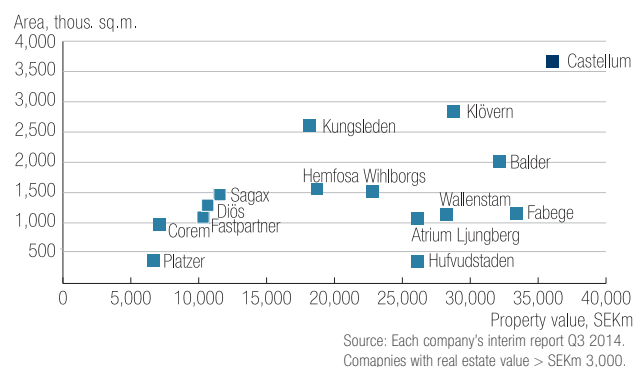
## Transaction volume/year european property market



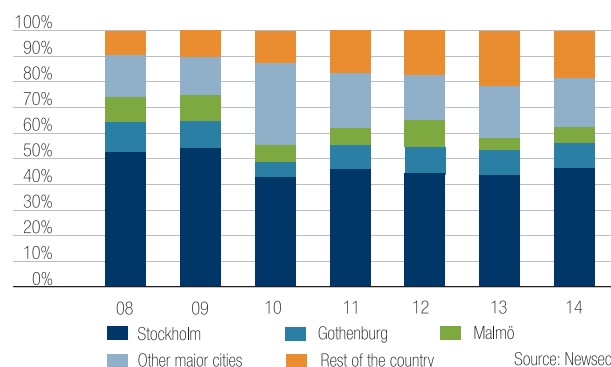
## Annual transaction volume Sweden and yield major cities



## Property portfolio listed real estate companies



## Transaction volume by geography

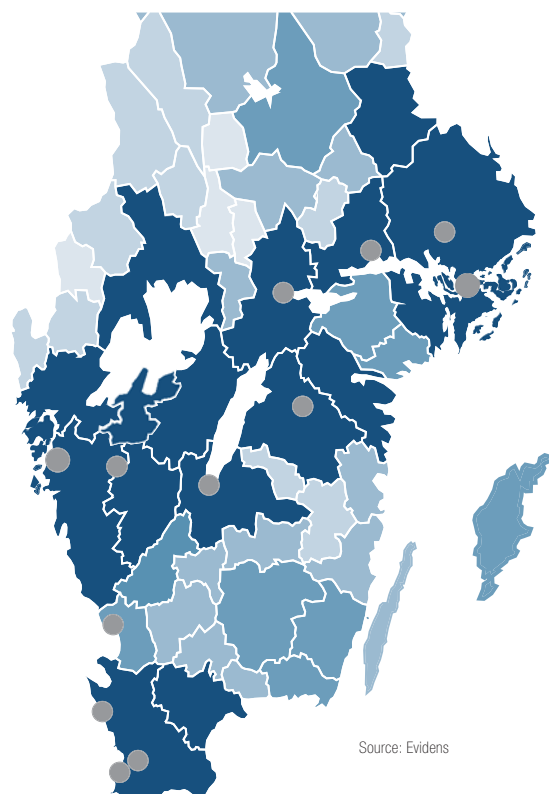


## Castellum's markets

Sweden can be divided into a number of local labor markets where each market has different development strength. A local labor market is characterized by that it can function independently concerning work and commuting. Some markets are due to their size and business structure less dependent to changes in the world around than others and have their own inherent power to grow, where the size provides economies of scale. Sweden is currently in an strong urbanization trend where growth is concentrated in the long-term to medium-sized and larger regions, while the number of regions is reduced.

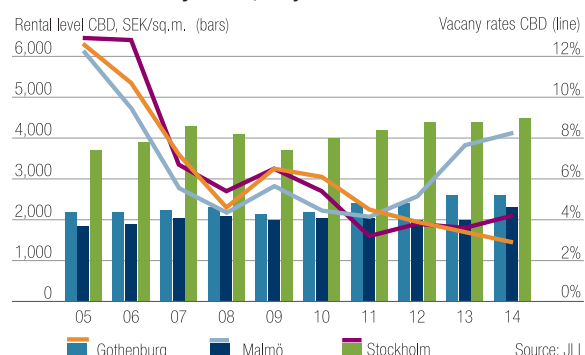
The three major urban regions in Sweden have the greatest development potential which is explained by a larger population, which in turn creates a larger labor market, a diversified industrial structure, research opportunities and greater variety of shopping, entertainment and culture. Successful regions are also characterized by tolerance. The most attractive cities offer opportunities for quality education in universities and colleges. They embrace diversity and openness. Cities grow and jobs are created where talents are developed and thrive.

The map shows the Swedish local labor markets where dark blue indicates the local labor markets who has the highest increase of total wages during 2005–2014 in absolute figures and light blue the lowest. The local labor markets where Castellum operates are marked.



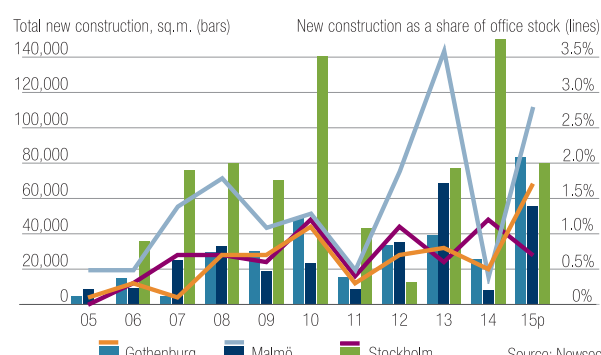
Source: Evidens

### Rents and vacancy levels, major cities



Source: JLL

### New construction office



Source: Newsec

### Data per region

	Population	Population growth 2005-2014/year	Population growth 2005-2014 average/year	Population growth 2014	Students at university/college	Growth employment 2005-2014/year	Unemployment 2014	Growth total wages 2005-2014/year	Growth wages total 2014
<b>The nation</b>	<b>9,700,000</b>	<b>0.8%</b>	<b>77,700</b>	<b>1.1%</b>		<b>1.2%</b>	<b>8.0%</b>	<b>2.9%</b>	<b>4.1%</b>
Borås	170,000	0.6%	1,000	0.9%	8,000	1.0%	7.1%	2.7%	4.4%
Greater Gothenburg	1,134,000	1.0%	11,200	1.2%	47,000	1.5%	6.9%	3.2%	5.0%
Halmstad	119,000	0.7%	800	1.0%	8,000	1.2%	8.4%	2.8%	2.4%
Jönköping	216,000	0.7%	1,500	0.9%	11,000	1.0%	6.5%	2.6%	4.4%
Copenhagen	1,767,000	0.9%	14,800	1.0%	n/a	0.2%	n/a	n/a	n/a
Linköping	260,000	0.7%	1,700	1.0%	23,000	1.1%	7.9%	2.9%	4.6%
Malmö	1,119,000	1.2%	12,600	1.3%	58,000	1.5%	10.0%	3.1%	3.3%
of which Lund	116,000	1.4%	1,500	1.5%	37,000	1.5%	5.9%	2.9%	3.3%
of which Helsingborg	135,000	1.1%	1,400	1.3%	—	1.3%	10.8%	3.1%	3.8%
Greater Stockholm	2,577,000	1.6%	38,600	1.7%	93,000	2.1%	6.5%	3.6%	4.1%
Uppsala	321,000	1.1%	3,400	1.4%	41,000	1.5%	5.5%	3.3%	5.3%
Västerås	238,000	0.6%	1,500	0.9%	12,000	0.9%	9.3%	2.8%	4.8%
Örebro	237,000	0.8%	1,800	1.1%	13,000	1.1%	8.4%	3.1%	5.9%

Source: Evidens and SCB



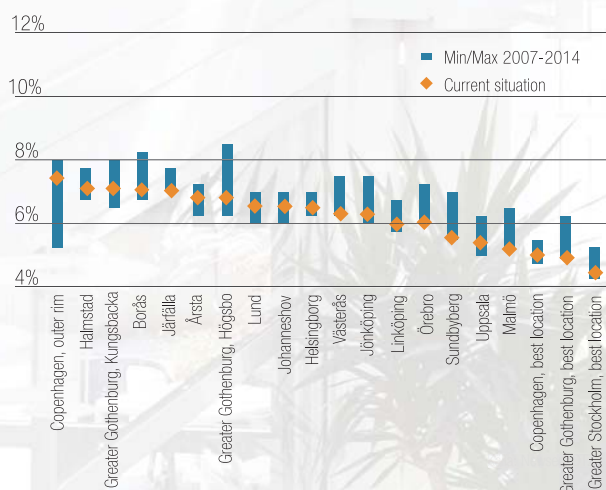
## Castellum's real estate portfolio

Castellum is present in the nation's major growth regions and approx. 65% of Sweden's 9.7 million inhabitants live within Castellum's regional market areas. Castellum's real estate portfolio is concentrated to a few selected sub-markets where the local subsidiaries have a strong position. The objective is to be one of the three largest real estate owners in each local market. Castellum's geographical submarkets can be characterized as stable, with good prospects for long-term positive development. The real estate portfolio is found in 13 locations in five growth regions: Greater Gothenburg, the Öresund region, Greater Stockholm, Mälardalen and Eastern Götaland. The main part with 76% of the portfolio is located in the three major urban regions.

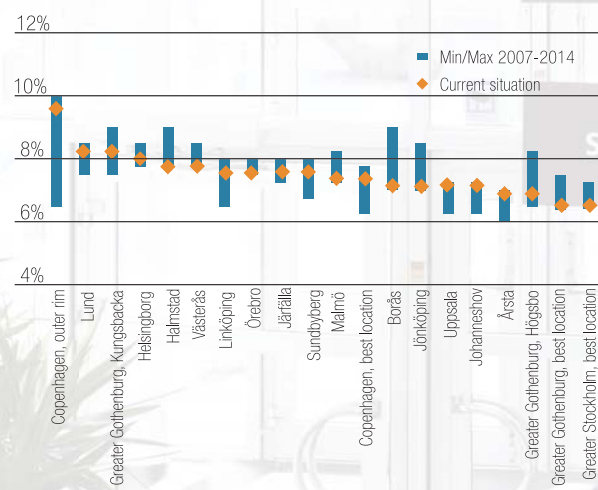
The commercial portfolio consists of 65% office and retail properties as well as 31% warehouse and industrial properties. The properties are located from inner city sites (except in Greater Stockholm from inner suburbs) to well-situated working-areas with good means of communication and services. The remaining 4% consists of project and undeveloped land. Castellum owns approx. 800,000 sq.m. unutilized building rights.

On December 31, 2014 Castellum's real estate portfolio comprised 583 properties (626) with a total rental value of SEKm 3,527 (3,726) and a total lettable area of 3,329,000 sq.m. (3,623,000). For properties owned at year-end the net operating income over the year was SEKm 2,098 (2,158).

### Market yield - office



### Market yield - warehouse/industrial



Yield 2007 – 2014 (bars) respectively present situation (dots) according to Newsec (Swedish regions) and DTZ (Copenhagen) for a number of different geographical markets and segments in Castellum's property portfolio.

Source: Newsec, DTZ.

During the year investments totalled SEKm 2,525 (1,768), of which SEKm 1,378 (1,583) were new constructions, extensions, and reconstructions and SEKm 1,147 (185) were acquisitions. Of the total investments SEKm 1,275 related to Greater Gothenburg, SEKm 393 to Mälardalen, SEKm 361 to Greater Stockholm, SEKm 248 to Eastern Götaland and SEKm 248 to the Öresund Region. After sales of SEKm 3,054 (687) net investments amounted to SEKm –529 (1,081).

Castellum has ongoing projects with remaining investments of approx. SEKm 750.

	Value SEKm	Number
Real estate portfolio January 1, 2014	37,752	626
+ Acquisitions	1,147	24
+ New constructions, extensions and reconstructions	1,378	–
– Sales	– 3,198	– 67
+/- Unrealized changes in value	488	–
+/- Currency translation	32	–
Real estate portfolio December 31, 2014	37,599	583

#### Property value and changes in value

The fair value of the properties at the year-end amounted to SEKm 37,599 (37,752), corresponding to SEK 11,118 per sq.m (10,285). The average valuation yield over time for Castellum's real estate portfolio, excluding development projects, undeveloped land and building rights, can be calculated to 6.9% (7.2%). Of the total property value 91% represents freehold properties and 9% is site leasehold.

The change in value in Castellum's portfolio during 2014 amounted to SEK 344 (328), corresponding 0.9% (0.9%). During the year a general increase in prices was noted, which resulted in a downward adjustment of the average valuation yield of 0.1% in the internal valuations. This, together with acquisition gains, project gains and individual adjustments on property level have resulted in a

change in value totaling SEKm 488. Realized sale of real estate has resulted in a change in value of SEKm –144. Net sales price amounted to SEKm 3,054 after reduction for assessed deferred tax and transaction costs of SEKm 163. Hence the underlying property value, which amounted to SEKm 3,217, exceeded last valuation of SEKm 3,198 with SEKm 19. The net increase in value, including this years change, over the past 10 years has been 1.1% per year, which is in line with inflation.

#### Average valuation yield (SEKm)

(excl. project/land and building rights)	2014	2013
Net operating income properties	2,286	2,341
+ Index adjustment 2015, 1% (1%)	25	35
+ Real occupancy rate 94% at the lowest	251	279
– Property administration 30 SEK/per sq.m.	– 99	– 107
<b>Normalized net operating income</b>	<b>2,463</b>	<b>2,548</b>
Valuation (excl building rights of SEKm 559)	35,506	35,613
<b>Average valuation yield</b>	<b>6.9%</b>	<b>7.2%</b>

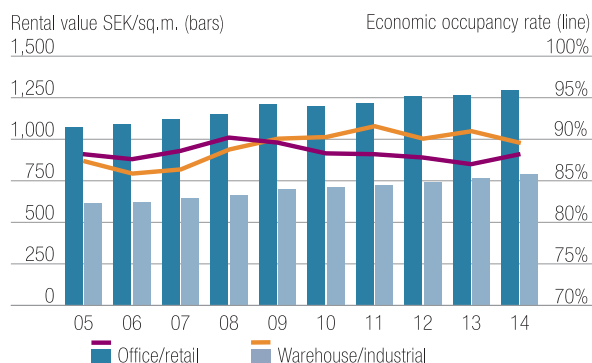
#### Rental income

Group's rental income amounted to SEKm 3,318 (3,249). For office and retail properties, the average contracted rental level, including charged heating, cooling and property tax, amounted to SEK 1,295 per sq.m. (1,263), whereas for warehouse and industrial properties, it amounted to SEK 791 per sq.m. (765). Rental levels, which are considered to be in line with the market, have in a comparable portfolio increased by 1% compared with previous year, which mainly is an effect from indexation and can be compared with the usual industry index clause (October to October), which was –0.1% in 2014. Castellum's higher indexation is due to the Groups focus on index clauses with minimum upward adjustment in the contract portfolio, which offers protection against deflation and low inflation.

#### Average valuation yield over time



#### Rental value and economic occupancy rate





The average economic occupancy rate was 88.7% (88.4%). The total rental value for vacant premises on yearly basis amounted to approx. SEKm 417 (467).

The rental income for the period includes a lump sum of SEKm 10 (11) as a result of early termination of leases.

Gross leasing (i.e. the annual value of total leasing) during the year was SEKm 304 (366), of which SEKm 55 (96) were leasing of new constructions, extensions and reconstructions. Notices of termination amounted to SEKm 246 (261), of which bankruptcies were SEKm 12 (23) and SEKm 36 (18) were notices of termination with more than 18 months remaining length of contract. Hence net leasing for the year was SEKm 58 (105).

The time difference between reported net leasing and the effect in income thereof is estimated to be between 9-18 months. Net leasing has been different in Castellum's various regions, as shown below.

#### Net leasing

SEKm	Greater Gothenburg	Öresund Region	Greater Stockholm	Mälardalen	Eastern Götaland	Total
<b>New leases</b>						
Existing properties	52	50	54	55	38	249
Investments	5	3	17	17	13	55
<b>Total</b>	<b>57</b>	<b>53</b>	<b>71</b>	<b>72</b>	<b>51</b>	<b>304</b>
<b>Notices of termination</b>						
Notices of termination	-78	-48	-46	-44	-18	-234
Bankruptcies	-3	0	-6	-3	0	-12
<b>Total</b>	<b>-81</b>	<b>-48</b>	<b>-52</b>	<b>-47</b>	<b>-18</b>	<b>-246</b>
<b>Net leasing</b>	<b>-24</b>	<b>5</b>	<b>19</b>	<b>25</b>	<b>33</b>	<b>58</b>

#### Property costs

Property costs amounted to SEKm 1,096 (1,105) corresponding to SEK 307 per sq.m. (307). Consumption for heating during the year has been calculated to 81% (96%) of a normal year according to the degree day statistics.

The increased costs for leasing and property administration SEK per sq.m. can partly be explained by the sales completed by the end of the year.

Rental losses, i.e. charged not paid rents with the risk of loss, amounted to SEKm 9 (6), corresponding to 0.3% (0.2%) of rental income.

#### Property costs

SEK/sq.m.	Office/ retail	Warehouse/ industrial	2014 Total	2013 Total
Operating expenses	177	109	146	161
Maintenance	44	29	37	35
Ground rent	9	7	8	7
Property tax	69	22	48	47
Direct property costs	299	167	239	250
Leasing and property administration (indirect)	–	–	68	57
<b>Total</b>	<b>299</b>	<b>167</b>	<b>307</b>	<b>307</b>
<i>Previous year</i>	<i>317</i>	<i>171</i>	<i>307</i>	

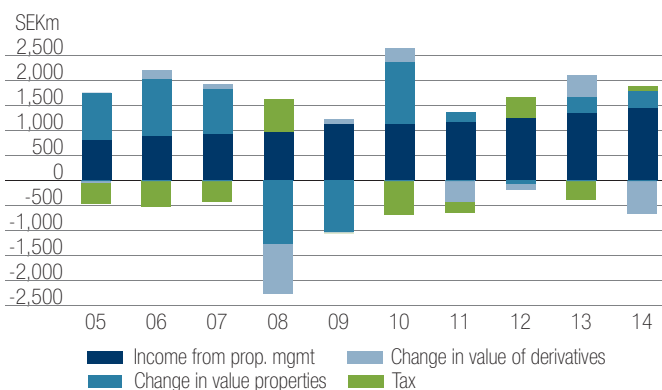
#### Income over time

Income from property management over the past 10 years shows stable development and has grown by an average of 7% per year. Property values have been volatile over the past 10 years with average growth of 1.1% per year which is in line with inflation.

#### Net leasing per quarter



#### Income over time



## Castellum's real estate portfolio 31-12-2014

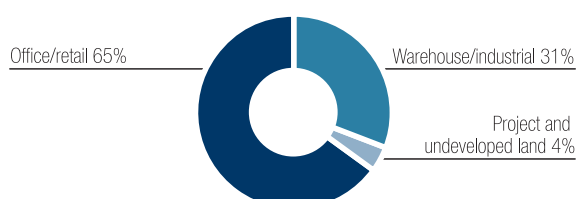
	31-12-2014				Januari-December 2014						
	No. of properties	Area, thous. sq. m.	Property value SEKm	Property value SEK/sq. m.	Rental value SEKm	Rental value SEK/sq. m.	Economic occupancy rate	Rental income SEKm	Property costs SEKm	Property costs SEK/sq. m.	Net operating income SEKm
<b>Office/retail</b>											
Greater Gothenburg	86	478	7,604	15,924	635	1,330	91.6%	582	134	281	448
Öresund Region	63	362	5,269	14,549	483	1,334	84.6%	408	111	307	297
Greater Stockholm	50	343	4,610	13,435	469	1,367	83.5%	391	102	298	289
Mälardalen	72	399	4,899	12,263	471	1,178	91.5%	431	120	299	311
Eastern Götaland	23	176	2,202	12,521	219	1,247	89.0%	195	59	335	136
<b>Total office/retail</b>	<b>294</b>	<b>1,758</b>	<b>24,584</b>	<b>13,983</b>	<b>2,277</b>	<b>1,295</b>	<b>88.2%</b>	<b>2,007</b>	<b>526</b>	<b>299</b>	<b>1,481</b>
<b>Warehouse/industrial</b>											
Greater Gothenburg	103	659	5,316	8,068	505	766	91.7%	463	97	146	366
Öresund Region	43	284	1,874	6,594	213	752	86.8%	185	50	176	135
Greater Stockholm	52	288	2,871	9,993	287	998	88.6%	254	59	205	195
Mälardalen	38	187	1,190	6,362	139	746	88.4%	123	36	193	87
Eastern Götaland	11	68	230	3,375	30	442	92.0%	28	6	93	22
<b>Total warehouse/industrial</b>	<b>247</b>	<b>1,486</b>	<b>11,481</b>	<b>7,728</b>	<b>1,174</b>	<b>791</b>	<b>89.7%</b>	<b>1,053</b>	<b>248</b>	<b>167</b>	<b>805</b>
<b>Total</b>	<b>541</b>	<b>3,244</b>	<b>36,065</b>	<b>11,118</b>	<b>3,451</b>	<b>1,064</b>	<b>88.7%</b>	<b>3,060</b>	<b>774</b>	<b>239</b>	<b>2,286</b>
Leasing and property administration									221	68	- 221
<b>Total after leasing and property administration</b>									<b>995</b>	<b>307</b>	<b>2,065</b>
Project	18	85	1,267	—	76	—	—	50	17	—	33
Undeveloped land	24	—	267	—	—	—	—	—	—	—	—
<b>Total</b>	<b>583</b>	<b>3,329</b>	<b>37,599</b>	<b>—</b>	<b>3,527</b>	<b>—</b>	<b>—</b>	<b>3,110</b>	<b>1,012</b>	<b>—</b>	<b>2,098</b>

The table above relates to the properties owned by Castellum at the end of the year and reflects the income and costs of the properties as if they had been owned during the whole year. The discrepancy between the net operating income of SEKm 2,098 accounted for above and the net operating income of SEKm 2,222 in the income statement is explained by the deduction of the net operating income of SEKm 193 on properties sold during the year, as well as the adjustment of the net operating income of SEKm 69 on properties acquired/completed during the year, which are recalculated as if they had been owned or completed during the whole year.

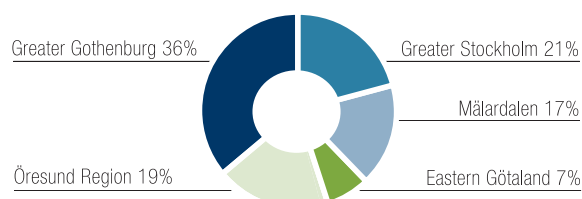
## Property related key ratio

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Rental value, SEK/sq. m.	1,064	1,036	1,015	995	974	969	921	896	864	851
Economic occupancy rate	88.7%	88.4%	88.6%	89.3%	89.0%	89.8%	89.7%	87.9%	87.1%	88.1%
Property costs, SEK/sq. m.	307	307	298	300	298	300	268	262	259	247
Net operation income, SEK/sq. m.	637	608	601	589	569	571	559	527	494	502
Fair value, SEK/sq. m.	11,118	10,285	9,916	9,835	9,499	9,036	8,984	9,098	8,466	7,930
Number of properties	583	626	635	617	598	590	587	549	515	494
Lettable area, thousand sq. m.	3,329	3,623	3,621	3,411	3,311	3,199	3,172	3,003	2,787	2,651

## Property value by property type



## Property value by region







# Investments

## Active property development requires investments

Castellum operates on a long-term basis and the strategy for growth includes constant improvement and development of the real estate portfolio through new constructions, reconstructions and extensions – as well as acquisitions. The investments are made in order to improve cash flow and increase the value of the properties. New development projects are added on an ongoing basis through the acquisition of properties with development potential and unutilized building rights.

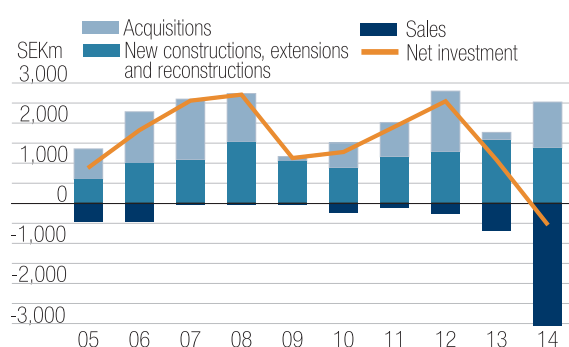
In order to achieve the overall growth objective of 10%, Castellum needs to invest. The strategy is yearly net investments of at least 5% of the total property value. In 2014, Castellum had a high level of activity in the portfolio and built and acquired properties for SEKm 2,525 and sold for SEKm 3,054.

In the last 10 years, Castellum has invested SEK 21 billion, which means SEK 2 billion on average per year. During 2014 investments totaled SEKm 2,525 (1, 768) of which SEKm 1,378 (1,583) were new constructions, extensions and reconstructions and SEKm 1,147 (185) were acquisitions. Of the total investments SEKm 1,275 refers to Greater Gothenburg, SEKm 393 to Mälardalen, SEKm 361 to Greater Stockholm, SEKm 248 to Eastern Götaland and SEKm 248 to the Öresund Region. Among the acquisitions, we can highlight the investment in the campus area of Halmstad, for SEKm 637.

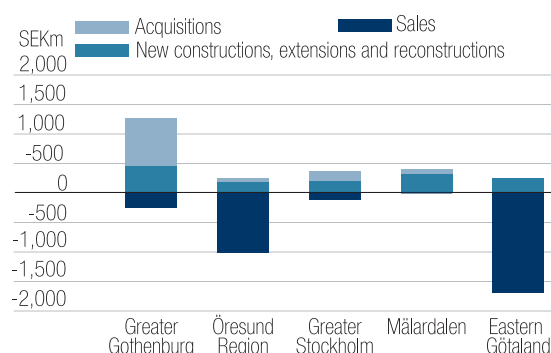
During the fall of 2014, Castellum had a high level of activity in the portfolio – the entire property portfolio in Värnamo och Växjö was sold (approx. 270,000 sq.m.), as was the Hansa shopping mall in Malmö. The transactions were a strategic decision to refine the portfolio and give Castellum better conditions to develop the property portfolio for long term growth. After sales of SEKm 3,054 (687), net investments amounted to SEKm –529 (1,081).

Castellum has ongoing projects with remaining investments of approx. SEKm 750.

Investments and sales per year



Investments and sales per region 2014



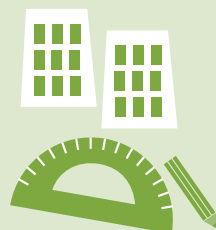
## Castellum's project development

### Idea phase ➤ Development phase ➤ Ongoing projects ➤ Management



**800,000 sq.m.**  
unutilized building rights

The conditions for a possible project are analyzed, for example: market conditions, investment volume, risk inventory and yield level. Castellum has unutilized building rights totalling 800,000 sq. m.



In-depth knowledge and information about the project are compiled during the development phase. Final design drawings and contract terms are developed. Documents that will form the basis for Board decisions are completed.



**SEKm 2,000**  
ongoing investments

Castellum has ongoing projects totalling approx. SEKm 2,000. When a property is finalized, the follow-up phase begins. Here, calculations and customer expectations are followed up and acquired experience is documented for future projects.



Castellum manages 583 properties, amounting to 3.3 million sq. m. The Group frequently carries out investments in existing properties for new as well as existing customers.



# Lindholmen in Gothenburg



Hans Stridh

Until the 1970s, Sweden was still one of the world's leading shipbuilding nations, and the major shipyards were to be found in Gothenburg. Today it is an area vibrating with developments and new ideas: New collaborations continuously form between companies, academia and the community and these generate new job opportunities.

"It's interesting to be able to watch close up how an international engineering cluster evolves, and we are happy to be part of building modern workplaces in this environment," says Hans Stridh, Project Development Manager at Eklandia Fastighets AB, a Castellum subsidiary.

In Eklandia's properties on Lindholmen we find companies such as CEVT, a vehicle development company with the same owner as Volvo Cars; Getinge, whose headquarters were moved here from Halland; and Esab, the world's leading supplier of welding equipment. With the ball rolling, the conversion of Lindholmen proceeds at a fast pace. It is the result of a collaboration in which the municipality, academia and the business community work together to support innovation processes.

"Some actions became of crucial importance: the initiative of the municipality in kicking off the Lindholmen Science Park; Ericsson's decision to consolidate business to central Gothenburg, the importance of Volvo as a major player and the courage shown by Chalmers in moving a number of institutions and activities to the other side of the river," Hans continues.

Situated next to Eklandia's headquarters is the Aurora office building, completed in 2013. Furthermore, Semcon's new headquarters were completed at year end 2014/2015 and are situated next to the SVT [Swedish Television] building and the Frihamnen area, where parts of a whole new city district will be completed in time for Gothenburg's 400th anniversary in 2021. In addition, Eklandia bought one of Lindholmen's last buildable sites for commercial properties, located quayside, near the existing portfolio.





• Green Building



1. Lundbyvassen 8:3, Gothenburg

During 2013 a new construction started of an office building of 8,990 sq.m. which is the headquarters office for Semcon. The new construction was completed shortly after the year-end 2014/2015. The property was completed according to the environmental classification Green Building-standard.

• Green Building



2. Lindholmen 28:3, Gothenburg

Neighbouring Eklandia's headquarters on Lindholmen, the office building "Aurora", comprising 9,453 sq.m., was completed during 2013. The property is fully leased and completed according to the environmental classification Green Building-standard.



3. Lindholmen 30:5, Gothenburg

In December 2014 Castellum acquired one of the last building sites for commercial properties on the Lindholmen pier in Gothenburg. An office building of approx. 9,000 sq.m. is planned for the site.



## Larger ongoing projects

### Lundbyvassen 8:3 in Gothenburg

**Location** Lindholmen in Gothenburg

**Area** 8,990 sq.m.

**Time plan** Completed Q1, 2015

In central Gothenburg, Castellum completed at year end a new construction of a fully let office building

of 8,990 sq.m. The property is well situated considering future urban development and in connection to Castellum's existing portfolio. The new building is constructed in accordance with the environmental system Green Building.

The investment is calculated to SEKm 221.



### Algen 1 in Jönköping

**Location** By Munksjön in central Jönköping

**Area** 4,321 kvm

**Time plan** Completed Q1, 2015

In central Jönköping, Castellum started the second phase in the development of the Atollen-area during 2013, which has been carried out together

with several partners. Castellum's part consists of 10,470 sq.m. in total. The new construction comprises 4,321 sq.m. office, retail and restaurant premises. The reconstruction and extension will be completed in accordance with the environmental system Miljöbyggnad. The investment is calculated at SEKm 136 and has an occupancy rate of 35%.



### Jägmästaren 1 in Linköping

**Location** Djurgården in Linköping

**Area** 7,750 sq.m.

**Time plan** Completed Q1, 2015

In 2013 Castellum started a new construction in the Djurgården area in Linköping, which is a new

city district under construction. Castellum's new construction comprises a retail building of 7,750 sq.m. according to the environmental system Miljöbyggnad.

The investment is calculated at SEKm 109 and has an occupancy rate of 92%.



### Drottningparken in Örebro

**Location** South entrance of Örebro

**Area** 4,280 sq.m.

**Time plan** Completed Q3, 2016

In Örebro at the end of 2014, Castellum started a new construction of 4,280 sq.m. flexible office

premises. The new building is well situated at the south entrance of Örebro and will be completed in accordance with the environmental system Miljöbyggnad, level silver.

The investment is calculated at SEKm 100 and has an occupancy rate of 36%.



### Verkstaden 14 in Västerås

**Location** Kopparlunden in central Västerås

**Area** 6,100 sq.m.

**Time plan** Completed Q1, 2016

Kopparlunden is an area in central Västerås, with a mix of modern technology a centennial industrial tradition. Castellum owns approx. 12,000 sq.m.

building rights in the area and has started an extension of 3,800 sq.m. and a reconstruction of 2,300 sq.m. The reconstruction and extension will be completed in accordance with the environmental system Miljöbyggnad.

The investment is calculated at SEKm 78 and is fully let.



### Visionen 3 in Jönköping

**Location** A6-area in Jönköping

**Area** 2,472 sq.m.

**Time plan** Completed Q3, 2015

In connection with Castellum's existing portfolio in the A6 area in Jönköping, Castellum started

a new construction of 2,472 sq.m. office in 2014. The new construction will be completed in accordance with the environmental system Miljöbyggnad.

The investment is calculated at SEKm 59 and has an occupancy rate of 88%.



### Varla 3:22 in Kungsbacka

**Location** Varla in Kungsbacka

**Area** 5,000 sq.m.

**Time plan** Completed Q1, 2015

During 2014, Castellum started a reconstruction of 1,000 sq.m. and an extension of 5,000 sq.m.

flexible warehouse premises in Varla, Kungsbacka.

The extension will be completed in accordance with the environmental system Green Building.

The investment is calculated at SEKm 42 and is fully let.



### Boländerna 35:1 in Uppsala

**Location** Boländerna in Uppsala

**Area** 8,716 sq.m.

**Time plan** Completed Q2, 2015

At the end of 2012, Castellum started a reconstruction of a retail building of 8,716 sq.m. in

the area of Boländerna, Uppsala. The property is located near the company's existing portfolio.

The investment is calculated at SEKm 38 and has an occupancy rate of 98%



### Godståget 1 in Stockholm

**Location** Årsta-link, Västberga

**Area** 6,568 sq.m.

**Time plan** Completed Q2, 2015

In the area of Västberga, Castellum has started a reconstruction and extension of a warehouse

property of 13,048 sq.m. The investment includes a conversion of 5,104 sq.m. into cold storage and reconstruction and extension of 1,464 sq.m.

The investment is calculated to SEKm 31 and is fully let.



### Larger ongoing projects 2014

Name of property	Area, thousand sq. m.	Econ. occup. January 2015	Investment, SEKm			Comment
			Total	Remaining	Completed	
Lundbyvassen 8:3, Gothenburg	8,990	100%	221	23	Q1 2015	New construction, office
Algen 1, Jönköping	4,321	35%	136	32	Q1 2015	New construction, retail/office/restaurant
Jägmästaren 1, Linköping	7,750	92%	109	21	Q1 2015	New construction, retail
Drottningparken, Örebro	4,280	36%	100	94	Q3 2016	New construction, office
Verkstaden 14, Västerås	6,100	100%	78	75	Q1 2016	Reconstruction and extension, school
Visionen 3, Jönköping	2,472	88%	59	51	Q3 2015	New construction, office
Varla 3:22, Kungsbacka	5,000	100%	42	1	Q1 2015	Reconstruction and extension, warehouse
Boländerna 35:1, Uppsala	8,716	98%	38	2	Q2 2015	Reconstruction, retail
Godståget 1, Stockholm	6,568	100%	31	23	Q2 2015	Reconstruction and extension, warehouse



Green Building means that energy consumption is 25% lower than the energy requirements in Boverkets building regulations. "Miljöbyggnad" is a certification system that aims to create environmentally sustainable buildings. It takes into account energy, indoor environment and building materials.





• Miljöbyggnad



Atollen 3 and Algen 1, Jönköping



Peder Karlén

The project entails the urban development of three new blocks – the single largest investment on the northern side of Munksjön. This area will play an important role in the development of Jönköping's city centre.

“At Castellum we're proud of helping to make the waterfront accessible. I'm sure that the inhabitants of Jönköping appreciate this,” says Peder Karlén, Property Manager at Castellum-owned Fastighets AB Corallen in Jönköping – one of the three companies involved in the project.

The Atollen project includes office and retail space, restaurants, rental and co-op apartments, and a parking garage. Atollen is being developed only steps away from the Spira Cultural Centre, whose silhouette can be glimpsed between the new buildings. Atollen will vibrate with life almost 24/7 and become a place where you can live and work as well as shop and eat – or just stroll around.

These new blocks will form a natural link between the retail-dense parts of central Jönköping and the new neighbourhoods around Munksjön. This is our current contribution to the process of developing this expansive municipality – Sweden's tenth largest – where population increases by more than 1000 people annually.

“These days, life in central Jönköping is strongly linked to the area around Munksjön,” says Peder Karlén. “Our cornerstone was the ten-year-old urban construction vision. Among other things, this vision led to the construction of a new bridge. One can conclude that Castellum is meeting the requirements for developing what's often referred to today as a “mixed-use city”.



# Atollen in Jönköping





# Central Uppsala

• Miljö-  
byggnad



4. Dragarbrunn-20:4, Uppsala - Zinc house

**Reconstruction of the “Copper house” in central Uppsala was completed in June, 2014 – a contribution to the development of the city’s new main street, between Vaksala Square and the venerable university library, Carolina Rediviva.**

Björn Johansson

Major ongoing developments are currently happening in central Uppsala. At one time, Sweden’s largest department store – Epa – was housed in a building in the Svalan block. This was built in 1964 with its characteristic façade of green-glazed bricks. Here, Castellum has been engaged in major reconstruction activities through its subsidiary, Aspholmen Fastigheter AB.

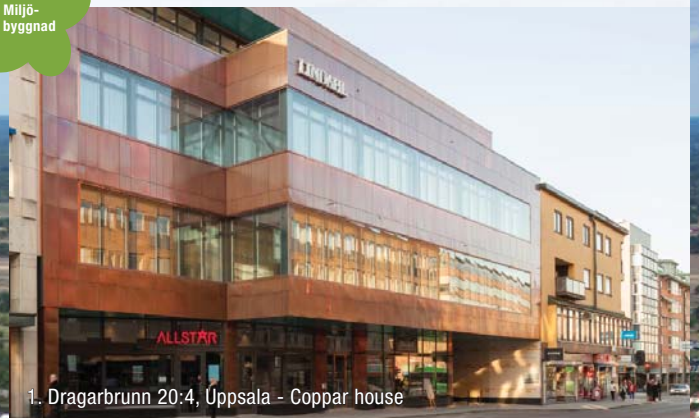
“In Uppsala, there is a strong demand for offices located close to public transportation. Hence, the Svalan block in Dragarbrunn covers an optimal location between the Main Square and the Travel Centre,” states Björn Johansson, Property Manager at Aspholmen in Uppsala.

The efforts of Aspholmen in the Svalan block have been divided into stages, one of which was the reconstruction of the Epa department store – and its conversion into the Copper house: the façade was changed and moved three metres out, towards Vaksalagatan. Aspholmen also pulled in the walls of two upper storeys, to make room for new roof terraces that overlook the city. The second stage was the reconstruction of a building at Dragarbrunnsgatan, housing a restaurant. This had previously been a two-storey building. Today, there are five floors and the building has become known as the “Zinc house” – alluding to its façade.

Aspholmen’s involvement in Dragarbrunn started 2007 and the latest step includes reconstructions totalling 6,000 sq. m. and extensions of the Copper house – that is, the vertical addition of extra space – amounting to 4,000 sq. m. In the autumn of 2014, the reconstruction was awarded the Urban Environment Award by Uppsala Nya Tidning, the daily newspaper.

“We’ve both rebuilt and extended – or rather added on. Thus we have 14,000 square metres at our disposal today, compared with 10,000 before,” says Björn Johansson. “We’ve built a space-efficient solution and complied with high technical and environmental specifications”.





1. Dragarbrunn 20:4, Uppsala - Copper house

The Svalan block in central Uppsala, a reconstruction and extension has been completed. The "Copper house", shown above, and "Zinc house", to the left, was completed in 2014 - all according to the environmental system Miljöbyggnad, level silver.



2. Dragarbrunn 16:2, Uppsala

During 2007, a major reconstruction of the former H-center in central Uppsala was completed. In the reconstruction 4,600 sq.m. office premises were modernized and 1,800 sq.m. new retail premises were created in the Dragarbrunn mall.



3. Dragarbrunn 20:2, Uppsala

During 2009, a reconstruction and extension were completed in "Läkarhuset" in central Uppsala. In the project the detailed plan was changed which made new construction of an additional 685 sq.m. possible.



## Larger completed projects during 2014

### Dragarbrunn 20:4 in Uppsala

**Location** Dragarbrunn in central Uppsala

**Area** 10,020 sq.m.

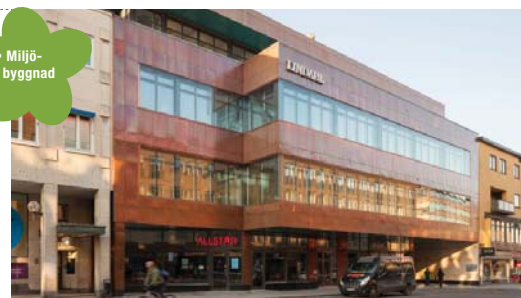
**Time plan** Completed Q4, 2014

In central Uppsala, Castellum has completed a reconstruction of 6,320 sq.m. and a extension of

3,700 sq.m. modern office space. The reconstruction and extension were completed in accordance with the environmental system Miljöbyggnad.

The Investment amounted to SEKm 242. The reconstruction and extension has an occupancy rate of 90%.

• Miljö-  
byggnad



### Kulan 3 in Helsingborg

**Location** The Berga Area in Helsingborg

**Area** 9,689 sq.m.

**Time plan** Completed Q2, 2014

In the Berga area, Helsingborg, Castellum has completed a new construction of 9,689 sq.m.

flexible logistic premises that serve as a Nordic distribution center. The new construction is fully let and completed in accordance with the environmental system Miljöbyggnad and Green Building.

The Investment amounted to SEKm 83.

• Miljö-  
byggnad  
• Green  
Building



### Spejaren 3 in Huddinge

**Location** Smista Allé, Kungens Kurva, Huddinge

**Area** 6,391 sq.m.

**Time plan** Completed Q4, 2014

In connection with Castellum's existing portfolio in Smista Allé Castellum has completed a new con-

struction of 6,391 sq.m. premises for car sales of which approx. 3,000 sq.m. has become parking facilities. The new construction was completed in accordance with the environmental system Green Building.

The Investment amounted to SEKm 83 and is fully let.

• Green  
Building



### Solsten 1:108 in Härryda

**Location** Mölnlycke Business Park in Gothenburg

**Area** 6,534 sq.m.

**Time plan** Completed Q3, 2014

In Mölnlycke Business Park with direct access to the highway and near Landvetter airport, Gothenburg,

Castellum completed a fully let logistics building of 6,534 sq.m. The building was completed in accordance with the environmental system Green Building.

The investment amounted to SEKm 62.

• Green  
Building



### Larger completed projects 2014

Name of property	Area, thousand sq. m.	Econ. occup. January 2015	Total investment land incl., SEKm	Completed	Comment
Dragarbrunn 20:4, Uppsala	10,020	90%	242	Q4 2014	Reconstruction and extension, office
Kulan 3, Helsingborg	9,689	100%	83	Q2 2014	New construction, logistics
Spejaren 3, Huddinge	6,391	100%	83	Q4 2014	New construction, retail
Solsten 1:108, Härryda	6,534	100%	62	Q3 2014	New construction, warehouse
Högspänningen 1, Västerås	3,911	70%	48	Q3 2014	New construction, logistics/office
Kärre 74:3, Gothenburg	9,305	0%	33	Q4 2014	Reconstruction and extension, logistics

## Larger acquisitions during 2014

### Fanan 26, 30, 39, 43, 47, 49, 51 and Fanborg 3 and 4 in Halmstad

**Location** The Campus area in Halmstad

**Area** 43,485 sq.m.

**Access** March 2014

In March 2014, Castellum acquired nine properties in Halmstad campus area. The largest tenant

is Halmstad University with approx. 8,000 students and 600 employees. The portfolio consists of 30,850 sq.m. office premises and remaining area consists of retail, education facilities, warehouse and library.

The properties have an occupancy rate of 94% and the investment amounted to SEKm 637.



### Rosersberg 11:94 in Sigtuna

**Location** Rosersberg in Sigtuna

**Area** 9,353 sq.m.

**Access** December 2014

In December 2014, Castellum acquired a fully let logistic building in Rosersberg, Sigtuna. The prop-

erty is well situated with direct access to Arlanda and E4. In the area, a development of a centre for warehouse and logistics businesses for the northern Mälardalen region is taking place.

The property consists of 9,353 sq.m. and the investment amounted to SEKm 105.



### Solsten 1:118 and 1:155 in Härryda

**Location** Mölnlycke Business Park in Gothenburg

**Area** 4,860 sq.m.

**Access** June 2014

In June 2014, Castellum acquired a fully let office and logistics building in Mölnlycke Business

Park, outside Gothenburg. The property, which is well situated along highway 40 and adjacent to Castellum's existing properties, consists of 4,860 sq.m. of which 2,792 sq.m. provides warehouse premises and the remainder office premises.

The investment amounted to SEKm 85.



### Dump 7 in Hudding

**Location** Länna industrial and retail area

**Area** 6,792 sq.m.

**Access** June 2014

In June 2014, Castellum acquired a property in Länna industrial and retail area in Huddinge south

of Stockholm. Castellum already owns a property in the area. Dump 7 consists of 6,792 sq.m. logistics premises and is fully let.

The investment amounted to SEKm 70.





### Lindholmen 30:5 in Gothenburg

**Location** Lindholmen pier at Lindholmen Science Park

**Area** Land with building right approx. 9,000 sq.m.

**Access** December 2014

In December 2014, Castellum acquired land

with building right at Lindholmen Science Park of approx. 9,000 sq.m. office premises. The land is one of the last building rights for commercial properties at Lindholmen.

The investment amounted to SEKm 51.



### Olaus Petri 3:244 in Örebro

**Location** Travel center in Örebro

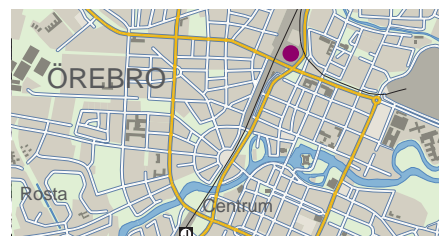
**Area** Land with building right approx. 14,000 sq.m.

**Access** December 2014

At the travel center in central Örebro, Castellum has acquired land with the opportunity to build

approx. 14,000 sq.m. office premises. The land is located adjacent to the new legal center in Örebro.

The investment amounted to SEKm 43.



### Marielundvej 10 in Herlev, Denmark

**Location** Herlev's Business Park northwestern Copenhagen

**Area** 2,561 sq.m.

**Access** January 2015

In Herlev's Business Park, Castellum acquired an

office building of 2,561 sq.m. which is located near the company's existing portfolio.

The investment amounted to SEKm 34 and the building is fully let.



### Larger acquisitions 2014

Property	Area, sq. m.	Econ. occup.- rate Jan 2015	Acquisition- price SEKm	Access	Category
Fanan 26, 30, 39, 43, 47, 49, 51 and Fanaborgen 3 and 4, Halmstad	43,485	94%	637	March 2014	Office/retail/education facilities/warehouse and library
Rosersberg 11:94, Sigtuna	9,353	100%	105	Dec 2014	Warehouse/office and building right
Solsten 1:155 and Solsten 1:118, Härryda	4,860	100%	85	Juni 2014	Warehouse/office and building right
Dumpen 7, Huddinge	6,792	100%	70	Juni 2014	Logistics
Lindholmen 30:5, Gothenburg	—	—	51	Dec 2014	Land
Olaus Petri 3:244, Örebro	—	—	43	Dec 2014	Land
Marielundvej 10, Herlev, Denmark	2,561	100%	34	Jan 2015	Office

### Larger sales during 2014

Property	Area, sq. m.	Underlying prop. price, SEKm	Transaction costs and deferred tax, SEKm	Net sales price, SEKm	Access	Category
The entire Växjö portfolio	127,921	905	— 46	859	Dec 2014	Office/retail/warehouse/industrial
The entire Värnamo portfolio	143,525	878	— 43	835	Dec 2014	Office/retail/warehouse/industrial
Hansan, Malmö	40,714	633	— 24	609	Oct 2014	Retail/office/residential/garage
Guldheden 8:11, Gothenburg	10,500	241	— 11	230	Dec 2014	Office
Kampen 25, Malmö	40,669	255	— 20	235	May 2015	Warehouse/office
St Botulf 11, Lund	4,878	118	— 9	109	Oct 2014	Office/residential
Renseri 25, Stockholm	4,215	79	— 4	75	Feb 2014	Office/warehouse
Instrumentet 1, Solna	3,673	35	— 2	33	Nov 2014	Industrial

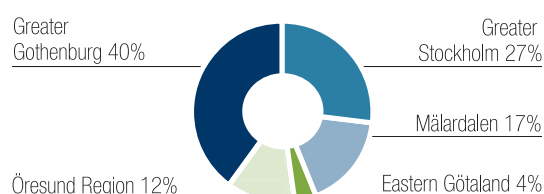
## Building Rights and Potential Development Projects

Part of Castellum's strategy is to build new premises when this is a competitive alternative. In order to offer the customer new premises with the shortest possible time for moving in, it is a competitive advantage to own building rights in attractive locations with approved plans.

Castellum has approx. 800,000 sq.m. unutilized building rights. For a number of the unutilized building rights there are finalized project plans which can be started relatively promptly.

Unutilized building rights are valued at SEK m 1,184 corresponding to approx. SEK 1,500 per sq.m. on average. Of the building rights approx. 330,000 sq.m. corresponding to approx. SEK m 625 are reported as development projects and undeveloped land. The remaining are reported among office/retail and warehouse/industrial properties since they are additions to already developed properties.

**Building rights by region and sq.m.**



The strong urbanization trend in Sweden is leading to strong population growth in major city regions. This, in combination with a lack of housing, imposes the need for new constructions and, hence, for the conversion of primarily older office and industrial areas into residential space. This process is especially prevalent in Stockholm, where population growth and demand are strong and the housing shortage is substantial. Moreover, the conversion from commercial activities to residential space reflects an overall urban development towards higher density urban construction and a more highly diversified city mix.

In submarkets where conversions are underway or are expected to occur, a leased commercial property can have a higher value as a residential building-right than as a commercial property. This affects property value. The size of the value impact depends on several factors. The most significant of these is the zoning development plan, i.e. the probability for future development, the permitted building-rights volume and the development timeframe.

In Castellum submarkets, such as Bromma/Mariehäll and Johanneshov in Stockholm, there is an ongoing process of plan changes which will lead to gradual conversion of older office and industrial premises into residential space. However, as the city grows, new areas are being added to the list of areas subject to conversion.

## Urban development

Urban development is complex and can be carried out in a number of ways within different societal structures. Castellum works actively with real estate development, project development and early stages of urban development. We participate actively in the various phases of zoning plan and development. Each subsidiary is an active player in the growth region where it operates and maintains a close dialogue and collaboration with municipalities and stakeholders.

It is time-consuming to participate in zoning plan processes and project development from "soup to nuts", i.e. all the way from drawing up a detailed plan to the finished building ready for occupancy. When it comes to local planning, Castellum's strengths are local presence, expertise, investment power and long-term commitment.

The figure illustrates an overview of the different phases of the zoning plan process.





# Customers

Key success factors include the organization's knowledge and feel for local markets. With six independent subsidiaries, Castellum makes business decisions directly, within local markets. We can thus offer customers shorter decision-making processes, quicker responses and smoother-running business activities. In addition, customers can enjoy the increased security provided by a large national corporation.

High-quality and long-term customer relations are a prerequisite for creating growth at Castellum. The work is regularly followed up in customer questionnaires. The Customer Satisfaction survey carried out during 2014 shows that a high proportion of the respondents reply that they are willing to lease from Castellum again and gladly recommend Castellum as a landlord to others.

During the year a high leasing activity has been carried out, resulting in 728 new contracts with a total annual value of SEKm 304.

## Being close to the customer

Castellum's organization, comprised of locally based subsidiaries, provides a close relationship to the customer and a short decision-making process. Castellum employees work close to the market, which means natural access to fresh information about customers' current and future operations. Customers can thereby be offered premises suited to their needs and benefit from optimal personal service and quick answers.

Castellum, as one of the largest real estate owners on local markets, also contributes to the development of major sites where local subsidiaries operate through co-operation with municipalities and local networks, such as corporate associations.

The subsidiaries regularly distribute information through customer newspapers and websites.

## Satisfied customers

It is vital that Castellum meets customer expectations. To evaluate and follow up on our efforts, an external customer

survey is carried out annually: the Satisfied Customer Index. The survey shows general customer opinion about Castellum as well as how well Castellum performs in the areas of: service, business relationships, indoor premises, property condition, environmental questions and information.

The survey carried out in 2014 – which included offices, retail, warehouses and industry – comprised a majority of Castellum's major customers. The survey continues to show consistently high marks for Castellum, with a weighted index of 79 out of 100. This is higher than the industry benchmark of 73. Service willingness shows the highest index and includes parameters such as personal attention, service and availability.

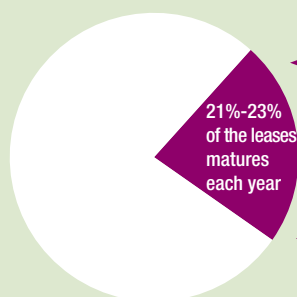
A significant portion of the customers surveyed, 88%, reply that they are willing to lease from Castellum again and gladly recommend Castellum as a landlord to others.

## Rental and renegotiation process



**SEKm 3,000**

Castellum has 4,400 commercial contracts corresponding to a rental income of approx. SEKm 3,000.



- 11%-12% are prolonged on unchanged terms
- 7%-8% are given notice by the customer
- 2% are given notice for renegotiation by the customer
- 1% are given notice for renegotiation by Castellum

**SEKm +304**

During 2014 the organization signed 728 new leases with a total annual value of SEKm 304. 69% came from Castellum's own contacts.



**75%**

of Castellum's employees work with customer relations and property management matters.

### Castellum's customers reflect Swedish business life

Castellum has balanced risk distribution in the commercial contracts regarding geography, type of premises, size, length of contracts and customer industry. This means that Castellum's commercial contracts reflect Swedish trade and industry, as well as the Swedish economy, generally.

Castellum has approx. 4,400 commercial contracts and the single largest contract accounts for approx. 2% of Castellum's total rental income.

### Leasing activity

Castellum enjoys high leasing activity. During 2014, the Group signed 728 new leases with a total annual value of SEKm 304. Robust leasing activities indicate the importance of taking care of customers and networks. Of the newly signed leases, 69% came from Castellum's own networks, recommendations or existing customer expansions, while 19% originated from websites and the remaining 12% came through agents.

### Commercial leases

Commercial leases are generally signed for 3-5 years, with a 9-month notice period, and are paid quarterly in advance. The rental level can change when the lease in question is due for renegotiation.

Leases usually include a base-rent – i.e. the rent agreed upon when signing the contract – and an index clause that

### Monica Söderbäck



“Business is conducted between people. Success lies in how well we succeed in nurturing the relationship on a businesslike basis. The customer should feel there is added value in being one of our tenants”

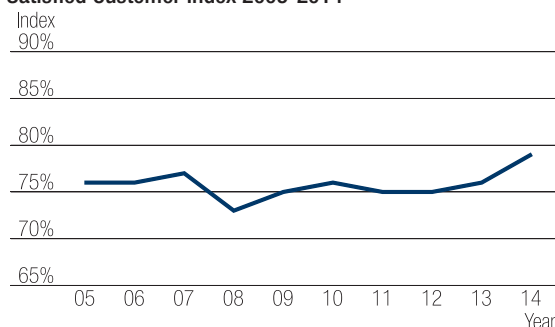
Monica Söderbäck, Marketing and rental manager at Harry Sjögren AB

provides for an annual adjustment of the rent: either as a certain percentage of previous year's inflation or as a minimum upward adjustment of a set percentage.

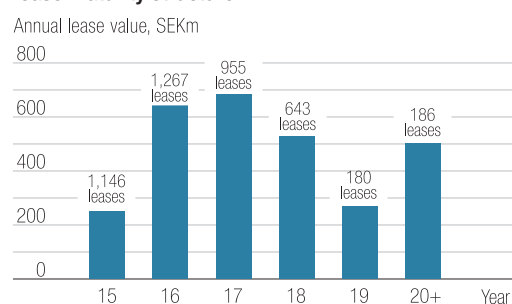
A lease may also contain an addendum for the tenant's share of the property's total heating, cooling and property-tax costs.

Castellum offers both current as well as new customer green leases which means that both parties collaborate on issues such as energy efficiency and indoor environment, choice of building material and source-separation of waste. The aim is to reduce environmental impact at the premises. 23 new green leases were signed during 2014.

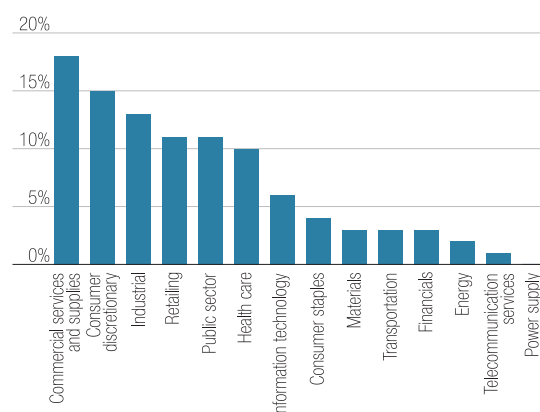
### Satisfied Customer Index 2005-2014



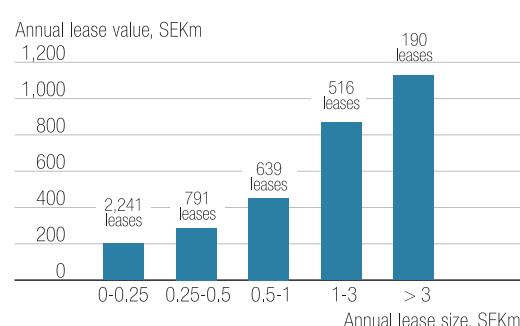
### Lease maturity structure



### Distribution of leases by industry



### Lease size structure







# Sustainable business

Christian and Waleed - employees at Harry Sjögren AB

## The only truly sustainable approach is to constantly evolve

It is not the largest companies that survive; it is those which best adapt to surrounding world developments. Castellum is one of the largest players in the real estate business, but survivability is dependent on continuous development.

Sustainability has always been a natural part of our operations, and Castellum has a pronounced focus on environmental efforts. This means that resources, such as energy, are used as wisely and efficiently as possible. Castellum works with constant environmental improvements, and today, 20% of the real estate portfolio is certified in accordance with the criteria of Miljöbyggnad, Green Building or BREEAM. Castellum currently owns 30% of Sweden's Green Building-certified properties.

Sustainable development is also about our social environment, and Castellum actively participates in the communities wherein we operate. We participate in ongoing collaborations with customers and other stakeholders on issues such as improved public transport and increased cooperation with schools and universities. In addition, the Group supports young people by offering summer jobs and apprenticeships. And not least, we take care of our satisfied employees at Castellum.

Ultimately, sustainability is also about economics. Castellum is convinced that our long-term business strategy goes hand in hand with our sense of responsibility towards customers and shareholders. In short: Sustainability pays.

## Highlights – Castellum sustainability performance in 2014

### co-operation

In all cities where Castellum operates co-operation is ongoing to carry forward the work. Examples are dialogues with customers, business collaborations, municipalities, energy companies, sanitation companies and schools / universities.

### 40 green leases

To develop collaborations with customers Castellum offers green leases. The Group has 40 green leases, of which 23 were signed 2014.

### 113 environmentally certified

Castellum has environmentally classified 113 properties totalling, 663,000 sq.m. of which 98 according to Green Building, 14 according to Miljöbyggnad and one according to Breeam. This corresponds to 20% of the portfolio.



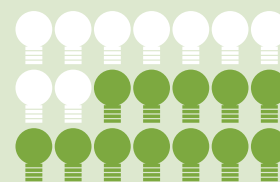
# CO<sub>2</sub>

## -33%

The CO<sub>2</sub> emissions have been reduced 33% in total since 2007. The objective is that before 2020, 90% of energy use will come from renewable energy. 81% was achieved 2014.



Castellum – a long-term player creating growth through satisfied customers and employees



## -22%

Energy consumption per sq.m. was unchanged 2014 compared with 2013. Since 2007 the energy consumption has decreased 22% per sq.m. The objective is to reduce the energy consumption at least 3% per sq.m. and year.

### 60 youths



To offer young people work experience Castellum had 60 trainees, holiday workers, and apprentices in the organization during 2014. This corresponds to 20% of Castellum's employees.



## SEI 85

Castellum scored 85% according to the Satisfied Employee Index survey for 2014. The correlation between satisfied employees and satisfied customers is clear.

## 77 kWh/sq.m.



Castellum's consumption for heating on average is 77 kWh/sq.m., which can be compared with the sector average of 130 kWh/sq.m. for district heating. The objective is that the energy consumption /sq.m. will be 50% lower than the sector average by 2017. 41% reduction was achieved for 2014.



## Filip Elland



“

For Castellum, as a major player, it is important to take responsibility. This means that we put strong focus on sustainability in all our operations and continuously develop through challenging and creative objectives”

Filip Elland, Sustainability Coordinator Castellum

### Business incentives

Long-term profitability is required for sustainable development. Castellum is a long-term property-owner who contributes to urban development, as it benefits the areas where our subsidiaries operate. By managing the property portfolio efficiently the use of resources decreases, which is economically profitable, reduces impact on the environment and provides a well maintained property portfolio. Our sustainability efforts also contribute to strengthening the brand.

### Organization and management of sustainability

Our sustainability activities are operated via a management system comprising a common policy, guidelines, overall measurable objectives and detailed action plans. The aim of these activities is to monitor, document, evaluate and improve Castellum's sustainability efforts. The work is conducted locally by each subsidiary, followed-up annually and regularly reported to Executive Group Management. Castellum has assigned a Sustainability Coordinator who works for the Group as a whole. Sustainability initiatives are reported to and discussed by the Board of Directors at least once a year.

Sustainability activities cover all operations and they are regularly monitored by an external party. For example, this occurs through audits in compliance with the Environmental Diploma, based on the environmental management systems ISO 14001 and EMAS. A joint sustainability group designs activities, shares experiences and monitors relevant changes in the outside world.

Castellum's sustainability efforts require committed and skilled employees; further training in sustainability issues is offered on a regular basis. In 2014, a joint sustainability course was initiated for all Group employees.

During this past year, Castellum has updated the Sustainability Policy and the common measurable objectives. This has resulted in a clearer focus on the social aspects of sustainability as well as higher targets concerning the utilization of resources and environmental classification.

### Presentation of Castellum's sustainability efforts

Castellum is presenting sustainability activities in accordance with the GRI guidelines for the second time and for 2014 it is based on GRI G4, Core, with the GRI-index on page 144.

### Important events in the sustainability work since 1995

- 2014:
- FN Global Compact is signed.
  - Sustainability policy and common targets are updated.
  - Whistleblower-function offered employees and external parties.
  - Education and training in environmental issues, for all employees.
  - Aspholmen wins UNT's Urban development award for the "Svalan" block in Uppsala.
  - 23 green leases have been signed.
  - 60 youths in total have been offered work experience in the Castellum Group.

- 2013:
- 57 youths in total have been offered work experience in the Castellum Group.
  - Aspholmen wins Environmental price at Guldstänkgalan in Västerås.
  - 15 Green leases have been signed.
  - Beehives are set up on roofs.

- 2012:
- Three green leases have been signed.
  - Eklandia won Sweden Green Building Awards in the class "BREEAM post constructions" and Briggen in the class "Miljöbyggnad in new construction".
  - Eklandia gets the award "Utmärkelsen" for a long term cooperation with youths in school.

- 2011:
- A new target was adopted; All new constructions should be environmentally classified.
  - Code of business conduct updated.

### Year 2005

- 2005:
- "Environmental Driving License" training is carried out for all employees.

- 2003:
- Web based surveillance of operations commences.

- 2001:
- Education and training in environmental issues, for all employees.
  - Common group values are approved.
  - Purchasing of "green electricity" for the group.

- 2000:
- A group-wide environmental task force is formed.
  - The first ground heating / cooling system is installed in Örebro.

### Year 2000

- 1998:
- Robur classes Castellum's environmental work as "a model for the industry."

- 1997:
- First subsidiary which receives an "environment diploma" by Gothenburg city.

- 1995:
- Policies, guidelines and overall targets are established.

### Year 1995

## Stakeholder dialogue

In order to continuously develop and improve operations, it is important to identify and analyze stakeholder expectations of our business. In 2014, Castellum conducted stakeholder dialogues with customers, Executive Group Management, employees and Board of Directors, to discuss which sustainability issues they considered most important for Castellum. The results of stakeholder dialogues are shown in the matrix below. The matrix illustrates how important various sustainability aspects can be for our stakeholders as well as to what extent these parameters affect Castellum as a company.

Relevance to stakeholders	Very important	<b>Evaluate and engage</b> <ul style="list-style-type: none"> <li>Biodiversity</li> <li>Information security</li> <li>Transportation</li> </ul>	<b>Active management</b> <ul style="list-style-type: none"> <li>More efficient use of resources</li> <li>Clear demands to suppliers: working conditions and environmental considerations</li> <li>Creation of healthy and safe work environments</li> <li>Development of a sustainable real estate portfolio</li> <li>Social engagement and development in our growth regions</li> <li>Sustainable relationships with customers</li> </ul>
	Important	<b>Evaluate</b> <ul style="list-style-type: none"> <li>Anti-competition activities</li> <li>Human rights considerations when taking investment decisions</li> <li>Child labour and forced labour</li> </ul>	<b>Active management</b> <ul style="list-style-type: none"> <li>Financial yield to shareholders</li> <li>Prevention of bribery and corruption</li> <li>Further training and career opportunities for our employees</li> <li>Diversity and equality in our workplaces</li> </ul>
		High	Very high
		Impact on Castellum	

The result of the stakeholder dialogues combined with the company's own evaluation of the business implies that Castellum's focus areas are the ones shown in "Active management". These areas have a high impact on Castellum's business and high relevance to the stakeholders. The areas can be summarized as below:

Efficient use of resources	Sustainable real estate portfolio	Sustainable collaboration	Social commitment and responsibility
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## Castellum's control documents regarding our sustainability activities

During 2014, Castellum updated the sustainability policy - with both more common targets as well as higher targets concerning the utilization of resources.

### Global Compact

Castellum has signed FN Global Compact, which is an initiative to coordinate matters of human rights, labor conditions, environment and anti-corruption. Global Compact includes 10 principles:

1. Support and respect the protection of internationally proclaimed human rights.
2. Make sure that they are not complicit in human rights abuses.
3. Uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. Elimination of all forms of forced and compulsory labour
5. Effective abolition of child labour.
6. Elimination of discrimination in respect of employment and occupation.
7. Businesses should support a precautionary approach to environmental challenges.
8. Undertake initiatives to promote greater environmental responsibility.
9. Encourage the development and diffusion of environmentally friendly technologies.
10. Work against corruption in all its forms, including extortion and bribery.

### Regulations that control Castellum's sustainability efforts

#### External regulations

- Global Compact
- Swedish Companies Act
- The Swedish environmental Code
- Work environment Act
- Environmental classifications - Green Building, Miljöbyggnad, BREEAM
- Other applicable laws and regulations

#### Important internal regulations

- Sustainability policy
- Code of Conduct
- Internal environmental management system
- Internal control processes
- Other instruction



## Efficient use of resources

To reduce Castellum's impact on the environment, resources will be used efficiently, and the proportion of renewable energy is to increase. The target is to decrease energy consumption by at least 3% per sq. m. and year – during 2014, the outcome was unchanged compared to 2013. By 2017, energy consumption is to be 50% lower than the sector average and 90% of the energy will come from fossil free energy. During 2014, 41% and 81% were achieved, respectively.

### Improve energy efficiency

Castellum continuously strives to reduce energy consumption through operating efficiency as well as investments in energy-efficient technology. In 2014, some 100 energy efficiency projects were undertaken. Castellum follows up and analyzes all energy consumption in a common follow-up system. These follow-ups allow for measures to be taken in areas with the greatest efficiency potential. A project is underway for the development of a web portal for web-based property monitoring, where measured values for operations, alarms, elevators and entries can be monitored. Today, 218 properties – representing 1,395 thousand sq.m. – are connected to the portal.

In 2014 the normalized energy-consumption for heating and property electricity has been unchanged compared to previous year. Since 2007, energy-consumption has decreased by 22% per sq.m. in all. The Group's consumption for heating of 77 kWh/sq.m. can be compared with the industry average of 130 kWh/sq.m. according to SCB's (Statistics Sweden).

### Increased share of renewable fuels

Out of Castellum's total carbon dioxide emissions, 4% are directly influenced by oil and transportation, whereas remaining emissions can only be influenced indirectly, as purchased energy for district heating.

To reduce emissions, work is underway to phase out fossil fuels, i.e. replace oil and gas heating systems. Since 2000 approx. 450 thousand sq.m. have been converted to above all district heating. Currently, 6 oil furnaces still remain among the investment properties. Ground heating/cooling is installed in 22 properties, totalling 148 thousand sq.m. Approx. 13% of the customers are responsible for their own heating. Solar panels are installed in nine properties with an area of 1,395 sq.m.

As a user of district heating, Castellum is dependent on

the district-heating plant's fuel mix when it comes to emissions of carbon dioxide. Today, Castellum makes use of 23 district-heating facilities, amounting to 91% of the Group's total carbon dioxide emissions. Castellum conducts ongoing dialogues with the district-heating suppliers who account for the highest emissions per kWh. The purpose of these dialogues is to influence the suppliers to reduce emissions. During 2014, the normalized carbon emissions increased by 1% per sq.m. and since 2007 they have decreased by 33% per sq.m. Of Castellum's total energy use, 81% is fossil free.

Since 2001, only electricity labelled "environmentally friendly" has been used by the Castellum Group. As from 2015 Castellum also offers the customer to buy environmentally friendly electricity to their business.

Castellum uses green IT and almost all servers are now virtual. A virtual server means that a physical server has been replaced by software – which reduce energy consumption.

### Reduced amount of waste

For a long time, Castellum has actively worked on reducing the amount of waste that goes to landfill by providing recycling services. Follow-up is difficult since Castellum hires several sanitation companies, of which only a few offers monitoring of weight. In addition, customer operations differ – as do their needs for waste disposal.

### Water consumption

Water consumption is an important issue from a global perspective, but of less importance in Sweden. Castellum uses water from the municipal water system, monitors consumption and takes measures to reduce it.

During 2014, Castellum has adopted a target implies that the water consumption shall be reduced by 5% per sq.m. by 2017 compared to 2013. During 2014 -7% was achieved.

### Energy and water consumption

	2014	2013	2012
District heating, GWh	186	208	210
Electricity heating, GWh	6	7	8
Electricity common, GWh	77	84	81
Gas, GWh	10	11	4
Oil, GWh	2	4	4
<b>Consumption, GWh</b>	<b>281</b>	<b>314</b>	<b>307</b>
Adjustments*, GWh	46	18	18
Norm. consumption, GWh	327	332	325
<b>Heating kWh/sq.m.</b>	<b>77</b>	<b>74</b>	<b>77</b>
<b>Common electricity kWh/sq.m.</b>	<b>28</b>	<b>32</b>	<b>33</b>
Water, thous. m <sup>3</sup>	895	954	909

\* Normalized consumption according to degree days and vacancy. "Other" refers to common electricity etc

\*\* The calculation of CO<sub>2</sub> emissions relating to green electricity has changed to 0 kg CO<sub>2</sub> / kWh in accordance with the new EU rules.

### Emission of carbon dioxide

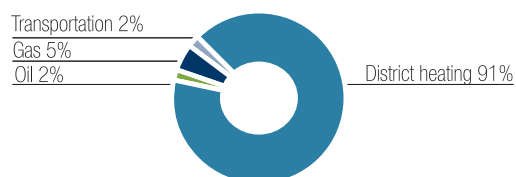
	2014	2013	2012
District heating, thous. tonnes CO <sub>2</sub>	16	17	18
Electricity, thous. tonnes CO <sub>2</sub>	– **	1	0
Gas, thous. tonnes CO <sub>2</sub>	1	1	1
Oil, thous. tonnes CO <sub>2</sub>	0	1	1
<b>Emissions, thous. tonnes CO<sub>2</sub></b>	<b>17</b>	<b>20</b>	<b>20</b>
Adjustments*, thous. tonnes CO <sub>2</sub>	3	1	2
Norm. thous. tonnes emissions CO <sub>2</sub> *	21	21	22
<b>Emissions kg CO<sub>2</sub>/sq.m.</b>	<b>6.6</b>	<b>6.6</b>	<b>7.2</b>
<b>Proportion fossil free energy</b>	<b>81%</b>		

## Common targets in the Group

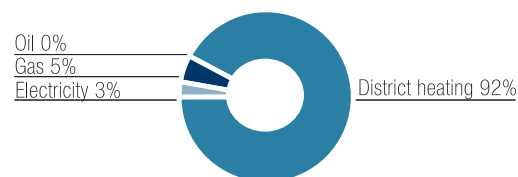
Outcome 2014

Energy consumption per square metre will be 50% lower than the sector average 2017	41%
By 2017, energy use is to be decreased by 30% in relation to the energy consumption in 2007 – implying an annual energy efficiency rate of at least 3%	-22%
90% of the energy will come from fossil free energy before 2020	81%
By 2017, water use per square metre should be reduced by 5% in relation to the water use in 2013	-7%
All vehicles will be fossil-fuel free 2020	45%

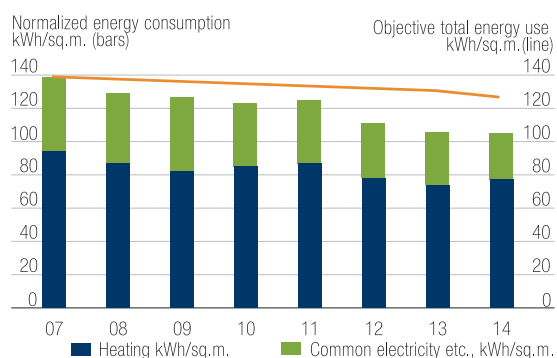
## Distribution of carbon dioxide emissions



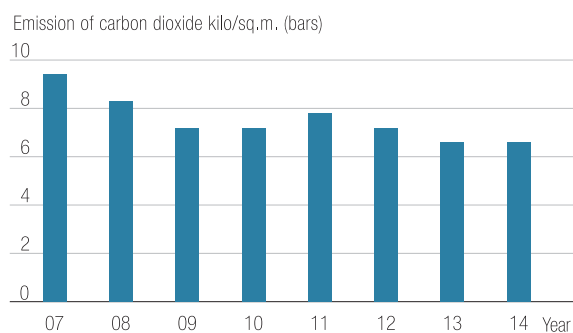
## Distribution of energy consumption for heating



## Target and outcome energy consumption per sq.m.



## Carbon emission per sq.m.



Robert and Mikael - employees at Ekländs Fastighets AB



## Sustainable property portfolio

It is important for Castellum to be able to offer customers and employees safe and healthy working environments. To achieve this, Castellum works with environmental inventories and recognized environmental classification systems vis-à-vis the properties. The objectives include environmental evaluations for all properties, and environmental classifications for all new constructions and major reconstructions. Both goals were achieved in 2014. The updated objectives adopted in 2014 require classification of office and retail premises as Miljöbyggnad, minimum Silver level. The possibility of reaching the Gold classification should always be investigated.

### Known and continuously improved status in the properties

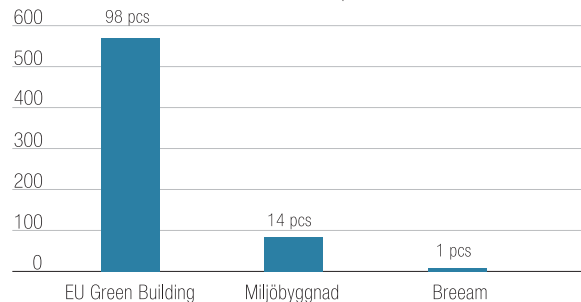
An environmental inventory covering environmental and health risks has been conducted for all properties. Upon their acquisition, properties are analyzed concerning energy-consumption and environmental risk, and all new buildings and major reconstructions are to feature environmental classifications. Environmental risk in Castellum's real estate portfolio is considered low.

### Environmental certification of properties

Castellum certifies properties according to the criteria of Green Building, Miljöbyggnad or BREEAM. A Green Building certificate, which focuses on reducing energy use, is proof of the Group's long-term efforts to reduce Castellum's energy consumption. Today, Castellum owns 98 of the 331

### Castellum's certified properties

Environmental classification area, thousand sq.m.



Green Building certified buildings in Sweden. Furthermore, Fastighets AB Brostaden and Harry Sjögren AB have been appointed Green Building Corporate Partners by the EU, which means that energy consumption has been reduced by at least 25% for more than 30% of the real estate portfolio.

Eklandia Fastighets AB owns Sweden's first BREEAM certified building, and today the Castellum Group has 14 Miljöbyggnad classified properties.

In all, 20% of the Castellum real estate portfolio is environmentally certified according to Green Building, Miljöbyggnad or BREEAM criteria.

### What do the various environmental classifications mean?



#### Miljöbyggnad

Miljöbyggnad is a Swedish system that classifies buildings in terms of energy consumption, indoor environment and building materials. The system awards gold, silver or bronze levels and is used for both residential and commercial premises.



#### EU GreenBuilding

EU GreenBuilding focuses on improving the efficiency of energy usage. The requirement is to improve energy efficiency by 25%, or to use 25% less energy compared with new construction requirements in the building regulations [BBR] of the National Board of Housing, Building and Planning.



#### BREEAM

BREEAM, from Great Britain, is the most commonly used environmental classification system in the world. The system evaluates and rates the overall environmental impact of buildings.



During 2014 Castellum's subsidiary AB Corallen completed Sweden's first truck workshop according to the environmental system Green Building, level Silver.

## Sustainable co-operation

It takes cooperation to succeed with sustainability efforts – cooperation with industry colleagues, suppliers and customers. A green lease is a crisp and orderly tool for working with customers to reduce environmental impact. Our objective is to carry out sustainability dialogues with all customers even if a green lease has not been signed.

It's also important to place clear demands on our suppliers, and this takes place both via dialogues and various forms of contracts.

### Cooperating and exchanging experiences

Castellum cooperates with various parties to keep up with new technologies and to share knowledge and experiences. Examples are Swedish Energy Agency's "Beställargrupp för lokaler" (BELOK), Sweden Green Building Council, energy companies, local sanitation companies and Chalmers.

The Group's sustainability activities are communicated continuously through websites, customer magazines, customer visits and meetings.

### Cooperation with customers

A green lease is an agreement between the property owner and the customer. Both parties collaborate on issues such as energy efficiency and indoor environment, choice of building material and source-separation of waste. The aim is to reduce environmental impact at the premises.

Castellum offers green leases to both current and new customers. In practice, this means that a clause is added to the customary lease stating concrete measures to be taken by both Castellum and customer to combine their efforts towards a better environment. The Group currently holds 40 green leases – corresponding to 105 thousand sq. m. Of these, 23 green leases were signed in 2014.

Even if the customer has not signed a green lease, information on reduced environmental impact is made available –and encouraged – for all customers.

### Our suppliers

There are clear sustainability requirements for new constructions and extensions, as well as for the purchase of goods and services. For the most part, Castellum hires local suppliers – where heating, cooling, water and electricity suppliers account for a large share of the hired suppliers.

For larger purchases and procurements, suppliers and contractors are audited in terms of, for example, quality and work environment.

Although requirements are not identical for all procurements, there are generally requirements for the Environmental Management System, Environmental Manager, sustainable building materials, environmental plan and waste management plan. Requirements for new constructions and major reconstructions follow the regulations of one of the environmental classification systems Miljöbyggnad, EU Green Building, or BREEAM. For each major procurement, there are specific administrative regulations as well as work environment requirements.

### Work environment

Castellum protects and supports both employees and suppliers, and it is our responsibility to see that no one is hurt either physically or mentally, due to workplace activities. Legal requirements are firmly established within the Castellum Group, and working environment efforts are a continuous process with constant potential for improvement.



Georgios, Philip and Karzan trainers at Brostaden



## Social commitment and responsibility

As one of the major real estate owners in Sweden, Castellum has a responsibility to contribute to positive development in the communities wherein the Group operates. The development of these communities has a direct economic impact on Castellum's activities. Hence, in all 13 communities where Castellum owns properties, we exercise responsibility by collaborating with the municipality, educational institutions, customers and other companies.

### Our role in society

Long-term profitability is required for sustainable development. Castellum, as a real estate company, is a long-term player, focusing on both low-risk profitability and financial strength. The Group's objective to increase income from property management by 10% requires annual investments, primarily in new constructions, extensions and reconstructions for both existing and new customers – but also through acquisitions. By undertaking building projects, the implication is that Castellum is both willing and able to contribute to urban development in the communities and areas where it operates. These actions ultimately create value. Another important factor for achieving the set goal is through efficient property management from a customer, employee, cost and environmental perspective.

Castellum will be a solid company and counterparty, whose business operations are characterized by low financial and operational risk. For Castellum, low financial risk means that no more than 55% of the property value may be covered by loans. The loan to value ratio at year end was 49%. Low operational risk is obtained via sound risk diversification of the customer base over many sectors and geographical areas, length of contracts and size of contracts. At year end, Castellum had approx. 4,400 leases, of which the single largest lease and tenant accounted for about 2%.

Taxes constitute an important issue for the real estate industry and not only include income tax but also VAT, property taxes, withholding taxes, payroll taxes etc. Castellum's main approach is that accurate tax is to be paid in accordance with current legislation.

A compliance officer monitors that laws and regulations are followed and reports directly to Audit and Finance Committee.

### Development of our growth regions

There are ongoing collaborations through networking and business associations in all of Castellum's operating areas in order to develop these regions. One example of collaboration is the RAM project in Mölndal where about 10 companies collaborate with local and regional authorities on environmental and public transportation solutions to change commuting habits. In Västerås, several players collaborate on the Electric Car Challenge; and in Uppsala, Aspholmen has become a member of Uppsala Klimatprotokoll.

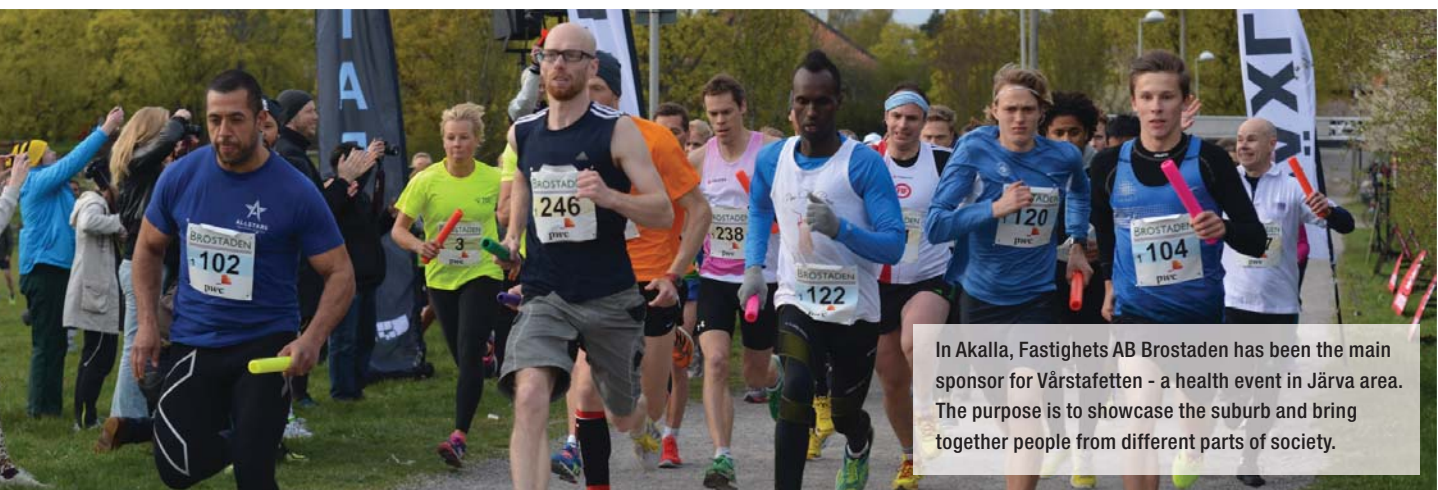
### Youth support

Castellum works proactively through direct involvement by our employees in various social issues to offer young people work experience. 60 young people worked at Castellum 2014 as holiday workers, apprentices, trainees, through mentoring and thesis writing. This corresponds to 20% of Castellum's employees. 12 of the young people were apprentices.

There are ongoing collaborations with universities, colleges and elementary schools at several locations regarding thesis writing and mentoring. For example: close cooperations where the company keeps in touch with particular school classes for longer periods through an initiative called "Handslaget" and involvement in CMB (Centre for Management of the Built Environment) at Chalmers in Gothenburg.

### Sponsorship and support

Castellum's sponsorship and support are focused on promoting young people's education and health. For example, Castellum sponsors the Science Festival, the organization Ung Företagsamhet, Löparakademin and local sports clubs. Castellum also supports the Glädjeresan project, which helps bring joy to sick children. Further, Castellum contributes directly to the City Mission, Rescue Mission, Faktum and the Childhood Cancer Foundation.



In Akalla, Fastighets AB Brostaden has been the main sponsor for Vårstafetten - a health event in Järva area. The purpose is to showcase the suburb and bring together people from different parts of society.

## Organization and employees

Tage Christoffersson



“Of crucial importance for our success is that we continue to develop cooperation strategies within the Group in order to ensure that specific skills are utilized and shared”

Tage Christoffersson  
Head of Business Development Castellum

Castellum's local presence creates business value through familiarity with customer operations and requirements, as well as valuable knowledge of the local real estate and rental markets, market changes and business opportunities. The decentralized organization provides a short decision-making process and creates an active organization.

Employees are offered challenging tasks via the flat organization, where competence development and experience exchanges are considered key success factors.

There is a clear correlation between satisfied employees, satisfied customers and company growth.

### Subsidiaries with strong brands

Castellum's organization consists of six subsidiaries. The subsidiary organizations are not identical, but principally consist of a Managing Director, 2-4 market areas and a number of business developers, along with 4-8 employees within finance and administration. Each market area employs one property manager with one assistant, one person working with leasing and 3-9 facility managers. Everyone has customer contact. The flat organization provides a short decision-making process and creates a customer-oriented and active organization.

Castellum's subsidiaries operate under their own names, which represent strong brands in each submarket.



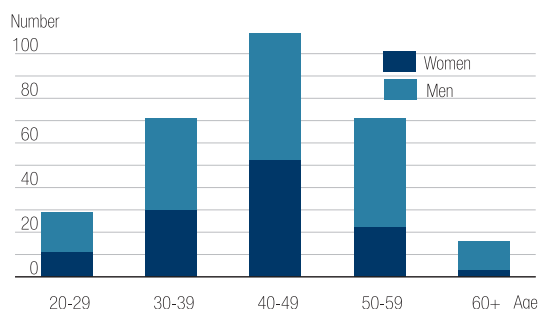
Property management is mainly carried out by Group-employed personnel and in cases where external services are purchased, high demands are placed on suppliers in terms of quality, customer contact, service and environmental awareness.

### Measuring and comparing

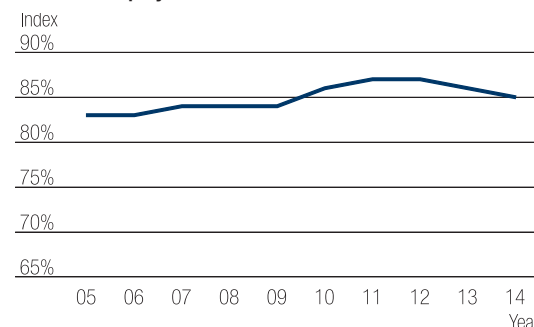
Castellum measures and compares subsidiary management efficiency and asset-value growth in the real estate portfolio. Castellum develops best practice for the Group. As a part of this, a business development manager was appointed during the year. The parent company takes active part in operations through involvement in subsidiary Boards.

Castellum's operations are controlled by rules for decision making and work allocation, policies and instructions. Policies are in place for finance and financial work, information, information safety, environment, insurance and personnel, etc.

### Age distribution - number of employees



### Satisfied Employees Index





### Parent company

The parent company, Castellum AB, is responsible for matters concerning the stock market (such as consolidated reports and stock-market information) and the credit market (such as funding and financial risk management) as well as overall IT/IS strategies and personnel matters. Castellum AB has 23 employees (19).

The parent company is responsible for capital allocation and takes active part in operations through involvement in subsidiary Boards.

### Castellum's employees

As of year end, the Group had 295 employees (293), of which 39% were women (39%).

Employee turnover during the year has been 11% (8%) and absence due to illness 3% (2%).

100 of Castellum's 295 employees have collective bargaining agreements.

### Cooperating and exchanging experiences

Within the Group there are ongoing common development efforts and experience exchanges between subsidiaries in order to make upgraded expertise available in the entire organization. The joint development groups provide opportunities for continued improvements, and the groups include participants representing all subsidiaries. The groups regularly discuss issues within specific areas such as rental, finance, IT, operations, project development, sustainability, communication and personnel.

In addition to the permanent development groups, project teams handle current issues, for example, brand awareness and media monitoring.

### Attractive workplace

By offering competence development and creating a motivating work situation, Castellum promotes loyalty and job

satisfaction. The decentralized organization means that each employee has well-defined areas of responsibility with a high level of empowerment, leading to professional as well as personal development. Employee performance reviews occur yearly with all employees. These are an important tool for following up and setting objectives, as well as for identifying competence development needs. During 2014, 93% of all employees had performance reviews.

Castellum cares for its employees and thus works with preventive health care, offers corporate wellness subsidies and provides substantial health insurance for both employees and their immediate families. Wellness programs are offered both for preventive purposes and for the continued well-being of the company's workforce.

A bonus-sharing program provides employees with the opportunity to benefit from their respective company's financial performance improvement.

Once a year, all employees in the Castellum Group meet to share experiences and strengthen the Group spirit.

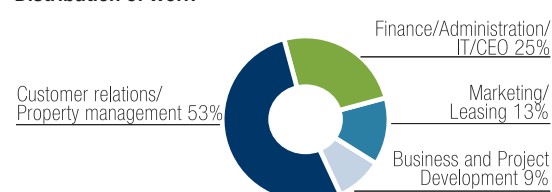
### Education



Castellum offers full possibilities for professional and personal development through internal and external training. Collegium Castellum carries out our ongoing internal efforts to update employee competence in specific, business-critical disciplines and skills. During 2014, education has focused on leadership and financing. During the year, a total of 61 people participated in Collegium Castellum courses and programs. Castellum also further educates management-level co-workers via a tailor made leadership program, which focuses on personal and strategic leadership. In addition to our in-house development programs, employees are invited to individual competence development.

### Level of education



### Distribution of work



Education, number	 	
University	69	80
Upper secondary school	47	92
Compulsory school	–	7
<b>Total</b>	<b>116</b>	<b>179</b>
<b>Division of labour, numbers</b>		
Customer relations/Property management	31	126
Finance/Administration/IT	50	25
Marketing/Leasing	26	12
Business and Project Development	9	16
<b>Total</b>	<b>116</b>	<b>179</b>
<b>Employment type, numbers</b>		
Permanent employees	106	176
Part-time employees	10	3
<b>Total</b>	<b>116</b>	<b>179</b>
<b>Employment contracts, numbers</b>		
Permanent employees	114	172
Project employees	–	2
Temporary employees	2	5
<b>Total</b>	<b>116</b>	<b>179</b>

### Committed employees

Employee viewpoints about Castellum are monitored regularly in a Satisfied Employees Index, showing their attitudes towards their own working situations, the company and management. The latest survey, carried out in 2014, continues to show a very high index – 85, on a scale of 100. This can be compared with a benchmark of 72. High results are shown among the fields of leadership, competence development and loyalty. The response rate was 97%, demonstrating deep commitment.

The results of the employee survey are important for further development of the company and its employees.

### Values

In 2014, Castellum worked with the Group's shared values. This work is a continuous process with a view to further strengthening the Group and increase solidarity and cooperation. Castellum's current corporate culture is strong – as was shown in the CSI survey. All Castellum employees are ambassadors for a positive corporate culture, where continuous improvement is the watchword. The core of Castellum's corporate culture can be summarized as follows:

- order and clarity: the more we work in a structured fashion, the more freely we can think; order and clarity facilitate the creation of value,
- a sense of direction: local presence and feel for the market are key components to success,
- growth: growth will be both responsible and sustainable – Castellum will create economically, environmentally and socially sustainable solutions that go hand in hand with the Group's growth focus.

### Our Code of Conduct

That Castellum's operations are conducted in a responsible way is a prerequisite for the company's long-term successful business. The objective is to make sound and proper business decisions in all respects, high business morality,

good business ethics, responsibility awareness and impartiality. The base of Castellum's Code of Conduct is to offer good quality and service, to follow laws and regulations, not to discriminate against anyone and to create good working environments and safety.

Cornerstones for Castellum's company culture have been: The decentralized organization, which creates responsibility and committed employees, where each single colleague is a business collaborator. The geographical proximity to customers, community, suppliers and other parties involved creates a responsibility to act correctly and businesslike. In Castellum's organization each employee has an important role and new ideas are valued. A high level of competence is available within the organization.

Castellum has clear guidelines where assigned work is carried out in structured processes, creating order and clarity and thus guarantee credibility and quality.

Our work has been in line with the UN Global Compact principles since the beginning of the 2000s. This implies a strong focus on human rights, working conditions, the environment and corruption avoidance.

Castellum signed the UN Global Compact in 2014. The Code of Conduct governs our everyday work and it is displayed on the Castellum website [www.castellum.se](http://www.castellum.se).

Castellum's operations are conducted in Sweden and Denmark and are governed by the legislation and regulations of each country in question concerning, for example, working conditions, work environment and freedom of association. Our personnel policy addresses issues such as work environment, gender equality, salaries, pensions and company cars.

All Group subsidiaries continue to work preventively with ethics and corruption issues and discuss how arising situations ought to be handled and addressed. An important aspect of the work is that all employees understand and comply with the Code of Conduct.

In 2014, Castellum implemented a whistleblower function on all Group websites to enlist the help of both employees and external parties in order to do what's right.



The core of Castellum's corporate culture can be summarized in; order and clarity, a sense of direction and growth.

Lars and Annsofie at Aspholmen in Örebro and the supplier Hasse.

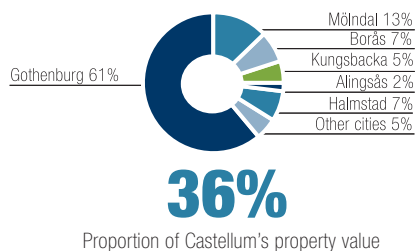


# Castellum's regions

## Greater Gothenburg



**E** Eklandia  
Fastighets AB *Harry Sjögren AB*

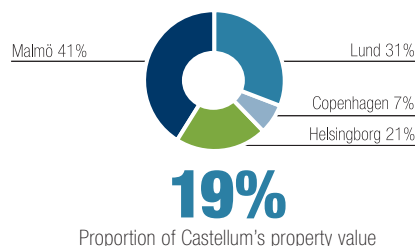


	2014	2013
No. of properties	209	196
Area, thousand sq. m.	1,157	1,111
Fair value, SEKm	13,412	12,128
Rental value, SEKm	1,165	1,089
Net operating income, SEKm	772	729
Investments, SEKm	1,275	523
Net leasing, SEKm	- 24	44
Employees	81	77

## Öresund Region



**BRIGGEN**

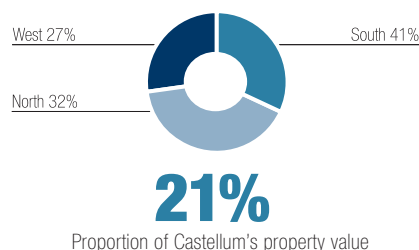


	2014	2013
No. of properties	111	117
Area, thousand sq. m.	646	737
Fair value, SEKm	7,180	8,059
Rental value, SEKm	696	811
Net operating income, SEKm	370	429
Investments, SEKm	248	339
Net leasing, SEKm	5	- 3
Employees	57	57

## Greater Stockholm



**BROSTADEN**

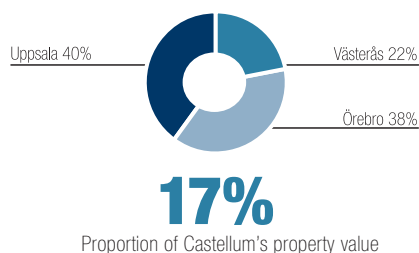


	2014	2013
No. of properties	106	105
Area, thousand sq. m.	649	639
Fair value, SEKm	7,805	7,261
Rental value, SEKm	777	757
Net operating income, SEKm	445	413
Investments, SEKm	361	291
Net leasing, SEKm	19	34
Employees	56	49

## Mälardalen



**ASPHOLMEN**  
fastigheter

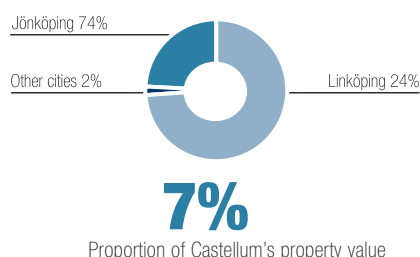


	2014	2013
No. of properties	117	114
Area, thousand sq. m.	617	617
Fair value, SEKm	6,521	6,059
Rental value, SEKm	639	610
Net operating income, SEKm	377	336
Investments, SEKm	393	392
Net leasing, SEKm	25	26
Employees	53	50

## Eastern Götaland

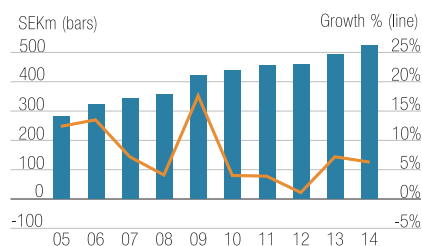


**Corallen**

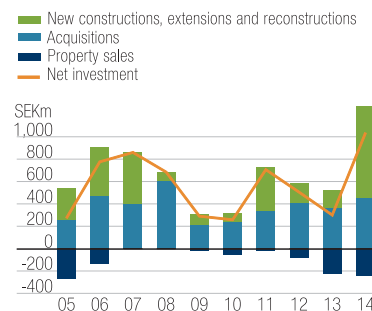


	2014	2013
No. of properties	40	94
Area, thousand sq. m.	260	519
Fair value, SEKm	2,681	4,245
Rental value, SEKm	250	459
Net operating income, SEKm	134	251
Investments, SEKm	248	223
Net leasing, SEKm	33	4
Employees	25	41

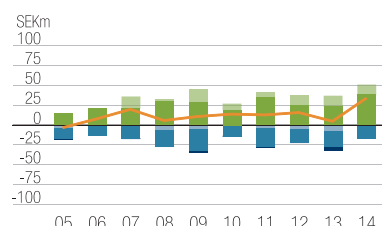
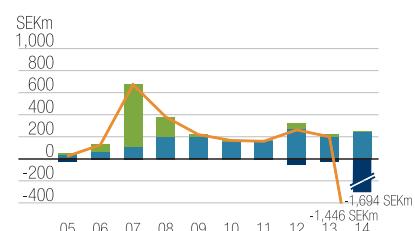
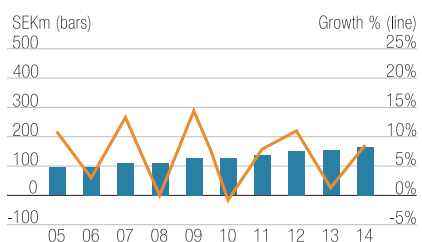
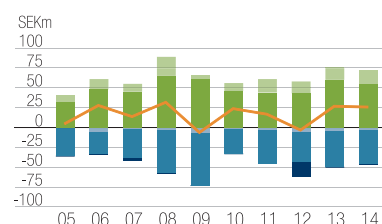
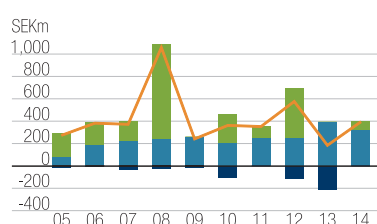
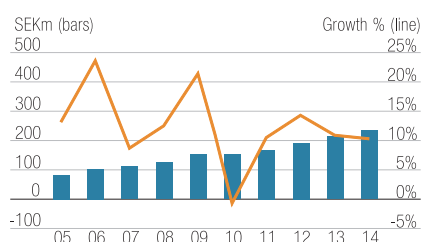
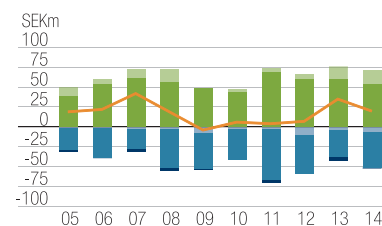
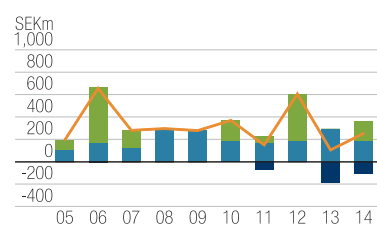
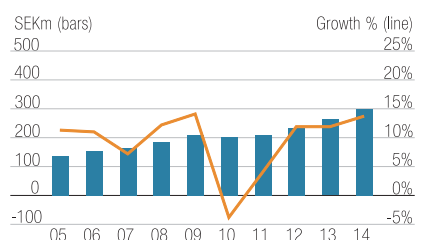
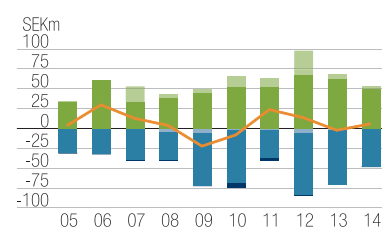
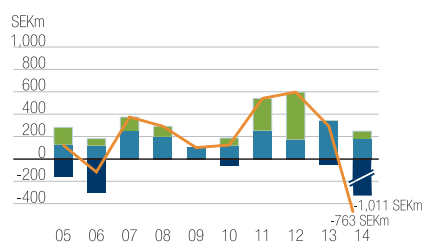
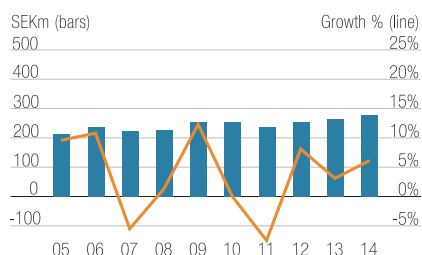
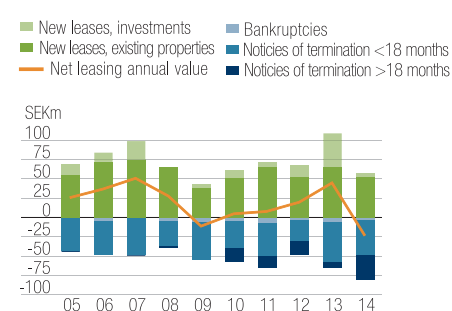
## Income from property management and growth



## Investments and sales



## Net leasing





# Greater Gothenburg

## “Greater Gothenburg continues to develop through infrastructure investments”



Cecilia Fasth  
MD Eklandia Fastighets AB



Christer Sundberg  
MD Harry Sjögren AB

Castellum's real estate portfolio in Greater Gothenburg is managed by 81 employees at Fastighets AB Eklandia and Harry Sjögren AB. The real estate portfolio is located in Gothenburg, Mölndal, Borås, Kungälv, Alingsås and Halmstad, comprises 1,157 thousand sq. m., valued at SEK 13.4 billion. The portfolio is allocated as follows: 57% for office/retail and 40% for warehouse/industrial.

Greater Gothenburg is centrally located with a well-developed infrastructure: Scandinavia's largest harbour, the airports and the highways. The infrastructure continues to develop via a public investment project called Västsvenska paketet, which includes the extension of public transportation and the building of a new tunnel under the Göta Älv.

During 2014, Eklandia completed a new headquarters for Semcon at Lindholmen in Gothenburg. Harry Sjögren has acquired a large property portfolio in Halmstad Campus area.

### Rental market

Greater Gothenburg's rental market generally remained stable. Central Gothenburg has been characterized by limited supply combined with strong demand. This led to a favourable market for both new and existing office premises, with rising rents as well as low relocation levels. During the year, it became evident that Lindholmen strengthened its role as one of Gothenburg's most attractive office locations. For the rest of Gothenburg and for other property types, the rental market remained stable with largely unchanged rents and market vacancies.

Along with Borås, Gothenburg continued to consolidate its position as one of Sweden's leading logistics hubs, and there are plans for extensive construction of new warehouses and logistics facilities in both cities.

In both Borås and Halmstad, the rental market remained stable in 2014, with largely unchanged rents and vacancy rates for both office and warehouse/industrial premises.

As in most parts of Sweden, this region's retail rental market could also be characterized as somewhat cautious. It was also noted that e-commerce had a slightly negative impact on the retail rental market.

### Real estate market

**Transaction volume 2014:** SEK 19 billion (16)

**Single major transaction:** SEKm 950 office property in Gothenburg

**Yield prime location office:** 4.75% (in central Gothenburg)

In 2014, the transaction volume in Greater Gothenburg totalled approx. SEK 19 billion (16), an increase of 17% compared with last year. The turnover represents about 12% of the total transaction volume in Sweden. The largest single transaction was an office building in Gothenburg, acquired for approx. SEKm 950.

Another major transaction was Volvo's sale of a property portfolio of SEK 1.9 billion, most of which was located in Gothenburg. Major transactions in the rest of the region were Castellum's acquisition in Halmstad for approx. SEKm 637 as well as the sale of a warehouse property in Borås for about SEKm 250.

Buyers were primarily funds and Swedish real estate companies; both listed and unlisted.

During the year, a value increase was noted in the region, with some variation due to location, property type and quality. The highest increase in value occurred in central Gothenburg.

### Rental levels and yield

	Gothenburg		Borås		Halmstad	
	Market rents SEK/sq.m.	Yield	Market rents SEK/sq.m.	Yield	Market rents SEK/sq.m.	Yield
<b>Office</b>						
Best location	2,000 - 2,800	4.75% - 5.25%	1,000 - 1,400	6.00% - 7.00%	1,050 - 1,600	6.00% - 6.75%
Secondary location	700 - 1,700	5.75% - 6.75%	900 - 1,300	6.50% - 7.50%	800 - 1,000	6.75% - 7.75%
<b>Retail</b>						
Best location	2,000 - 9,000	4.25% - 5.25%	1,800 - 3,000	5.75% - 6.75%	2,500 - 3,500	5.50% - 6.50%
Secondary location	700 - 2,500	5.50% - 6.50%	800 - 1,500	6.50% - 7.75%	1,000 - 1,600	7.00% - 7.75%
<b>Warehouse/industrial</b>						
Best location	425 - 900	7.00% - 8.25%	550 - 750	7.75% - 8.75%	500 - 850	7.25% - 8.75%
Secondary location	400 - 800	7.50% - 9.00%	400 - 600	8.50% - 9.50%	400 - 600	9.00% - 9.75%

Office and retail refer to rent incl. media, but excl. additions for property tax.  
Warehouse/industrial refers to rent excl. additions for media and property tax.

Source: Forum Fastighetsekonomi

### The five largest real estate owners

Greater Gothenburg	Premises thous. sq.m.	Borås	Premises thous. sq.m.	Halmstad	Premises thous. sq.m.
Castellum (Eklandia and Harry Sjögren)	975	SveaReal	123	Castellum (Harry Sjögren)	78
Wallenstam	456	Nordic Real Estate Partners	106	Fragerius	66
Vasakronan	417	Castellum (Harry Sjögren)	104	Klövern	62
Platzer	416	Ness, Risan & Partners	100	Fem Hjärtan	55
Söderport	325	Klövern	81	Rikshem	55

Number of commercial premises (excl. residential) owned as at 31-12-2014. Municipal and State-owned companies and government institutions have been excluded.  
Source: Byggstatisik and Castellum

# The Öresund region

## “Öresund is the largest Nordic region across national borders”



Ola Orsmark  
MD Fastighets AB Briggen

Castellum's real estate portfolio in the Öresund region is managed by the 57 employees at Fastighets AB Briggen. The real estate portfolio is located in Malmö, Lund, Helsingborg and Copenhagen, and comprises 646 thousand sq. m., valued at SEK 7.2 billion. The portfolio is allocated as follows: 73% for office/retail and 26% for warehouse/industrial.

During past years, the development of the Öresund region has been marked by both infrastructure investments, such as the Öresund bridge and the City tunnel in Malmö, and by a change in economic structure from heavy industries to small and medium-sized knowledge-based companies. The Öresund region comprises the Malmö region with Malmö, Lund and Helsingborg, and 22 other municipalities, and the Danish side of Öresund.

In 2014, Briggen sold Hansa shopping mall in central Malmö and completed Puma's Nordic distribution centre in Helsingborg.

### Rental market

The office rental market in Malmö the recent years are characterized by the new constructions in City and Hyllie and additional office premises are planned. The development has resulted in slightly rising vacancy rates, higher relocation level and higher demands on the premises for new leases. However, rental levels remained stable.

Despite the restructuring of local business life – resulting in new vacancies – the rental market in Lund coped fairly well and remained stable.

In Helsingborg, there was still a strong demand for office space and both rents and vacancy rates were unchanged. For many years, the construction of new office space was very limited, but 2014 saw the completion of new office space and there are plans to construct additional space.

The retail rental market on the Swedish side was characterized as somewhat cautious – as was the retail rental market in most parts of the country. This was most evident for Malmö and Lund. It was also noted that e-commerce had a slightly negative impact on the retail rental market.

The demand for warehouse and logistics facilities was high in all Swedish cities; rental levels and vacancy rates were considered stable.

In Copenhagen, the office rental market was stable, with unchanged rental levels. Falling vacancy rates have been noted in a number of submarkets outside the city centre – primarily for modern and flexible office space. Rents and vacancy rates remained stable for warehouses, whereas the market for older warehouses continued to be weak.

### Real estate market

**Transaction volume 2014:** SEK 20 bln (26), Sweden accounted for 12 (10)

**Single major transaction:** SEK 2.8 billion regarding residential property portfolio in Malmö

**Yield prime location office:** 5.0% (in central Copenhagen)

In 2014, the transaction volume in the region totalled approx. SEK 20 billion, of which about SEK 12 billion relates to the Swedish side. Compared with 2013, the volume increased on the Swedish side and decreased on the Danish side. In Copenhagen, the largest single transaction was the acquisition of a hotel property for about DKKm 700, whereas the largest one on the Swedish side was the acquisition of a residential portfolio in Malmö for approx. SEK 2.8 billion.

Buyers were mainly real estate companies and institutions on the Swedish side, and funds and institutions on the Danish side. Prices have generally been stable throughout the region.

### Rental levels and yield

Malmö			Lund			Helsingborg			Copenhagen		
Market rents SEK/sq.m.		Yield	Market rents SEK/sq.m.		Yield	Market rents SEK/sq.m.		Yield	Market rents SEK/sq.m.		Yield
Office											
Best location	1,700 - 2,550	5.25% - 5.85%	1,300 - 2,200	5.75% - 7.00%		1,050 - 1,750	5.50% - 7.25%		1,250 - 2,250	5.00% - 6.75%	
Secondary location	950 - 1,300	6.75% - 8.00%	950 - 1,400	6.25% - 8.00%		850 - 1,400	6.25% - 7.50%		825 - 1,225	6.75% - 8.00%	
Retail											
Best location	2,500 - 6,000	5.35% - 6.00%	2,500 - 4,500	5.75% - 6.75%		2,250 - 5,000	5.50% - 6.50%		12,000 - 20,000	4.25% - 6.00%	
Secondary location	950 - 2,500	6.25% - 7.50%	900 - 2,500	6.00% - 7.75%		1,000 - 2,000	6.00% - 7.00%		1,025 - 4,475	5.00% - 7.00%	
Warehouse/industrial											
Best location	600 - 850	7.00% - 8.50%	600 - 850	7.25% - 8.50%		550 - 800	7.25% - 8.25%		550 - 675	7.25% - 9.00%	
Secondary location	500 - 625	7.75% - 8.75%	500 - 625	7.75% - 8.75%		450 - 775	7.25% - 9.00%		325 - 575	9.00% - 10.00%	

Office and retail refer to rent incl. media, but excl. additions for property tax.  
Warehouse/industrial refers to rent excl. additions for media and property tax.

Source: Forum Fastighetsekonomi och DTZ

### The five largest real estate owners

Malmö Region	Premises thous. sq.m	of which Lund	Premises thous. sq.m	of which Helsingborg	Premises thous. sq.m	Köpenhamn	Premises thous. sq.m
Wihlborgs	1,333	Wihlborgs	205	Wihlborgs	504	Nordea Ejendomme	1,150
Castellum (Briggen)	598	Castellum (Briggen)	129	Castellum (Briggen)	174	Danica Ejendomme	1,050
Vasakronan	346	Hemsö	87	Norrporten	112	Jeudan	750
Kungsleden	224	Vasakronan	85	Catena	111	Dades	670
Klövern	178	Estancia	74	Längeberga Logistik	75	ATP Ejendomme	650
						Castellum (Briggen)	48

Number of commercial premises (excl. residential) owned as at 31-12-2014. Municipal and State-owned companies and government institutions have been excluded.  
Source: Byggstatistik and Castellum



# Greater Stockholm

“Stockholm has a high entrepreneurship, a variety of branches and the most headquarters in the nation”



Anders Nilsson  
MD Fastighets AB Brostaden

Fastighets AB Brostaden's 56 employees manage Castellum's real estate portfolio in Greater Stockholm. The real estate portfolio is located in Stockholm, Botkyrka, Huddinge, Järfälla, Nacka, Sigtuna, Sollentuna and Upplands Väsby. It comprises 649 thousand sq. m., valued at SEK 7.8 billion, which is allocated as follows: 59% for office/retail and 37% for warehouse/industrial. High population growth and an economy that focuses on knowledge-intensive services characterize Greater Stockholm. The high population growth means that office and industrial areas are being converted into housing. During 2014, infrastructure investments continued with the expansion of the metro and Förbifart Stockholm.

During 2014, Brostaden continued to develop the real estate portfolio and focused on leasing.

## Rental market

In all, Greater Stockholm had a positive rental market in 2014 with strong demand and stable rental levels as well as unchanged or declining vacancy rates. In central Stockholm, demand was high, and this resulted in a slight increase in rental levels for the top segment while the vacancy rate remained low.

The region is still characterized by a clear focus on modern and cost-effective office space. This has resulted in several companies streamlining their existing properties or relocating from downtown locations to newly constructed office premises outside the city centre. This process will take place gradually over the coming years. Noted effects include: empty office premises downtown are converted into hotels and retail premises; the external locations to which companies relocate are strengthened. However, the recent addition of office space in the region is not expected to affect either rental levels or vacancy rates.

Demand remained stable for warehouse and logistics facilities and no major changes occurred regarding rental levels and vacancy rates. New construction was limited.

The region's retail rental market was characterized as somewhat cautious – as was the retail market in most parts of the country. This was due to weak trading over the past two years and new construction of retail space.

## Real estate market

**Transaction volume 2014:** SEK 71 billion (45)

**Single major transaction:** Approx. SEK 3.8 billion for an office property south of central Stockholm

**Yield prime location office:** 4.25% (in central Stockholm)

In 2014, the transaction volume in Greater Stockholm totalled approx. SEK 71 billion (45), an increase of 57% compared with 2013. The turnover represents about 44% of the total transaction volume in Sweden. Continued high activity outside the city centre has become typical for the real estate market in the region.

The acquisition of an office property near Globen for approx. SEK 3.8 billion and an office property in central Stockholm for about SEK 2.3 billion were among the major individual transactions during the year.

Listed Swedish real estate companies and institutions made up the largest share of buyers.

The high population growth in Stockholm has resulted in ongoing urban conversion development where – in a few submarkets – older commercial properties are gradually being converted into housing.

During the year, an increase in value was recorded in the region, although with some variation due to location, property type and quality. The highest increase in value occurred for office premises.

## Rental levels and yield

Greater Stockholm		
	Market rents SEK/sq.m	Yield
Office		
Best location	4,100 - 5,500	4.25% - 4.75%
Secondary location	1,500 - 2,600	5.50% - 7.00%
Retail		
Best location	9,000 - 13,000	4.00% - 4.60%
Secondary location	1,500 - 3,000	6.00% - 7.00%
Warehouse/industrial		
Best location	800 - 1,100	6.75% - 7.50%
Secondary location	600 - 950	7.00% - 8.00%

Office and retail refer to rent incl. media, but excl. additions for property tax.  
Warehouse/industrial refers to rent excl. additions for media and property tax.

Source: Forum Fastighetsekonomi

## The five largest real estate owners

Greater Stockholm	Premises thous. sq.m.
(Municipalities: Botkyrka, Huddinge, Järfälla, Nacka, Sigtuna, Sollentuna, Solna, Stockholm, Upplands-Väsby)	
Vasakronan	1,430
Fabege	1,024
Atrium Ljungberg	681
Klövern	668
Sagax/Söderport	662
Castellum (Brostaden)	649

Number of commercial premises (excl. residential) owned as at 31-12-2014. Municipal and State-owned companies and government institutions have been excluded  
Source: Byggstatistik och Castellum

# Mälardalen

## “Focus on project development in a stable growth market”



Claes Larsson  
MD Aspholmen Fastigheter AB

Castellum's real estate portfolio in Mälardalen is managed by the 53 employees at Aspholmen Fastigheter AB. The real estate portfolio is located in Örebro, Uppsala and Västerås, and consists of 617 thousand sq. m., valued at SEK 6.5 billion. The portfolio is distributed as follows: 75% for office/retail and 18% for warehouse/industrial. Mälardalen – especially Uppsala and Västerås – is characterized by the strong urbanization trend in Sweden, led by Stockholm. Örebro enjoys a strategic geographic location and a diverse commercial and industrial life.

During 2014, Aspholmen continued to develop environmentally classified buildings. The extension and reconstruction of the Svalan block in Dragarbrunn, Uppsala was completed. In central Örebro, Aspholmen started the new construction of 4,000 sq.m. office premises and acquired interesting land near the travel center for new construction of 15,000 sq.m. office premises.

### Rental market

In 2014, the rental market in Örebro continued to display a strong demand for downtown office space, which created opportunities for new construction. The same applied for development in Uppsala, which continues to show solid growth, and where several new constructions were completed during the year. Further new construction is under way. In Västerås, an increased demand for office space in prime locations was noted, and new construction is planned.

As a result of the positive development in the central areas of all three cities, slightly rising rents and declining office vacancy rates were noted. Rental levels remained stable for all sub-markets outside the city centres.

The rental market for warehouse/industry for the three cities was characterized by stability, with virtually unchanged rental levels and vacancy rates.

The rental market for retail stores in the region was characterized as somewhat cautious – as was the retail rental market in most parts of the country. It was also noted that e-commerce had a slight negative impact on the retail rental market.

In Västerås, the large supply of retail space over past years has now resulted in more conversions into office and educational facilities.

### Real estate market

**Transaction volume 2014:** SEK 6 billion (6)

**Single major transaction:** SEK 1.8 billion regarding a land area in Uppsala

**Yield prime location office:** 5.9% (in central Uppsala)

In 2014, the transaction volume for Mälardalen totalled approx. SEK 6 billion (6), in line with the previous year. Turnover in the region corresponded to about 3% of Sweden's total transaction volume. The largest single transaction was the acquisition of a parcel of land in Uppsala for approx. SEK 1.8 billion. In Västerås, one of the major transactions was a warehouse property, sold for approx. SEK 1.1 billion. One of the larger transactions in Örebro was the sale of a community property for about SEK 127. The buyer side consisted mainly of municipalities, Swedish real estate companies and funds.

During the year, an increase in value was recorded in the region, with some variation due to location, property type and quality. The highest increase in value occurred for centrally located office premises.

### Rental levels and yield

	Örebro		Uppsala		Västerås	
	Market rents SEK/sq.m	Yield	Market rents SEK/sq.m	Yield	Market rents SEK/sq.m	Yield
<b>Office</b>						
Best location	1,000 - 1,900	6.00% - 7.00%	1,600 - 2,200	5.90% - 7.00%	1,000 - 1,900	6.00% - 7.00%
Secondary location	700 - 1,500	6.50% - 8.00%	1,450 - 1,900	6.30% - 6.80%	700 - 1,500	6.50% - 8.00%
<b>Retail</b>						
Best location	2,000 - 3,800	6.00% - 7.00%	4,000 - 5,000	5.80% - 6.20%	1,900 - 3,700	6.00% - 7.25%
Secondary location	800 - 1,200	7.00% - 8.00%	800 - 1,500	6.50% - 7.50%	600 - 1,600	7.00% - 8.50%
<b>Warehouse/industrial</b>						
Best location	450 - 700	7.25% - 8.75%	600 - 1,200	6.25% - 7.75%	500 - 1,000	7.25% - 8.75%
Secondary location	400 - 600	8.25% - 9.75%	600 - 800	7.00% - 8.50%	450 - 700	8.00% - 9.50%

Office and retail refer to rent incl. media, but excl. additions for property tax.  
Warehouse/industrial refers to rent excl. additions for media and property tax.

Source: Forum Fastighetsekonomi

### The five largest real estate owners

Örebro	Premises thous. sq.m	Uppsala	Premises thous. sq.m	Västerås	Premises thous. sq.m
Castellum (Aspholmen)	276	Vasakronan	237	Kungsleden	501
Catena	96	Castellum (Aspholmen)	170	Klövern	242
Norrporten	92	Uppsala Akademiförvaltning	160	Castellum (Aspholmen)	171
Behrn Fastigheter	84	Rikshem	135	Saltängen Property Invest	105
Klövern	75	Klövern	98	Hemfosa	102

Number of commercial premises (excl. residential) owned as at 31-12-2014. Municipal and State-owned companies and government institutions have been excluded.  
Source: Byggstatistik och Castellum



## Eastern Götaland

### “Corallen continues to contribute the expansive urban development in Jönköping and Linköping”



Claes Junefeldt  
MD Fastighets AB Corallen

Castellum's real estate portfolio in Eastern Götaland is managed by Fastighets AB Corallen's 25 employees. The real estate portfolio is located in Jönköping and Linköping, and comprises 260 thousand sq. m. The portfolio is valued at SEK 2.7 billion, and is allocated as follows: 82% for office/retail and 9% for warehouse/industrial. Jönköping is characterized by its strategic location and constitutes one of Sweden's foremost logistics hubs. In Linköping, the business structure is dominated by companies focusing on technology. The University, the local hospitals and the airline industry all have a great impact on the city. Extensive urban development projects are under way, both in Jönköping and Linköping.

During 2014, Corallen has continued to develop the Atollen area in central Jönköping where 5,960 sq.m. was completed and new construction of 4,500 sq.m. continues. At the end of 2014 the property portfolio in Värnamo and Växjö were sold.

#### Rental market

Both Jönköping and Linköping are cities characterized by strong expansion and optimism. In Jönköping, there are several ongoing major downtown projects comprising both residential and commercial space. In Linköping, plans for urban development are linked to new infrastructure as well as arrangements for a housing fair in 2017.

In Jönköping, demand for office space continued to be strong, and this resulted in slightly increased rental levels, as well as an increased supply of new office space. However, vacancy rates remained unchanged. Despite the large supply, the rental market for warehouses/industry was deemed stable, with virtually unchanged rental levels and vacancy rates.

Linköping's rental market was positive for both office and warehouse facilities. In 2014, new construction of offices led to greater supply and rising rental levels were noted. The rental market for warehouses/industry remained stable and both rental levels and vacancy rates remained unchanged.

The rental market for retail stores in the region was characterized as somewhat cautious – as for the retail rental market in most parts of the country. It was also noted that e-commerce had a slightly negative impact on the retail rental market.

#### Real estate market

**Transaction volume 2014:** SEK 3 billion (3, the comparing amount for 2013 includes Värnamo and Växjö)

**Single major transaction:** SEKm 360 regarding industrial property in Linköping

**Yield prime location office:** 6.0% (in central Jönköping and Linköping)

In Eastern Götaland, the transaction volume amounted to approx. SEK 3 billion (3) for 2014, which corresponded to 2% of the total transaction volume in Sweden. The largest single real estate transaction was the acquisition of an industrial property in Linköping for about SEKm 360.

In Jönköping, one of the largest single transactions was the purchase of a community property for approx. SEKm 200. Listed and unlisted Swedish real estate companies, private users and institutions dominated the buyer side.

Generally, prices were stable.

#### Rental levels and yield

	Jönköping		Linköping	
	Market rents SEK/sq.m	Yield	Market rents SEK/sq.m	Yield
Office				
Best location	1,300 - 2,100	6.00% - 7.00%	1,200 - 2,200	6.00% - 7.50%
Secondary location	850 - 1,350	6.75% - 8.00%	875 - 1,300	7.25% - 8.25%
Retail				
Best location	2,000 - 4,000	5.50% - 6.25%	2,500 - 3,900	5.50% - 6.75%
Secondary location	1,100 - 1,500	5.75% - 7.25%	700 - 1,800	7.00% - 8.75%
Warehouse/industrial				
Best location	350 - 650	7.50% - 8.50%	500 - 900	7.00% - 8.50%
Secondary location	400 - 650	7.50% - 9.50%	350 - 675	7.50% - 9.00%

Office and retail refer to rent incl. media, but excl. additions for property tax.

Warehouse/industrial refers to rent excl. additions for media and property tax. Source: Forum Fastighetsekonomi

#### The five largest real estate owners

Jönköping	Premises thous. sq.m.	Linköping	Premises thous. sq.m.
Castellum (Corallen)	173	Klövern	306
Norrporten	99	Botrygg Bygg	93
Saltängen Property Invest	95	Obigo	90
Alecta Pensionsförsäkring	84	Ikano Fastigheter	72
Catena	67	Lilium	67
		Castellum (Corallen)	58

Number of commercial premises (excl. residential) owned as at 31-12-2014. Municipal and State-owned companies and government institutions have been excluded.

Source: Byggstatistik och Castellum





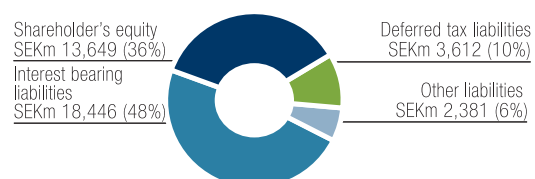


# Financing

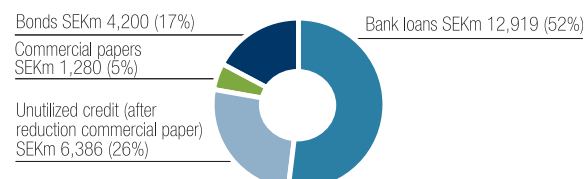
Property ownership is a capital intensive business and access to funding is one of the fundamentals to ensure successful development of the real estate portfolio.

Castellum's assets had at year-end a value of SEK 38 billion. Castellum shall have a low financial risk and the key ratios are loan to value and interest coverage ratio. Year-end loan to value ratio was 49% and interest coverage ratio 318%.

Financing 31-12-2014



Distribution of financing 31-12-2014



### Financial policy

Castellum's financial operation are conducted in accordance with the financial policy adopted by the Board of Directors. Castellum shall have a low financial risk with a loan to value ratio not exceeding 55% in the long run and an interest coverage ratio of at least 200%. The financial operations in Castellum shall be run in such a way that the need for long- and short-term funding and liquidity is ensured. In addition, net interest expenses at each time shall be minimized within the given risk authorization. The financial policy outlines the overall authorization and how financial risk should be reported and monitored. The financial risks are monitored and reported quarterly to the Board. The Board has an annual review of the financial policy.

### Loan to value ratio and capital tied up

Properties are long-term assets and requires long-term funding with distribution between shareholders' equity and interest-bearing debt. The loan-to-value ratio is the financial key ratio that describes the proportion of the properties value that is covered by loans. Castellum has lower loan-to-value ratio and higher interest coverage ratios than the industry average.

Castellum's assets had on December 31, 2014, a value of SEKm 38,088 (38,113) and these are financed by SEKm 13,649 (13,127) in shareholders' equity and SEKm 24,439 (24,986) in liabilities - of which SEKm 18,446 (19,481) are interest-bearing liabilities. Year-end loan-to-value ratio was 49% (52%).

Demand for long-term funding makes Castellum look for long-term credit agreements in order to minimize the refinancing risk. Existing agreements are regularly renegotiated and new agreements are added when needed. During the year MTN of SEKm 1,500 were issued and SEKm 500 repurchased. A new credit agreement of SEKm 500 was added and agreements for a total of SEKm 11,500 have been renegotiated. Along with the year's completed sales, Castellum stands financially strong. At year end, Castellum had unutilized binding long-term credit agreements with banks totalling SEKm 3,958 (2,448).

The average duration of Castellum's long-term credit agreements was 3.3 years (3.4).

### Credit maturity structure 31-12-2014

SEKm	Credit agreements	Utilized in		Total
		Bank	MTN/Cert	
0-1 year	3,708	904	2,480	3,384
1-2 years	4,708	3,266	500	3,766
2-3 years	8,308	2,208	1,000	3,208
3-4 years	6,708	4,408	1,000	5,408
4-5 years	1,570	1,070	500	1,570
> 5 years	1,063	1,063	–	1,063
<b>Total</b>	<b>26,065</b>	<b>12,919</b>	<b>5,480</b>	<b>18,399</b>
<b>Unutilized credit in long term-credit agreements</b>				<b>3,958</b>

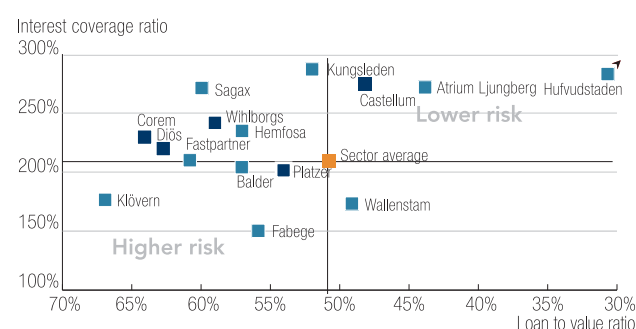
### Interest rate risk and interest coverage ratio

Interest expenses are the single largest cost item and have a major impact on the growth of income from property management. The interest rate is affected both by changes in market interest rates and the demanded interest margin. The short-term market interest rate is controlled by the Swedish Riksbank, whereas the long-term market interest rate is affected by other factors such as expectations of future economic growth and inflation. The credit margin is controlled by supply and demand for credits, as well as by regulations under which the banks operate. Both interest and credit markets can change rapidly and are outside Castellum's control.

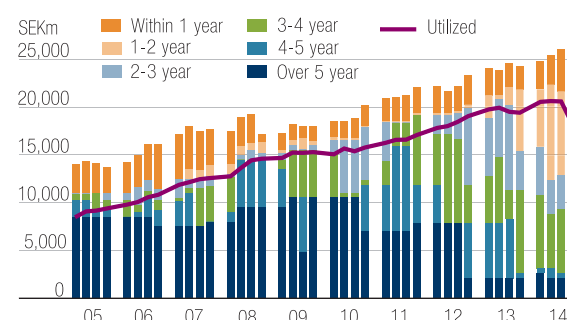
Increased market interest rates are generally a result of economic growth and rising inflation and are, in turn, assumed to increase demand for commercial premises and hence increased rents and/or reduced vacancies. Falling interest rates are assumed to have the opposite causes and effects. Rising or falling interest expenses will thus, over time, coincide with rising or falling rental income. Changes in credit margins may occur regardless of economic situation and have, of late, mainly been affected by changes in credit and capital market regulations.

Changes in market interest rates affect net financial items. How quickly, and by how much, largely depends on the chosen fixed interest term and the binding period of credit margins. To ensure a low and stable financial net in terms of cash flow, Castellum has chosen to restrict the proportion of fixed maturity within 6 months to a maximum of 50% of net debt and to keep the average fixed interest term

### Listed real estate companies



### Credit agreement maturity structure





between 1–4.5 years. For the same reason Castellum has chosen to sign mainly long-term credit agreements with agreed margins with banks. However changes in both of these markets will over time always affect net financial items.

The interest coverage ratio is the financial key ratio that describes a company's risk level and resistance regarding changes in net financial items. Castellum's strategy is an interest coverage ratio of at least 200%. For 2014, the interest coverage ratio was 318% (292%). The average fixed interest term at December 31, 2014, was 2.8 years (2.7). Margins and fees on long-term credit agreements had an average duration of 2.7 years (2.4).

### Organization

All financial risk management is centralized in the parent company. The treasury department's responsibilities include Group funding, risk management, financing for subsidiaries and cash management. The parent company also includes a back-office and compliance function that provides accounting and independent control of the financial operations.

### Net financial item

Net financial items were SEKm –664 (–702) with an average interest rate level of 3.3% (3.7%). The average effective interest rate as of December 31, 2014, was 3.4% (3.5%). Castellum's interest costs consist of the market interest rate at the date of the loan issue plus the creditor's margin.

### Interest bearing liabilities

Castellum's interest bearing debt is mainly made up of short-term loans under long-term credit agreements. Short-term

loans allow for flexibility regarding the choice of interest rate base and fixed interest rate term, while they at the same time facilitate amortization payments and repayments without marginal breaking costs or other compensations. The possibility to increase or decrease the amount of outstanding loans in long-term credit agreements also means that the amount of interest-bearing loans can be minimized at all times.

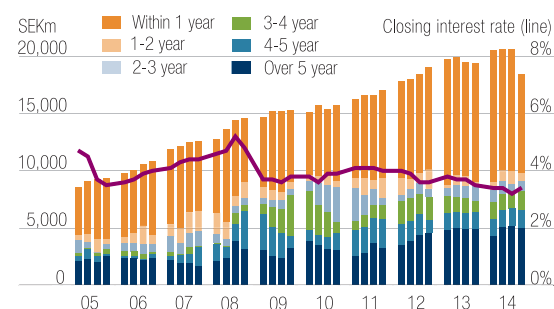
The credit agreements are bilateral credit agreements with Nordic banks. As a complement to the credit agreements, there is a MTN program and a commercial paper program. Outstanding commercial papers are fully covered by unutilized long-term credit agreements. After deduction of liquid assets of SEKm 47 (70), net interest bearing liabilities were SEKm 18,399 (19,411), of which SEKm 4,200 (3,200) were MTN and SEKm 1,280 (1,014) outstanding commercial papers. At the end of the year Castellum's had binding credit agreements totalling SEKm 26,065 (24,300) of which SEKm 22,357 (21,859) were long-term binding and SEKm 3,708 (2,441) short-term binding.

### Interest rate maturity structure 31-12-2014

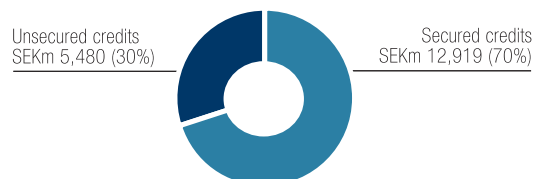
	Credits, SEKm	Interest rate derivatives, SEKm	Net, SEKm	Closing interest rate
0-1 year	18,399	– 9,750	8,649	3.4%
1-2 years	–	650	650	2.4%
2-3 years	–	900	900	2.9%
3-4 years	–	1,600	1,600	3.3%
4-5 years	–	1,600	1,600	3.3%
5-10 years	–	5,000	5,000	3.5%
<b>Total</b>	<b>18,399</b>	<b>–</b>	<b>18,399</b>	<b>3.4%</b>

Margins and fees are found in the segment 0-1 year.

### Interest rate maturity structure



### Secured credit facilities 31-12-2014



### Secured interest-bearing liabilities

Long-term credit agreements with banks are secured mainly through the company's properties and by financial covenants. Issued MTN, commercial papers and short-term credit agreements with banks such as bank overdraft facilities are unsecured.

Of net interest bearing liabilities SEKm 18,399 (19,411), SEKm 12,919 (15,197) were secured by the company's properties and SEKm 5,480 (4,214) unsecured. The proportion of used secured financing was thus 34% of the property value. The committed financial covenants state a loan-to-value ratio not exceeding 65% and an interest coverage ratio of at least 150%. Castellum shall also provide the lenders with financial information such as annual reports, interim reports and property valuations. In some cases, the lender has the right to renegotiate the credit agreements due to a material change in business or discontinued stock exchange listing.

### Currency

Castellum owns properties in Denmark with a value of SEKm 530 (466), which means that the Group is exposed to currency risk. The currency risk is primarily related to translation of income statement and balance sheet in foreign exchange into Swedish currency. In accordance with the financial policy, between 60-100% of investments in foreign subsidiaries are to be financed in local currency. At year-end 72% (79%) of the of the Danish assets were hedged.

### Derivatives

Derivatives are a cost effective and flexible way to manage financial risks such as interest rate risks and currency risks. Castellum uses derivatives to manage both risks. As of December 31, 2014, the market value of the interest rate derivatives portfolio were -1,344 (-687) and the currency derivatives portfolio SEKm -13 (4). The market value in the balance sheet change when market interest rates change,

the portfolio's duration is shortened and the exchange rates change. At maturity, the market value of the derivative is dissolved with no effect over time on shareholder's equity.

### Interest rate derivatives

According to the accounting standard IAS 39, derivatives are subject to market valuation. For interest-rate derivatives, this means that a surplus or sub value occurs if the stipulated interest rate varies from the current market rate. Castellum accounts for this change in value in the income statement.

By extending the fixed interest term the interest rate risk in terms of cash flow is limited, while the risk in the accounting based changes in value is increased. Note that loans with long term fixed interest rates which are less flexible, but from a risk and interest rate perspective comparable to extensions using interest rate derivatives, are not subject to market valuation according to the current accounting standards.

### Currency derivatives

Funding in Danish currency can be achieved by borrowing in Danish kroner or by using currency derivatives. The exposure is the same but according to the accounting standard IAS 39 derivatives are subject to market valuation, which means that there is a surplus or sub value if the stipulated currency rate varies from the current exchange rate. Castellum applies hedge accounting according to IAS 39, implying that the effective portion of value changes is accounted for in other total net income.

### Counterparty risk

Counterparty risk refers to the risk that, at any moment, Castellum's counterparties do not fulfill their contractual obligations.

Castellum's limits its counterparty risk by requiring high credit ratings of the counterparties. Castellum counterparties are major Nordic banks.

### Castellum's financial policy and commitments in credit agreements

	Policy	Commitment	Outcome
Loan to value ratio	Not in the long run exceeding 55%	No more than 65%	49%
Interest coverage ratio	At least 200%	At least 150%	318%
Interest rate risk			
– average fixed interest term	1-4.5 years*	–	2.8 years
– proportion maturing within 6 months	No more than 50%	–	39%
Currency risk			
– investment	60%-100% funded in local currency	–	72%
– other currency risks	Not allowed	–	No exposure
Funding risk	At least 50% of interest bearing liabilities have a duration of at least 2 years	–	96%
Counterparty risk	Credit institutions with high ratings, at least investment grade	–	Satisfied
Liquidity risk	Liquidity reserve in order to fulfill payments due	–	SEKm 3,958 unutilized in long-term credit agreements

\* Mandate in financial policy have, in accordance with the Board's decision, changed during the year from 0.5-3 years to 1-4.5 years.





# The Castellum share

Castellum wants to attract shareholders aiming for a solid total return with low financial risk and steady dividend growth.

Castellum will work for a competitive total return on the company's share relative to risk and also strive for high liquidity. All actions will be taken from a long-term perspective. The company will provide frequent, open and fair reports to shareholders, the capital and credit markets and the media, without disclosing any individual business relationship. In the long term, Castellum will be one of the largest listed real estate companies in Sweden.

## Ulrika Danielsson



The aim of the information to the stock market is to enable a fair external valuation of the company and thus the share”

Ulrika Danielsson, CFO Castellum AB

The Castellum share is listed on NASDAQ Stockholm Large Cap. Castellum's market capitalization, i.e. the value of all outstanding shares in Castellum, amounted to SEK 20.0 billion (16.4) as at December 31, 2014, corresponding to about 10% of the total market capitalization of Swedish real estate companies operating solely in this sector totalling over SEK 195 billion and 0.4% of the total market capitalization of listed Swedish companies of approx SEK 5,200 billion.

The share capital amounts to SEKm 86, distributed among 172,006,708 A-shares with a par value of SEK 0.50 per share. Each share, except the company's own repurchased shares, entitles the holder to one vote and carries an equal right to a share in Castellum's capital.

During 2014 a total of 133 million (106) shares were traded, equivalent to an average of 532,000 shares (425,000) per day, corresponding on an annual basis to a turnover rate of 81% (65%). The share turnover is based on statistics from NASDAQ, Chi-X, Burgundy, Turquoise and BATS Europe.

### Proposed dividend

The Board intends to propose the annual general meeting to decide on a dividend of SEK 4.60 per share, an increase of 8% compared with previous year. The dividend ratio is 52% of income from property management before tax.

If the annual general meeting decides to accept the Board's dividend proposal and Tuesday March 23, 2015 as the record day for payment of the dividend, the share will be traded including the dividend up to and including the day of the

annual general meeting, Thursday March 19, 2015. Payment of the dividend is expected to take place on Thursday March 26, 2015.

The dividend falls within Castellum's objective of distributing at least 50% of income from property management, having taken into account investment plans, consolidation needs, liquidity and financial position in general. Unrealized changes in value, positive or negative, are thus not included in the distributable income.

### Net asset value

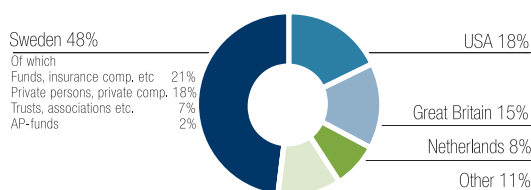
Net asset value is the total equity which the company manages for its owners. Based on this equity Castellum want to create stable return and growth at a low level of risk. When assets and liabilities are valued at fair value the net asset value can be calculated using shareholders' equity in the balance sheet. However, consideration should be taken to that the effective tax is lower than the reported nominal tax rate, in part due to the possibility to sell properties in a tax efficient way, and in part due to the time factor for which the tax should be discounted.

Long term net asset value (EPRA NAV) can be calculated to SEK 114 per share (107). The share price at the end of the year was thus 107% (94%) of the long term net asset value.

Net asset value	SEKm	SEK/share
Equity according to the balance sheet	13,649	83
Reversed		
Derivatives according to balance sheet	1,357	9
Deferred tax according to balance sheet	3,612	22
<b>Long term net asset value (EPRA NAV)</b>	<b>18,618</b>	<b>114</b>
Deduction		
Derivatives as above	-1,357	- 9
Estimated real liability, deferred tax 5%*	-829	- 5
<b>Actual net asset value (EPRA NNAV)</b>	<b>16,432</b>	<b>100</b>

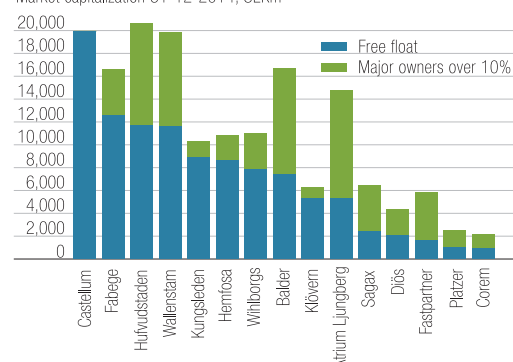
\* Estimated real deferred tax liability net has been calculated to 5% based on a discount rate of 3%. Further, assessments have been made that tax loss carry forwards are realized in 2 years with a nominal tax of 22%, giving a present value of deferred tax liability of 21%, and that the properties are realized in 50 years where 33% are sold directly with a nominal tax of 22% and that 67% are sold indirect through company disposals where the buyers tax discount is 6%, which gives a present value of deferred tax liability of 6%.

### Shareholders distributed by country 31-12-2014



### Listed Real Estate Companies

Market capitalization 31-12-2014, SEKm





## Earnings

Income from property management per share adjusted for nominal tax attributable to income from property management (EPRA EPS) amounted to 8.26 (8.04). This results in a share price yield of 6.8% (8.0%) corresponding to a multiple of 15 (12). Income from property management should be adjusted by a long-term increase in the property value, where 1% change in value corresponds to SEK 2.29 per share.

Earnings per share amounted in 2014 to SEK 7.38 (10.41), which based on the share price provides a return on 6.1% (10.4%), corresponding to a multiple of 17 (10).

## Dividend yield

Dividend yield is the company's dividend divided by the current share price. It represents the yield shareholders receive in cash every year following the AGM decision. The key ratio thus expresses the relationship between two different "spheres": Castellum's performance in the form of dividends and the stock market's pricing of the company. The valuation thus reflects the market's view of the dividend yield required to achieve a total yield that matches the market's yield on the Castellum share.

The proposed dividend of SEK 4.60 (4.25) corresponds to a yield of 3.8% (4.2%) based on the share price at the end of the year.

## Total yield

Total yield reflects the development of the share price plus dividend paid during the period.

The Castellum share price as at 31 December, 2014 was SEK 122.10 (100.10), corresponding to a market capitalization of SEK 20.0 billion (16.4). During 2014, the total yield of the share, including dividend of SEK 4.25, was 27% (13%).

## Growth, yield and financial risk

	2014	3 years average/year	10 years average/year
<b>Growth</b>			
Rental income SEK/share	2%	4%	6%
Income from prop. management SEK/share	8%	7%	7%
Net income for the year after tax SEK/share	neg	19%	3%
Dividend SEK/share	8%	8%	7%
Long term net asset value SEK/share	7%	5%	7%
Actual net asset value SEK/share	4%	4%	6%
Real estate portfolio SEK/share	6%	6%	8%
Change in property value	0.9%	0.5%	1.1%
<b>Yield</b>			
Return on actual long term net asset value	10.5%	9.2%	11.1%
Return on actual net asset value	7.6%	8.9%	11.1%
Return on total capital	6.5%	5.9%	7.0%
<b>Total yield of the share (incl. dividend)</b>			
Castellum	27%	17%	11%
NASDAQ Stockholm (SIX Return)	16%	20%	12%
Real Estate Index Sweden (EPRA)	37%	24%	14%
Real Estate Index Europe (EPRA)	26%	22%	5%
Real Estate Index Eurozone (EPRA)	23%	19%	7%
Real Estate Index Great Britain (EPRA)	21%	25%	3%
<b>Financial risk</b>			
Loan to value ratio	49%	52%	49%
Interest coverage ratio	318%	298%	298%

## Net asset yield including long-term change in value

In companies managing real assets, such as real estate, the income from property management only reflects part – albeit a large part – of the overall result. The definition of a real asset is that they value are protected. This means that over time – and with proper maintenance – the real asset increases in value to compensate for inflation.

The net asset value – i.e., the denominator of the yield ratio income/capital – is adjusted annually in accordance with IFRS regulations for changes in value. In order to provide an accurate yield figure, the numerator – i.e., income – must be similarly adjusted. Therefore, the recorded net income has to be supplemented with a component of value changes as well as with effective tax to provide an accurate view of income and yield.

One problem is that changes in value can vary greatly between years and quarters, thus leading to volatile results. However, by being a long-term player with stable cash flow and a balanced real estate portfolio, Castellum is able to make use of long-term value changes to adjust the numerator of the equation. In the table below, Castellum's average change in property value of 1.1% over the past 10 years has been used.

## Net asset yield including long-term change in value

		Sensitivity analysis	
		-1%-unit	+1%-unit
Income from property management 2014	1,450	1,450	1,450
Change in property value (10 years average)	410	37	782
<i>D:o</i> %	1.1%	0.1%	2.1%
Current tax, 5%	-77	-77	-77
<b>Earnings after tax</b>	<b>1,783</b>	<b>1,410</b>	<b>2,155</b>
Earnings SEK/share	10.87	8.60	13.14
Return on share	8.9%	7.0%	10.8%
Return on actual long-term net asset value	10.5%	8.3%	12.7%

## Valuation

The investor's required yield for a given share forms a basis for valuation in the long term. The required yield varies from share to share, as well as over time. This is partly due to the risk the investor perceives for a particular company; a risk that he wants to be compensated for. The higher the risk, the higher the required yield. An acceptable share price therefore derives from the investor's – or rather the investor collective's – assessment of the future total yield of the share (the sum of yields and changes in value) and the level of risk.

In the short run, it is largely supply and demand for shares that affects share-price movements and sets current share prices. Factors affecting price in the short term – apart from investor assessments of the long-term yield of the share – include industry outlook, macro assessments, geopolitical events, allocation aspects, and potential yield on alternative investments and regulations.

However, looking over the long term, it is the company's actual performance in terms of total yield and growth that determines crucial for share-price development.

As shown in the table on the left, Castellum has achieved a total average yield of 11% per year, over the past 10 years, of which yield accounts for about 4% and share price development around 7%. All to a moderate risk level compared to the Swedish real estate market. The average dividend growth for the same period amounted to 7% per year.

### Swedish corporate tax review

In June, the Swedish Committee on Corporate Taxation presented its final report "Neutral corporate tax – for increased efficiency and stability". Among other things, the proposal includes limited deductibility of financial expenses. For Castellum, everything else equal, and notwithstanding the sale of real estate, value changes of derivatives and the use of tax-loss carry forwards, this limitation will result in an annual tax increase of approx. SEKm 100, corresponding to approx. 7% of the income from property management. If the debated proposal becomes reality, everything else equal, it will result in lower cash-flow for the Group, which will lead to lower investment volume or decreased dividend to the shareholders – or a combination of both. Thus, the dividend can decrease by 0 – 60 öre per share. The committee proposes effect as of January 1, 2016.

### Shareholders

At the end of the period the company had about 16,270 shareholders. The amount of shares registered abroad at the year-end was 52%. Shareholders registered abroad cannot be broken down in terms of directly held and nominee registered shares except for two foreign shareholders who have flagged for holding over 5%, Stichting Pensioenfonds ABP and Blackrock. In addition, SEB Investment Management AB has flagged for holding over 5%. Blackrock has declared that they have decreased their holdings to under 5% after the year-end. Castellum has no direct registered shareholders with holdings exceeding 10%.

### Investor relations

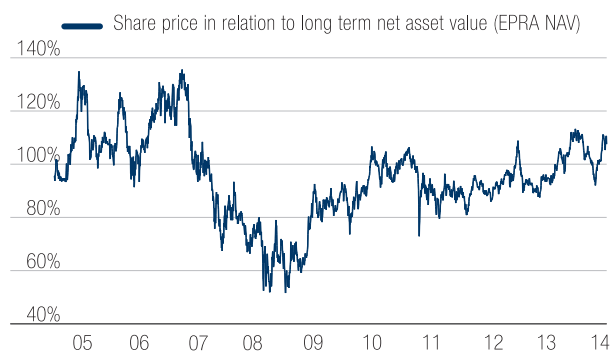
Investor relations are primarily based on quarterly financial reports, press releases on significant commercial events and presentations of Castellum. Presentations take place in connection with quarterly financial reports and visits from investors and analyst and investor meetings both in Sweden and abroad. The large share of foreign shareholders means that there are extensive contacts with foreign investors. Additional market and financial information is provided on the company's webpage [www.castellum.se](http://www.castellum.se).

Some twenty Swedish and foreign stock market analysts track the development of both Castellum and the Swedish real estate sector.

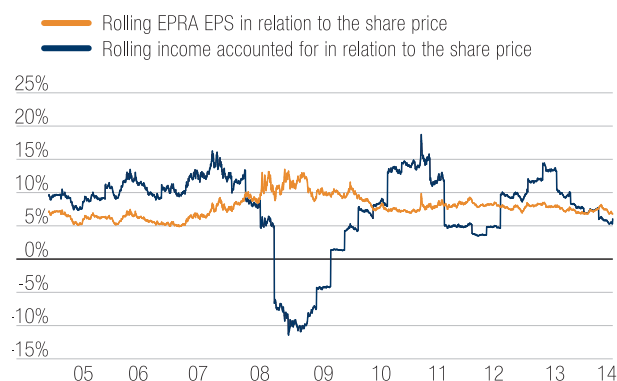
### Repurchase of own share

Castellum has repurchased 8,006,708 of the company's shares for a total of SEKm 194, equivalent to 4.7% of the total registered number of shares. The number of outstanding shares, i.e. the number of registered shares less the number of repurchased shares, totals 164,000,000. As repurchasing is a good method of adjusting the capital structure to the capital requirements from time to time, the Board's will propose the AGM to decide on extending the mandate to repurchase shares until the next AGM. This mandate provides the possibility to repurchase or transfer shares.

### Share price/net asset value



### Yield earnings per share



### The share's dividend yield



Castellum's share is since 1997 listed on NASDAQ Stockholm Large Cap under the name CAST.

### IR-contact

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Ulrika Danielsson, CFO. Phone +46 706 47 12 61



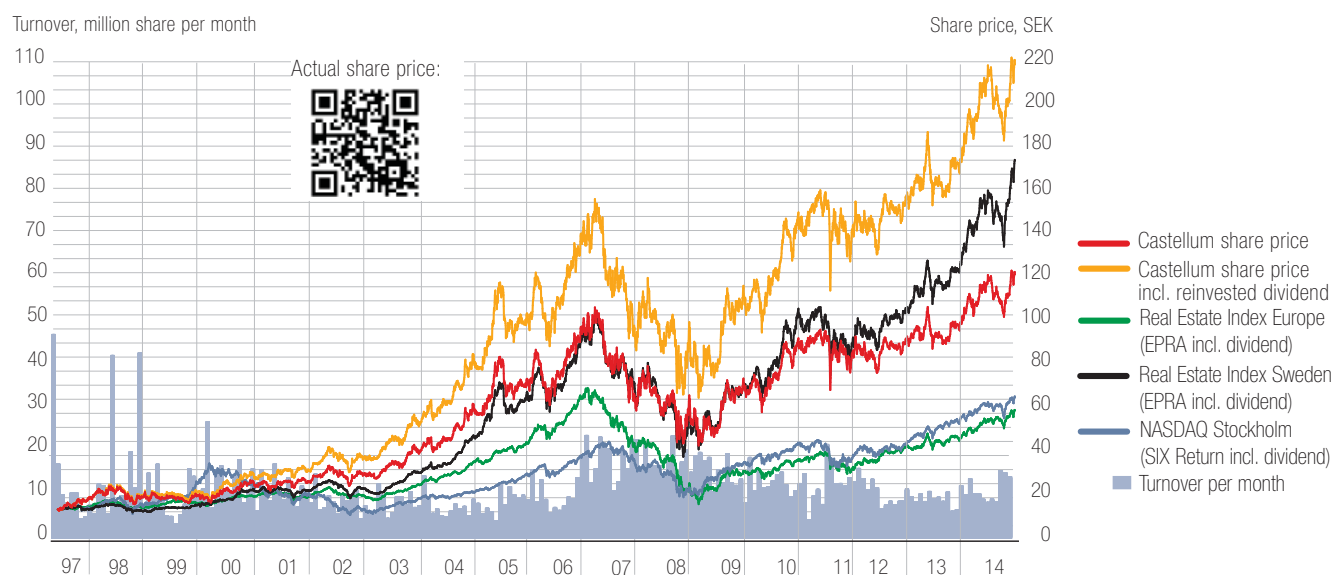
## Shareholders as per 31-12-2014

Shareholders	Number of share	Percentage of voting rights and capital
Stiftelsen Global Challenges Foundation	5,000,000	3.0%
Lannebo Småbolag	4,000,000	2.4%
Länsförsäkringar Fastighetsfond	3,230,716	2.0%
AMF Pensionsförsäkring AB	2,350,000	1.4%
Kåpan Pensioner	2,180,000	1.3%
Magdalena Szombatfalvy	1,935,000	1.2%
Susanna Löw	1,627,000	1.0%
SEB Swedish Value Fund	1,525,000	0.9%
SEB Sverigefond	1,476,000	0.9%
SEB Sverigefond Småbolag	1,441,000	0.9%
Tredje AP-Fonden	1,390,446	0.8%
SEB Sverigefond Stora Bolag	1,361,479	0.8%
SEB Stiftelsefond Sverige	1,314,000	0.8%
Danske Invest Sverige	997,600	0.6%
Andra AP-Fonden	989,149	0.6%
KPA Pensionsförsäkring AB	953,297	0.6%
Fjärde AP-Fonden	916,981	0.6%
Försäkringsaktiebolaget Avanza Pension	893,550	0.6%
Lannebo Mixfond	885,352	0.5%
Jennie Löw	850,000	0.5%
Swedbank Robur Småbolagsfond Sverige	802,402	0.5%
Andrea Carpelan	772,300	0.5%
AMF Aktiefond Småbolag	734,694	0.5%
Nordea Småbolagsfond Sverige	725,861	0.4%
SEB Världenfond	701,443	0.4%
Gamla Livförsäkringsaktiebolaget	640,490	0.4%
Skandia Fond Småbolag Sverige	593,102	0.4%
Folksam Ömsesid Livfö KP Alt Placeringar	583,909	0.4%
SPP Aktiefond Sverige	568,069	0.4%
Livförsäkringsbolaget Skandia Öms	507,289	0.3%
Carl Tryggers Stiftelse	500,000	0.3%
Board and executive management Castellum	266,781	0.2%
Swedish shareholders < 500,000 share:		
56 shareholders, 100 000-499 999 shares	12,641,637	7.7%
439 shareholders, 10 000- 99 999 shares	10,316,253	6.3%
4 101 shareholders, 1000-9 999 shares	9,569,368	5.8%
10 800 shareholders, 1-999 shares	2,956,278	1.8%
824 shareholders registered abroad	85,803,554	52.3%
<b>Total outstanding shares</b>	<b>164,000,000</b>	<b>100.0%</b>
Repurchased shares	8,006,708	
<b>Total registered shares</b>	<b>172,006,708</b>	

## Press releases 2014

2014-01-20	The election committee's proposal regarding the board of directors etc of Castellum AB (publ)
2014-01-22	Castellum's Year-end Report 2013: Growth in income from property management and increased dividend
2014-01-23	Cecilia Fasth new MD in Eklandia Fastighets AB
2014-01-24	MD of Fastighets AB Briggen resigns
2014-02-03	Castellum sells for SEKm 75 to residential conversion in Stockholm
2014-02-04	The Swedish version of Castellum's Annual Report 2013 is now available on <a href="http://www.castellum.se">www.castellum.se</a>
2014-02-12	Summons to the Annual General Meeting of shareholders in Castellum AB (publ)
2014-03-10	Castellum invests SEKm 645 in Halmstad campus area
2014-03-20	Annual General Meeting in Castellum AB (publ)
2014-04-22	Castellum's interim report January-March 2014: 8% growth in income from property management
2014-06-04	Ola Orsmark new MD in Fastighets AB Briggen
2014-06-24	Castellum invests for SEKm 377 and sells for SEKm 109
2014-07-16	Castellum's half-year report January-June 2014: Strong growth in income from property management of 11%
2014-09-12	AGM: 2015: Election Committee of Castellum AB
2014-10-07	Castellum appoints Ulrika Danielsson as CFO
2014-10-10	Castellum sells Hansa in Malmö for SEKm 609
2014-10-15	Castellum's interim report January-September 2014: Castellum deliver growth of 10%
2014-11-11	Castellum is negotiating a sale of the property portfolio in Värnamo and Växjö and a property in Gothenburg
2014-11-17	Castellum sells the property portfolio in Värnamo and Växjö and one property in Gothenburg for SEKm 1,946
2014-12-16	Castellum invests SEKm 291 and sells for SEKm 271

## The Castellum share's price trend and turnover since IPO May 23, 1997 until December 31, 2014



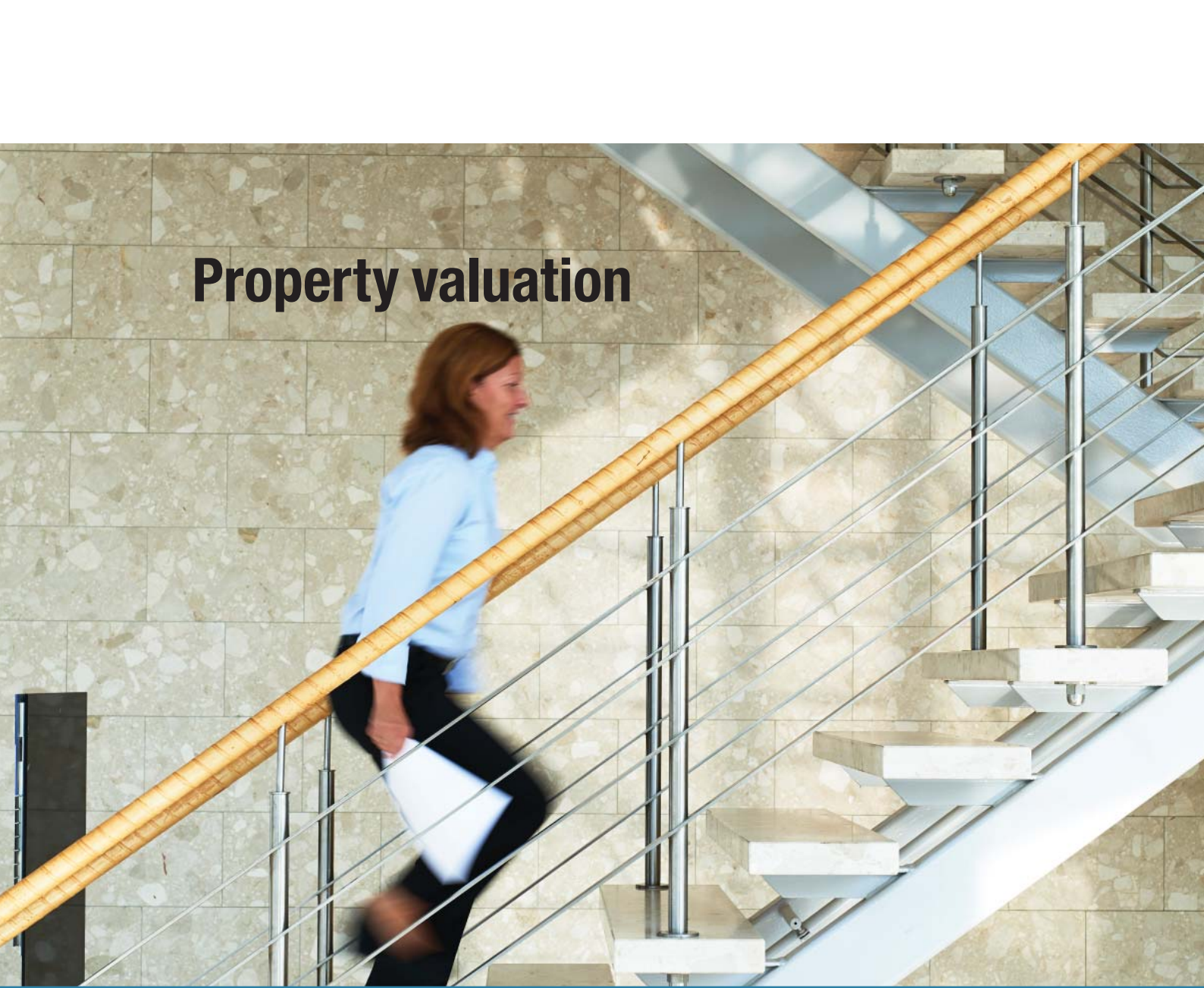
## Ten year summary

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Key ratios, SEK/share</b>										
Rental income	20.23	19.81	18.74	17.80	16.82	16.43	15.25	13.77	12.28	11.63
Income from property management	8.84	8.21	7.65	7.15	6.96	6.89	5.93	5.63	5.38	5.00
Net income for the year	7.38	10.41	8.98	4.34	11.98	0.98	– 4.04	9.07	10.21	7.89
Dividend (for 2014 proposed)	4.60	4.25	3.95	3.70	3.60	3.50	3.15	3.00	2.85	2.62
Property portfolio	229	230	222	207	194	178	178	169	148	130
<b>Valuation</b>										
Pre tax income from property management per share/Share price	7.2%	8.2%	8.3%	8.6%	7.6%	9.5%	9.8%	8.4%	5.9%	7.0%
Share price/Income from prop. mgmt per share	14	12	12	12	13	11	10	17	17	14
Income from property management after tax per share (EPRA EPS)/Share price	6.8%	8.0%	7.9%	8.4%	7.2%	9.6%	9.6%	8.2%	5.6%	6.3%
Dividend/Share price (dividend yield)	3.8%	4.2%	4.3%	4.3%	3.9%	4.8%	5.2%	4.5%	3.1%	3.7%
Long-term net asset value per share/Share price	93%	94%	92%	99%	88%	72%	76%	116%	104%	98%
Net asset value per share / Share Price	82%	97%	103%	108%	99%	81%	79%	120%	110%	104%
<b>The share</b>										
Market capitalization, SEKm	20,024	16,416	15,137	13,989	15,014	11,890	9,963	11,029	14,965	11,726
Total yield, the Castellum share	26.9%	13.1%	13.0%	– 3.1%	32.6%	27.4%	– 5.9%	– 24.2%	31.7%	25.0%
NASDAQ OMX Stockholm (Six Return)	15.8%	28.0%	16.5%	– 13.5%	26.7%	52.5%	– 39.0%	– 2.6%	28.1%	36.3%
Real Estate Index Europa (EPRA)	37.1%	20.6%	16.2%	– 13.0%	48.5%	24.0%	– 21.4%	– 18.5%	35.8%	40.2%
Real Estate Index Sweden (EPRA)	26.5%	10.1%	28.7%	– 9.2%	19.8%	33.7%	– 48.8%	– 32.2%	49.4%	25.8%
Dividend ratio income from prop. mgmt	52%	52%	52%	52%	52%	51%	53%	53%	53%	52%
Dividend ratio long term net asset value	4.0%	4.0%	4.0%	3.8%	3.9%	4.3%	3.8%	3.4%	3.6%	3.8%
<b>Share price, SEK</b>										
last paid during the last day for trading	122.10	100.10	92.30	85.30	91.55	72.50	60.75	67.25	91.25	71.50
highest paid during the year	124.10	107.50	94.50	97.50	91.75	73.75	80.00	107.00	95.50	85.00
lowest paid during the year	99.05	87.75	76.30	65.25	58.50	42.80	41.40	62.00	56.50	55.00
average (high/low per day)	112.28	95.43	87.27	88.69	75.70	58.57	63.42	87.55	78.54	68.29
<b>Number of shares, thousand</b>										
average	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000
registered	172,008	172,008	172,008	172,008	172,008	172,008	172,008	172,008	172,008	172,008
Number of shareholders	16,300	12,200	9,900	9,400	10,000	8,900	7,300	7,300	7,700	7,900
Percentage of shareholders registered abroad	52%	62%	60%	51%	46%	46%	47%	49%	53%	46%
Turnover, thousand shares per year	133,083	106,266	129,276	150,482	152,186	191,129	218,304	207,442	107,710	93,268
Turnover rate per year	81%	65%	79%	92%	93%	117%	133%	126%	66%	57%
<b>EPRA Key ratios</b>										
EPRA Earnings (Income from property management after tax), SEKm	1,355	1,318	1,192	1,149	1,086	1,137	960	902	835	737
EPRA Earnings (EPS) SEK/share	8.26	8.04	7.27	7.01	6.62	6.93	5.85	5.50	5.09	4.49
EPRA NAV (Long term net asset value), SEKm	18,618	17,510	16,480	15,920	15,158	13,381	13,800	14,482	12,962	11,299
EPRA NAV, SEK/share	114	107	100	97	92	82	84	88	79	69
EPRA NNNAV (Net asset value), SEKm	16,432	15,940	14,689	14,196	13,913	11,979	12,305	13,933	12,421	10,686
EPRA NNNAV, SEK/share	100	97	90	87	85	73	75	85	76	65
EPRA Vacancy Rate	11.3%	11.6%	11.4%	10.7%	11.0%	10.2%	10.3%	12.1%	12.9%	11.9%

## EPRA

EPRA, European Public Real Estate Association, is an association for listed real estate owners and investors in Europe, which among other things, sets standards for financial reporting. A part of such standards are key ratios EPRA EPS (Earnings Per Share), EPRA NAV (Net Asset Value), EPRA NNNAV (Triple Net Asset Value) and EPRA vacancy.





# Property valuation

On December 31<sup>st</sup>, 2014 Castellum's investment properties were assessed a fair value of SEKm 37,599, corresponding to SEK 11,118 per sq.m. The average valuation yield for Castellum's real estate portfolio, excluding development projects, undeveloped land and building rights can be calculated to 6.9%.

The valuation was carried out in a uniform manner using internal valuation based on a 10-year cash flow model with individual assessments for each property in order to reflect both future earnings capacity and required market yield. In order to provide further assurance and validation of the valuation, 154 properties - representing 57% of the value of the portfolio - have been valued externally.

## Internal valuation

Castellum records the investment properties at fair value and has made an internal valuation of all properties as of December 31, 2014. The valuation was carried out in a uniform manner, and was based on a 10-year cash flow model, which is described in principle below. The internal valuation was based on an individual assessment for each property and reflects both its future earnings capacity and its required market yield. In the valuation of a property's future earnings capacity, consideration has been taken of potential changes in rental levels, occupancy rates and property costs – as well as an assumed inflation level of 1.5%. Projects in progress have been valued using the same principle, but with deductions for remaining investments. Building rights have been valued on the basis of an estimated market value per square metre, on average approx. SEK 1,500 per sq.m. (1,100). For further information about the assumptions in cash-flow and required yield see note 11.

## Assumptions in Castellum's internal valuations

	Office/retail	Warehouse/industrial
<b>Cash flow year 1</b>		
Rental value, SEK/sq.m.	1,350	799
Vacancy, %	10%	9%
Direct property costs, SEKm/sq.m.	316	180
Property administration, SEK/sq.m.	35	25
<b>Required yield</b>		
Real interest rate	3.0%	3.0%
Inflation	1.5%	1.5%
Risk	4.5% - 12.5%	6.9% - 14.0%
Return on equity	9.0% - 17.0%	11.4% - 18.5%
Interest rate	5.5%	5.5%
Loan to value ratio	65%	55%
Return on total capital	6.7% - 9.5%	8.1% - 11.3%
Weighted d.o. disc. factor year 1-9	7.8%	8.9%
Weighted d.o. disc. factor residual value*	6.3%	7.4%

\* (required yield on total capital minus growth equal to inflation)

To illustrate the model, the following example is provided. It should be noted that assumptions regarding cash flow growth and other assumptions included in the model are only intended to illustrate the model. Even if relevant figures are used the example should thus not be regarded as a forecast of the company's expected earnings.

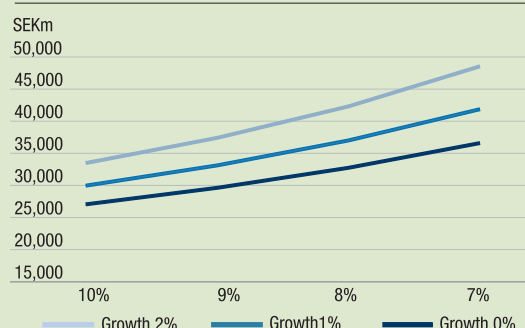
### Assumptions in the example:

- The economic occupancy rate is assumed to increase in order to reach a long-term level of 96% in the year 2020.
- Net operating income for 2014 is based on actual result for the investment properties, with an assumed cost of SEK 30/sq.m. for pure property administration.
- Growth in rental value and property costs has been assumed to 1.5% per year during the calculation period.
- The average economic life of the real estate portfolio has been assumed to be 50 years.
- Projects, undeveloped land and building rights have an assumed value SEKm 2,093.
- The required yield, discount factor, is calculated according to the following assumptions:

	Required yield	Percentage of capital	Weighted required yield
Equity	8.0% - 18.2%	40%	3.2% - 7.3%
Borrowed capital	5.5%	60%	3.3%
Weighted required yield		100%	6.5% - 10.6%

SEKm	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Rental value	3,451	3,503	3,555	3,609	3,663	3,718	3,773	3,830	3,888	3,946	4,005
Rental income	3,060	3,152	3,250	3,334	3,421	3,532	3,623	3,677	3,732	3,788	3,845
Economic occupancy rate	88.7%	90%	91%	92%	93%	95%	96%	96%	96%	96%	96%
Property costs	- 871	- 884	- 897	- 911	- 924	- 938	- 952	- 967	- 981	- 996	- 1,011
Net operating income = cash flow	2,189	2,268	2,353	2,423	2,497	2,594	2,671	2,710	2,751	2,792	2,834
Discounted cash flow year 1-9	16,176										
Discounted residual value year 10	19,330										
Projects, land and building rights	2,093										
Total property value	37,599										

### Property value with different required yield and growth in rental value and property costs





**Average valuation yield**

(excl. project/land and building rights)

	2014	2013
Net operating income properties	2,286	2,341
+ Index adjustment 2015, 1% (1%)	25	35
+ Real occupancy rate, 94% at the lowest	251	279
– Property administration, 30 SEK/sq.m.	– 99	– 107
<b>Normalized net operating income</b>	<b>2,463</b>	<b>2,548</b>
Valuation (excl. building rights of SEKm 559)	35,506	35,613
<b>Average valuation yield</b>	<b>6.9%</b>	<b>7.2%</b>

**Uncertainty range**

Property valuations are calculations performed according to accepted principles and on the basis of certain assumptions. The value range of  $\pm 5$ –10%, often used in property valuations in a normal market, should therefore be seen as an indication of the uncertainty that exists in assumptions and calculations. In a market with lower liquidity, the range may be wider. For Castellum, an uncertainty range of  $\pm 5\%$  means a range in value of the property portfolio of SEKm 35,719 – 39,479, corresponding to  $\pm$  SEKm 1,880.

**Change in value**

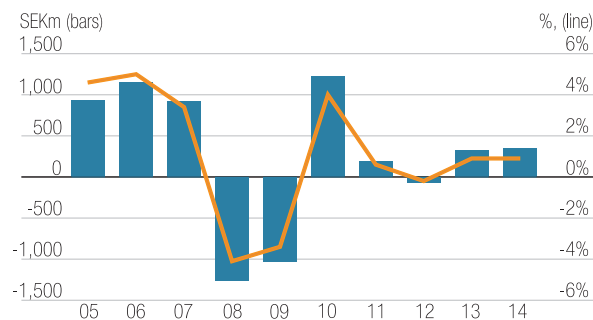
The change in value in Castellum's portfolio during 2014 amounted to SEKm 344 (328) corresponding to 0.9% (0.9%). The general increase in prices that was noted during the first half year remains, and the downward adjustment of the average valuation yield of 0.1% in the internal valuations remains firm. This, together with acquisition gains, project gains and individual adjustments on property level have resulted in a change in value totaling SEKm 488. Realized sale of real estate have resulted in a change in value of SEKm

–144. Net sales price amounted to SEKm 3,054 after reduction for assessed deferred tax and transaction costs of SEKm 163. Hence the underlying property value, which amounted to SEKm 3,217, exceeded last valuation of SEKm 3,198 by SEKm 19. The net increase in value, including this year's change, over the past 10 years has been 1.1% per year, which is well in line with inflation.

**Total yield**

Concerning the total yield of the properties – i.e., the sum of yields and changes in value – it can be noted that Castellum's performance depends on when measurements were started. On average, Castellum has had a better total yield on warehouse/industrial compared to office/retail – regardless of when the measurement period was started. The annual average total yield for the past 10 years has been 6.8% (6.3% yield + 0.5% change in value), thereby surpassing office/retail which has had 5.9% (5.4% yield + 0.5% change in value). Calculations do not include project gains or acquisitions from the year the acquisition was completed.

	1 year	3 years average per year	10 years average per year
<b>Total yield</b>			
Properties	8%	4%	6%
Castellum share	27%	17%	11%
NASDAQ Stockholm (Six Return)	16%	20%	12%
Real Estate Index Sweden (EPRA)	37%	24%	14%
Real Estate Index Europe (EPRA)	26%	22%	6%
<b>Change in value</b>			
Change in property value, unweighted	0.9%	0.5%	1.1%
Inflation	– 0.3%	0.0%	1.2%

**Average valuation yield over time****Change in value**

### External valuation

In order to provide further assurance and validation of the valuation, 154 properties – representing 57% of the value of the portfolio – have been valued externally by Forum Fastighetsekonomi AB. The properties were selected on the basis of the largest properties in terms of value, but they also reflect the composition of the portfolio as a whole in terms of category and geographical location. Forum's valuation of the selected properties amounted to SEKm 21,109, within an uncertainty range of +/- 5-10% on property level, depending on each property's category and location. Castellum's valuation of the same properties totalled SEKm 21,383, i. e., a net deviation of SEKm –274, corresponding to –1%. The gross deviation was SEKm +620 and SEKm –894 respectively, with an average deviation of 7%.

In addition, NAI Svefa made a desk-top valuation of 41 properties corresponding in value to 25% of the portfolio. NAI Svefa's valuation of the selected properties amounted to SEKm 9,105. Castellum's valuation of the same properties amounted to SEKm 9,348, i.e. a net deviation of SEKm –243 corresponding to –3%. Forum's valuation of the same properties amounted to SEKm 9,216, i.e. a net deviation of SEKm –132 corresponding to –1% compared to Castellum's valuation.

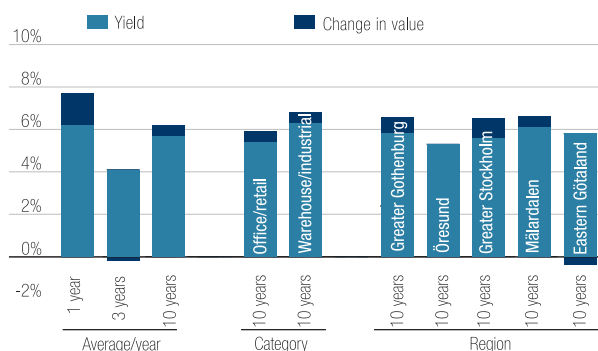
It can be noted that Castellum's deviation from the two external valuers accommodated well within the uncertainty range of +/-5-10%.

### Internal vs. external valuation, SEKm

	2014	2013	2012	2011
<b>External valuer 1*</b>	<b>21,109</b>	<b>19,624</b>	<b>18,527</b>	<b>17,058</b>
Proportion external of internal	57%	52%	52%	51%
Net difference external vs. internal	– 274	– 148	– 377	– 182
D:o %	– 1.3%	– 0.8%	– 2.0%	– 1.1%
Gross deviation positive	620	427	324	347
Gross deviation negative	– 894	– 575	– 701	– 529
Average deviation	7.1%	5.1%	5.4%	5.1%
<b>External valuer 2*</b>	<b>9,105</b>	<b>7,912</b>	<b>7,153</b>	<b>5,652</b>
Proportion external of internal	25%	21%	19%	16%
Net difference external vs. internal	– 243	51	117	88
D:o %	– 2.7%	0.6%	1.6%	1.6%
Gross deviation positive	115	292	268	199
Gross deviation negative	– 358	– 241	– 151	– 111
Average deviation	5.1%	6.8%	6.0%	5.6%

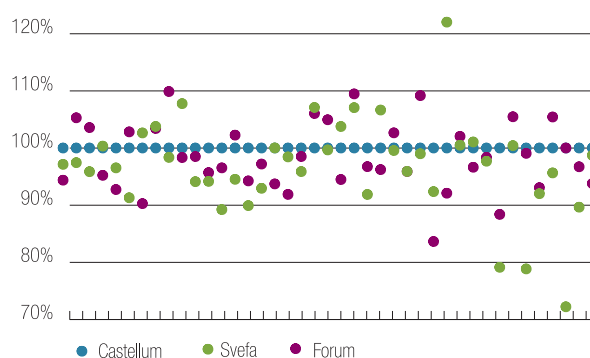
\* Different valuers for different years.

### Total yield in average/year in different cycles until 2014



### Castellum's valuation vs. Forum and Svefa

41 properties, SEK 9 billion corresponding to 25% of the portfolio







# Tax

Castellum will provide financial reporting which is permeated with openness and transparency throughout. This also applies to the handling and accounting of taxes, an issue of such importance to the real estate industry. The Group's main approach is that correct tax will be paid in compliance with prevailing regulations.

Swedish corporate tax rate is 22% and is based on the company's taxable income. Taxable income is based on income before tax adjusted for items according to the current tax legislation: tax depreciations, tax deductible reconstructions, tax effects resulting from sales of properties, changes in value and finally, utilization of tax loss carryforwards.

## Income tax

Castellum's reported income from property management for 2014 amounted to SEKm 1,450 (1,346), while taxable income from property management amounted to SEKm 434 (127). In the absence of tax loss carry forwards, a paid tax of SEKm 96 (28) would occur, attributable to the income from property management, equivalent to 7% effective tax paid.

### Tax Calculation 2014

SEKm	Basis current tax	Basis deferred tax
Income from property management	1,450	
Deductions for tax purposes		
depreciations	- 718	718
reconstructions	- 322	322
Other tax allowances	24	37
Taxable income from property management	434	1,077
Properties sold	6	- 1,695
Changes in value, properties	-	488
Changes in value, interest rate derivatives	- 660	-
Taxable income before tax loss carry forwards	- 220	- 130
Tax loss carry forwards, opening balance	- 921	921
Tax loss carry forwards, closing balance	1,193	- 1,193
Taxable income	52	- 402
Tax according to the income statement	- 11	88

## Tax depreciations

Investments in real estate can be allocated to different parts where the Swedish Tax Authority specifies percentages for tax depreciations: Buildings (2-5% depending on type of property), land improvements 5% and inventories 20% or 30%. Land is not depreciated.

## Tax deductible reconstructions

Costs for repairs and maintenance of a building may be deducted immediately. The "extended repair concept" allows for direct deduction for certain types of value-adding improvements, even if they are capitalized in the accounts.

## Property sales

Properties can be sold directly or indirectly through companies, which have different tax consequences.

Profit on properties that fiscally represent fixed assets is taxable, while a loss is put in a "fold" and can only be netted against profits within the Group from direct sales of properties that represents fixed assets. Profit on sales of shares which from a taxation point of view are considered fixed assets is not taxable, while a loss is not tax deductible.

For properties or shares which fiscally represent current assets a profit is always taxable while a loss is tax deductible.

## Changes in value on properties and derivatives

Swedish accounting laws do not allow reporting of properties at fair value in a legal entity, meaning that changes in value are reported only in the consolidated accounts and hence do not affect taxation. Some financial instruments

such as interest rate derivatives may be reported at fair value in legal entities. For Castellum, changes in value resulting in a negative value on the instrument constitute a tax deductible cost and changes in value up to acquisition value of the instrument are considered a taxable income.

Castellum has no current tax disputes.

## Deferred tax on the balance sheet

Castellum has two entries which make up the basis for deferred tax - properties and tax loss carry forwards. All tax loss carry forwards are reported since expected future taxable income may be used to net the tax loss carry forwards. Deferred tax deriving from properties occurs mainly due to changes in value, tax deductions such as depreciation and deduction of certain reconstructions, which are capitalized in the account.

### Net Deferred Tax Liability 31-12-2014

SEKm	Basis	Nominal tax liability		Real tax liability
Tax loss carry forwards	1,193	262	21%	251
Properties	- 18,602	- 4,092	6%	- 1,080
Total	- 17,409	- 3,830	5%	- 829
Properties, asset acq.	991	218		
In the balance sheet	- 16,418	- 3,612		

Deferred tax is in principle both interest free and amortization free and can therefore be considered as shareholder equity. The real deferred tax is lower than nominal partly due to the possibility to sell properties in a tax-efficient way, partly due to the time factor which means that the tax will be discounted.

Estimated real deferred tax liability net has been calculated to 5% based on a discount rate of 3%. Further, assessments have been made that tax loss carry forwards are realized in 2 years with a nominal tax of 22%, giving a present value of deferred tax liability of 21%, and that the properties are realized in over 50 years where 33% are sold directly with a nominal tax of 22% and that 67% are sold indirectly through company disposals where the buyers tax discount is 6%. This gives a present value of deferred tax liability of 6%.

## The Swedish Committee on Corporate Taxation

In June, the Swedish Committee on Corporate Taxation published its main proposal "Neutral corporate tax - for increased efficiency and stability". One of the key issues is the limited deductibility of financial expenses. For Castellum, this limitation means, all other equal, and notwithstanding the sale of real estate, value changes of derivatives and the use of tax-loss carry forwards, higher paid taxes of about SEKm 100 annually. The final report has been on referral and has met with strong resistance so it is currently unclear whether it will be implemented. If the proposal, despite disapproval from the Swedish business sector, is implemented, the committee proposes effect as of January 1, 2016.

The new government submitted its budget for 2015 to the parliament in October. The budget announced a number of investigations - including "bundling" of properties for sale because the government thinks it is used as a tool for tax planning. The investigation will also review other actions made in order to eliminate stamp duty in sales situations.





# Risks and risk management

As a listed real estate company, Castellum's task is to generate long-term shareholder value by focusing on cash-flow growth, at a low financial risk. The overall objective is to increase income from property management by 10% annually.

Owning and managing properties means that operations are exposed to a variety of risks, both internal and external – or to uncertainties that may affect the Group's ability to achieve the objective. Castellum therefore works with a regular and structured process to identify and actively monitor the full range of financial and non-financial risks that the Group encounters or has to take on. The Group's risk management involves a structured process of decision making with the aim of establishing a balance between the desire to limit uncertainty or risk and the task of generating growth and shareholder value.

## Risks, risk management and classification of risk

Castellum defines risk as an uncertainty factor that may affect the ability to achieve company goals. Risk management involves a structured decision-making process with the aim of balancing the desire to limit uncertainty with achieving the objective. In order to assess the effect of identified risks an internal risk rating is carried out where each risk is assessed, both from the perspective of impact and probability. This process determines whether the risk should be monitored, corrected or handled through the standard review and management.

To facilitate risk management, Castellum has chosen to classify risks into the following categories:

- External environment – risks due to the influence of external factors and events
- The real estate portfolio – risks associated with the ownership of Castellum's real estate portfolio.
- Employees – risks associated with recruiting, training and retaining the right employees
- Management – risks associated with everyday management of Castellum's real estate holdings
- Financing – Castellum's financing risks

## External environment

External environment risks refer to risks due to the influence of external factors, mainly outside Castellum's control and to which Castellum has to relate. These risks can be divided into macroeconomic risks, crises and changes in legislation.

### Macroeconomic risks

Risk	Exposure	Risk management
Macroeconomic risks are risks associated with a general reduction in demand in the economy, low inflation, deflation or situations which entail general difficulties in obtaining financing – or funding at higher credit margins.	A weak economy affects the demand for premises negatively, leading to increased vacancies, falling market rents and loss of indexation for existing leases. In addition, the risk of payment problems, or even bankruptcies, among tenants increases, resulting in immediate negative effects on cash flow. Limited access to funding reduces Castellum's possibility to operate. Ultimately, reduced demand in the economy leads to declining property values.	<ul style="list-style-type: none"> <li>• Strong balance sheet and low loan to value ratio</li> <li>• Well-composed contract portfolio with a wide spread regarding notice of termination, type of business, type of facility, contract size and geographical location</li> <li>• Deflation protection or a minimum upward adjustment of leases</li> <li>• Frequent renegotiations/new credit agreements</li> <li>• Monitor world events</li> <li>• Natural macroeconomic hedging mechanism for higher/lower interest costs and rental income, but with some time delay</li> </ul>

### Crises

Risk	Exposure	Risk management
Crises not only include events such as terrorist attacks, cyber attacks, extreme weather and environmental disasters, but also include key figures disappearing or being exposed to threats or blackmail.	The risk is generally low, but Castellum could become indirectly affected by external factors and events.	<ul style="list-style-type: none"> <li>• Continuity plan IT</li> <li>• Technical IT security such as firewalls and encryption</li> <li>• Order of succession regarding senior executives</li> <li>• Full value insurance properties</li> <li>• Crisis plan</li> </ul>

### Changes in legislation

Risk	Exposure	Risk management
Changes in legislation such as a new PBL (Planning and Building Act), new regulatory framework for banks and a changed tax system.	Changes in legislation may affect future investment opportunities, or lead to increased expenses, resulting in reduced future returns. New banking legislation may affect access to financing, cost of borrowed capital – and might trigger credit clauses that would lead to higher financing costs. Changes in tax rates and tax legislation – such as the Corporate Tax Committee's proposals regarding interest deduction limitations, new regulations concerning tax depreciation and the prohibition for “bundling” of properties – may affect Castellum's future tax expenses.	<ul style="list-style-type: none"> <li>• Actively participate in public debate</li> <li>• Prepare Castellum for new legislation</li> <li>• Frequent renegotiation of credit agreements</li> <li>• Broaden the funding base through multiple sources of funding and financiers</li> </ul>



## Real estate portfolio

Real estate portfolio risks are risks associated with the ownership of Castellum's real estate portfolio, which in turn can be divided into risks concerning the composition of the portfolio, investments, changes in property value and liability risks.

### Composition of the real estate portfolio

Risk	Exposure	Risk management
The composition of the portfolio can be affected at two levels: Unfavourable geographical distribution, which means that Castellum owns properties in the wrong submarket, community or location with respect to i.e. future growth and current urbanization trend; Owning obsolete properties – i.e. a property portfolio that is not future-proof with regard to customer preferences, technical requirements, micro-location or to flexibility in usage and condition of contracts.	Owning the wrong properties may lead to restrictions in future cash-flow and value growth due to increased vacancies, lower rental potential and major investment commitments. In addition, it could also lead to increased demand on Castellum to help develop an area with regard to, for example, infrastructure. Yet another risk is to be stuck with a real estate portfolio in the wrong region, a so called exit risk. All of these factors imply the risk of a permanent decrease in value.	<ul style="list-style-type: none"> <li>• Macro analysis – regular reviews of submarkets regarding economic growth, rental market, cooperative climate, infrastructure investments, etc.</li> <li>• Annual review of the real estate portfolio regarding geographic exposure and property type</li> <li>• The Board's adoption of an annual strategy document</li> <li>• Work closely with customers to identify and understand current and future needs</li> <li>• Actively participate in developing submarkets/regions through local involvement</li> <li>• Continuous upgrading of existing portfolio with regard to technology and environmental issues</li> <li>• Sell properties considered without future potential</li> </ul>

### Investments

Risk	Exposure	Risk management
Erroneous investment strategy or, alternatively: inability to execute the selected investment strategy or to find profitable investment projects.	Low-yield investments and/or lack of growth potential mean that the 10% income-growth objective for property management will not be achieved. Further, yearly net investments constitute a prerequisite for reaching the growth target, which in a highly competitive real estate market means increased risk that the investment strategy can't be carried out.	<ul style="list-style-type: none"> <li>• Operate locally and be an active participant in the market</li> <li>• Annual review and evaluation of the adopted investment strategy</li> <li>• Link investment decisions to the adopted investment strategy to ensure the optimal decision is made</li> <li>• Several parallel investment discussions ongoing simultaneously</li> <li>• Post-investment follow-ups after three years</li> </ul>
Investments can be made either in the form of new constructions, extensions and reconstructions, or by acquisitions. Acquisitions of individual properties can be carried out directly as property acquisition, or indirectly in corporate form. Acquisitions may also be made on a larger scale, either in the form of portfolios for regions or category of properties, or in the form of strategic acquisitions of corporations, i.e. the purchase of an existing organization.	The risks associated with new constructions, extensions and reconstructions concern both technology issues in the form of construction risks – such as selecting suppliers, contract type, technical execution, etc. – and market issues in the form of rental and vacancy risks as well as miscalculations regarding potential rental level and customer requirements. In addition, there are risks in the form of negative environmental impact. Acquisitions via corporations also involve corporate-specific risks pertaining to the acquired companies, for example, taxes, litigations and environmental issues. Furthermore, the task of employee integration often accompanies the transfer of employees.	<ul style="list-style-type: none"> <li>• Risk-based model to determine the proportion of projects that may commence without ready customers</li> <li>• A structured decision-making process which analyzes market conditions and risks</li> <li>• Contract form that limits risk</li> <li>• Leasing agreements designed to limit the negative impact of unforeseen construction delays, additional requirements, etc. when leasing before construction starts</li> <li>• Quality assurance and evaluation of implemented projects</li> <li>• Quality assured due diligence process concerning legal, financial and tax issues</li> <li>• Introduction program for new employees</li> </ul>

### Sensitivity analysis - cash flow

Effect on income next 12 months

	Effect on income, SEKm	Probable scenario	
	+/- 1% (units)	Boom	Recession
Rental level / Index	+ 31/- 31	+	-
Vacancies	- 35/+ 35	-	+
Property costs	- 10/+ 10	-	0
Interest costs	- 67/+ 17*	-	+

\* With the assumption that the interest rate can't fall below 0%

### Sensitivity analysis - change in value

Properties	-20%	-10%	0	+10%	+20%
Changes in value, SEKm	-7,520	-3,760	-	3,760	7,520
Loan to value ratio	61%	55%	49%	45%	41%

### Value range - simplified example

		Net Operation Income	
		- 5%	+5%
Yield	+0.5%	$\frac{95}{7.5\%} = 1,267$	$\frac{105}{7.5\%} = 1,400$
		<div>Net Operating Income <math>\frac{100}{7.0\%} = 1,429</math> Value Yield</div>	
		-11%	- 2%
		+2%	+13%
	- 0.5%	$\frac{95}{6.5\%} = 1,462$	$\frac{105}{6.5\%} = 1,615$

Blue figures relate to change in value.

## Changes in property value

Risk	Exposure	Risk management
Value changes can occur due to macroeconomic factors (see section above, on macroeconomic risks), microeconomic factors (usually the wrong submarket, district or location), or property-specific causes. In addition, there is also the risk of individual properties being incorrectly assessed. Whatever the reason, value changes affect both income statement and Castellum's financial position including loan to value ratio.	Large negative value changes can ultimately lead to the breaking of agreed terms and terminating credit agreements, thus resulting in higher borrowing costs, or - worst-case scenario - in utilized credits falling due for payment.	<ul style="list-style-type: none"> <li>• Strong balance sheet</li> <li>• A large number of properties, a geographically diversified real estate portfolio and great variation in lease agreements – concerted actions which result in lower volatility of the real estate portfolio value</li> <li>• Continuous analysis of the transaction market and quarterly reviews of the valuation of the property portfolio help detect early warning signs</li> <li>• Internal quality assurance of internal valuations and annual external valuations of at least 50% of the portfolio reduce the risk for systematic valuation errors</li> </ul>

## Liability risks

Risk	Exposure	Risk management
All ownerships entail responsibility. For Castellum's part, the properties may be destroyed by fire, water, theft or other damage. Moreover, Castellum may - through negligence - cause damage to a person or to the property of another. The Company might also cause environmental damage for which it will become liable.	Inadequate insurance coverage may result in unforeseen costs for Castellum. Liability and compensation for damage might also arise due to personal injury and damage to the property of another as well as for remediation of environmental damage.	<ul style="list-style-type: none"> <li>• Preventive measures to minimize the risk of damage to property, person or environment</li> <li>• All properties will be covered by full value insurance</li> <li>• Subscribe to an insurance which covers liability and other economic losses</li> <li>• Environmental inventory of existing portfolio and when acquiring new properties in order to identify and address environmental and health risks</li> </ul>

## Employees

To recruit, develop and retain motivated and engaged employee is crucial to Castellum's long-term success.

## Employees

Risk	Exposure	Risk management
Failing to recruit, develop and retain employees and executives with appropriate and high-quality skills.	Bad hires in the wrong place, disgruntled employees, poor leadership and an organization that fails to encourage open dialogue and stimulate development can lead to employees being discontented, under-performing or quitting. In turn, dissatisfied employees and high employee turnover lead to increased costs, poorer customer relations, reduced internal efficiency and - ultimately - to lower profitability.	<ul style="list-style-type: none"> <li>• Castellum's common value-system</li> <li>• Open and transparent work environment</li> <li>• Skills and leadership development</li> <li>• Employee Satisfaction Survey</li> <li>• Succession plan for key employees/management positions</li> <li>• Market and competitive remuneration</li> <li>• Analysis of employee turnover</li> </ul>

## Management

Management risks refer to risks associated with the ongoing management of Castellum's real estate portfolio, which has a direct impact on the income from property management.

## Rental income

Risk	Exposure	Risk management
Rental income is affected by many factors, both external and internal. External factors may include falling market rents, loss of indexation and bankruptcy (see section above on macroeconomic risks). Poor management can result in disgruntled tenants, unnecessary vacancies and customer loss caused by inability to offer customers what they want.	For Castellum, reduced income can be derived from lower rental value, i.e. loss of potential rent obtained from vacant premises, or from lower rental income, which is the actual rent received. Rental income is hence dependent on both the market rent of the property and on how Castellum handles vacancies. Reduced rental income ultimately leads to a decline in the value of the real estate portfolio.	<ul style="list-style-type: none"> <li>• Maintain properties in growth areas and a contract portfolio with a large number of agreements – not dependent on a single tenant or business sector. Ensure a maturity structure spread over time</li> <li>• Proximity to customers and attentiveness to customers</li> <li>• Experienced and competent management and leasing staff who prevent notices of termination through active renegotiations before contract expiry</li> <li>• Competitor analysis; measure customer satisfaction and follow-up of net leasing</li> <li>• Strive for leases with an index clause with deflation protection and minimum indexation</li> </ul>



## Property costs

Risk	Exposure	Risk management
Risks concerning property costs mainly relate to cost increases beyond what Castellum can be compensated for through contractual rents, indexation and surcharge. It can also refer to unforeseen costs and extensive renovation needs.	The price of electricity is determined by supply and demand in an open, deregulated and partly international market. Other media costs are partly controlled by local monopolies, which creates uncertainty in future costs. The basis for calculating ground rent levels may change in future renegotiations, and political decisions can change both tax rate and tax assessment value used for calculating property tax. Indirect costs for employees – such as payroll taxes and other obligations – could also be affected by political decisions.	<ul style="list-style-type: none"> <li>• High percentage of cost recharge</li> <li>• Compensation via minimum indexation</li> <li>• Continuous operations optimization and energy efficiency efforts</li> <li>• Electricity hedging</li> <li>• Demarcation list landlord/tenant</li> <li>• Prevention of rental losses via background checks on customers and operating an "in-house" debt-collecting business</li> <li>• Long-term maintenance planning, in order to optimize maintenance costs over time</li> </ul>

## Regulatory compliance

Risk	Exposure	Risk management
That official reports might not give a true and fair view of Castellum's operations, results and financial position, or that the reporting in some other way does not abide by prevailing regulations.	Misleading reporting by Castellum would result in bad-will and a bad reputation in the market. This could lead to uncertainty among investors, increased risk premium – and ultimately – to negative share-price development. This would cause economic loss for Castellum's current owners. Other effects could include investors making incorrect investment decisions, regulatory authorities exerting sanctions and, in the end, the Castellum share becoming delisted.	<ul style="list-style-type: none"> <li>• A corporate culture based on high ethical ideals and orderliness</li> <li>• Strict internal control processes with several levels of quality assurance</li> <li>• Competent and experienced personnel</li> <li>• Closely following the development of regulations to be able to implement any changes in a timely manner</li> <li>• A compliance function, reporting directly to the Audit and Finance Committee</li> </ul>
Castellum's potential non-compliance with existing regulations or non-adaptation to changing regulations regarding income tax and VAT. Tax is also an important parameter in the context of calculation.	Incorrect tax management might lead to erroneous tax being paid, to tax penalties and, in some cases, to qualified opinion. Poor fiscal management may lead either to an overestimation of the return – which means insufficient actual return. Or it could lead to an underestimation of the return, with the risk of a fundamentally profitable investment not being implemented.	<ul style="list-style-type: none"> <li>• Strict internal control processes and external quality assurance of, for example, income tax returns</li> <li>• Open claims regarding doubtful items</li> <li>• Continuous training of employees</li> <li>• Closely following the development of legislation, praxis and court orders</li> </ul>

## Financing

**Castellum's single greatest risk is not to have access to financing. Conditions, as well as credit market rules can change quickly, thus affecting Castellum's interest rate risks, financial costs and ability to extend existing credit agreements and sign new ones.**

## Financing

Risk	Exposure	Risk management
The liquidity and refinancing risk is the risk that financing is either not available, or conditions are very unfavourable, at any given time.	Property ownership is a capital-intensive business that requires a well-functioning credit market. Access to finance is fundamental for Castellum and for continued growth. Insufficient liquidity reserves could result in Castellum missing out on business opportunities. Furthermore, all lenders are not equally strong financially, which means that counterparty risks are built into the system.	<ul style="list-style-type: none"> <li>• A financial policy which sets minimum levels regarding unutilized credit facility</li> <li>• Liquidity reserves/unutilized credit facility</li> <li>• Multiple sources of financing (bank, MTN, commercial paper programs)</li> <li>• Several lenders, and only counterparties with high credit ratings</li> <li>• Continuous renegotiation of credit agreements</li> <li>• Security through pledged mortgages</li> </ul>
The selected capital structure, the relationship between equity and borrowed capital, has impact on the financial risk where a high proportion loans means a higher risk exposure.	Changes in capital structure might cause Castellum to violate the agreed-upon financial key ratios of the loan conditions, which would lead to more expensive loans or to credit agreements maturing. In addition, confidence in Castellum within the capital market could be negatively affected by not ensuring an appropriate capital structure.	<ul style="list-style-type: none"> <li>• A financial policy regarding loan to value ratio and interest coverage ratio</li> <li>• Strong balance sheet</li> </ul>
The interest-rate risk is the risk that a change in market interest rate will affect cash flow.	The market interest rate is affected by the Riksbank's monetary policy, expectations of economic development – nationally as well as internationally – and unforeseen events.	<ul style="list-style-type: none"> <li>• A financial policy regarding risk mandates</li> <li>• An interest-rate maturity structure spread over different terms</li> <li>• Long-term credit agreements with fixed margins</li> <li>• Revolving loans in order to obtain maximum flexibility</li> </ul>
Changes in value of Castellum's interest-rate derivatives or currency derivatives arising from changes in market interest rate or from the exchange rates between SEK/DKK.	Changes in market interest rate and exchange rates affect the market value of the derivatives portfolio. Improper valuation of derivatives may give an inaccurate picture of the Group's financial position.	<ul style="list-style-type: none"> <li>• A financial policy regarding fixed interest terms and currency risks</li> <li>• Only marketable instruments used in the market, so that listed prices can be obtained</li> <li>• Established formulas for handling calculations</li> <li>• Reconciliation between internal and external valuations</li> <li>• A compliance function to ensure independence</li> </ul>







# Corporate Governance Report

## Sustainable value creation

In this space a year ago, I discussed the balancing act of the Board's two main tasks. On one side of the scale we serve as a control function, and on the other we become a hands-on, close-to-the-source powerhouse that both challenges and supports management. All of this, with the intention of generating long-term shareholder value, which has been Castellum's stated task and hallmark since the IPO almost eighteen years ago. We call it sustainable value creation.

This past year was a strong year for global stock markets. It was also the case for Sweden with a total yield, after restoration of dividends, of 16 per cent for Nasdaq Stockholm. During the same period, the Castellum share generated a total yield of 27 per cent. For the latest three-year and ten-year periods, the Castellum share's average annual total yield reached 17 and 11 per cent respectively. The Board keeps these numbers firmly in mind. Everyday discussions and decisions of the Board as well as management are triggered by, and often land in, the question "Do our operations generate long-term shareholder value?" or more simply: "Is this good for the shareholder?" The guiding principle is a sure thing, but the answers are not always easy or obvious.

As we all know, a number of factors affect the Castellum yield, which Castellum cannot always influence. These include certain macro-economic conditions and investor preferences regarding risk appetite and growth valuation. The Castellum Board of Directors monitors global trends in order to better position the Company to seize opportunities provided by varying world conditions. Throughout, the Board steadily holds the course on company objectives and strategy at an overall level.

From a strategic and tactical perspective, it is equally important to divest as it is to invest. During the autumn, Castellum implemented two major divestments, reflecting the strategy activities of Board and management. Parallel to this, and relentlessly, Company efforts have created growth potential through acquisitions, new constructions, extensions and reconstructions. This has resulted in a considerable flow of business: a number of major, but also smaller, entrepreneurial opportunities for our strong local organizations with proximity to our customers and their varying needs. We grow where Sweden grows. The potential value of numerous smaller investments is very attractive over all. Castellum's high activity level is matched by the committed and proactive climate of the Board, which gathered for twelve board meetings in 2014 – compared with the seven meetings proposed in the initial plan.

Since the AGM in March 2014, we have developed committee work by establishing an Audit and Finance Committee (AFC) of three members, who cover an expanded field of operations. This new work format provides improved

opportunities for closer Board involvement and support for executive management on key issues. One of the areas on the AFC's agenda was the reorganization of accounting and financial activities. This involved a modernization of work processes, efficiency improvements and improved risk management as well as professional development opportunities for our employees.

Access to finance is the largest single risk of a capital intensive business such as real estate. This also applies to Castellum, even though we operate with a much lower loan to value ratio than most Swedish listed real estate companies. Against this background, it was very pleasing that the management team completed renegotiations and new negotiations of credit agreements for SEK 12 billion during 2014, at very favourable conditions. With an LTV ratio of 49 per cent at the end of 2014 and unused long-term credit facilities of SEK 4 billion, Castellum is able to resolutely pursue optimal repositioning of the real estate portfolio. This is in line with the adopted strategy to invest five per cent of the property value annually, in order to deliver the ten per cent growth in cash flow that is Castellum's overall objective.

A final area to highlight from a financial control perspective is the organization of auditors in accordance with a decision from last year's AGM. The transition was smooth and it generated additional value in the form of complementary perspectives on risk-mapping and efficiency issues.

Castellum is Sweden's largest listed real estate company. As a leading representative of the industry, Castellum continues to have high ambitions of contributing to a sustainable society. This is not new for Castellum; it has been a cornerstone since the company rose from the ashes of the real estate crisis in the early 1990s. It has been known by many names, but sustainability is central to what we refer to as responsible business, i.e. to be ecologically, socially and economically responsible. Learn more about our approach and objectives on pages 32–43.

### Being a responsible business is gratifying and profitable.

Let me send a message and highlight a few examples.

The message is that running a responsible business ultimately results in profits. Castellum's promise to our shareholders is to create long-term growth in income from property



management and dividends as the basis for a competitive long-term total yield in relation to risk. We are convinced that farsighted, ambitious and persistent social responsibility constitutes the foundation for sustainable value creation for our shareholders.

Sustainability is also enjoyable on a human level as it allows us to broaden our perspectives. An example of this is the 60 adolescents and young adults from all parts of society who enriched Castellum as a workplace in 2014. They worked as apprentices, holiday workers, interns and trainees for shorter or longer periods. As a company we were enriched by increased diversity and rejuvenation while these young people entered the labour market and acquired the first solid reference for their resumé. We were also able to offer several of them permanent positions. Considering that the total number of Castellum employees is not more than 295, these initiatives corresponded to 20 per cent of the workforce and thus illustrate the broad commitment of our organization. The Board encourages these activities and results, with great pride.

We make sure to hold board meetings at our various subsidiaries in order to keep the Board of Directors close to operations. It's also a great way for Castellum employees to have direct contact with Board members. One of last year's highlights was the December meeting at Eklandia in Lindholmen, Gothenburg. In addition to a thorough presentation of the prospects for this region and its market, we had the opportunity to have a casual lunch with all employees who had gathered for a traditional common activity in aid of the Gothenburg city mission.

The December meeting also gave the Board the opportunity to welcome new CEOs in two of our six subsidiaries: Cecilia Fasth, CEO of Eklandia, with a broad background in Skanska; and Ola Orsmark, CEO of Briggen, from Jernhusen, contributing experience of innovative development in commuter-station areas. We seized the opportunity to listen to their first impressions – what works well and what can we improve. With joint responsibility, Castellum's Executive Group Management develops Company operations in compliance with the strong corporate DNA that characterizes and distinguishes Castellum from other companies.

In the same spirit as we welcome new employees, I would also like to praise a corporate-culture carrier who will leave Castellum in conjunction with the next AGM. Marianne Dicander Alexandersson has declined re-election to the Board after almost 10 years. Marianne leaves behind an enthusiastic and lasting imprint in Castellum's strong development – a legacy for the rest of us to refine and carry into the future.

Another aspect of our role as community builders is to contribute to urban development in the communities

wherein we operate. At the Board's two-day strategy meeting in June, we set aside time to specifically focus on the Aspholmen subsidiary's geographical region Mälardalen in general, and Uppsala in particular. In this fast-growing municipality, Castellum recently developed both the Svalan block and Boländerna. We also met with political representatives and officials to hear about plans and challenges from a broader perspective. The Board members are eager to learn and asked many questions about how and where Castellum can become best – including issues where other real estate companies might currently have the competitive edge.

One ambition of the Uppsala municipality is to expand commercial and industrial life by drawing in new businesses in attractive business categories – to compete with Stockholm. Proximity to Arlanda airport, Uppsala's academic environment with its highly educated workforce, and the area's attractive and affordable housing opportunities, provide strong incentives for business establishment. And to top it all off, attractive office premises are required. This was why it was especially gratifying to ceremonially kick off exactly this kind of property conversion, with the Chairman of the Municipal Executive Board. The conversion of the old EPA department store into modern offices in the Svalan block contributed to the expansion of Uppsala's vibrant urban environment. In addition, Castellum Board members got a chance to meet the new tenants – exactly the kind of enterprise that Uppsala wants to attract.

Castellum can also contribute in other ways, for example, by making the stock market more accessible and closer to potential small investors and local business life. This was the theme when management and other local stakeholders arranged shareholder meetings in Jönköping and Uppsala, and drew a total of almost 400 participants. Institutions and other major shareholders normally enjoy easy access to the management teams of Sweden's major listed companies. However, we want to give our smaller current – as well as potential – shareholders of all ages the opportunity to meet with management with a view to ensuring more diverse funding of Swedish commercial and industrial life. In 2014, the number of Castellum shareholders increased by approx. 4,000 to 16,300.

Finally, I'd like to welcome new shareholders and thank existing owners for their continued confidence in Castellum. The Board and management, as well as all Castellum employees, are ready to seize new business opportunities and challenges – with sustainable value-creation as our guiding light.

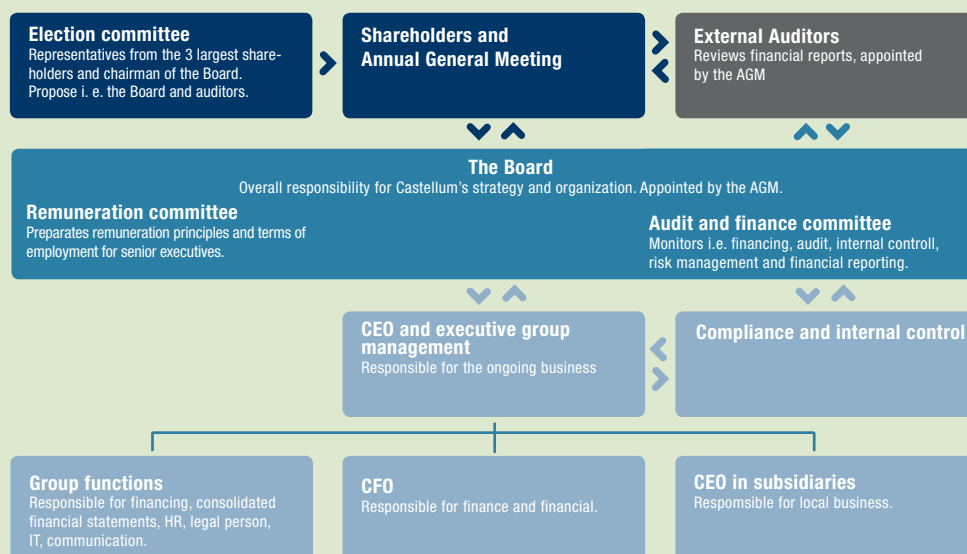
*Stockholm January 2015*

*Charlotte Strömberg*

*Chairman of the Board at Castellum*



## Overall Structure for Corporate Governance



### Major external regulations

- Swedish Companies Act
- Rules for issuers at NASDAQ OMX Stockholm
- Swedish Code of Corporate Governance
- IFRS standard

### Important internal regulations

- Articles of Association
- Board of Directors' rules of procedures
- Beslutsordning
- Policy regarding the composition of Board, signers for the company, authorization
- Rules of procedure in the subsidiary boards
- Policies for communication, finance, insider, sustainability and Code of Conduct
- Manuals and guidelines for important parts of the business
- Processes for internal control and risk management

### Articles of association

The name of the company is Castellum Aktiebolag and the company is a public limited company. The registered office of the Board is in Gothenburg.

The objective of the company's activities is to acquire, administer, develop and sell real estate and securities – directly or indirectly through wholly or partially owned companies – and to carry out other activities compatible with these. Changes in Castellum's articles of association are made in accordance with the regulations in the Companies Act. The articles of association, which also include information on share capital, number of Board members and auditors as well as rules for summons and agenda for the annual general meeting is available as a whole on the company's web site.

### Swedish code for corporate governance

Corporate governance covers the various means of decision making by which the shareholders – directly and indirectly – control the company. Corporate governance has evolved through laws, recommendations, the “Code” (Swedish Code for Corporate Governance), and through self-regulation. It is based upon the comply-or-explain principle, meaning that all rules do not always have to be followed and there is no crime in deviating from one or more particular rules of the Code if there are motives and explanations. The Swedish code for corporate governance is conducted by the Swedish Corporate Governance Board and is found at [www.bolagsstyrning.se](http://www.bolagsstyrning.se).

Castellum applies the Code with the purpose of creating good preconditions for taking on the role of active and responsible ownership. Castellum follows the Code and has no deviation to report. The model above describes the overall structure of corporate governance in Castellum AB.

### Shareholders and Annual General Meeting

Castellum AB (publ) is a Swedish public company governed by the Swedish Companies Act, the NASDAQ Stockholm rules for issuers, the Swedish Code of Corporate Governance and the articles of association.

The Castellum share is listed on the NASDAQ Stockholm AB Large Cap. At year end, Castellum had approx. 16,270 shareholders. Of the total share capital, 48% was owned primarily by Swedish institutions and funds and 52% was owned by foreign investors. Castellum has no directly registered shareholder with holdings exceeding 10%.

The share capital amounts to SEK 86,003,354, distributed among 172,006,708 shares with a par value of SEK 0.50. Each share, except the company's own repurchased shares of 8,006,708, entitles the holder to one vote and carries an equal right to a share in Castellum's capital. There are no warrants, convertible bonds or similar securities which may lead to additional shares in the company.

## Annual General Meeting

The AGM is Castellum's supreme decision-making body where shareholders have the right to make decisions about the Group's affairs.

The AGM is held in Gothenburg during the first half-year after the end of the financial year. The annual general meeting elects the board of directors and the company's auditors as well as making decisions on changes in the articles of association and on changes in the share capital.

Participation in decision-making requires the shareholder's presence at the meeting, either personally or through a proxy. In addition, the shareholder must be registered in the share register by a stipulated date prior to the meeting and must provide notice of participation in the manner prescribed. Individual shareholders requesting that a specific issue be included in the agenda of a shareholders' meeting can normally request the Castellum board to do so well in advance of the meeting via an address provided on the Group's website.

Decisions at the meeting are usually taken on the basis of a simple majority. However, regarding certain issues, the Swedish Companies Act stipulates that proposals must be approved by shareholders representing a larger number of votes than the number of votes cast and shares represented at the meeting.

## Annual General Meeting 2014

The latest AGM was held on March 20, 2014 in Gothenburg Opera, Christina Nilssons gata in Gothenburg. At the AGM, 440 shareholders were represented, representing 42.1% of the total number of shares and votes. All members of the board and the company's auditors and the deputy auditor were present at the AGM.

The AGM adopted the financial reports for 2013 and discharged the board of directors and the chief executive officer from liability regarding operations for 2013.

On the AGM on March 20, 2014 the board of directors decided;

- a dividend of SEK 4.25 per share for the fiscal year 2013,
- that remuneration to the members of the board of directors shall be SEK 2,445,000, of which SEK 585,000 should be allocated to the chairman of the board of directors and SEK 275,000 to each other members of the board. Remuneration for work in the remuneration committee should be SEK 30,000 to each member, chairman included. A separate audit and finance committee has been established with three members, chairman of the board included. Remuneration to the chairman of the audit and finance committee shall be SEK 50,000 and SEK 35,000 to the members.
- remuneration to the auditors during their term of office is based on approved accounts,
- re-election of present board members Mrs. Charlotte Strömberg, Mr. Per Berggren, Mrs. Marianne Dicander Alexandersson, Mr. Christer Jacobson, Mr. Jan Åke Jonsson and Mr. Johan Skoglund. Mrs. Nina Linander was elected as new member of the board. Mrs. Charlotte Strömberg was re-elected as chairman of the board of directors.
- re-election of the authorised public accountant Mr. Magnus Fredmer (EY). The authorised public accountant Mr. Hans Warén (Deloitte) is elected as new auditor. The authorised public accountant Mr. Fredrik Walméus (Deloitte) is elected as new deputy auditor,
- to approve the Board's proposed guidelines for remuneration to members of the executive management,
- to authorize the Board in order to adjust the company's capital structure and be able to transfer company-owned shares as a payment or financing of real property investments to resolve on the acquisition and transfer of company-owned shares.

Minutes of the annual general meeting held on March 20, 2014 are available on the company's web site.

## Annual general meeting 2015

For the AGM on March 19, 2015 the board of directors proposes:

- a dividend of SEK 4.60 per share and March 23, 2015 as record day,
- guidelines for remuneration to the executive management,
- a renewed mandate for the Board to decide on purchase or transfer of the company's own shares.

The election committee proposes for the AGM;

- re-election of the present board members Mrs. Charlotte Strömberg, Mr. Per Berggren, Mr. Christer Jacobson, Mr. Jan Åke Jonsson and Mr. Johan Skoglund, as members of the board of directors. Mrs. Anna-Karin Hatt is proposed to be elected as new member of the board of directors. Mrs. Charlotte Strömberg is proposed to be re-elected as chairman of the board of directors.
- that remuneration to the board of directors is proposed to be the following. The chairman of the board of directors: SEK 640,000, other members of the board of directors: SEK 300,000, member of the board of directors' remuneration committee, including the chairman: SEK 30,000, chairman of the board of directors' audit and finance committee: SEK 50,000, other members of the board of directors'

audit and finance committee: SEK 35,000. The proposed total remuneration to the members of the board of directors, including remuneration for committee work, accordingly amounts to SEK 2,650,000 (SEK 2,445,000 previous year).

- for AGM to decide on appointing an election committee for the AGM 2016 and for the Chairman to contact the three largest registered or in an other way known shareholders at the end of the last day of share trade in August 2015 and invite them each to appoint one member to the election committee, and that the three appointed members together with the Chairman of the Board of Directors shall constitute the election committee. The election committee appoints a chairman amongst its members. The names of the members of the election committee shall be made public no later than six months before the next annual general meeting.



## Election Committee

The election committee is the shareholders' body responsible for presenting proposals for the AGM; that is, for Chairman of the Board of Directors, remaining members of the Board of Directors, auditors, and their respective remunerations. The AGM then elects the Board of Directors and auditors

The Annual General Meeting 2014 decided that an election committee should be appointed for the AGM 2015 in order to present proposals for the number of members of the board of directors, election of members of the board of directors, chairman of the board of directors and remuneration to members of the board of directors and model for appointing a new election committee for the AGM 2016.

The election committee's proposals are publicly announced no later than on the date of notification of the AGM. Shareholders may contact the election committee with proposals for nomination.

The election committee is appointed according to the AGM's decision that the election committee should be established by the chairman of the board of directors that will contact the three largest ownership registered or otherwise known shareholders as per the last share trading day in August and invite them each to appoint one member. The three members appointed constitute, together with the chairman of the board of directors, the election committee. The election committee appoints a chairman amongst its members.

The election committee to the AGM 2015 consists of Mr. Rutger van der Lubbe representing Stichting Pensioenfonds ABP, Mr. Björn Franzon (chairman) representing the Szombatfalvy family and Stiftelsen Global Challenges Foundation, Mr. Johan Strandberg representing SEB Fonder and Mrs. Charlotte Strömberg, chairman of the board of directors of Castellum.

### Election committee AGM 2015

Representative	Representing	Share of votes August 31, 2014
Rutger van der Lubbe	Stichting Pensioenfonds ABP	approx. 7.2%
Björn Franzon	Magdalena and László Szombatfalvy and Stiftelsen Global Challenges Foundation	approx. 5.8%
Johan Strandberg	SEB Fonder	approx. 4.2%
Charlotte Strömberg	Chairman of the board in Castellum AB (publ)	

Prior to the 2015 AGM, the election committee has held four meetings with recorded minutes. All relevant issues that need to be addressed to comply with the Swedish Code for corporate governance have been dealt with. Among various issues, the election committee has discussed and considered:

- to what extent the current board of directors fulfils the requirements that will be imposed on the board of directors as a result of Castellum's operations and development phase,
- how many people should constitute the Board,
- which areas of expertise are, and should be, represented on the board of directors,
- the composition of the board of directors with respect to experience, gender and background,
- remuneration to the members of the board of directors,
- which model should be used for appointing a new election committee for the AGM 2016.

The election committee has received a detailed review of the outcome of the comprehensive evaluation of the board of directors. The review was conducted by a company specializing in board evaluations. Furthermore, the election com-

mittee has conducted a recruitment process which included contacts with a recruitment consultant, the drawing up of a set of requirements for the recruitment of a director of the board as well as meetings with candidates for the Castellum Board of Directors. Moreover, in connection with the board evaluation review, the recruitment process and Committee work in general, the election committee has continuously focused on how gender balance in the board is to be maintained.

In order to assess a proposed board member's independence in relation to Castellum and its executive management as well as to the larger shareholders in Castellum, the election committee has gathered information on proposed members for the board of directors. The election committee has assessed that all proposed board members are to be considered as independent in relation to Castellum, its executive management and to the larger shareholders in Castellum. Finally, the election committee has informed the company about its activities and which proposals the Committee has decided to put forward.

The election committee's proposals to the AGM are shown on the previous page. The proposed board of directors is considered to possess the required versatility, broad competence, experience and background relevant for Castellum operations, development phase and mixed range of circumstances. The election committee's proposals mean that three of seven board members are women, including the chairman. The maintenance of a gender balance on the board has been a crucial prerequisite for the work of the election committee.

## External auditors

The external auditors are appointed by the AGM and responsible for the shareholders at AGM. They are independent reviewer of Castellum's accounting and corporate governance report and also reviews the board and the CEO.

Castellum's auditors are elected by the AGM for a period of three years. The present period began in 2014 and the next election will therefore take place at the AGM in 2017. The company's auditors are Hans Warén, who works at Deloitte, Magnus Fredmer, who works at EY and deputy auditor Fredrik Walméus, who works at Deloitte. All are certified public accountants.



Magnus Fredmer  
Born 1964  
Company's auditor  
since 2011



Hans Warén  
Born 1964  
Company's auditor  
since 2014



Fredrik Walméus  
Born 1971  
Company's deputy  
auditor since 2014

### Remuneration to auditors

thousand SEK	2014	2013	2012
Audit assignment	1,950	2,535	2,610
Audit business in addition to the audit assignment	92	236	221
Tax consulting	1,297	1,075	1,481
Other consulting	719	739	8
<b>Total</b>	<b>4,058*</b>	<b>4,585</b>	<b>4,320</b>
of which KPMG		4,349	4,127
of which Ernst & Young		236	193
Deloitte		—	—

\* Of which thousand SEK 3,908 to the head auditor (KPMG resigned and Deloitte newly elected).

## The Board

The shareholders appoint the Board at each Annual General Meeting. The Board has the overall responsibility for Castellum's strategy and organization and manages Castellum's affairs on behalf of the shareholders. According to the articles of association, Castellum's Board will consist of no less than four and no more than eight members. Board members are elected at the AGM and will hold office from their appointment until the conclusion of the first AGM following their appointment.

During 2014, the Board was made up of seven regular members. The Board works according to a set of procedural rules containing instructions on the allocation of work between the Board and the CEO. No board member is entitled to remuneration if leaving the assignment.

New Board members receive an introduction of the company and its operations and take the stock exchange's training program according to agreement with the stock exchange. The Board receives regular information of regulatory changes and issues concerning the operations and board responsibilities for a listed company.

For Board decisions the rules of the Companies Act apply, stating that at least half of the board members present and more than one third of the total number of board members must vote in order for a decision to be made. On equal count the Chairman has the deciding vote. The Board's work is governed by the Swedish Companies Act, the Code and the Board's rules of procedure.

### The Board of Directors responsibility

According to the Swedish Companies Act and the Board of Directors' rules of procedure, the Board is responsible for outlining overall, long-term strategies and objectives, budgets and

business plans, reviewing and establishing the accounts, as well as making decisions on issues regarding investments and significant changes in Castellum's organization and operations.

The Board appoints the company's Chief Executive Officer and sets remuneration and other terms of employment benefits for the CEO. Below there is a description of the Board's year.

### The Board of Directors' rules of procedure

The Board of Directors' rules of procedure are set annually. The rules of procedure describe the work of the Board and the distribution of responsibility between the Board and the Chief Executive Officer. The rules of procedure also state which topics should be dealt with at each Board meeting and give instructions regarding the financial reporting to the Board of Directors.

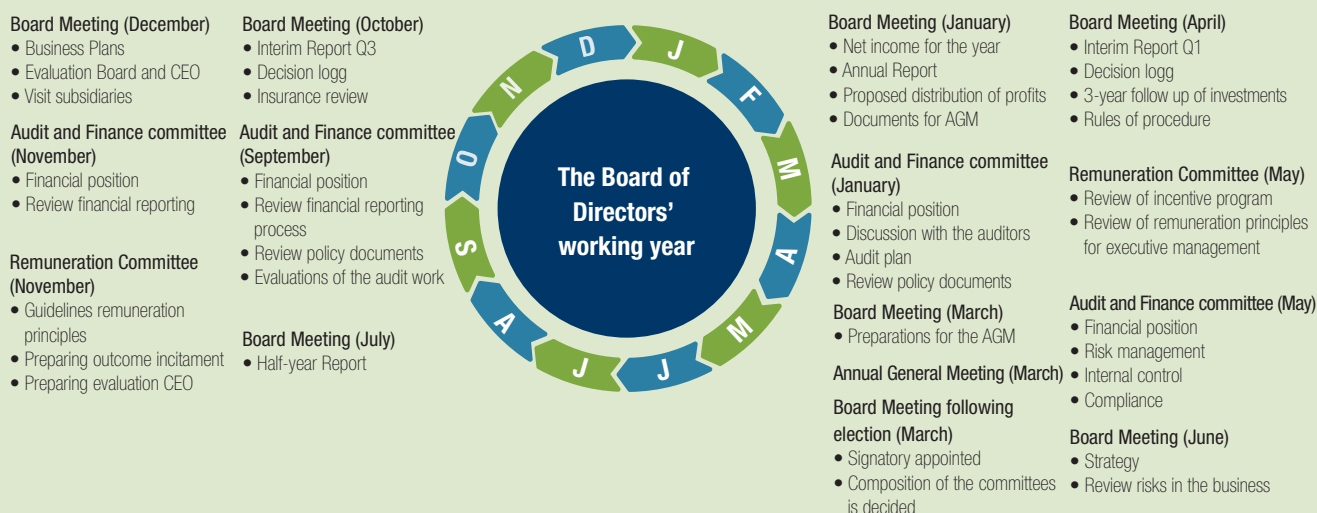
The rules of procedure also prescribe that the Board will have an audit and finance committee and a remuneration committee. The committee reviews and prepare recommendations to the board on various matters. Members of the committees are appointed yearly. The Chairman of the Remuneration Committee should be the Chairman of the Board of Directors and the Chairman of the Audit and Finance committee is appointed by the Board.

### The Chairman of the Board of Directors

The Chairman of the Board of Directors is responsible for making sure that the members of the Board regularly receive information needed from the Chief Executive Officer in order to follow up on the company's financial position, results, liquidity, financial planning and development. The Chairman of the Board of Directors is also obliged to fulfill decisions made by the Annual General Meeting regarding establishment of a election committee and to participate in the work of the committee.

## The Board's year

Issues besides current state of operations, prospects, investments, sales, financing and reports from the chairman of the committee about the committee's work.





## Board of Directors



**Charlotte Strömberg**

Chairman of the Board since 2012

Born 1959, Master of Business administration and Economics, Stockholm School of Economics.

Chairman of the Board in Castellum, Chairman of the Remuneration Committee and member of the Audit and Finance Committee

**Previous positions:** CEO for the nordic business at Jones Lang LaSalle, leading positions in investment banking at Carnegie Investment Bank and Alfred Berg (ABN AMRO).

**Board assignments:** Director in Bonnier Holding AB, Boomerang AB, Intrum Justitia AB (publ), Karolinska Institutet, Ratos AB (publ), Rezidor Hotel Group AB (publ) and Skanska AB (publ).

**Shareholding in Castellum AB:** 8,000



**Per Berggren**

Board member since 2007

Born 1959, Master of Science KTH and economic education from Stockholm University. CEO of Hemsö Fastighets AB.

Board member in Castellum, member of the Remuneration Committee.

**Previous positions:** CEO of Jernhusen AB, division manager in Fabeg AB (publ), CEO of Drott Kontor AB and property manager in Skanska Fastigheter Stockholm AB.

**Board assignments:** Board member in BRIS

**Shareholding in Castellum AB:** 3,000



**Marianne Dicander Alexandersson**

Board member since 2005

Born 1959, Master of Business Administration and Economics.

Board member in Castellum.

**Previous positions:** CEO Sjötte AP-fonden and Kronans Droghandel and Global Health Partner AB (publ), deputy CEO of Apoteket AB and positions within Volvo, ICI, Pharmacia.

**Board assignments:** Director of Mölnlycke Healthcare AB, Recipharm AB (publ), Enzymatica AB (publ) and IWF International Women forum.

**Shareholding in Castellum AB:** 3,030



**Christer Jacobson**

Board member since 2006

Born 1946, Master of Business Administration and Economics DHS. Own operations in Bergsrådet Kapital AB.

Board member in Castellum.

**Previous positions:** Stock commentator and market manager at Affärsvärlden and Head of Analysis and CEO of the Alfred Berg-group.

**Board assignments:** Director in Global Challenges Foundation and Viscogel AB

**Shareholding in Castellum AB:** 30,000



**Jan Åke Jonsson**

Board member since 2012

Born 1951, education in computing and business administration from Högre Tekniska Läroverket in Linköping and Uppsala University.

Board member in Castellum, member of the Remuneration Committee.

**Previous positions:** CEO at Saab Automobile AB and different operational management positions in Saab Automobil and General Motors.

**Board assignments:** Chairman of the board of directors of Polstiernan Industri AB, Väst kustens Affärsänglar AB and Datachassi AB. Board member in Fund of Jönköping University and Opus Group AB (publ).

**Shareholding in Castellum AB:** 2,000



**Nina Linander**

Board member since 2014

Born 1959, Master of Science Handelshögskolan, Stockholm and MBA from IMD, Lausanne, Schweiz.

Board member in Castellum, Chairman of the Audit and Finance Committee

**Previous positions:** Founder and partner of Stanton Chase International AB, manager group Finance at AB Electrolux (publ), management positions in Vattenfall AB and experience from corporate finance at various investment banks in London.

**Board assignments:** Director in Awapatent AB, Industrivärden AB (publ), Skanska AB (publ), Specialfastigheter Sverige AB och TeliaSonera AB (publ).

**Shareholding in Castellum AB:** 8,000



**Johan Skoglund**

Board member since 2010

Born 1962, Master of Science KTH and the program of Master of Science Stockholm School of Economics. CEO JM AB (publ).

Board member in Castellum, member of the Audit and Finance Committee.

**Previous positions:** Has experience since 1986 from JM AB (publ) in different positions

**Board assignments:** Director of JM AB (publ), Mentor Sverige and Infranord AB.

**Shareholding in Castellum AB:** 3,000

Johan Ljungberg, lawyer at Mannheimer and Swartling, is the Secretary of the Board.

Board of Directors	Remunerations, thousand SEK	Attendance meetings			
		Board meetings	Remuneration committee	Audit and finance committee	Independent
Charlotte Strömberg	650	12 of 12	3 of 3	4 of 4	Yes
Per Berggren	305	12 of 12	3 of 3		Yes
Marianne Dicander Alexandersson	275	12 of 12			Yes
Ulla-Britt Fräjdin-Hellqvist (resigned March 2014)	–	2 of 2	1 of 1	1 of 1	Yes
Christer Jacobson	275	12 of 12			Yes
Jan Åke Jonsson	305	12 of 12	2 of 2		Yes
Nina Linander (elected March 2014)	325	9 of 10		3 of 3	Yes
Johan Skoglund	310	12 of 12		4 of 4	Yes

The information above refers to the situation in the end of January 2015. Shareholdings include own holdings and those of spouse, minors or children living at home and associated companies and holdings through capital assurance.

### **The Board of Directors activities during 2014**

During 2014, Castellum's Board has held 12 meetings of which one was a Board meeting following election. According to the prevailing procedural rules, the Board must hold at least seven scheduled board meetings each calendar year, of which one is a Board meeting following election.

Board meetings are held in connection with the publication of the company's reports, year end, proposed appropriation of profits and issues relating to the AGM (dealt with in January), interim accounts (April, July and October), strategy (June). The Business Plan for the next year is dealt with at the meeting held in December.

At each of the scheduled Board meetings, matters of significance for the company, such as investments, sales of properties and funding are covered. Furthermore, the Board is informed about the current state of operations and the rental and real estate markets as well as the credit and stock markets. The regular matters dealt with by the Board during 2014 included the Business Plan, company-wide policies, overall strategies, the procedural rules for the Board, the capital structure and funding needs, business model and organizational issues, and the company's insurance situation.

During 2014, the Board has made a comprehensive external evaluation of its work, using a company that specializes in board evaluations. The evaluation demonstrated an open and constructive climate and well-functioning decision making.

The evaluation has been handed over to the election committee and the Board for discussion. The evaluation covers topics such as working climate, working procedures in the business process, crisis management, follow-up and control systems, morals, ethics and communication.

The evaluation and following monitoring in the Board serves as a basis for the continuous development of the Board's work and ensures that the Board can make decisions which are as well-informed as possible.

No other in addition to the remuneration for work in the board and committees has been paid.

### **Remuneration Committee**

The Remuneration Committee continuously evaluates the remuneration to executive management in view of current market conditions. The Committee prepares matters for decisions in the Board. The members of the Remuneration Committee are appointed once a year.

The Remuneration Committee consists of three Board

members including the Chairman of the Board who is Chairman in the Remuneration Committee. The Committee's rules of procedure is a part of the board of directors rules of procedure which are established each year. The Remuneration Committee's functions are:

- prepare and propose to the board remuneration principles, remuneration and other employment terms for the CEO and senior executives. The guidelines for remuneration of senior executives are to be submitted to the Board and decided upon at the Annual General Meeting,
- monitor and evaluate ongoing and completed incentive plans for senior executives. The evaluation is to be presented on the company's website,
- annually evaluate the work of the CEO.

The Remuneration Committee will meet at least twice a year. During 2014, the Committee held four meetings. Issues addressed at the meetings included the review of the remuneration of the CEO and Group Executive, decisions about changes in the remuneration of members of executive management, evaluation and follow up of previous incentive programs and HR and succession issues. In 2014, the Remuneration Committee also made a comprehensive external evaluation of the CEO's efforts and prepared individually targeted factors under the annual profit based incentive program.

### **Audit and Finance Committee**

The Audit and Finance Committee monitors financial and audit matters and submits them to the Board for decision. The Chairman and members of the Committee are appointed yearly.

The Audit Committee consists of 3 members and the Committee's rules of procedure consist of a part of the Board of Directors rules of procedure which are established each year. The Audit Committee's functions are:

- Review and monitor financial reports in order to monitor the effectiveness of internal audit and risk management,
- Monitor work on capital structure and other financial matters and prepare funding issues for decisions in the Board,
- Monitor the efforts concerning risks in the business and compliance and submit an annual report on internal control,
- Keep informed about the Annual Report and consolidated accounts,
- Review and monitor the auditor's impartiality and independence, and evaluate auditing activities and inform the election committee of the outcome of the evaluation,
- Assist the Committee in preparing proposals for auditors and compensation to them.

## **The Board 7 members**

### **Remuneration Committee**

**3 members** (Chairman Charlotte Strömberg and members Per Berggren and Jan Åke Jonsson)

- Guidelines for remuneration principles
- Remuneration to the executive management
- Incentive program
- Evaluation of the CEO

### **Audit and Finance Committee**

**3 members** (Chairman Nina Linander and members Charlotte Strömberg and Johan Skoglund)

- Financial reporting
- Financing and capital structure
- Risk management and compliance
- Audit
- Policies



The Audit and Finance Committee will meet at least three times a year, and of these, the Group's auditors will attend at least twice. On one of the occasions when the Audit and Finance Committee meets with the auditors, no one from corporate management is to be present. In 2014, the Audit and Finance Committee met four times. Some of the issues attended to at the meetings involved, for example: capital structure and financing issues, financial reporting, review of future regulations and their possible consequences for Castellum, internal control and risk management, and the work of the auditors – including their impartiality and independence, investment process and development of policies. During the year, the Audit Committee has also held a private meeting with the compliance officer without the presence of management.

#### CEO and Executive Group Management

The Chief Executive Officer is responsible for the company's day-to-day management and for leading operations according to the guidelines and directives submitted by the Board of Directors. The CEO also provides the Board with information and the necessary documentation for decision-making. The CEO leads the work of Executive Group Management and makes decisions after consulting its members.

#### The Chief Executive Officer

The Chief Executive Officer reports at the Board meetings and assures that members of the Board regularly receive the information required to follow the company's and the Group's financial position, results, liquidity, and development.

#### Executive Group Management

The Executive Group Management consists of the Chief Executive Officer, the Chief Financial Officer, the Head of Business Development of Castellum AB and the six Managing Directors of the Subsidiaries. Each member of the Executive Group Management has their own area of responsibility and at the meetings, mostly issues of overall operations are covered. Executive Management has held 9 meetings in 2014.

In 2014, Ulrika Danielsson took up a new position as Chief Financial Officer (CFO) at Castellum. During the year, Cecilia Fasth took over as CEO of Eklandia Fastighets AB and Ola Orsmark took over as CEO of Fastighets AB Briggen. The Chief Executive Officer and the Finance Director together with the Managing Director of each Subsidiary constitutes the Board for each local subsidiary.

#### Guidelines for remuneration for senior executives

The AGM 2014 decided on the following guidelines for remuneration for senior executives:

Castellum is to uphold competitive remuneration levels and attractive terms of employment to recruit and maintain excellent management with the competence and capacity to achieve set objectives. A fixed salary will be paid for work performed in a satisfactory manner. In addition, flexible remuneration under an incentive plan may also be offered. The formulation is based on the objective of interconnect-

ing the executive team's interests with shareholder interests and that senior management members are also shareholders in Castellum. Moreover, it entails that an increased proportion of total remuneration is directly connected to the Group's development. This flexible remuneration will aim to promote long-term value creation within the Group. Flexible remuneration which generally cannot exceed the fixed salary is determined by how far in advance its objectives for growth in property management earnings-per-share and share-price-development are achieved. It is also determined by how well soft factors, such as customer and employee satisfaction, are developed. Flexible remuneration is paid as non-pensionable salary. Executives who receive flexible remuneration are committed to acquiring Castellum shares for at least half the amount of flexible remuneration after tax.

The pension terms of executive management are to be set according to general market practice and will be based on pension plans with fixed payments.

Upon termination by the Company, such period of notice shall not exceed 24 months for the Chief Executive Officer and 12 months for other executives, with the obligation to work the first six months. During the notice period full salary and other benefits are paid, less pay and compensation received from other employment. Such deduction will not be made in respect of the Managing Director. A severance pay, corresponding to twelve fixed monthly salaries, will be paid to the Managing Director upon termination by the company. Such severance pay will not be reduced due to other income received by the Managing Director. Castellum has followed the guidelines decided by the AGM 2014.

The proposed guidelines for remuneration for senior executives which will be put forward at the AGM on March 19, 2015 are in principle unchanged compared with those put forward at the AGM in 2014.

The incentive program for the executive group management in respect of the annual profit-based bonus, is to be applicable for 2014, 2015, 2016, and for the share-priced-based bonus, the effective period is June 1st, 2011–May 31, 2017.

For further information regarding remuneration see note 10.

#### Compliance and internal control

Castellum has a Compliance Officer who monitors compliance, i.e. ensures that laws, regulations and internal rules are complied with.

Castellum's internal control is based on the established "COSO" framework, which consists of the following components: control environment, risk assessment, control activities, information, communication and monitoring. Castellum's internal control is described on pages 84–85.

The Compliance Officer supports business activities by identifying and following up business risks. The Compliance Officer regularly reports risks and compliance to the CEO, as well as to the audit and finance committee.

# Executive Group Management



**Henrik Saxborn**

Chief Executive Officer, Castellum AB  
Born 1964, Master of Science.

Multi-dimensional experience from construction business, management and acquisition of properties, i.e. as CEO for a property management company. Other assignments: member of EPRA Management Board and chairman at CMB, Chalmers.

Employed since 2006.

Shareholdings: 30,342



**Ulrika Danielsson**

Chief Financial Officer Castellum AB  
Born 1972, Master of Business Administration and Economics.

Varied experience within the financial and controlling function.

Employed since 1998, Finance Director since 2006 and CFO since 2014.

Shareholdings: 10,700



**Tage Christoffersson**

Head of Business Development Castellum AB  
Born 1952, upper secondary school and real estate/economy at KTH

Has been working in the real estate business since 1976.

Employed since 1994 and Managing Director of Eklandia since 1995 and Head of Business Development at Castellum AB since 2013.

Shareholdings: 56,000



**Cecilia Fasth**

Managing Director Eklandia Fastighets AB  
Born 1973, Master of Science

National and international experience from the construction and property sector since 1996.

Employed and Managing Director of Eklandia since 2014.

Shareholdings: 1,500



**Claes Junefelt**

Managing Director Fastighets AB Corallen  
Born 1960, Master of Science

Solid experience from building construction as team manager/district manager.

Employed and Managing Director of Corallen since 2005.

Shareholdings: 14,320



**Claes Larsson**

Managing Director Aspholmen Fastigheter AB  
Born 1957, Master of Science

Deep and varied experience from building construction as team manager/district manager.

Employed and Managing Director of Aspholmen since 2002.

Shareholdings: 27,600



**Anders Nilsson**

Managing Director Fastighets AB Brostaden  
Born 1967, Master of Science

More than 20 years experience from the real estate business.

Employed since 1993 and Managing Director of Brostaden since 2006.

Shareholdings: 12,834



**Ola Orsmark**

Managing Director Fastighets AB Briggen  
Born 1971, Master of Science

Fully experienced from the real estate business, most recently as Business Area Manager at Jernhusen.

Employed and Managing Director of Briggen since 2014.

Shareholdings: –



**Christer Sundberg**

Managing Director Harry Sjögren AB  
Born 1955, Master of Science

More than 25 years experience from banks and real estate companies.

Employed and Managing Director of Harry Sjögren since 1993.

Shareholdings: 52,255

*The information above refers to the situation at the end of January 2015. Shareholdings include personal holdings and those of spouse, minors or children living at home and associated companies and holding through capital assurance. CEO has no significant shares or ownership in companies with whom Castellum has significant business relations.*



## Internal control

According to the Swedish Companies Act and the Swedish Code for Corporate Governance, the Board of Directors is responsible for internal control. This report has been drawn up in accordance with the Swedish Annual Accounts Act and the Code for corporate governance and is therefore limited to internal control regarding financial reporting.

Internal control in Castellum follows an established framework, Internal Control – Integrated Framework, “COSO”, comprising the following five components: control environment, risk assessment, control activities, information-and-communication, and monitoring. A schematic description of the internal control is shown below.

### Control environment

The basis for internal control of financial reporting comprises a control environment, which consists of various parts that form Castellum’s management culture and values. The fundamentals for Castellum’s internal control comprise the following: a decentralized small-scale organization with approx. 600 properties, as well as cost centres, which are managed by six Subsidiaries. The decision-making processes, authorizations and responsibilities which have been drawn up and communicated in documents such as the Board of Directors’ rules of procedure, rules for decision making, rules for authorization, accounting and reporting manuals, internal policies and manuals, etc., are also important for internal control. Documents in use are updated regularly to reflect changes in legislation, accounting standards or listing requirements etc.

### Risk assessment

At Castellum, risk management is built into our processes and various methods are used to evaluate and limit risks. We secure that the risks Castellum is exposed to are managed in accordance with set policies and guidelines. In

accordance with the rules of procedure, the Board of Directors, and the Audit Committee, review internal control once a year. Identified risks are assessed and measures are set to reduce these risks. The important risks Castellum has identified in financial reporting are errors in accounting and valuation of properties, interest-bearing liabilities, taxes and VAT, as well as the risk of fraud, loss or embezzlement of assets.

### Control activities

The risks identified in financial reporting are addressed by the company’s control structure, resulting in a number of control measures. The control measures aim to prevent, discover and correct errors and deviations. They comprise analytical reviews on many levels in the organization: comparisons of income statement items; reconciliation of accounts; follow-up and reconciliation of Board decisions and policies set by the Board; authorization and reporting of business transactions; structure for proxy and authorization; authorized signatory; compliance-officer activities; group-wide definitions; templates and tools for reporting as well as accounting and valuation principles.

Castellum subsidiaries have their own financial functions, which take part in the planning and follow-up of financial results for their units. The regular self-analysis of unit financial reporting and the analysis made at Group level constitute an important part of internal control. This ensures that financial reporting does not contain any significant errors.

Board reviews the interim and annual reports before publishing.

### Information and communication

Castellum has processes for information and communication that aim to ensure the effective and correct distribution of information regarding financial reporting. This demands that all areas of the operation communicate and share relevant and important information. Policies and guidelines regarding financial reporting as well as updates and changes

## Castellum’s internal control environment



### The internal control is governed by

- Board of Directors' rules of procedures
- Rules for decision making
- Instructions for authorization
- Accounting manuals
- Reporting manuals
- Finance policy, communication policy, insider policy, sustainability policy and Code of Conduct
- Guidelines for information security, insurance and electricity trading
- Accounting manual, HR manual, Manager manual
- Finance instructions
- Continuity plan

are made available and clearly communicated to the personnel concerned. Executive management, as well as the Board of Directors regularly receive financial information about the subsidiaries with comments on financial results and risks. The Board of Directors also receives additional information regarding risk management, internal control and financial reporting from the auditors through the Audit and Finance Committee. In order to ensure that the external distribution of information is correct and complete, we have both a policy for communicating with the stock market and an information security policy.

### **Company culture**

That Castellum's operations are conducted in a responsible way is a prerequisite for the company's long-term successful business. The objective is to make sound and proper business decisions in all respects, high business morality, good business ethics, responsibility awareness and impartiality. The base of Castellum's code of conduct is to offer good quality and service, to follow laws and regulations, not to discriminate against anyone and to create good working environment and safety.

Cornerstones for Castellum's company culture have been: The decentralized organization, which creates responsibility and committed employees, where each single colleague is a business collaborator. The geographical proximity to customers, community, suppliers and other parties involved creates a responsibility to act correctly and businesslike.

In Castellum's flat organization each employee has an important role and new ideas are valued. A high level of competence is available within the organization.

### **Monitoring**

Regular follow-ups take place on many levels in the Group, on both property-level and Subsidiary-level as well as Group level. The Board of Directors, which also makes up the Audit Committee, regularly evaluates the information provided by company management and the auditors. The

company's auditors also report in person directly to the Audit Committee at least twice a year re their observations from the audit and their assessment of internal control. In addition, the Audit and Finance Committee conducts an annual review of the risk assessments and agreed-upon measures. Monitoring by the Audit and Finance Committee and the Board of Directors is of particular importance for the development of internal control and for ensuring that measures are taken for potentially emerging shortcomings and suggestions.

### **The need for internal audits**

Castellum features a small-scale organization with six local subsidiaries. Together, these units manage approx. 600 cost centres. All property management is run by the Subsidiaries while financial management is taken care of by the parent company's Treasury Department. This means that Castellum AB is not a profit centre. It places the financial function of the parent company in the twin roles of a controlling function for the Subsidiaries as well as a compliance-officer function for the treasury department. The Finance Director in the parent company also reports directly to the Finance and Audit Committee, without other management in attendance, observations being made or measures taken relating to compliance. In all, this structure provides a rationale for the assessment that there is no need for a special internal auditing unit.

### **Whistleblower**

During 2014, Castellum has implemented a whistleblowing-service "Help us to do right", which can be reached by all the web pages in the Group. The whistleblowing-service is an early warning system which provides both employees as well as external partners a possibility to anonymously report a concern about something that is not in line with Castellum's corporate values and business ethics. The service is administered by an external partner to ensure anonymity and professionalism.

### **Group policies issued by the Board**

	<b>Aim</b>
Financial policy	Establishes overall objectives and guidelines for financial risk and how financial operations will be run. The financial policy also specifies how responsibility for the financial operations will be distributed and how financial risks will be reported and monitored. The financial policy includes instructions for how operational activities will be run.
Communications policy	Ensures that all Group communication is accurate and provided in a professional manner, with optimal timing. The policy covers both internal and external communications.
Insider policy	Ensures ethical activities in the capital market through description of trade and reporting requirements.
Sustainability policy	Provides guidelines for how the Group's sustainability activities will be pursued. The efforts will contribute to sustainable development and constitute an integral and natural part of Castellum's operations, which are based on participation and engagement.
Code of Conduct	Offers guidelines to ensure that business operations are run in a responsible manner, with the objective that all business decisions are sound and healthy. The Code of Conduct will govern the Group's actions in relation to employees, contractors, customers, suppliers and other stakeholders.



# Quarterly Summary

	Jan-March 2014	Apr-June 2014	July-Sept 2014	Oct-Dec 2014	2014	Jan-March 2013	Apr-June 2013	July-Sept 2013	Oct-Dec 2013	2013
<b>Income Statement, SEKm</b>										
Rental income	820	843	833	822	3,318	814	808	809	818	3,249
Property costs	-302	-262	-234	-298	-1,096	-317	-269	-233	-286	-1,105
Net operating income	518	581	599	524	2,222	497	539	576	532	2,144
Central administrative expenses	-26	-30	-23	-29	-108	-21	-28	-18	-29	-96
Net interest costs	-169	-171	-167	-157	-664	-176	-177	-177	-172	-702
<b>Income from property management</b>	<b>323</b>	<b>380</b>	<b>409</b>	<b>338</b>	<b>1,450</b>	<b>300</b>	<b>334</b>	<b>381</b>	<b>331</b>	<b>1,346</b>
Changes in value, properties	52	305	-3	-10	344	32	87	182	27	328
Changes in value, derivatives	-170	-196	-132	-162	-660	166	221	53	-11	429
Current tax	-3	-1	-6	-1	-11	-2	-4	-6	6	-6
Deferred tax	-31	-99	-55	273	88	-93	-139	-107	-51	-390
<b>Net income for the period/year</b>	<b>171</b>	<b>389</b>	<b>213</b>	<b>438</b>	<b>1,211</b>	<b>403</b>	<b>499</b>	<b>503</b>	<b>302</b>	<b>1,707</b>
Other total net income	0	4	0	4	8	0	3	-3	3	3
<b>Total net income for the period/year</b>	<b>171</b>	<b>393</b>	<b>213</b>	<b>442</b>	<b>1,219</b>	<b>403</b>	<b>502</b>	<b>500</b>	<b>305</b>	<b>1,710</b>
<b>Balance Sheet, SEKm</b>										
Investment properties	38,668	39,385	39,733	37,599	37,599	36,683	37,301	37,505	37,752	37,752
Other assets	255	408	350	442	442	283	276	303	291	291
Cash and bank	185	177	174	47	47	18	59	176	70	70
<b>Total assets</b>	<b>39,108</b>	<b>39,970</b>	<b>40,257</b>	<b>38,088</b>	<b>38,088</b>	<b>36,984</b>	<b>37,636</b>	<b>37,984</b>	<b>38,113</b>	<b>38,113</b>
Shareholders' equity	12,601	12,994	13,207	13,649	13,649	11,820	12,322	12,822	13,127	13,127
Deferred tax liability	3,731	3,830	3,885	3,612	3,612	3,403	3,542	3,649	3,700	3,700
Other provisions	-	-	-	23	23	-	-	-	-	-
Derivatives	853	1,055	1,188	1,357	1,357	932	721	666	683	683
Long term interest-bearing liabilities	20,730	20,802	20,761	18,446	18,446	19,773	19,988	19,676	19,481	19,481
Non-interest-bearing liabilities	1,193	1,289	1,216	1,001	1,001	1,056	1,063	1,171	1,122	1,122
<b>Total shareholders' equity and liabilities</b>	<b>39,108</b>	<b>39,970</b>	<b>40,257</b>	<b>38,088</b>	<b>38,088</b>	<b>36,984</b>	<b>37,636</b>	<b>37,984</b>	<b>38,113</b>	<b>38,113</b>
<b>Financial key ratios</b>										
Net operating income margin	63%	69%	72%	64%	67%	61%	67%	71%	65%	66%
Interest rate, average	3.5%	3.4%	3.3%	3.2%	3.3%	3.8%	3.7%	3.7%	3.6%	3.7%
Interest coverage ratio	291%	322%	345%	315%	318%	270%	289%	315%	292%	292%
Return on actual net asset value	5.2%	12.2%	6.6%	6.3%	7.6%	12.3%	15.5%	14.3%	9.2%	13.2%
Return on total capital	5.6%	8.7%	5.7%	4.9%	6.5%	5.5%	6.4%	7.8%	5.6%	6.4%
Investments in properties, SEKm	960	523	369	673	2,525	413	538	379	438	1,768
Sales, SEKm	96	125	19	2,814	3,054	80	25	351	231	687
Loan to value ratio	54%	53%	52%	49%	49%	54%	54%	52%	52%	52%
<b>Data per share (since there are no potential common stock there is no effect of dilution)</b>										
Average number of shares, thousand	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000
Income from property management, SEK	1.97	2.32	2.49	2.06	8.84	1.83	2.04	2.32	2.02	8.21
Income prop mgmt after tax (EPRA EPS), SEK	1.80	2.13	2.34	1.99	8.26	1.77	1.96	2.17	2.14	8.04
Earnings after tax, SEK	1.04	2.37	1.30	2.67	7.38	2.46	3.04	3.07	1.84	10.41
Outstanding number of shares, thousand	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000
Property value, SEK	236	240	242	229	229	224	227	229	230	230
Long term net asset value (EPRA NAV), SEK	105	109	111	114	114	99	101	104	107	107
Actual net asset value (EPRA NNAV), SEK	94	97	99	100	100	88	92	95	97	97
Dividend, SEK (2014 proposed)					4.60					4.25
Dividend ratio					52%					52%
<b>Property related key ratios</b>										
Rental value, SEK/sq.m.	1,045	1,047	1,040	1,070	1,064	1,025	1,032	1,029	1,042	1,036
Economic occupancy rate	87.9%	89.0%	88.3%	88.8%	88.7%	89.3%	87.6%	89.0%	88.6%	88.4%
Property costs, SEK/sq.m.	334	289	256	340	307	353	299	258	322	307
Property value, SEK/sq.m.	10,394	10,552	10,621	11,118	11,118	10,006	10,081	10,170	10,285	10,285

# Multi-Year Summary

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Income Statement, SEKm</b>										
Rental income	3,318	3,249	3,073	2,919	2,759	2,694	2,501	2,259	2,014	1,907
Property costs	– 1,096	– 1,105	– 1,042	– 1,003	– 960	– 942	– 831	– 771	– 700	– 637
Net operating income	2,222	2,144	2,031	1,916	1,799	1,752	1,670	1,488	1,314	1,270
Central administrative expenses	– 108	– 96	– 93	– 83	– 84	– 81	– 71	– 69	– 67	– 68
Net interest costs	– 664	– 702	– 683	– 660	– 574	– 541	– 626	– 495	– 364	– 382
<b>Income from property management</b>	<b>1,450</b>	<b>1,346</b>	<b>1,255</b>	<b>1,173</b>	<b>1,141</b>	<b>1,130</b>	<b>973</b>	<b>924</b>	<b>883</b>	<b>820</b>
Changes in value, properties	344	328	– 69	194	1,222	– 1,027	– 1,262	920	1,145	932
Changes in value, derivatives	– 660	429	– 110	– 429	291	102	– 1,010	99	178	– 40
Current tax	– 11	– 6	– 7	– 10	– 5	– 10	– 14	– 22	– 10	– 1
Deferred tax	88	– 390	404	– 217	– 685	– 35	650	– 434	– 522	– 417
<b>Net income for the year</b>	<b>1,211</b>	<b>1,707</b>	<b>1,473</b>	<b>711</b>	<b>1,964</b>	<b>160</b>	<b>– 663</b>	<b>1,487</b>	<b>1,674</b>	<b>1,294</b>
Other total net income	8	3	– 4	0	–	–	–	–	–	–
<b>Total net income for the year</b>	<b>1,219</b>	<b>1,710</b>	<b>1,469</b>	<b>711</b>	<b>1,964</b>	<b>160</b>	<b>– 663</b>	<b>1,487</b>	<b>1,674</b>	<b>1,294</b>

## Balance Sheet, SEKm

Investment properties	37,599	37,752	36,328	33,867	31,768	29,267	29,165	27,717	24,238	21,270
Other assets	442	291	259	207	156	201	230	123	200	103
Cash and bank	47	70	44	97	12	8	9	7	8	5
<b>Total assets</b>	<b>38,088</b>	<b>38,113</b>	<b>36,631</b>	<b>34,171</b>	<b>31,936</b>	<b>29,476</b>	<b>29,404</b>	<b>27,847</b>	<b>24,446</b>	<b>21,378</b>
Shareholders' equity	13,649	13,127	12,065	11,203	11,082	9,692	10,049	11,204	10,184	8,940
Deferred tax liability	3,612	3,700	3,310	3,714	3,502	2,824	2,785	3,322	2,723	2,126
Other provisions	23	–	–	–	–	–	–	–	–	–
Derivatives	1,357	683	1,105	1,003	574	865	966	– 44	55	233
Long term interest-bearing liabilities	18,446	19,481	19,094	17,160	15,781	15,294	14,607	12,582	10,837	9,396
Non-interest-bearing liabilities	1,001	1,122	1,057	1,091	997	801	997	783	647	683
<b>Total shareholders' equity and liabilities</b>	<b>38,088</b>	<b>38,113</b>	<b>36,631</b>	<b>34,171</b>	<b>31,936</b>	<b>29,476</b>	<b>29,404</b>	<b>27,847</b>	<b>24,446</b>	<b>21,378</b>

## Financial key ratios

Net operating income margin	67%	66%	66%	66%	65%	65%	67%	66%	65%	67%
Interest rate, average	3.3%	3.7%	3.9%	4.1%	3.7%	3.7%	4.7%	4.2%	3.7%	4.3%
Interest coverage ratio	318%	292%	284%	278%	299%	309%	255%	287%	343%	315%
Return on actual net asset value	7.6%	13.2%	7.9%	6.4%	21.5%	1.6%	– 8.3%	16.2%	20.7%	18.2%
Return on total capital	6.5%	6.4%	5.3%	6.2%	9.8%	2.1%	1.2%	9.1%	10.4%	10.4%
Net investments in properties, SEKm	2,525	1,768	2,798	2,015	1,506	1,165	2,738	2,598	2,283	1,357
Sales, SEKm	3,054	687	253	107	227	36	28	39	460	468
Loan to value ratio	49%	52%	53%	51%	50%	52%	50%	45%	45%	45%

## Data per share (since there are no potential common stock there is no effect of dilution)

Average number of shares, thousand	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000
Income from property management, SEK	8.84	8.21	7.65	7.15	6.96	6.89	5.93	5.63	5.38	5.00
Income prop mgmt after tax (EPRA EPS), SEK	8.26	8.04	7.27	7.01	6.62	6.93	5.85	5.50	5.09	4.49
Earnings after tax, SEK	7.38	10.41	8.98	4.34	11.98	0.98	– 4.04	9.07	10.21	7.89
Outstanding number of shares, thousand	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000
Property value, SEK	229	230	222	207	194	178	178	169	148	130
Long term net asset value (EPRA NAV), SEK	114	107	100	97	92	82	84	88	79	69
Actual net asset value (EPRA NNAV), SEK	100	97	90	87	85	73	75	85	76	65
Dividend, SEK (2014 proposed)	4.60	4.25	3.95	3.70	3.60	3.50	3.15	3.00	2.85	2.62
Dividend ratio	52%	52%	52%	52%	52%	51%	53%	53%	53%	52%

## Property related key ratios

Rental value, SEK/sq.m.	1,064	1,036	1,015	995	974	969	921	896	864	851
Economic occupancy rate	88.7%	88.4%	88.6%	89.3%	89.0%	89.8%	89.7%	87.9%	87.1%	88.1%
Property costs, SEK/sq.m.	307	307	298	300	298	300	268	262	259	247
Property value, SEK/sq.m.	11,118	10,285	9,916	9,835	9,499	9,036	8,984	9,098	8,466	7,930





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## Consolidated Statement of Comprehensive Income

SEKm		2014	2013
Rental income	Note 3	3,318	3,249
Operating expenses	Note 4	– 542	– 583
Maintenance	Note 4	– 136	– 125
Ground rent	Note 4	– 27	– 26
Property tax	Note 4	– 170	– 169
Leasing and property administration	Note 4	– 221	– 202
<b>Net operating income</b>		<b>2,222</b>	<b>2,144</b>
Central administrative expenses	Note 5	– 108	– 96
<i>Net interest</i>			
Interest income	Note 6	3	4
Interest cost	Note 7	– 667	– 706
<b>Income from property management</b>		<b>1,450</b>	<b>1,346</b>
<i>Changes in value</i>	Note 8		
Properties		344	328
Derivatives		– 660	429
<b>Income before tax</b>		<b>1,134</b>	<b>2,103</b>
Current tax	Note 9	– 11	– 6
Deferred tax	Note 9	88	– 390
<b>Net income for the year</b>		<b>1,211</b>	<b>1,707</b>
<b>Other total net income</b>			
<b>Items that will be reclassified into net income</b>			
Translation difference foreign operations		22	10
Change in value, currency hedge foreign operations		– 14	– 7
<b>Total net income for the year</b>		<b>1,219</b>	<b>1,710</b>

Since there are no minority interests the entire net income is attributable to the shareholders of the parent company.

### Data per share (since there are no potential common stock, there is no effect of dilution)

Average number of shares, thousand	164,000	164,000
Net income for the year after tax, SEK	7.38	10.41



# Consolidated Balance Sheet

SEKm		Dec 31 2014	Dec 31 2013
<b>ASSETS</b>			
<b>Fixed assets</b>			
Investment properties	Note 11	37,599	37,752
Tangible fixed assets	Note 12	28	31
<b>Total fixed assets</b>		<b>37,627</b>	<b>37,783</b>
<b>Current assets</b>			
Rent receivables	Note 3	13	23
Other receivables		312	154
Prepaid expenses and accrued income		89	83
Cash and bank		47	70
<b>Total current assets</b>		<b>461</b>	<b>330</b>
<b>TOTAL ASSETS</b>		<b>38,088</b>	<b>38,113</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity attributable to the shareholders of the parent company</b>			
	Note 13		
Share capital		86	86
Other capital contribution		4,096	4,096
Reserves		7	– 1
Retained earnings		9,460	8,946
<b>Total shareholders' equity</b>		<b>13,649</b>	<b>13,127</b>
<b>Liabilities</b>			
	Note 14		
<i>Long-term liabilities</i>			
Deferred tax liability	Note 15	3,612	3,700
Other provisions	Note 16	23	–
Derivatives	Note 17	1,357	683
Long-term interest-bearing liabilities	Note 18	18,446	19,481
<i>Total long-term liabilities</i>		<i>23,438</i>	<i>23,864</i>
<i>Short-term liabilities</i>			
Accounts payable		120	198
Tax liabilities		5	1
Other liabilities		189	208
Accrued expenses and prepaid income	Note 19	687	715
<i>Total short-term liabilities</i>		<i>1,001</i>	<i>1,122</i>
<b>Total liabilities</b>		<b>24,439</b>	<b>24,986</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>38,088</b>	<b>38,113</b>
Pledged assets	Note 20	18,222	18,375
Contingent liabilities	Note 21	–	–

## Income Statement for the Parent Company

SEKm		2014	2013
Income	Note 3	21	18
Central administrative expenses	Note 5	– 84	– 71
<i>Financial items</i>			
Financial income	Note 6	1,586	1,451
Financial costs	Note 7	– 678	– 718
<b>Income before changes in value and tax</b>		<b>845</b>	<b>680</b>
<i>Changes in value</i>			
Derivatives	Note 8	– 660	429
<b>Income before tax</b>		<b>185</b>	<b>1,109</b>
Current tax	Note 9	–	–
Deferred tax	Note 9	51	– 119
<b>Net income for the year</b>		<b>236</b>	<b>990</b>

## Comprehensive Income for the Parent Company

SEKm		2014	2013
Net income for the year according to the Income Statement		236	990
<b>Other total net income</b>			
<b>Items that will be reclassified into net income</b>			
Translation difference foreign operations		14	7
Change in value, currency hedge foreign operations		– 14	– 7
<b>Total net income for the year</b>		<b>236</b>	<b>990</b>

# Balance Sheet for the Parent Company

SEKm		Dec 31 2014	Dec 31 2013
<b>ASSETS</b>			
<b>Fixed assets</b>			
Tangible fixed assets	Note 12	4	4
<i>Financial fixed assets</i>			
Participations in group companies	Note 22	6,030	5,869
Deferred tax assets	Note 15	154	103
Long-term receivables, group companies	Note 23	17,093	17,419
<i>Total financial fixed assets</i>		<i>23,277</i>	<i>23,391</i>
<b>Total fixed assets</b>		<b>23,281</b>	<b>23,395</b>
<b>Current assets</b>			
Short-term receivables, group companies		897	718
Prepaid expenses and accrued income		23	12
Cash and bank		16	52
<b>Total current assets</b>		<b>936</b>	<b>782</b>
<b>TOTAL ASSETS</b>		<b>24,217</b>	<b>24,177</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
<i>Restricted equity</i>			
Share capital	Note 13	86	86
Restricted reserves		20	20
<i>Non-restricted equity</i>			
Fair value reserves		– 2	– 2
Retained earnings		4,237	3,944
Net income for the year		236	990
<b>Total shareholders' equity</b>		<b>4,577</b>	<b>5,038</b>
<b>Liabilities</b>			
Derivatives	Note 14		
	Note 17	1,357	683
Long-term interest-bearing liabilities	Note 18	16,280	17,315
Long-term interest-bearing liabilities, group companies		1,722	967
Short-term interest bearing liabilities, group companies		161	31
Accounts payable		4	4
Accrued expenses and prepaid income	Note 19	116	139
<b>Total liabilities</b>		<b>19,640</b>	<b>19,139</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>24,217</b>	<b>24,177</b>
Pledged assets	Note 20	15,200	14,928
Contingent liabilities	Note 21	2,165	2,166



## Change in Equity

Group, SEKm (note 13)	Attributable to the shareholders of the parent company						
	<i>Number of out-standing shares, thousand</i>	Share capital	Other capital contribution	Currency translation reserve	Currency hedge reserve	Retained earnings	Total equity
<b>Shareholders' equity 31-12-2012</b>	<b>164,000</b>	<b>86</b>	<b>4,096</b>	<b>- 12</b>	<b>8</b>	<b>7,887</b>	<b>12,065</b>
Dividend, March 2013 (3.95 per share)	—	—	—	—	—	- 648	- 648
Net income for the year	—	—	—	—	—	1,707	1,707
Other total net income	—	—	—	10	- 7	—	3
<b>Shareholders' equity 31-12-2013</b>	<b>164,000</b>	<b>86</b>	<b>4,096</b>	<b>- 2</b>	<b>1</b>	<b>8,946</b>	<b>13,127</b>
Dividend, March 2014 (4.25 per share)	—	—	—	—	—	- 697	- 697
Net income for the year	—	—	—	—	—	1,211	1,211
Other total net income	—	—	—	22	- 14	—	8
<b>Shareholders' equity 31-12-2014</b>	<b>164,000</b>	<b>86</b>	<b>4,096</b>	<b>20</b>	<b>- 13</b>	<b>9,460</b>	<b>13,649</b>

Parent Company, SEKm (note 13)	<i>Number of out-standing shares, thousand</i>	Share capital	Restricted reserves	Fair value reserves		Retained earnings	Total equity
				Currency translation reserve	Currency hedge reserve		
<b>Shareholders' equity 31-12-2012</b>	<b>164,000</b>	<b>86</b>	<b>20</b>	<b>- 10</b>	<b>8</b>	<b>4,592</b>	<b>4,696</b>
Dividend, March 2013 (3.95 per share)	—	—	—	—	—	- 648	- 648
Net income for the year	—	—	—	—	—	990	990
Other total net income	—	—	—	7	- 7	—	0
<b>Shareholders' equity 31-12-2013</b>	<b>164,000</b>	<b>86</b>	<b>20</b>	<b>- 3</b>	<b>1</b>	<b>4,934</b>	<b>5,038</b>
Dividend, March 2014 (4.25 per share)	—	—	—	—	—	- 697	- 697
Net income for the year	—	—	—	—	—	236	236
Other total net income	—	—	—	14	- 14	—	0
<b>Shareholders' equity 31-12-2014</b>	<b>164,000</b>	<b>86</b>	<b>20</b>	<b>11</b>	<b>- 13</b>	<b>4,473</b>	<b>4,577</b>

# Cash Flow Statement

SEKm	Group		Parent Company	
	2014	2013	2014	2013
<b>Operating activities</b>				
Net operating income	2,222	2,144	21	18
Central administrative expenses	– 108	– 96	– 84	– 71
Depreciations reversed	12	11	2	2
Net financial items paid	– 689	– 701	– 15	17
Tax paid	– 7	– 12	–	–
Translation difference of currencies	– 10	– 5	–	–
<b>Cash flow from operating activities before change in working capital</b>	<b>1,420</b>	<b>1,341</b>	<b>– 76</b>	<b>– 34</b>
<i>Cash flow from change in working capital</i>				
Change in current receivables	88	– 22	– 190	– 76
Change in current liabilities	– 118	56	3	0
<b>Cash flow from operating activities</b>	<b>1,390</b>	<b>1,375</b>	<b>– 263</b>	<b>– 110</b>
<b>Investment activities</b>				
Investments in new constructions, extensions and reconstructions	– 1,378	– 1,583	–	–
Property acquisitions	– 1,147	– 185	–	–
Change in liabilities at acquisitions of properties	18	14	–	–
Property sales	3,077	687	–	–
Change in receivables at sales of properties	– 242	– 6	–	–
Net capital contributions, subsidiaries	–	–	736	187
Other net investments	– 9	– 18	– 2	– 3
<b>Cash flow from investment activities</b>	<b>319</b>	<b>– 1,091</b>	<b>734</b>	<b>184</b>
<b>Financing activities</b>				
New borrowing in interest-bearing liabilities	– 1,035	387	– 150	28
Change in long-term receivables	–	3	340	571
Dividend paid	– 697	– 648	– 697	– 648
<b>Cash flow from financing activities</b>	<b>– 1,732</b>	<b>– 258</b>	<b>– 507</b>	<b>– 49</b>
<b>Cash flow for the year</b>	<b>– 23</b>	<b>26</b>	<b>– 36</b>	<b>25</b>
Cash and bank, opening balance	70	44	52	27
<b>Cash and bank, closing balance</b>	<b>47</b>	<b>70</b>	<b>16</b>	<b>52</b>

# Accounting Principles and Notes

(All figures in SEKm unless stated otherwise.)

## Note 1 Accounting Principles

### General Information

The financial reports of Castellum AB (The Parent Company) for the financial year ending December 31, 2014, have been approved by the Board of Directors and the Chief Executive Officer for publication on February 2, 2015, and will be proposed to the 2015 Annual General Meeting for adoption. The parent company is a public Swedish limited liability company, registered in Gothenburg, Sweden. The business activities of the Group are described in the Directors' report.

### Basis for accounting

Castellum's accounts have been prepared in accordance with the IFRS standards adopted by the EU. Further, the consolidated accounts have been prepared according to Swedish law by application of the Swedish Financial Reporting Board's recommendation RFR 1 (Complementary accounting principles for consolidated accounts).

The accounts are prepared based on fair value of investment properties and derivatives, nominal value for deferred tax and acquisition value for the remaining items.

### Critical assessments

Accounts completed in accordance with the IFRS and generally accepted accounting principles requires assessments and assumptions affecting recorded assets, liabilities, income and costs, as well as other information in the accounts. These assessments and assumptions are based upon historical experience and other factors which are considered fair under current conditions. Actual outcome may differ from these assessments if other assumptions are made or other conditions exist.

### Investment properties

For valuation of investment properties, assessments and assumptions can have a significant effect on the income and financial position of the Group. These valuations require estimates and assumptions of future cash flows and the discounting factor (required yield). To reflect the uncertainty that exists in the assessments and assumptions, an uncertainty range of +/- 5-10% is normally used in property valuations. Information about this along with prevailing assessments and assumptions is presented in note 11.

### Asset acquisition versus business combination

A company acquisition can be classified as either a business combination or an asset acquisition. An acquisition that has the primary purpose to acquire a company's property, i.e., where the company's possible property management and administration are of secondary importance to the acquisition, is classified as an asset acquisition. Other company acquisitions are classified as business combinations.

For asset acquisitions no deferred tax is recorded in the acquisition. Instead, a possible tax discount reduces the acquisition value of the property, meaning that changes in value will be affected by the tax discount in the subsequent valuation.

### Deferred tax liability

According to the accounting principles, deferred tax shall be accounted for using nominal tax rate without discount, i.e. the decided 22% corporate tax rate. Actual tax is considerably lower, in part due to the possibility to sell properties in a tax-efficient manner, and in part due to the time factor.

### Income from property management

Castellum's operations are focused on cash flow growth from property management - i.e., growth in income from property management - with the objective of an annual increase in property management income by at least 10%. It is also the income from property management that forms the basis of what is yearly distributed to shareholders - at least 50% of the income from property management. Thus, changes in value has not been targeted since they are neither included in the basis for distribution, nor in any other base, e.g. the management's incentive program. To give an accurate picture of Castellum's view on its business operations, the statement of comprehensive income has been designed accordingly - i.e., changes in values (not affecting cash-flow) are presented after items affecting cash-flow. Furthermore, one performance measure has been added on which the business operations are managed and targeted: the income from property management.

### Classification

Fixed assets and long-term liabilities consist of items that are expected to be regained or maturing more than twelve months from the balance sheet date. Current assets and short-term liabilities consist of items that are expected to be regained or settled in less than twelve months from the balance sheet date.

### Consolidated financial statements

The Group's balance sheet and income statement include all companies where the parent company has direct or indirect control, which is obtained when Castellum achieves voting majority. All companies in the Group are wholly-owned and there are no associated companies or joint ventures. In addition to the parent company, the Group comprises the subsidiaries listed in Note 22 and their respective sub-groups. The consolidated financial statements are based upon the accounts for all subsidiaries as of December 31. The consolidated financial statements are prepared according to the acquisition method. This means that shareholders' equity in the subsidiaries at the time of acquisition, calculated as the difference between the fair value of the assets and liabilities, is fully eliminated. The shareholders' equity of the Group includes only the part of shareholders' equity in the subsidiaries that has been earned after acquisition.

The consolidated income statement includes companies acquired or sold during the year only for the time of possession. Intra-group sales, income, losses and balances are eliminated in the consolidated accounts. The accounts of foreign operations are translated to SEK by translating the balance sheet to the exchange rate at balance date - except for shareholders' equity which is translated at historical exchange rate. The income statement is translated at the average exchange rate of the period. Currency translation differences are recognized in other total income.

### Income

#### Rental income

Rental income, which from an accounting perspective represents income from operating leases, is invoiced in advance and recorded as a linear allocation in the income statement, based on the terms in the lease. Rental income includes supplementary charges for the tenant, such as debited property tax and heating costs. Pre-paid rents are recorded as deferred rental income.

In cases where a lease during a certain period of time offers a reduced rent, corresponding to a higher rent at another point in time, this lower/higher rent is accrued over the leasing period. Pure discounts, such as reduction for successive moving in, are recorded in the income statement for the period in which they are given.

#### Income from property sales

Income from property sales is entered as of the contract date, unless there exist special conditions in the purchasing agreement. Sales of properties through companies are net accounted concerning underlying property price and calculated tax. The result from property sales is accounted for as a change in value and refers to the difference between the received sales price after deduction of sales costs, and the recorded value in the latest interim report with adjustment for capitalized investments after the latest interim report.

#### Financial income

Financial income consists of interest rate income and is recorded as income in the period to which they refer. Received group contributions received and anticipated dividends are also recorded as financial income.

### Financial cost

Financial costs include interest and other costs that occur when borrowing money. Pledging costs for mortgages are not considered financial costs and are capitalized as property investments since it increases valuation. Financial costs are accounted for in the period which they refer to. Financial costs also include the interest cost for interest-rate derivatives. Payments for these interest-rate derivatives are accounted for in the period to which they refer. Net financial items are not affected by market valuation of the undertaken interest rate derivatives. Instead, changes in market value of interest-rate derivatives are recorded as changes in value under a separate headline. The portion of interest cost originating from the construction period for major new constructions, extensions or reconstructions are capitalized. Interest is calculated based on the average interest rate level for the Group.

### Employee benefits

Employee benefits are accounted for as employees perform services in exchange for



remuneration. Benefits from incentive plans settled in cash and paid as non-pensionable salary are accounted for as the targets are met during the period of the incentive plan.

Pensions and other post-employment benefits are classified as defined contribution or defined benefit plans. The majority of the Castellum Group's pension commitments are defined contribution plans, fulfilled through regular payments to independent authorities or bodies which administer the plans. Obligations regarding payments to contribution plans are recorded as a cost in the income statement when they occur. A small number of employees within the Castellum Group have defined ITP-plans with regular payments to Alecta. These plans are recorded as defined contribution plan since Alecta does not provide the information needed in order to report the plan as a defined benefit plan. There are no indications of any significant liabilities in addition to what has already been paid to Alecta.

### Income taxes

Income tax in the income statement is divided into current and deferred tax. Income tax is recorded in the income statement except when related to transactions recorded directly in equity. In these cases, related tax effects also are recorded directly in equity. Current and deferred taxes are calculated based on current tax rate, 22%.

Open claims in the income tax return that contain a certain degree of uncertainty are taken into consideration in the tax calculation at the earliest in the year after the fiscal year, after taxation has been assessed by the tax authorities.

### Deferred tax

Deferred tax is recorded in Castellum, using the balance method, for all temporary differences between an asset's or a liability's book value and its tax-basis value. This means that there is a tax liability or a tax asset that falls due for payment on the date for which the asset or liability is realized. Exceptions are made for temporary differences that arise from the initial accounting for assets and liabilities relating to asset acquisitions. Castellum has two entries that contains temporary differences - properties and tax-loss carry forwards. Deferred tax assets related to tax-loss carry forwards are recorded, since it is probable that future taxable income will be available, which may be utilized to offset tax-loss carry forwards. Deferred tax liability is calculated on the difference between the properties book value and their tax basis value. For changes in either of the two entries above, the deferred tax liability/tax asset is also changed, which is recorded in the income statement as deferred tax.

Castellum has recorded all company acquisitions completed during the year as asset acquisitions, meaning that deferred tax at the time of acquisition not is accounted for in the balance sheet.

### Current tax

Current tax, the tax the company must pay on taxable income for the year, is recorded in the income statement. It includes adjustments for previous periods.

### Leases

Leases where all crucial risks and benefits associated with the ownership fall on the lessor, are classified as operational leases. From an accounting perspective, all existing rental leases related to Castellum's investment properties are classified as operational leases. Refer to accounting principles for income and note 3 for further information of accounting for leases.

Site leasehold is, from an accounting perspective, an operational lease. The ground rent is accounted for in the income statement for the period to which it refers.

There are a small number of leases of insignificant value, where Castellum is the lessee. These leases are also accounted for as operational leases and concerns mainly leased cars. Payments made during the leasing period are recorded as running costs in the income statement, distributed over the leasing period.

### Investment properties

Investment properties are properties held for the purpose of generating rental income, capital appreciation - or both. This is opposed to utilization in the company's operations for production or supply of goods or services or for administrative purposes and sales in daily operations. All of Castellum's owned or ground-leased properties are classified as investment properties. If the Group starts an investment on an existing investment property for future use as an investment property, the property continues to be recorded as an investment property.

### Valuation

Investment properties are initially recorded at acquisition cost which includes expenses directly related to the acquisition and are subsequently recorded at fair value with changes in value in the income statement. Fair value is calculated using an internal valuation model described in note 11. The note also describes the assumptions made

as basis for the valuation. The valuation model is based on an earnings-based value, determined by calculating the net prevailing value of future cash flows. A differentiated required yield for each property depending on such factors as location, intended use, condition and standard is taken into consideration. In order to provide further assurance, part of the portfolio has been valued externally.

### Changes in value

Changes in value are recorded in the income statement and consist of unrealized as well as realized changes in value. Unrealized changes in value are calculated based on the valuation at the end of the financial year compared with the previous year's valuation, or the acquisition value if the property has been acquired during the year, with the addition of capitalized subsequent expenditures. For properties sold during the year, unrealized changes in value are recorded and calculated based on the valuation at the latest interim report prior to the sale, compared to the valuation at the end of previous year with adjustment for capitalized subsequent expenditures during the period. Principals for calculation of realized changes in value is described in the principles for Income from property sales.

### Subsequent expenditures

Subsequent expenditures which lead to economic benefits for the company, i.e., increase the valuation of the property and can be reliably calculated are capitalized. Costs for repairs and maintenance are accounted for in the income statement for the period in which they occur. For major new construction and reconstruction projects, interest costs during the construction period are capitalized.

### Acquisitions and sales

For acquisition or sale of properties or companies, the transaction is entered as of the signing date, unless special conditions exist in the purchasing contract.

### Tangible fixed assets

Tangible fixed assets comprise all equipment, which has been recorded at acquisition value, including deduction of accumulated depreciation according to plan and any write-downs. Acquisition value includes purchase price and costs directly related to the acquisition, e.g., transport-to-site and proper condition for utilization according to the purpose of the acquisition. Depreciation on equipment is based on historical acquisition values after deduction of subsequent write-downs. Residual value is assumed to be non-existent. Depreciation of assets acquired during the year is calculated with reference to the date of acquisition. Depreciation is linear, which means equal depreciation during the period of use, normally five years, except for computers that are expected to have a three-year period of use.

### Financial instruments

Financial instruments recorded in the balance sheet include assets such as cash-and-bank, lease receivables, other receivables and long-term receivables and liabilities such as interest and currency derivatives, accounts payable, other liabilities and loans.

Financial instruments are initially recorded at fair value equivalent to acquisition value, with the addition of transaction costs, except for financial instruments which are recorded at fair value through the income statement, where transaction costs are excluded. Following the initial recognition, accounting is based on the classification made according to the criteria below. Financial transactions such as cash received or paid as interest and amortization are recorded on the settlement day of the bank holding the account, while other payments are recorded on the accounting date of the bank holding the account.

A financial asset is removed from the balance sheet when the rights are realized, expired or the company loses control of it. A financial liability is derecognized from the balance sheet when the contractual obligations have been paid or in some other way extinguished

### Cash and bank

Cash and bank consists of the bank balance at the end of the accounting period and is recorded at nominal value.

### Receivables

Financial assets which are not derivatives, that have fixed or predictable payments and that are not quoted on an active market, are recorded as receivables. In the Group there are mainly rent receivables and other receivables. After individual valuation, receivables have been recorded as the amount at which they are expected to be received. This means that they are recorded at acquisition value with deduction for receivables which are uncertain. Reservation for uncertain receivables is made when an objective risk assessment concludes that the Group might not receive the entire receivable. Receivables in the parent company consist only of receivables from the subsidiaries, and are recorded at acquisition value.

## Liabilities

Liabilities refer to credits and operating liabilities such as accounts payable. The majority of Castellum's credit agreements are long-term. In cases where short-term credits are drawn under long-term credit agreements, the credits are considered long-term. The credits are recorded on the settlement date at accrued acquisition value. Deferred unpaid interest is recorded in accrued expenses. A liability is recorded when the counterparty has performed services and a legal obligation to pay exists, even if the invoice has not yet been received. Accounts payable are recorded when the invoice is received. Accounts payable and other operative liabilities with short duration are recorded at nominal value.

## Foreign currency

Transactions in foreign currencies are translated to Swedish kronor (SEK) at the spot exchange rate of the transaction. Monetary assets and liabilities are translated at the balance day rate.

## Derivat

Interest-rate derivatives are financial assets or liabilities which are valued at fair value, with value-changes recorded in the income statement. In order to manage exposure to fluctuations in the market interest rate according to the financial policy, Castellum has entered interest-rate-derivative agreements. When using interest-rate derivatives, changes in value may occur, mainly due to changes in market interest rates. Interest-rate derivatives are initially recorded in the balance sheet on the trade day at acquisition value, where the absolute majority refer to exchanges in interest-rate flows, entailing an acquisition value of zero. They are subsequently valued at fair value with value-changes in the income statement.

Changes in value can be realized as well as unrealized. Realized changes in value refer to redeemed interest-rate derivatives and comprise the difference between the price at the time of redemption and the recorded book value according to the latest interim report. Unrealized changes in value refer to the changes in value during the financial year for the interest-rate derivatives that Castellum held at the end of the fiscal year. Changes in value are calculated based on the valuation at the end of the fiscal year compared to the valuation in the previous year, or the acquisition value if the interest rate derivative agreements have been entered into during the year. For interest rate derivatives that have been redeemed, an unrealized change in value is recorded and calculated based on the valuation at the latest interim report prior to the redemption, compared with the valuation at the end of the previous year. Payments made under these agreements are accounted for in the period to which they refer.

In accordance with the financial policy, between 60-100% of foreign investments must be financed in the functional currency of the company. This can be accomplished either by borrowing in the functional currency of the foreign company or by using currency derivatives. In cases where currency derivatives are used they are initially reported in the balance sheet at cost on trade date. Subsequently, they are reported at fair value where the effective portion of the foreign exchange rate change regarding the hedging instrument is recognized in other total income, while the ineffective portion is recognized as change in value in the income statement. The balance date rate is used to determine real value.

The valuation of derivatives at fair value is adjusted for counterparty risk, i.e. CVA and DVA.

## Shareholders' equity

### Repurchased shares

Repurchased shares reduce shareholders' equity by the purchase price, including any transaction costs.

### Dividends

Dividends are accounted for as a deduction of shareholders' equity, after decision by the Annual General Meeting (AGM). Anticipated dividend is accounted for as a financial income by the recipient.

### Earnings after tax per share

Calculation of after-tax earnings per share is based on the Group's net income for the year pertaining to the shareholders of the parent company, and on the weighted average number of outstanding shares during the year.

## Provisions

Provisions are liabilities which are uncertain regarding timing or amount. A provision is recognized when there are contractual obligations, court order or other legal grounds likely to involve future payments. The amounts are continuously reassessed. Liabilities due in more than one year are estimated using discounting.

## Definition of segments

The Group's operations are organized, managed and reported primarily by geographical region. Segments are consolidated according to the same principles as the Group. Income and costs reported for each segment are actual costs and no distribution of common costs, assets or liabilities is made between the regions.

## Cash flow statement

The cash flow statement has been prepared according to the indirect method. Net profit or loss is adjusted for effects of non-cash transactions during the period as well as income or costs associated with the cash flow from investment or financing activities. Cash and cash equivalents refers to cash and bank.

## Differences in accounting principles between the Group and the parent company

The Annual Report of the parent company has been prepared according to the Annual Accounts Act and by application of the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for legal entities. RFR 2 states that a legal entity shall apply the same IFRS/IAS that is applied in the consolidated financial statements, with exceptions for and additions of rules and laws mainly according to the Annual Accounts Act, and with consideration to the relationship between accounting and taxation. Differences in accounting principles between the Group and the parent company are presented below.

### Presentation

The income statement and balance sheet for the parent company are presented according to the Annual Accounts Act schedules.

### Shares in subsidiaries

Shareholdings in subsidiaries are accounted for in the parent company according to the acquisition value method. The book value is regularly compared to subsidiaries' group equity. When the book value is lower than the subsidiaries' group value, a write-down is made in the income statement. Previous write-down no longer justified are reversed.

### Contingent liabilities

Contingent liabilities for the benefit of subsidiaries are financial guarantees and are accounted for in accordance with RFR 2, i.e. they are not accounted for as provisions, but instead Castellum provides information in the notes.

## New accounting rules and regulations

### New and revised existing standards and interpretations, approved by the EU

#### New standard effective in 2014

New standards effective in 2014 has not had any impact on Castellum's financial reporting.

The most important, and the standards that potentially could affect Castellum future accounting, is IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. IFRS 10 determines the terms for control, and thus when consolidation shall take place, whereas IFRS 11 regulates the accounting for non-controlling interests. IFRS 12 specify disclosure requirements for companies holdings that are not consolidated.

#### Changes to existing standards effective in 2014

As a result of the introduction of the above recommendations, IAS 27 Separate Financial Statements and IAS 28 Investments in associates and joint ventures, are updated. These changes have not resulted in any changes in Castellum's accounting.

#### New standards effective 2015

June 13, 2014, the EU adopted IFRIC 21 Levies which states that government fees, for Castellum property taxes, shall be recognized in full when the obligation arises, which takes place on January 1 each year. Castellum adopted IFRIC 21 from Q2 2014. The new interpretation has a minor impact on the balance sheet throughout the year but does not affect the balance at year end. The interpretation has no impact on the income statement.

### Changes in Swedish regulations

#### The Swedish Financial Reporting Council (RFR)

RFR 2, Complementary accounting principles for consolidated accounts, includes adjustments related to the implemented changes in IFRS. Changes made in 2014 has had no impact on Castellum's accounts.

## Note 2 Segment reporting

The Group's reporting segments are the following geographical areas; Greater Gothenburg (incl. Borås, Halmstad, and Alingsås), Öresund Region (Malmö, Lund, Helsingborg and Copenhagen), Greater Stockholm, Mälardalen (Örebro, Västerås and Uppsala) and Eastern Götaland (Jönköping and Linköping). The operational segments are identified by geographical field of activity, which is according to how they are followed-up and

analyzed by the primarily executive decision maker in the Group. Greater Gothenburg is made up of two operational segments with similar economical characteristics and operations.

The Group only manages commercial properties.

Reporting segment	Greater Gothenburg		Öresund Region		Greater Stockholm		Mälardalen		Eastern Götaland		Unallocated items		The Castellum Group	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Rental income, external	1,050	1,014	673	669	637	623	556	548	402	395	—	—	3,318	3,249
Property costs	-294	-291	-257	-254	-207	-213	-193	-200	-145	-147	—	—	-1,096	-1,105
Net operating income	756	723	416	415	430	410	363	348	257	248	—	—	2,222	2,144
Central administration	-14	-14	-8	-7	-7	-8	-8	-8	-8	-6	-63	-53	-108	-96
Interest income	12	17	16	14	6	5	3	9	3	2	-37	-43	3	4
Interest costs	-230	-233	-146	-159	-130	-144	-123	-136	-86	-92	48	58	-667	-706
<b>Income from prop. mgmt.</b>	<b>524</b>	<b>493</b>	<b>278</b>	<b>263</b>	<b>299</b>	<b>263</b>	<b>235</b>	<b>213</b>	<b>166</b>	<b>152</b>	<b>-52</b>	<b>-38</b>	<b>1,450</b>	<b>1,346</b>
Change in value properties	250	259	-147	-7	290	-1	68	113	-117	-36	—	—	344	328
Change in value derivatives	—	—	—	—	—	—	—	—	—	—	-660	429	-660	429
Income before tax	774	752	131	256	589	262	303	326	49	116	-712	391	1,134	2,103
Tax income	—	—	74	—	—	—	—	—	186	—	-271	—	-11	—
Tax cost	-145	-159	—	-49	-127	-36	-66	-41	—	-25	426	-86	88	-396
Net income for the year	629	593	205	207	462	226	237	285	235	91	-557	305	1,211	1,707
Investment properties	13,412	12,128	7,180	8,059	7,804	7,261	6,521	6,059	2,682	4,245	—	—	37,599	37,752
of which investments this year	1,275	523	248	339	361	291	393	392	248	223	—	—	2,525	1,768
Current assets	476	453	1 000	406	206	202	125	253	377	91	-1,695	-1,044	489	361
Total assets	13,888	12,581	8,180	8,465	8,010	7,463	6,646	6,312	3,059	4,336	-1,695	-1,044	38,088	38,113
Shareholders' equity	5,314	4,911	3,229	3,144	3,196	2,892	2,256	2,198	1,524	1,380	-1,870	-1,398	13,649	13,127
Deferred tax liability	1,420	1,337	763	844	774	692	586	520	223	410	-154	-103	3,612	3,700
Other provisions	—	—	3	—	—	—	—	—	20	—	—	—	23	—
Interest rate derivatives	—	—	—	—	—	—	—	—	—	—	1,357	683	1,357	683
Interest-bearing liabilities	6,704	5,932	3,985	4,255	3,720	3,632	3,639	3,379	1,227	2,441	-829	-158	18,446	19,481
Non-interest-bearing liabilities	450	401	200	222	320	247	165	215	65	105	-199	-68	1,001	1,122
Total shareholders' equity & liabilities	13,888	12,581	8,180	8,465	8,010	7,463	6,646	6,312	3,059	4,336	-1,695	-1,044	38,088	38,113

Of the Groups rental income SEKm 41 (40) refers to customers located in Denmark and SEKm 530 (466) refers to investment properties located in Denmark.

## Note 3 Rental income

### Rental value

Group rental income was SEKm 3,318 (3,249). Rental income consists of the rental value with deduction of the value of vacant premises during the year. Rental value refers to the rental income received and the estimated market rent of unlet premises. The rental value also includes supplementary charges for the customer, such as heating, property tax and an index supplement. Rental value SEK/sq.m. for the different regions and types of properties are shown in the table below. Rental levels have increased by 1% (1%) in comparable portfolio compared with previous year.

Rental value, SEK/sq.m.	Office/Retail		Warehouse/Industrial		Total	
	2014	2013	2014	2013	2014	2013
Greater Gothenburg	1,330	1,335	766	761	1,003	993
Öresund Regionen	1,334	1,420	752	739	1,078	1,121
Greater Stockholm	1,367	1,369	998	985	1,199	1,198
Mälardalen	1,178	1,098	746	719	1,040	977
Eastern Götaland	1,247	1,066	442	537	1,022	885
<b>Total</b>	<b>1,295</b>	<b>1,263</b>	<b>791</b>	<b>765</b>	<b>1,064</b>	<b>1,036</b>

### Renegotiation

Commercial leases, for which rents are paid quarterly in advance, are signed for a certain period of time, which means that a change in the market rents do not have an immediate effect on rental income. Rental levels can only be changed when the lease in question is due for renegotiation. The rental levels of Castellum are considered to be in line with the market.

Commercial leases include a so-called index clause, which provides for an upward

adjustment of the rent, corresponding to a certain percentage of the inflation during the previous year or a minimum upward adjustment.

The lease maturity structure for Castellum's portfolio is shown in the table below, where lease value refers to annual value. An explanation of the relatively small portion in 2015 is that a majority of the leases maturing were already renegotiated in 2014 due to the period of notice. The most common terms for a new lease is 3-5 years with a nine months notice. The average remaining lease duration in the portfolio is 3.3 years (3.3).

		Lease value, SEKm	Percentage of value
Lease maturity structure	No. of leases		
Commercial, term			
2015	1,146	251	9%
2016	1,267	708	24%
2017	955	684	23%
2018	643	529	18%
2019	180	267	9%
2020+	186	500	17%
<b>Total commercial</b>	<b>4,377</b>	<b>2,939</b>	<b>100%</b>
Residential	154	13	
Parking spaces and other	2,137	34	
<b>Total</b>	<b>6,668</b>	<b>2,986</b>	



## Economic occupancy rate

Castellum's average economic occupancy rate during 2014 was 88.7% (88.4%). It was 88.2% (87.0%) for office and retail properties and 89.7% (91.1%) for warehouse and industrial properties. Total annual rental value for vacant premises during the year amounts to approx. SEKm 417 (467).

Rental income for the period includes a lump sum of SEKm 10 (11) as a result of early termination of leases.

Gross leasing, i.e. the annual value of total leasing, during the year was SEKm 304 (366), of which SEKm 55 (96) were leasing of new constructions, extensions and re-constructions. Notices of termination amounted to SEKm 246 (261), of which bankruptcies were SEKm 12 (23) and SEKm 36 (18) were notices of termination with more than 18 months remaining length of contract. Hence net leasing for the year was SEKm 58 (105). The quarter's net lease includes two major terminations of SEKm 32 where the tenants leave in 16 and 24 months respectively. The time difference between reported net leasing and the effect in income is estimated to 9-18 months.

	Office/Retail		Warehouse/Industrial		Total	
	2014	2013	2014	2013	2014	2013
Economic occupancy rate						
Greater Gothenburg	91.6%	92.1%	91.7%	96.5%	91.6%	94.1%
Öresund Region	84.6%	83.3%	86.8%	89.1%	85.3%	85.0%
Greater Stockholm	83.5%	81.9%	88.6%	85.2%	85.4%	83.1%
Mälardalen	91.5%	90.3%	88.4%	91.1%	90.8%	90.5%
Eastern Götaland	89.0%	87.2%	92.0%	85.2%	89.3%	86.8%
<b>Total</b>	<b>88.2%</b>	<b>87.0%</b>	<b>89.7%</b>	<b>91.1%</b>	<b>88.7%</b>	<b>88.4%</b>

## Risk exposure and credit risk

Castellum's lease portfolio has a good risk exposure. The Group has approx. 4,400 commercial leases and 150 residential leases and their distribution in terms of size is presented in the table below. The single largest lease as well as the single largest customer accounts for approx. 2% of the Group's total rental income, meaning that Castellum's exposure to a single customers credit risk is very low.

Lease size, SEKm	No. of leases	Lease value, SEKm		Share
		Share	SEKm	
Commercial				
< 0.25	2,241	34%	202	7%
0.25-0.5	791	12%	286	10%
0.5-1.0	639	9%	452	15%
1.0-3.0	516	8%	870	29%
> 3.0	190	3%	1,129	37%
<b>Total commercial</b>	<b>4,377</b>	<b>66%</b>	<b>2,939</b>	<b>98%</b>
Residential	154	2%	13	1%
Parking space and other	2,137	32%	34	1%
<b>Total</b>	<b>6,668</b>	<b>100%</b>	<b>2,986</b>	<b>100%</b>

Commercial leases are distributed between various business sectors as below.

Commercial leases distributed by sector (GICS-code)	No. of leases	Lease value, SEKm	Share
Energy (10)	70	45	1%
Materials (15)	93	82	3%
Capital goods (2010)	531	398	14%
Commercial Services & Supplies (2020)	1,546	529	18%
Transportation (2030)	103	102	3%
Retailing (2550)	379	318	11%
Other Consumer Durables and Services (2510-2540)	492	434	15%
Consumer Staples (30)	104	116	4%
Health Care (35)	201	184	6%
Finance and Real Estate (40)	127	94	3%
Software and Services (4510)	223	150	5%
Technology Hardware and Equipment (4520)	141	148	5%
Telecommunication Services (50)	70	18	1%
Utilities (55)	23	3	0%
Public sector, etc.	274	318	11%
<b>Total</b>	<b>4,377</b>	<b>2,939</b>	<b>100%</b>

The table below shows the time distribution of future rental income for existing lease agreements.

Future rental income for existing leases	Group		Parent Company	
	2014	2013	2014	2013
Contracted rental income year 1				
Commercial leases	3,005	3,144	—	—
Residential	4	9	—	—
Contracted rental income between 2 and 5 years	5,976	6,399	—	—
Contracted rental income after more than 5 years	1,690	1,481	—	—
<b>Total</b>	<b>10,675</b>	<b>11,033</b>	<b>—</b>	<b>—</b>

## Rent receivables

Rents are invoiced and paid in advance which means that all the Group's rental receivables of SEKm 13 (23) are overdue.

## Parent company

The parent company consists of only group-wide functions and the turnover mainly consists of intra-group services.

## Note 4 Property costs

Property costs in 2014 was SEKm 1,096 (1,105), equivalent to SEK 307/sq.m. (307). The costs include both direct property costs such as costs of operation, maintenance, ground rent and property tax, and indirect costs such as leasing and property management.

## Operating expenses

Operating expenses include costs as electricity, heating, water, facilities management, cleaning, insurance, rent losses and property-specific marketing costs. Most operating expenses are recharged the customers as supplements to the rent. For warehouse and industrial properties, however, customers are in most cases directly responsible for most of the operating costs. Operating expenses for 2014 were SEKm 542 (583), equivalent to SEK 146/sq.m. (161). Operating expenses, which are considered to be at a normal level for the business, are weather dependent which means that they vary between years and seasons. Energy consumption for heating during the period has been calculated to 81% (96%) of a normal year according to the degree day statistics. Operating expenses includes rent losses of SEKm 9 (6) corresponding to 0.3% of rental income.

## Maintenance

Maintenance costs are ongoing measures to maintain the property's standard and technical systems. The maintenance costs were SEKm 136 (125), equivalent to SEK 37/sq.m. (35).

## Ground rent

Ground rent including leasing fees for 2014 was SEKm 27 (26) of which approx. half the amount relates to Greater Stockholm. Ground rent is the annual fee paid to the municipality by the owner of a building on land owned by the municipality. The ground rent is currently calculated in a way that the municipality receives a fair real interest rate based on the estimated market value of the site. Site leasehold is spread over time and is in most cases renegotiated at intervals of 10 to 20 years. At the end of year 2014 Castellum had 89 properties with site leasehold. Existing site leasehold agreements mature relatively even over the next 60 years. When notice is given for a site leasehold the site owner (the municipality) shall, in most cases, compensate Castellum for buildings, etc. There are, however, a few agreements where the municipality can demand that the land is restored.

Future contracted ground rents	Group		Parent company	
	2014	2013	2014	2013
Contracted ground rents year 1	23	23	—	—
Contracted ground rents between 2 and 5 years	89	90	—	—
Contracted ground rents after more than 5 years	600	618	—	—
<b>Total</b>	<b>712</b>	<b>731</b>	<b>—</b>	<b>—</b>

## Property tax

The Group's property tax was SEKm 170 (169), equivalent to SEK 48 sq.m. (47). Property tax is a state tax based on the property's tax assessment value. The tax rate for 2014 was 1.0% of the tax assessment value for office/retail properties and 0.5% for warehouse/industrial.

## Leasing and property management

The Group's leasing and property management costs for 2014 were SEKm 221 (202), equivalent to SEK 68/sq.m. (57). Leasing and property management are indirect costs for ongoing property management, comprising the costs of leasing operations, rent negotiation, lease administration, rent debiting and collecting, accounting and project administration costs as well as depreciation on equipment in subsidiaries. Of the costs SEKm 131 (112) refers to employee benefits and SEKm 10 (9) depreciation on equipment.

## Summary property costs

Property costs per square metre, distributed by property category and type of cost are shown below.

Property costs SEK/sq.m.	Office/Retail		Warehouse/industrial		Total	
	2014	2013	2014	2013	2014	2013
Operating expenses	177	196	109	120	146	161
Maintenance	44	45	29	23	37	35
Ground rent	9	8	7	7	8	7
Property tax	69	68	22	21	48	47
<b>Direct property costs</b>	<b>299</b>	<b>317</b>	<b>167</b>	<b>171</b>	<b>239</b>	<b>250</b>
Leasing/property administration	–	–	–	–	68	57
<b>Total</b>	<b>299</b>	<b>317</b>	<b>167</b>	<b>171</b>	<b>307</b>	<b>307</b>

## Note 5 Central Administrative Expenses

Central administrative expenses include costs of portfolio management, company administration and costs of maintaining the Stock Exchange listing. This involves all costs of Castellum AB, such as Group management, treasury, IT, human relations, investor relations, annual report, audit, and depreciation on equipment, etc. At subsidiary level, the figures include, costs for MD and financial manager as well as costs of preparing annual reports, audit, etc. Of the costs, excl. the incentive plan described below, SEKm 71 (56) refers to employee benefits and SEKm 2 (2) to depreciation on equipment.

Central administrative expenses also include costs relating to a profit and share price-related incentive plan for senior management to the order of SEKm 15 (8).

## Remuneration to auditors

Remuneration to auditors	Group		Parent company	
	2014	2013	2014	2013
Audit assignment	2	3	1	1
Audit in addition to the audit assignment	0	0	0	0
Tax consulting	1	1	0	0
Other consulting	1	1	0	0
<b>Total</b>	<b>4</b>	<b>5</b>	<b>1</b>	<b>1</b>

Of the Group's total remuneration to auditors of SEKk 4,122 (4,585), SEKk 2,134 (–) refers to Deloitte (newly elected) and SEKk 1,534 (4,349) refers to KPMG (retiring), SEKk 150 (236) refers to EY and SEKk 304 (–) refers to other auditors.

## Note 6 Interest and Financial Income

	Group		Parent company	
	2014	2013	2014	2013
Interest income	3	4	1	1
Received group contributions, subsidiaries	–	–	480	150
Anticipated dividend, subsidiaries	–	–	417	568
Interest income, subsidiaries	–	–	688	732
Other financial income	0	0	0	0
<b>Total</b>	<b>3</b>	<b>4</b>	<b>1,586</b>	<b>1,451</b>

Interest income, for the Group as well as for the Parent Company, is related to receivables valued at accrued acquisition value.

## Note 7 Interest and Financial Costs

	Group		Parent company	
	2014	2013	2014	2013
Interest costs	664	704	637	673
Interest costs, subsidiaries	–	–	39	44
Other financial costs	3	2	2	1
<b>Total</b>	<b>667</b>	<b>706</b>	<b>678</b>	<b>718</b>

Net financial items were SEKm –664 (–702). During the year interest costs of SEKm 17 (26) were capitalized as investments in the real estate portfolio where an average interest rate level of 3.3% (3.7%) has been used.

Of the Group's interest costs, SEKm 396 are related to liabilities valued to accrued acquisition value. Corresponding value for the parent company is SEKm 407. Remaining interest costs refers to interest attributable to Castellums interest derivatives.

## Note 8 Changes in value

### Investments properties

In 2014, the Swedish real estate market was characterized by strong demand and high turnover. In total, the transaction volume amounted to approximately SEK 160 billion (100), in line with record years 2006–2008. Turnover was particularly high in the fourth quarter when it amounted to nearly SEK 70 billion (35). In addition to continued strong domestic interest, increased foreign interest was also noted: Foreign buyers accounted for 17% (13%) of the volume. Commercial properties accounted for about 76% (69%) of the volume. The interest in office properties was stable and still accounts for the largest segment. However, interest in community properties and hotels also increased.

Big-city regions accounted for 62% (58%) of the volume. However, in absolute terms, significantly increased interest was demonstrated for markets outside major cities.

The change in value 2014 amounted to SEKm 344 (328), corresponding to 0.9% (0.9%). During the year an overall increase in value was identified and a downward adjustment of the average valuation yield of 0.1% was made. This, together with acquisition gains, project gains and individual adjustments on property level has resulted in a change in value totaling SEKm 488. Realized sale of real estate has resulted in a change in value of SEKm –144. Net sales price amounted to SEKm 3,054 after reduction for assessed deferred tax and transaction costs of SEKm 163. Hence the underlying property value, which amounted to SEKm 3,217, exceeded last valuation of SEKm 3,198 with SEKm 19. Total value growth net, including this years change, over the past 10 years have been 1.1% per year which is in line with inflation.

### Derivatives

Castellum utilizes interest rate derivatives to achieve the desired interest rate maturity structure. If the agreed interest rate deviates from the market interest rate, regardless credit margins, there is a surplus or sub value in the interest rate derivatives where the non cash-flow changes in value are reported in the income statement. Castellum also uses derivatives in order to hedge currency fluctuation in its investment in Denmark. For currency derivatives, a surplus or sub-value occurs if the agreed exchange rate deviates from the current exchange rate, where the effective portion of value changes is accounted for in other total income.

The value of the interest derivatives portfolio has changed by SEKm –657 (429), mainly due to changes in market long-term interest rates. The value of Castellum's currency derivatives has during the year changed by SEKm –17 (–7) where the effective portion of the value changes of SEKm –14 (–7) is accounted for in other total net income.

## Note 9 Income taxes

The Swedish income tax for limited liability companies is 22%. In the income statement, income tax is recorded as two entries, current tax and deferred tax. Current tax is based on the taxable income for the year, which is lower than the recorded net income for the year. This is mainly an effect of the possibility to use tax depreciation on buildings, to use direct tax deductions for certain reconstructions of the properties, which are capitalized in the accounts, and to utilize existing tax loss carry forwards.

Deferred tax is a provision for the future tax which will be paid when the properties are sold, and the depreciation for tax purposes and the capitalized investments deducted for tax purposes are reversed.

Swedish accounting legislation does not permit the presentation of properties at fair value in legal entities, meaning that changes in property values only occurs at Group level and thus not affect taxation. Some financial instruments, such as interest rate swaps, might be recorded at fair value at entity level. In Castellum negative value changes on such instruments are a tax deductible item, while changes up to the acquisition cost of the instruments is a taxable income.

As shown in the table below, taxable income for 2014 is negligible, since Castellum uses the above mentioned depreciation for tax purposes and tax deductions for certain reconstructions while property sales mainly were made in the form of tax-free share transfers. Current paid tax occurs because a few subsidiaries are not allowed to make fiscal group contributions.

	Basis 2014		Basis 2013	
	Current tax	Deferred tax	Current tax	Deferred tax
<b>Tax calculation for the Group</b>				
Income from property management	1,450		1,346	
Deductions for tax purposes				
depreciation	– 718	718	– 695	695
reconstructions	– 322	322	– 500	500
Other tax allowances	24	37	– 24	11
Taxable income from property management	434	1,077	127	1,206
Properties sold	6	– 1,695	161	– 355
Changes in value on properties	–	488	–	234
Changes in value on interest rate derivatives	– 660	–	429	–
Taxable income before tax loss carry forwards	– 220	– 130	717	1,085
Tax loss carry forwards, opening balance	– 921	921	– 1,610	1,610
Tax loss carry forwards, closing balance	1,193	– 1,193	921	– 921
Taxable income	52	– 402	28	1,774
<b>According to statement of comprehensive income</b>	<b>– 11</b>	<b>88</b>	<b>– 6</b>	<b>– 390</b>

Tax loss carry forwards consist of prior year's tax losses. The losses, which are not restricted in time, are used to offset future taxable profits. Remaining tax loss carry forwards are estimated to SEKm 1,193.

Total tax may differ from nominal tax due to non-taxable/tax-deductible income/costs or as an effect of other tax adjustments. Total tax cost in Castellum's income statement is less than nominal tax. The effective tax on income from property management, without consideration of tax loss carry forwards, can be calculated to 7%.

	Group		Parent company	
	2014	2013	2014	2013
<b>Tax cost/income</b>				
Income before tax	1,134	2,103	185	1,109
Tax according to current tax rate	– 249	– 463	– 41	– 244
Tax effects due to:				
non-taxable dividend	–	–	92	125
non-taxable indirect sale of property)	340	63	–	–
other tax adjustments	– 14	4	–	–
<b>Tax according to income statement</b>	<b>77</b>	<b>– 396</b>	<b>51</b>	<b>– 119</b>

## Note 10 Personnel and Board of Directors

Number of employees	Group		Parent company	
	2014	2013	2014	2013
Average number of employees	295	293	23	19
of which women	116	113	11	10
of which Denmark (of which women)	3 (1)	2 (1)	–	–

### Salaries, remuneration and benefits

During 2014, the parent company had 7 (7) board members, of which 3 (3) are women, while the total number of board members in the Group's subsidiaries were 21 (21), of which 9 (7) are women. The Group, as well as the parent company, have 10 (9) senior executives, of which 3 (2) are women. The total number of senior executives in the subsidiaries' managerial bodies and the senior executives of the Group were 34 (37), of which 13 (13) are women.

	Group		Parent company	
	2014	2013	2014	2013
<b>Salaries, remuneration and benefits</b>				
Chairman of the Board	0.6	0.5	0.6	0.5
Other Board members	1.7	1.6	1.7	1.6
Chief Executive Officer *				
Fixed salary	3.4	4.1	3.4	4.1
Variable remuneration	2.7	2.0	2.7	2.0
Benefits	0.1	0.1	0.1	0.1
Other senior executives				
Group: 9 (8), Parent Company: 3 (2)				
Fixed salary	13.4	10.6	4.9	3.2
Variable remuneration	8.9	4.3	2.9	1.3
Benefits	0.7	0.6	0.2	0.1
Other employees	147.6	121.6	12.3	9.0
<b>Total</b>	<b>179.1</b>	<b>145.4</b>	<b>28.8</b>	<b>21.9</b>
<b>Contractual pensions costs</b>				
Chief Executive Officer *	1.0	1.5	1.0	1.5
Other senior executives (9 vs. 2)	4.3	3.6	1.5	0.9
Other employees	15.7	14.7	1.6	1.3
<b>Total</b>	<b>21.0</b>	<b>19.8</b>	<b>4.1</b>	<b>3.7</b>
<b>Statutory social costs incl. special employer's contributions</b>				
Chairman of the Board	0.2	0.2	0.2	0.2
Other Board members	0.6	0.5	0.6	0.5
Chief Executive Officer *	2.0	2.3	2.0	2.3
Other senior executives (9 vs. 2)	7.4	6.1	2.9	1.6
Other employees	40.4	39.3	4.2	3.2
<b>Total</b>	<b>50.6</b>	<b>48.4</b>	<b>9.9</b>	<b>7.8</b>
<b>Grand total</b>	<b>250.7</b>	<b>213.6</b>	<b>42.8</b>	<b>33.4</b>

\* For 2013 resigning as well as newly appointed CEO

### Board remuneration

Board remuneration was decided by the Annual General Meeting 2014 to SEKk 2,235, of which SEKk 585 to the Chairman of the Board and SEKk 275 to each other Board member. Additional remuneration for committee work is totally SEKk 210. The amounts applies from the AGM 20-03-2014 to the AGM 19-03-2015.

### Executive management

The executive management includes the Chief Executive Officer, the Chief Financial Officer, and the Head of Business Development of Castellum AB and the six Managing Directors of the subsidiaries.

### Remuneration and benefits

Remuneration and benefits for the executive management are prepared by the remuneration committee and decided by the Board of Directors. The remuneration comprises a fixed salary and a variable remuneration according to an incentive plan described below. During the three-year period of the plan, the variable remuneration can amount to a maximum of three years' salary. The executive management, have an incentive plan that comprises two parts:

- One profit-based part based - on the result of income from property management compared to the previous year, and an overall estimation of the development of certain soft factors such as customer and personnel satisfaction. Full outcome requires that the growth in income from property management per share is 10% per year. When growth is in the range 0-10%, a linear calculation of the incentive is made. The profit-based part is paid out yearly as salary after the year-end closing and can total no more than six months' salary per year. The outcome for 2014 was 78%, representing a cost of SEKm 7.4 including social costs. The plan ended at the end of 2014.
- One share-price-based part - based on the total return on the Castellum share during a three-year period, both in nominal figures and compared with index for real estate shares in Sweden, the Eurozone and Great Britain. For full outcome of the incentive program, the total return must be at least 50% during the period and the total return has to exceed the index development by at least 5%-units during the period. When growth is in the ranges 0-50% and 0-5%-units respectively, a linear calculation of the incentive is made. Any payments due is paid as salary after the measurement period of June 2014-May 2017. During the three-year period, the share-price-based part can total no more than one-and-a-half-years' salary, equal to a cost for Castellum of SEKm 35, including social costs. As of December 2014, the outcome outcome was 20%,



representing a cost of SEKm 1.0 including social costs. Final settlement will occur in May 2017. A three-year share-based incentive program expired in May 2014 and a settlement of SEKm 6.6 million including social costs was expensed in 2014.

Executives in receipt of variable remuneration according to the incentive plan must acquire Castellum shares for at least half of the amount of the payment due after tax. The paid incentive does not affect pension contributions.

### Pensions

Persons in the Executive management have defined contribution pensions with no other obligations for the company than to pay an annual premium during the time of employment. This implies that these persons, after completed employment, have the right to decide on their own, the time-frame during which the defined payments and subsequent return will be received as pension. The retirement age for the CEO and other members of executive management is 65 years.

### Notice of dismissal

The period of notice shall, when given from the company, not exceed 6 months regarding the Managing Director and 12 months for any other member of the executive management of the company. When given by the Managing Director or any other member of the executive management of the company, the period of notice is six months. During the period of notice, salary and other benefits are paid, with deduction of salary and remuneration deriving from another employment or activity. No deduction will occur for the Managing Director. At the company's dismissal of the Managing Director, a severance pay of 12 months' fixed salary is paid which shall not be reduced as a result of other income that the Managing Director receives.

### Pensions for other employees

Other employees in Castellum have defined contribution pensions, with no other obligations for the company than to pay an annual premium during the time of employment. This implies that these persons, after completed employment, have the right to decide on their own, the time-frame during which the defined payments and subsequent return will be received as pension. However, there is an exception for about 20 employees within the Castellum Group who instead have defined ITP-plans with regular payments to Alecta. Insurance premiums paid to Alecta during the year amounted to SEKm 1 (1). The surplus in Alecta may be distributed to the insurance holder and/or the insured. Alecta's surplus in the collective consolidation level as of December had not been made official at the time of signing of this annual report and can therefore not be reported. Alecta's latest official consolidation level was as of September 2014 146% (December 2013: 148%). The collective consolidation level is made up by the market value of Alecta's assets as a percentage of the insurance obligations calculated according to Alecta's assumptions for calculating the insurance, which do not comply with IAS 19.

### Absence due to illness

Absence due to illness for the year was 3% (2%), of which 0.4%-unit (1.0%) was for long-term sick leave. Absences due to illness for men and women were 2% (2%) and 3% (3%) respectively. Absences due to illness were 1% (1%) for the age group 29 years and younger, 2% (3%) for the age group 30-49 years and 4% (1%) for the age group 50 years or older. Absence due to illness for the parent company was 3% (1%), of which 0%-unit (0%) was for long-term sick leave.

## Note 11 Investment Properties

	Group	
Schedule of the changes during the year	2014	2013
Opening balance	37,752	36,328
New construction, extension and reconstruction	1,378	1,583
<i>of which capitalized interest costs</i>	17	26
Acquisitions	1,147	185
Sales	-3,198	-593
Unrealized changes in value	488	234
Currency translation	32	15
<b>Closing balance</b>	<b>37,599</b>	<b>37,752</b>
<i>Schedule of tax assessment value</i>		
Buildings	14,699	15,667
Land	5,250	5,554
<b>Total tax assessment value</b>	<b>19,949</b>	<b>21,221</b>
Rental income from investment properties	3,318	3,249
Property costs for investment properties	1,096	1,105

The year's change per category is shown in the table below.

Change by category	Office/Retail	Warehouse/ Industrial	Project/ Land
Opening balance	24,809	11,378	1,565
Category changes	362	179	-541
New construction, extension and reconstruction	757	332	289
Acquisitions	750	232	165
Sales	-2,403	-770	-25
Unrealized changes in value	285	122	81
Currency translation	24	8	-
<b>Closing balance</b>	<b>24,584</b>	<b>11,481</b>	<b>1,534</b>

The Parent company does not own any investment properties.

### Investments during the year

During 2014, Castellum invested totally SEKm 2,525 (1,768), of which SEKm 1,378 (1,583) were new construction, extensions and reconstructions and SEKm 1,147 (185) were acquisitions. Of total investments SEKm 1,275 related to Greater Gothenburg, SEKm 393 to Mälardalen, SEKm 361 to Greater Stockholm, SEKm 248 to Eastern Göta-land, and SEKm 248 to the Öresund Region.

### Significant obligations

Castellum has no significant obligations to acquire or sell any investment property. However, Castellum is obligated to complete ongoing investments of a further SEKm 750 in addition to what is accounted for in the balance sheet.

### Larger ongoing investments

Property	Investment, SEKm	Remaining, SEKm	To be completed
Algen 1, Jönköping	136	32	Q1 2015
Jägmästaren 1, Linköping	109	21	Q1 2015
Drottningparken, Örebro	100	94	Q3 2016
Verkstaden 14, Västerås	78	75	Q1 2016
Visionen 3, Jönköping	59	51	Q3 2015

### Valuation model

According to accepted theory, the value of an asset is the net present value of future cash flows that the asset is expected to generate. This section aims to describe and illustrate Castellum's cash flow-based model for calculation of the value of the real estate portfolio. The value of the real estate portfolio is calculated in this model as the total present value of net operating income minus remaining investments on ongoing projects, during the next nine years and the present value of the estimated residual value in year ten. The residual value in year ten consists of the total present value of net operating income during the remaining economic life span. The estimated market value of undeveloped land and building rights are added to this. The valuation is thus under IFRS 13, level 3.

The required yield and the assumption regarding future real growth are crucial for the calculated value of the real estate portfolio, as they are the most important value-driving factors in the valuation model. The required yield is the weighted cost of borrowed capital and equity. The cost of borrowed capital is based on the market interest rate for loans. The cost of equity is based on a "risk-free interest rate" equivalent to the long-term government bond rate with the addition of a "risk premium". The risk premium is unique to each investment and depends on the investor's perception of future risk and potential.

### Internal valuation

Castellum records the investment properties at fair value and has made an internal valuation of all properties as of December 31, 2014. The valuation was carried out in a uniform manner, and was based on a ten-year cash flow model, which was summarized above. The internal valuation was based on an individual assessment for each property of both its future earnings capacity and its required market yield. Valuations are made locally in each subsidiary and are quality assured by Castellum AB, which also has overall responsibility for both the process, system and for determining the macroeconomic assumptions.

### Assumptions of cash flow

In assessing a property's future earnings capacity we took into account an assumed level of inflation of 1.5% and potential changes in rental levels from each contract's rent and expiry date compared with the estimated current market rent, as well as changes in occupancy rate and property costs. In the valuation, the economic occupancy rate gradually improves during the 10-years period and reaches 96%. Included in property costs are operating expenses, maintenance, ground rent, property tax, and leasing and property administration.

Assumptions per property category 31-12-2014, year 1	Office/Retail	Warehouse/Industrial
Rental value SEK/sq.m.	1,350	799
Vacancy	10%	9%
Direct property cost SEK/sq.m.	316	180
Property management SEK/sq.m.	35	25

### Assumptions of required yield

The required yield on equity is different for each property, and is based on assumptions regarding real interest rate, inflation and risk premium. The risk premium is different for each property and can be divided into two parts - general risk and individual risk. The general risk makes up for the fact that a real estate investment is not as liquid as a bond, and that the asset is affected by the general economic situation. The individual risk is specific to each property, and comprises a weighted assessment of; the property's category, the town/city in which the property is located, the property's location within the town/city with reference to the property's category, if the property has the right design, is appropriate and makes efficient use of space, the property's technical standard with regard to such criteria as the choice of materials, the quality of public installations, furnishing and equipment on the premises and apartments and the nature of the lease agreements, with regard to such issues as the length, size and number of the agreements. Leasehold properties where Castellum under contractual agreement have a reset obligation are assigned an additional individual risk premium of 1.0%.

In order to calculate the required yield on total capital, an assumption has been made about the cost of borrowed capital of 5.5%. The required yield of borrowed capital comprises the real interest rate and inflation. The loan to value ratio is assumed to be 55%-65%, depending on the property category.

The required yield on total capital is calculated by weighting the required yield on equity and the cost of borrowed capital depending on the capital structure. The required yield on total capital is used to discount the expected 10-year future cash flows, while the residual value is discounted by calculating the return on total capital minus growth which is set equal to the inflation in order to not assume perpetual real growth.

Assumptions per property category 31-12-2014	Office/Retail	Warehouse/Industrial
Real interest rate	3.0%	3.0%
Inflation	1.5%	1.5%
Risk	4.5% - 12.5%	6.9% - 14.0%
Return on equity	9.0% - 17.0%	11.4% - 18.5%
Interest rate	5.5%	5.5%
Loan to value ratio	65%	55%
Return on total capital	6.7% - 9.5%	8.1% - 11.3%
Weighted d:o, discounted factor year 1-9	7.8%	8.9%
Weighted d:o, discounted factor residual value*	6.3%	7.4%

\* required yield on total capital minus growth equal to inflation

The calculated required yield is then calibrated compared to the markets required yield. To get an opinion about the markets required yield Castellum follows completed transactions. In an inactive market within a certain area or for a certain type of property, Castellum compares the data from transactions completed in a similar area or for a similar type of property. In the absence of completed transactions the opinion is based on existing macroeconomic factors.

The average valuation yield for Castellum's real estate portfolio, excluding development projects and undeveloped land, can be calculated to 6.9% (7.2%). Contracted rental levels are considered to be in line with the market levels.

Average valuation yield, SEKm	2014	2013
Net operating income, properties according to income statement	2,222	2,144
Reversed leasing and property administration	221	202
Net operating income, ongoing development projects	- 33	- 19
Properties acquired/completed as if owned the whole year	69	39
Properties sold	- 193	- 25
Net operating income excl. leasing and property admin. for properties as if owned during the whole year, excl. projects and land	2,286	2,341
Adjusted for:		
Index adjustments 2015, 1% (1%)	25	35
Real occupancy rate, 94% at the lowest	251	279
Property administration, 30 SEK/sq.m.	- 99	- 107
<b>Normalized net operating income</b>	<b>2,463</b>	<b>2,548</b>
Valuation excl. building rights of SEKm 559 (574)	35,506	35,613
<b>Average valuation yield</b>	<b>6.9%</b>	<b>7.2%</b>

### Development projects and building rights

Development projects are valued using the same principle, but with reduction for remaining investment. Sites with building rights and undeveloped land have been valued on the basis of an estimated market value per square metre on average approx. SEK 1,500 per sq.m. (1,100).

### The value of the real estate portfolio

The internal valuation indicates a fair value of SEKm 37,599 (37,752), corresponding to a change in value of 0.9% (0.9%). Of the value approx. SEKm 3,417 are properties hold through site leasehold rights, with a rental income of SEKm 353.

The table below shows the fair value distributed by property category and region.

Property value, SEKm 31-12-2014	Office/Retail	Warehouse/Industrial	Projects and land	Total
Greater Gothenburg	7,604	5,316	492	13,412
Öresund Region	5,269	1,874	37	7,180
Greater Stockholm	4,610	2,871	324	7,805
Mälardalen	4,899	1,190	432	6,521
Eastern Götaland	2,202	230	249	2,681
<b>Total</b>	<b>24,584</b>	<b>11,481</b>	<b>1,534</b>	<b>37,599</b>

### Uncertainty range and sensitivity analysis

A property's market value can only be confirmed when it is sold. Property valuations are calculations performed according to accepted principles on the basis of certain assumptions. The value range of +/- 5-10% often used in property valuations should be seen as an indication of the uncertainty that exists in such assessments and calculations. In a less liquid market, the range can be bigger. For Castellum, an uncertainty range of +/- 5%, means a range in value of +/- 1,880 SEKm which corresponds to SEKm 35,719-39,479.

Sensitivity analysis +/-1% (unit)	Effect on value, SEKm	
	Office/Retail	Warehouse/Industrial
Rental value SEK/sq.m.	+ 356/- 356	+ 159/- 159
Economic occupancy rate	+ 356/- 356	+ 159/- 159
Property costs SEK/sq.m.	- 90/+ 90	- 39/+ 39
Required yield = discount rate	- 3,063/+ 3,921	- 1,230/+ 1,545

The sensitivity analysis shown above illustrates how a +/- 1%-unit change in growth assumptions in future cash flow and required yield affects the valuation. The sensitivity analysis is however not realistic thus one isolated parameter rarely changes, since the assumptions made are linked together regarding cash flow and required yield.

### External valuation

In order to provide further assurance and validation of the valuation, 154 properties - representing 57% of the value of the portfolio - have been valued externally by Forum Fastighetsekonomi AB. The properties were selected on the basis of the largest properties in terms of value, but they also reflect the composition of the portfolio as a whole in terms of category and geographical location of the properties. Forum's valua-

tion of the selected properties amounted to SEKm 21,109, within an uncertainty range of +/- 5-10% on property level, depending on each property's category and location. Castellum's valuation of the same properties totalled SEKm 21,383, i. e., a net deviation of SEKm -274, corresponding to -1%. The gross deviation was SEKm +620 and SEKm -894 respectively, with an average deviation of 7%.

In addition, NAI Svefa made a desk-top valuation of 41 properties corresponding in value to 25% of the portfolio. Forum's valuation of the selected properties amounted to SEKm 9,105. Castellum's valuation of the same properties amounted to SEKm 9,348, i.e. a net deviation of SEKm -243 corresponding to -3%. Forum's valuation of the same properties amounted to SEKm 9,216, i.e. en net deviation of SEKm -132 corresponding to -1% compared to Castellum's valuation.

It can be noted that Castellum's deviation from the two external valuers accommodated well within the uncertainty range of +/-5-10%.

## Note 12 Equipment

	Group		Parent Company	
	2014	2013	2014	2013
Opening acquisition value	84	73	10	7
Acquisitions	11	18	2	3
Sales/retirement of assets	-2	-7	0	0
<b>Closing acquisition value</b>	<b>93</b>	<b>84</b>	<b>12</b>	<b>10</b>
Opening depreciation	-53	-49	-6	-4
Sales/retirement of assets	0	7	0	0
Depreciation for the year	-12	-11	-2	-2
<b>Closing depreciation</b>	<b>-65</b>	<b>-53</b>	<b>-8</b>	<b>-6</b>
<b>Book value</b>	<b>28</b>	<b>31</b>	<b>4</b>	<b>4</b>

## Note 13 Shareholders' Equity and Net Asset Value

### Items in shareholders' equity

The share capital as of December 31, 2014 consisted of 172,006,708 registered A-shares with one vote per share and a par value of 0.50 per share. All shares are fully paid. Of the registered shares, Castellum owns 8,006,708, to a total nominal value of SEK 4,003,354. The number of outstanding shares thus totals 164,000,000, which is the same amount as for the corresponding period previous year. The repurchased shares do not carry any voting rights and are not entitled to dividend. There are no restrictions regarding dividend or other types of repayment. There is no potential common stock such as convertible shares, or preferential rights to accumulated dividend (preference shares).

Development of share capital	Date	Number of shares	Par value per share	Share capital, SEK
Formation A-shares	27-10-1993	+500	100.00	+50,000
New share issue, A-shares	27-09-1994	+999,500	100.00	+99,950,000
Share split 50:1	25-03-1997	+49,000,000	2.00	-
<b>IPO</b>	<b>23-05-1997</b>	<b>50,000,000</b>	<b>2.00</b>	<b>100,000,000</b>
New share issue, C-shares	12-07-2000	+7,142,857	2.00	+14,285,714
Redemption, A-shares	12-07-2000	-6,998,323	2.00	-13,996,646
Redemption, C-shares	13-11-2000	-7,142,857	2.00	-14,285,714
Share split 4:1	27-04-2006	129,005,031	0.50	-
<b>Year-end</b>	<b>31-12-2014</b>	<b>172,006,708</b>	<b>0.50</b>	<b>86,003,354</b>

### Other capital contribution

Other capital contribution is shareholders' equity contributed by shareholders.

### Currency translation reserve

Currency translation differences as a result of foreign operations.

### Currency hedge reserve

Refers to the effective part of unrealized changes in value related to currency derivatives used to hedge investments in foreign operations.

### Retained earnings

Retained earnings relates to earnings earned in the Group. The Group's earlier deposits to the restricted reserves is also included in this item.

### Restricted and non-restricted equity in the parent company

According to the Swedish Companies Act shareholders' equity is made up of restricted (non-distributable) and non-restricted (distributable) equity. Dividend to the share-

holders may only be such that there after the distribution is full coverage for restricted equity in the parent company. Further, distribution of profits may only be made if it is justified with respect to the demands put on the amount of equity needed by the type of business, extent and risk of operations, company and Group consolidation needs, liquidity and financial position in general.

### Retained earnings

During the year 2000, Castellum repurchased 8,006,708 of the company's own shares for a total of SEKm 194, equivalent to 4.7% of the total registered number of shares. Since then no repurchase of the company's own shares have been made.

### Dividend

Dividend is proposed by the Board of Directors according to the rules of the Companies Act and decided by the annual general meeting. The proposed dividend, not yet paid out, for the financial year 2014 is SEK 4.60 per share, SEKm 754 in total. The amount is recorded as a liability after the annual general meeting has approved the dividend.

### Net asset value

Net asset value can be calculated both long and short term. Long term net asset value is based on the balance sheet with adjustments for items that will not lead to any short term payment, such as in Castellum's case, interest rate derivatives and deferred tax liability. This means that shareholders' equity according to the balance sheet shall increase with SEKm 1,357 and SEKm 3,612 respectively.

Actual net asset value is equity according to the balance sheet adjusted for deferred tax liability. Present accounting principles states that the deferred tax liability shall be recognized at nominal 22%, while the real deferred tax is substantially lower, due to the possibility to sell properties in a tax-efficient way and the time factor. The present assessment is that the discounted real deferred tax liability is equivalent to approx. 5%, meaning that an additional SEKm 2,783 will be recorded in equity.

The value range of +/- 5-10% often used in property valuations should be viewed as an indication of the uncertainty that exists in assessments and calculations made. For Castellum a +/- 5% uncertainty range is equal to SEKm +/- 1,786 after tax.

Net asset value	SEKm	SEK/share
Equity according to the balance sheet	13,649	83
Reversed		
Derivatives according to the balance sheet	1,357	9
Deferred tax according to the balance sheet	3,612	22
<b>Long term net asset value (EPRA NAV)</b>	<b>18,618</b>	<b>114</b>
Deduction		
Derivatives as above	-1,357	-9
Estimated real liability, deferred tax 5%*	-829	-5
<b>Actual net asset value (EPRA NNNAV)</b>	<b>16,432</b>	<b>100</b>
Uncertainty range valuation of properties +/- 5% after tax	+/- 1,786	+/- 11

\* Estimated real deferred tax liability net has been calculated to 5% based on a discount rate of 3%. Further, assessments have been made that tax loss carry forwards are realized in 2 years with a nominal tax of 22%, giving a present value of deferred tax liability of 21%, and that the properties are realized in 50 years where 33% are sold directly with a nominal tax of 22% and that 67% are sold indirect through company disposals where the buyers tax discount is 6%, which gives a present value of deferred tax liability of 6%.

### Capital structure

Castellum should have a stable capital structure with low financial risk, meaning a loan to value ratio not permanently exceeding 55% and an interest coverage ratio of at least 200%.

In the balance sheet there is, besides shareholders equity, liabilities which in principle are both interest free and amortization free and therefore can be considered as shareholders equity. The real estate industry therefore uses loan to value as a key ratio for capital structure instead of solidity. For the same reason the net asset value can be calculated in different ways, which is shown above.

Castellum's objective is based on growth in cash flow and is not directly related to the net asset value. The objective is an annual growth in cash flow, i.e., income from property management per share, of at least 10%. In order to achieve this objective, net investments of at least 5% of the property value will be made yearly. At the moment, this is equivalent to approx. SEKm 2,000. All investments shall contribute to the objective of growth in income from property management within 1-2 years and have a potential asset growth of at least 10%. Sales of properties will take place when justified from a business standpoint and when an alternative investment with a higher return can be found.



## Note 14 Liabilities

	Group		Parent Company	
	2014	2013	2014	2013
Non-interest-bearing liabilities due within one year of the balance sheet date	1,001	1,122	120	143
Interest-bearing liabilities due within one year of the balance sheet date	—	—	161	31
1-5 years of the balance sheet date	17,383	17,352	18,002	18,282
5 years after the balance sheet date	1,063	2,129	—	—
<b>Total liabilities excl. deferred tax liability and derivatives</b>	<b>19,447</b>	<b>20,603</b>	<b>18,283</b>	<b>18,456</b>

During 2015, current interest-bearing liabilities amounting to SEKm 3,384 (1,952) are due for payment. Since they are covered by unutilized long-term credit agreements, they are treated as long-term interest-bearing liabilities.

## Note 15 Deferred Tax Liability/Asset

A realization of all assets and liabilities to book value for the Group and utilization of all existing tax loss carry forward would, as is shown in the table below, result in a taxable income of SEKm 17,409 (17,649), which with a tax rate of 22% is equivalent to a tax payment of SEKm 3,830 (3,883). Castellum has deferred tax of SEKm 218 (183) which relates to properties accounted for as asset acquisitions. According to present regulations deferred tax at the time of the acquisition shall not be accounted for in the balance sheet, which is shown in the table below.

The parent company reports a deferred tax asset of SEKm 154 (103) corresponding to 22% of the unutilized tax loss carry forwards of SEKm 698 (468).

### Tax loss carry forward

Castellum's tax loss carry forwards as of December 31, 2014 are estimated to SEKm 1,193 (921). The change is presented in note 9.

### Surplus- and sub value of properties for tax purposes

When calculating the tax effect on a sale of all properties in the Group, the book value in the Group of SEKm 37,599 (37,752) must be compared to the residual value for tax purposes in the legal entity, which amounts to SEKm 18,997 (19,182). This means that if all of Castellum's properties were sold, the taxable net profit would exceed the recorded profit in the Group by SEKm 18,602 (18,570).

	2014		2013	
	Basis	Tax	Basis	Tax
<b>Deferred tax liability</b>				
<i>Tax loss carry forwards</i>				
Opening balance	921	202	1,610	354
Change of the year in income statement	272	60	— 689	— 152
<b>Closing balance in the balance sheet</b>	<b>1,193</b>	<b>262</b>	<b>921</b>	<b>202</b>
<i>Difference between the properties book and tax basis value</i>				
Opening balance	— 18,570	— 4,085	— 17,412	— 3,831
Change of the year in income statement	129	28	— 1,086	— 238
Company acquisitions	— 161	— 35	— 72	— 16
Closing balance	— 18,602	— 4,092	— 18,570	— 4,085
Less, attributable to asset acquisitions				
Opening balance	830	183	758	167
Company acquisitions	161	35	72	16
Closing balance	991	218	830	183
<b>Closing balance in the balance sheet</b>	<b>— 17,611</b>	<b>— 3,874</b>	<b>— 17,740</b>	<b>— 3,902</b>
<i>Total</i>				
Opening balance	— 16,819	— 3,700	— 15,044	— 3,310
Change of the year in income statement	401	88	— 1,775	— 390
<b>Closing balance in the balance sheet</b>	<b>— 16,418</b>	<b>— 3,612</b>	<b>— 16,819</b>	<b>— 3,700</b>

Previous write-downs where tax deductions have been made amount to approx. SEKm 170. These may be reversed in the case of a future increases in value.

## Note 16 Other provisions

Other provisions relate to rental guarantees, with a maximum commitment to January 31, 2019, estimated to SEKm 20 (0) and other commitments in connection with the sale of real estate amounting to a maximum of SEKm 3 (0).

## Note 17 Derivatives

### Valuation

Castellum uses interest rate derivatives in order to manage the interest rate risk and achieve the desired interest rate maturity structure. This strategy means that there may be changes in value of the interest rate derivatives portfolio from time to time. These value changes occur primarily due to changes in market interest rates. Castellum also uses currency derivatives to provide financing in foreign currency, which are included in the derivative portfolio market value.

To calculate the market value of derivatives, market rates for each term and, where appropriate, exchange rates, as quoted on the market at the closing date are used. Interest rate swaps are valued by discounting future cash flows to present value while instruments containing options are valued at current repurchase price. As of December 31, 2014, the market value of the interest rate derivatives portfolio amounted to SEKm —1,357 (—683) where fair value is established according to level 2, IFRS 13.

In the balance sheet derivatives are accounted for as long-term liabilities since the amount will not be settled in cash. However, a theoretical matured amount during 2015 can be mathematically calculated to SEKm 316.

### Counterparty risk

For valuation of derivatives at fair value, an adjustment is made for counterparty risk in the form of Credit Value Adjustment (CVA) and Debt Value Adjustment (DVA). CVA reflects Castellum's risk of suffering a credit loss in the event of a counterparties' default, while the DVA represents the reverse. The adjustment is calculated on counterparty level, based on anticipated future credit exposure, the risk of default and recovery rate of exposed credits.

In order to limit counterparty risk, Castellum's derivative transactions are covered by general agreement with netting clauses (ISDA). This allows Castellum to offset positive and negative market values in the event of default.

	31-21-2014			31-21-2013		
	Asset	Liability	Net	Asset	Liability	Net
Interest rate derivatives	14	— 1,358	— 1,344	16	— 703	— 687
Currency derivatives	0	— 13	— 13	4	0	4
<b>Gross value derivatives</b>	<b>14</b>	<b>— 1,371</b>	<b>— 1,357</b>	<b>20</b>	<b>— 703</b>	<b>— 683</b>
Netting	— 14	14	0	— 20	20	0
<b>Net value derivatives</b>	<b>0</b>	<b>— 1,357</b>	<b>— 1,357</b>	<b>0</b>	<b>— 683</b>	<b>— 683</b>

### Future cash-flow

Future cash-flows attributable to interest rate derivatives consist of interest paid minus interest received as presented below. To calculate the variable part of the interest rate derivative, the Stibor interest rate - as listed at year end - has been used throughout the full term of the derivative.

Future cash-flow derivatives			
Year	Interest to pay, SEKm	Interest to receive, SEKm	Net, SEKm
2015	— 354	42	— 312
2016	— 336	36	— 300
2017	— 312	26	— 286
2018	— 279	23	— 256
2019	— 228	18	— 210
2020+	— 364	28	— 336
<b>Summa</b>	<b>— 1,873</b>	<b>173</b>	<b>— 1,700</b>

## Sensitivity analysis

The table below shows the interest rate derivatives portfolio's nominal net amount and market value as of 31-12-2014 and the market value of the portfolio with a +/- 1%-unit change in the interest rate. Interest rate derivatives which include an option has, based on the date of termination, been reported in the same time segment as prior to the assumed change in interest rate.

End date	Amount, SEKm	Acquisition value, SEKm	Market value, SEKm	Average interest rate	Market value interest +1%-unit	Market value interest -1%-unit
2015	400	—	— 9	4.1%	— 9	— 9
2016	650	—	— 48	2.4%	— 28	— 61
2017	900	—	— 55	2.8%	— 33	— 62
2018	1,600	—	— 176	3.2%	— 109	— 223
2019	2,000	—	— 214	3.0%	— 126	— 264
2020+	5,200	—	— 842	3.4%	— 481	— 1,170
<b>Summa</b>	<b>10,750</b>	<b>—</b>	<b>— 1,344</b>	<b>3.2%</b>	<b>— 786</b>	<b>— 1,789</b>

\* With the assumption that the interest rate not can fall below 0%.

Currency derivatives with a market value of SEKm –13 is not included in the table above, since a change in the market interest rate has an insignificant effect on the market value.

## Note 18 Financial Risk Management

### Financing

Real estate is a long-term asset that requires long-term financing with an allocation between equity and interest-bearing liabilities. Castellum credits can, from a security perspective, be divided into the following categories:

- Credits pledged by Castellum's receivables from subsidiaries, including mortgages.
- Credits directly to subsidiaries pledged by mortgages. Credits directly to subsidiary have, in the majority of the cases, also a guaranteed commitment from the parent company.
- Unsecured credits.
- Issuing of bonds, without pledged security.
- Issuing of commercial papers, without pledged security.

All types of credit agreements contain normal termination terms, and in some cases renegotiation terms for changes in business and delisting. If the lender calls for such renegotiation and the parties can not agree, the credit agreements have established settlement times for the credit agreement subject to such terms.

Utilized credits secured by pledged mortgages were at the end of the year SEKm 12,919. In addition to the mortgages the majority of the credit agreements include commitments regarding loan to value ratio and interest coverage ratio, so called financial covenants. In all cases the financial covenants are issued within safe margins to Castellum's objectives for the capital structure and state a loan to value ratio not exceeding 65% and an interest coverage ratio of at least 150%. In all cases, the guarantee to lenders is issued by a comfortable margin to Castellum's target capital structure.

### Financial policy

Castellum's funding and management of financial risk are conducted in accordance with the financial policy adopted by the Board of Directors. Castellum shall have a low financial risk with a loan to value ratio not exceeding 55% in the long run and an interest coverage ratio of at least 200%. The financial operations in Castellum shall be run in such a way that the need for long- and short-term funding and liquidity is ensured. In addition, net interest expenses at each time shall be minimized within the given risk authorization. The financial policy outlines the overall authorization and how financial risk should be reported and monitored. The financial risks are monitored and reported quarterly to the Board. As part of continually improving and adapting the financial risk management, the Board has an annual review of the financial policy.

The parent company holds a function, separated from the treasury department, that provides accounting and independent control of the financial management and the financial risks.

### Financial risk management

Castellum carries out financial transactions based on estimations of the Group's overall long-term funding needs, liquidity and increased interest rate risk. Hence, the financial risk management is carried out on portfolio level. Portfolio management of funding means that an intra Group transaction, such as an internal loan, is not replicated by an identical external transaction. Instead loans are drawn under short or long term credit agreements, based on the Group's overall funding needs.

Policy	Objective/Mandate	Outcome
Loan to value ratio	Not in the long run exceeding 55%	49%
Interest coverage ratio	At least 200%	318%
Interest rate risk		
— average fixed interest rate term	1-4.5 years*	2.8 years
— proportion maturing within 6 months	No more than 50%	39%
Currency risk		
— investment	60-100% funded in local currency	72%
— other currency risk	Not allowed	No exposure
Funding risk	At least 50% interest bearing liabilities have a duration of at least 2 years	96%
Counterparty risk	Credit institutions with high ratings, at least "investment grade"	Satisfied
Liquidity risk	Liquidity reserve in order to fulfill payments due	SEKm 3,958 in unutilized credit agreements

\* Mandate in financial policy have, in accordance with the Board's decision, changed during the year from 0.5-3 years to 1-4.5 years.

For a cost effective management of the interest rate risk an assessment is made of the interest rate risk that occurs when a payment is made or a new loan is drawn with short fixed interest term, followed by interest rate derivative transactions made in order to achieve the desired fixed interest term on the total amount of debts. The internal bank works with a cash pool system of bank accounts for the Group's liquidity flows.

### Funding risk

Demands for long-term funding make Castellum look for long term capital in credit agreements in order to minimize the risk of refinancing. To reach maximum flexibility utilized loans are revolving, i.e. the turnover interest rate is normally within 1-3 months. Short term revolving loans leads to great flexibility when it comes to fixed interest rate terms, basis for interest rate and the opportunity for amortization at every turnover occasion without any marginal breaking costs or other compensation to lenders. The objective is to minimize the interest-bearing liabilities, and cash is therefore used primarily to repay outstanding debts.

In order to secure Castellum's need for liquidity and long-term funding, Castellum are regularly re-negotiating and, when needed, entering into new credit agreements or forms of borrowing. At the end of the year Castellum had binding credit agreements totalling SEKm 26,065 (24,300) of which SEKm 22,357 (21,859) were long-term binding and SEKm 3,708 (2,441) short-term binding. Of utilized long-term credits, SEKm 19,357 (18,659) were long-term binding credit agreements in bank and SEK 3,000 (3,200) were MTN. Of short-term credits, SEKm 1,228 (1,427) were short-term credits in bank, 1,200 (0) MTN, and SEKm 1,280 (1,014) were outstanding commercial papers. At year-end unutilized credit in long-term credit agreements amounted to SEKm 3,958. Castellum thus has good access to credits to finance investment in new constructions, extensions, reconstructions and acquisitions.

During the year a new credit agreement of SEKm 500 has been added and agreements for a total of SEKm 11,500 have been renegotiated and extended. MTN of SEKm 1,500 were issued and SEKm were 500 repurchased.

The average duration of Castellum's long-term credit agreements was 3.3 years (3.4).

Credit agreements/-limits	Amount, SEKm	Utilized, SEKm
Long-term credit agreements in bank	19,157	11,958
Short-term credit agreements in bank	1,008	1,008
Liquidity *	420	- 47
Total credit agreements	20,585	12,919
MTN program (SEKm 5,000 facility)	4,200	4,200
Commercial paper (SEKm 4,000 facility)	1,280	1,280
<b>Total</b>	<b>26,065</b>	<b>18,399</b>

\* Bank overdrafts with a net liquidity of -47 in the table above are allocated in the table of credit maturity structure below between segments 0-1 years and 1-2 years.

The debt maturity structure for the credit agreements, presented in the table below, shows when in time the credit agreements fall due for renegotiation or repayment.

Credit maturity structure	Utilized in			
	Agreements, SEKm	Bank	MTN/Cert	Total
0-1 year	3,708	904	2,480	3,384
1-2 year	4,708	3,266	500	3,766
2-3 year	8,308	2,208	1,000	3,208
3-4 year	6,708	4,408	1,000	5,408
4-5 year	1,570	1,070	500	1,570
> 5 year	1,063	1,063	-	1,063
<b>Total</b>	<b>26,065</b>	<b>12,919</b>	<b>5,480</b>	<b>18,399</b>
<b>Unutilized credits in long term credit agreements</b>				<b>3,958</b>

### Interest risk

Changes in market interest rates and credit spreads affect borrowing costs. How fast and how much changes in these two components affect depends on the selected term. To limit the immediate impact of changes in market interest rates, Castellum has chosen to work with both a short and long term interest rate maturity structure. For the same reason, Castellum has chosen to enter credit agreements, issue commercial papers and MTN with different maturities on agreed credit margin. Changes in both interest rates and credit margins will, however, always have an impact on net financial items over time.

The interest coverage ratio is the financial measure that describes a company's risk level and resilience to changes in the net interest. Castellum has an objective of an interest coverage ratio of at least 200%. For 2014, the interest coverage ratio was 318% (292%). The average duration was as per December 31, 2014 2.8 years (2.7), the average effective interest rate was 3.4% (3.5%) and the average interest rate for the year was 3.3% (3.7%).

Margins and fees on long-term credit agreements are established with an average duration of 2.7 years (2.4).

An interest rate change of +/- 1% effects profit next twelve months with -67 respectively +17 SEKm with the assumption that the interest rate not can fall below 0%.

In the interest rate maturity structure, interest rate derivatives are accounted for in the earliest time segment in which they can mature. Credit margins are distributed in the interval of the underlying loans.

Interest rate maturity structure	Loan, SEKm	Derivatives, SEKm	Amount, SEKm	Average interest rate
0-1 year	18,399	- 9,750	8,649	3.4%
1-2 years	-	650	650	2.4%
2-3 years	-	900	900	2.9%
3-4 years	-	1,600	1,600	3.3%
4-5 years	-	1,600	1,600	3.3%
5-10 years	-	5,000	5,000	3.5%
<b>Total</b>	<b>18,399</b>	<b>-</b>	<b>18,399</b>	<b>3.4%</b>

### Currency risk

Castellum owns properties in Denmark to a value of SEKm 530 (466), which means that the Group is exposed to currency risk. The currency risk is primarily related to when income statement and balance sheet in foreign exchange are translated into Swedish currency. In accordance with the financial policy, between 60-100% of investments in foreign subsidiaries are to be financed in that country's currency. The transaction risk in the Group is insignificant and will be managed by matching income by costs.

The impact on financial position due to an appreciation of SEK to DKK by 10% is SEKm +15.

### Counterparty risk

Counterparty risk refers to the risk that, at any moment, is estimated that Castellum's counterparties do not fulfill their contractual obligations.

Castellum limits counterparty risk by requiring high credit ratings of the counterparties. High rating is defined to be that no rating agency indicates a rating that is below investment grade. Castellum's counterparties are the major Nordic banks.

### Future cash-flow

Future cash-flows attributable to liabilities are shown in the table below. The assumption is made that a maturing loan is replaced by a new loan during the term of maturity of the underlying credit agreement and to a Stibor interest rate as listed at year end.

Future cash-flow loans				
Year	Loan, opening balance	Mature	Loan, closing balance	Interest costs, SEKm
2015	18,399	- 2,384	16,015	- 288
2016	16,015	- 3,766	12,249	- 228
2017	12,249	- 4,208	8,041	- 171
2018	8,041	- 5,408	2,633	- 108
2019	2,633	- 1,570	1,063	- 21
2020+	1,063	- 1,063	0	- 31
<b>Total</b>		<b>- 18,399</b>		<b>- 847</b>

## Note 19 Accrued Expenses and Prepaid Income

	Group		Parent Company	
	2014	2013	2014	2013
Pre-paid rents	431	449	-	-
Accrued interest	99	124	99	125
Other	157	142	17	14
<b>Total</b>	<b>687</b>	<b>715</b>	<b>116</b>	<b>139</b>

## Note 20 Pledged Assets

	Group		Parent Company	
	2014	2013	2014	2013
Property mortgages	18,222	18,375	-	-
Long-term receivables, group companies	-	-	15,200	14,928
<b>Total</b>	<b>18,222</b>	<b>18,375</b>	<b>15,200</b>	<b>14,928</b>

## Note 21 Contingent Liabilities

	Group		Parent Company	
	2014	2013	2014	2013
Guaranteed commitments for subsidiaries	-	-	2,165	2,166
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,165</b>	<b>2,166</b>

Normally the parent company is the borrower, but when the property owning company borrows directly, the parent company provides guaranteed commitments for subsidiaries.



## Note 22 Participations in Group Companies

Directly owned subsidiaries are listed below. Other companies in the Group are included in each respective subsidiary's annual report.

Directly owned subsidiaries	Corporate identity No.	Registered Office	Share of capital	Book value
Fastighets AB Brostaden	556002-8952	Stockholm	100%	1,257
Aspholmen Fastigheter AB	556121-9089	Örebro	100%	1,297
Eklandia Fastighets AB	556122-3768	Göteborg	100%	1,150
Harry Sjögren AB	556051-0561	Mölnådal	100%	804
Fastighets AB Corallen	556226-6527	Jönköping	100%	589
Fastighets AB Briggen	556476-7688	Malmö	100%	933
Fastighets AB Regeringsgatan	556571-4051	Göteborg	100%	0
<b>Total</b>				<b>6,030</b>

Principles for consolidation are described in the accounting principles.

	Parent Company	
Participations in Group Companies	2014	2013
Opening acquisition value	5,869	5,338
Paid shareholders' contribution	161	531
<b>Closing balance/book value</b>	<b>6,030</b>	<b>5,869</b>

## Note 23 Long-term Receivables, Group Companies

	Parent Company	
	2014	2013
Opening acquisition value	17,419	17,983
New lending to subsidiaries	– 340	– 571
Currency translation foreign operation	14	7
<b>Closing balance/book value</b>	<b>17,093</b>	<b>17,419</b>

## Note 24 Financial Instruments

The different categories of financial instruments in the Group's balance sheet are presented in the table below.

	Loans and accounts receivable		Financial liabilities recorded at fair value in income statement		Derivatives used in hedge accounting		Financial liabilities recorded at accrued acquisition value	
SEKm	2014	2013	2014	2013	2014	2013	2014	2013
<i>Assets</i>								
Rent receivables	13	23	–	–	–	–	–	–
Other receivables	263	41	–	–	–	–	–	–
Prepaid expenses and accrued income	89	83	–	–	–	–	–	–
Cash and bank	47	70	–	–	–	–	–	–
<i>Liabilities</i>								
Interest rate derivatives	–	–	1,344	687	–	–	–	–
Currency derivatives	–	–	–	–	13	– 4	–	–
Long-term liabilities	–	–	–	–	–	–	18,446	19,481
Accounts payable	–	–	–	–	–	–	120	198
Other liabilities	–	–	–	–	–	–	144	151
Accrued expenses and prepaid income	–	–	–	–	–	–	687	715
<b>Total</b>	<b>412</b>	<b>217</b>	<b>1,344</b>	<b>687</b>	<b>13</b>	<b>– 4</b>	<b>19,397</b>	<b>20,545</b>

Financial instruments such as rent receivables, accounts payable etc. are recorded at accrued acquisition value with deduction for any write-downs. Hence, fair value is assessed to comply with book value. Long-term interest bearing liabilities have primarily short-term interest terms meaning that accrued acquisition cost corresponds to fair value.

## Note 25 Subsequent Events

The Financial Reports are a part of the Annual Report and were signed by the Board of Directors on February 2, 2015.

The Board of Directors of Castellum AB intends to propose the annual general meeting a dividend of SEK 4.60 per share, which is an increase of 8% compared to previous year. The Income Statement and the Balance Sheet for the Parent Company and the Group shall be adopted at Castellum AB's Annual General Meeting, which will take place on March 19, 2015.

In January Castellum AB (publ) has acquired, through its wholly owned subsidiaries Fastighets AB Brostaden and Fastighets AB Briggen, properties in Stockholm, Copenhagen, and Helsingborg for totally SEK 762. Via the acquisitions in Copenhagen Briggen more than doubles its holding in Denmark.

# Proposed Distribution of Profits

The following funds are at the Annual General Meetings disposal:

Retained profits	SEK 4,236,074,638
Net income for the year	SEK 234,653,941
	<u>SEK 4,470,728,579</u>

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

Dividend to shareholders, SEK 4.60 per share	SEK 754,400,000
Carried forward to the new accounts	SEK 3,716,328,579
	<u>SEK 4,470,728,579</u>

The company has 172,006,708 registered shares, of which 8,006,708 are currently the company's own repurchased shares and are not entitled to dividends.

The total dividend payment proposed above of SEK 754,400,000 can be changed if the number of the company's own repurchased shares changes before the record date for the dividend.

# Statement regarding Proposed Distribution of Profit

## **Reasons**

The group's equity has been calculated in accordance with IFRS standards, approved by the EU, and the interpretations of these standards (IFRIC), as well as in accordance with Swedish law by application of the recommendation RFR 1 (Supplementary Accounting Rules for Groups) by the Swedish Financial Reporting Board. The equity of the parent company has been calculated in accordance with Swedish law and by application of the recommendation RFR 2 (Accounting for Legal Entities) of the Swedish Financial Reporting Board.

The proposed distribution constitutes 52% of the group's income from property management, which is in line with the expressed objective to distribute at least 50% of the group's income from property management, having considered investment plans, consolidation needs, liquidity and overall position. The group's net income after value and tax changes amounted to SEKm 1,211. The distribution policy is based on the group's income from property management, and as a result non-affecting cash flow increases and/or decreases in value on the group's properties and on interest and currency derivatives, do not normally affect the distribution. Such non-affecting cash flow profit or loss, have neither been taken into account in previous year's resolutions regarding distribution of profit.

The board of directors concludes that the company's restricted equity is fully covered after the proposed distribution.

The board of directors also concludes that the proposed distribution to the shareholders is justified considering the parameters in section 17 subsection 3, second and third paragraphs of the Swedish Companies Act (the nature, scope and risks of the business as well as consolidation needs, liquidity and overall position). Accordingly, the board of directors would like to emphasise the following.

## **The nature, scope and risks of the business**

The board of directors estimates that the equity of the company as well as of the group will, after the proposed distribution, be sufficient in relation to the nature, scope and risks of the business. The board of directors has in this context considered, inter alia, the historical development of the company and the group, budgeted development, investment plans and the economic situation.

## **Consolidation needs, liquidity and overall position**

### *Consolidation needs*

The board of directors has made a general estimation of the financial position of the company and the group, and the possibilities to fulfil their obligations. The proposed dividend constitutes 16% of the company's equity and 6% of the group's equity. The group's loan to value ratio and interest coverage ratio 2014 amounted to 49% and 318% respectively. The expressed objective for the group's capital structure, implying a loan to value ratio which not permanently exceeds 55% and an interest coverage ratio of at least 200%, will be maintained after the proposed dividend. The capital structure of the company and the group is sound considering the prevailing conditions of the real property business. In light of the above, the board of directors concludes that the company and the group have all the necessary requirements to manage future business risks and also to carry potential losses. Planned investments have been considered when deciding on the proposed dividend.

### *Liquidity*

The proposed dividend will not affect the company's or the group's ability to meet their payment obligations in a timely manner. The company and the group have good access to liquidity reserves through short-term as well as longterm credits. The credits may be utilised at short notice, implying that the company and the group are prepared to handle liquidity fluctuations as well as possible unexpected events.

### *Overall position*

The board of directors has considered all other known conditions which might affect the financial position of the company and the group and which have not been considered within the scope of the above considerations. In this respect, no circumstances have been found that indicate that the proposed dividend would not be justified.

## **Evaluation to actual value**

Derivatives instruments and other financial instruments have been valued to the actual value in accordance with section 4 subsection 14 a of the Swedish Annual Accounts Act. The valuation has presented an undervalue of SEKm 1,058 after tax, which has affected the equity by the mentioned amount.

Gothenburg January 21, 2015

The Board



# Signing of the Annual Report

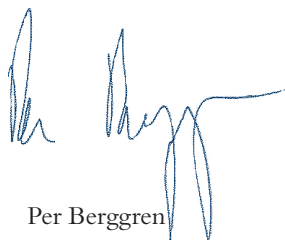
As far as we know the Annual Report is prepared in accordance with generally accepted accounting principles. The Annual Report give a true and fair view of the company's financial position and results, and the directors' report give a true and fair overview of the development of the company's operations, financial position and results, and discribes the significant risks and factors of uncertainty facing the company.

The consolidated accounts have been prepared in accordance with the international accounting standards covered in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The consolidated accounts give a true and fair view of the group's financial position and results, and the directors' report for the consolidated accounts give a true and fair overview of the development of the group's operations, financial position and results and as well as the significant risks and factors of uncertainty facing the companies within the group.

Gothenburg February 2, 2015



Charlotte Strömberg  
Chairman of the Board



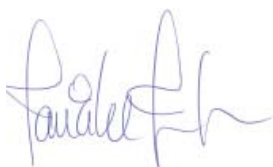
Per Berggren  
Board member



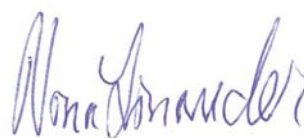
Marianne Dicander Alexandersson  
Board member



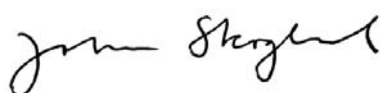
Christer Jacobson  
Board member



Jan Åke Jonsson  
Board member



Nina Linander  
Board member



Johan Skoglund  
Board member



Henrik Saxborn  
Cheif Executive Officer

Our Audit Report regarding this Annual Report was submitted on February 2, 2015



Hans Warén  
Authorized Public Accountant



Magnus Fredmer  
Authorized Public Accountant

# Auditor's report

To the annual meeting of the shareholders of Castellum AB (publ), corp. id. 556475-5550

## Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Castellum AB (publ) for the year 2014. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 4–112.

### *Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts*

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

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

### *Opinions*

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the

Annual Accounts Act. A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

## Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Castellum AB (publ) for the year 2014.

### *Responsibilities of the Board of Directors and the Managing Director*

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

### *Auditor's responsibility*

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

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

### *Opinions*

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Gothenburg February 2, 2015



Hans Wärén  
Auktoriserad revisor



Magnus Fredmer  
Auktoriserad revisor

# Castellum's Real Estate Schedule 2014



Greater Gothenburg	115
Öresund Region	123
Greater Stockholm	129
Mälardalen	133
Eastern Götaland	139
Properties sold in 2014	142

Management subsidiaries: ASP = Aspholmen Fastigheter AB  
COR = Fastighets AB Corallen

BRI = Fastighets AB Briggen  
EKL = Eklandia Fastighets AB

BRO = Fastighets AB Brostaden  
HAR = Harry Sjögren AB



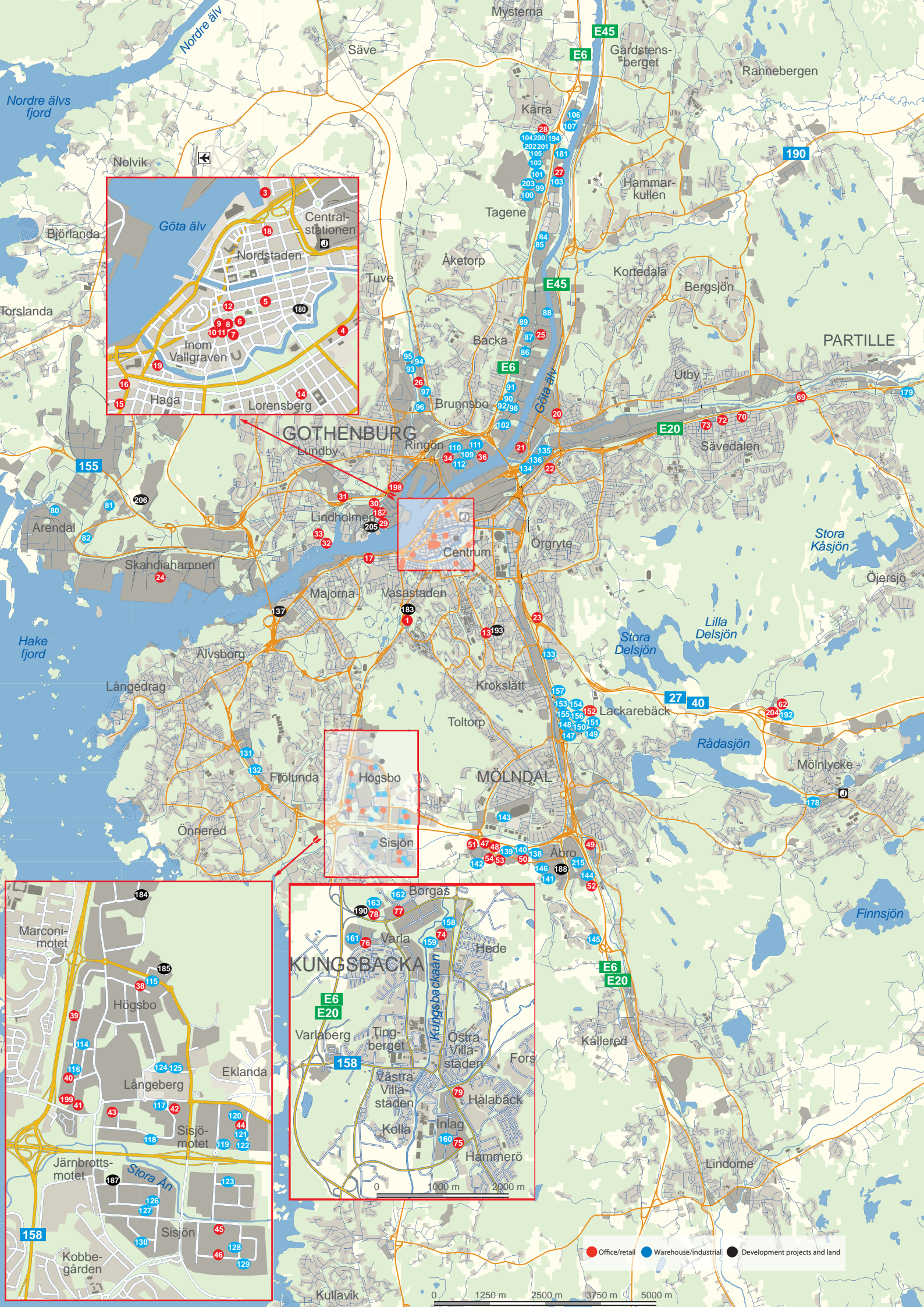
## Greater Gothenburg

Greater Gothenburg													Tax Mgmt.	
Name of property	Address	Municipality	Acquis- year	Build/ Recon.year	Square metres per type of premises							Site sq.m.	assessment sub- value	Note
					Office	Retail	Warehouse	Industrial	Residential	Other	Total			
OFFICE/RETAIL														
1	Annedal 21:10	Gothenburg	1999	1995	4,382	—	—	—	—	—	4,382	3,132	66,800 EKL	
3	Gullbergsvass 1:15	Gothenburg	1999	2001	8,304	—	24	—	—	—	8,328	1,835	167,000 EKL	
4	Heden 16:5	Gothenburg	<1995	1961	70	—	—	—	616	1,243	1,929	993	27,867 EKL	
5	Inom Vallgraven 19:17	Gothenburg	<1995	1919	—	368	20	—	—	975	1,363	867	27,200 EKL	
6	Inom Vallgraven 22:3	Gothenburg	<1995	1929	1,080	488	—	—	—	—	1,568	574	39,600 EKL	
7	Inom Vallgraven 33:9	Gothenburg	<1995	1929/1995	1,063	510	—	—	—	—	1,573	829	28,200 EKL	
8	Inom Vallgraven 34:8	Gothenburg	<1995	1929/1994	2,872	1,444	55	—	—	—	4,371	1,242	104,000 EKL	
9	Inom Vallgraven 35:14	Gothenburg	<1995	1929/1991	2,305	1,403	—	—	469	—	4,177	1,315	89,830 EKL	
10	Inom Vallgraven 35:16	Gothenburg	<1995	1991	2,371	590	36	—	—	—	2,997	690	46,200 EKL	
11	Inom Vallgraven 35:17	Gothenburg	<1995	1991	54	248	—	—	1,149	—	1,451	690	27,784 EKL	
12	Inom Vallgraven 57:2	Gothenburg	2000	1988/1990	5,780	1,056	254	—	—	—	7,090	2,422	93,600 EKL	
13	Krokslätt 102:2	Gothenburg	2008	1980	811	—	—	—	—	—	811	1,319	— EKL	
14	Lorensberg 48:8	Gothenburg	<1995	1900/1992	1,475	202	—	—	—	—	1,677	722	18,626 EKL	
15	Masthugget 3:6	Gothenburg	<1995	1893/1980	492	628	—	—	1,079	790	2,989	745	42,073 EKL	
16	Masthugget 9:17	Gothenburg	1996	1900	2,220	1,163	10	—	—	—	3,393	1,221	46,800 EKL	
17	Masthugget 26:1	Gothenburg	<1995	1923	3,908	1,205	—	—	2,796	—	7,909	3,597	114,800 EKL	
18	Nordstaden 2:16	Gothenburg	2004	1974/2010	13,819	2,759	—	—	—	4	16,582	3,255	472,392 EKL	
19	Pustevik 3:8	Gothenburg	<1995	1988	3,910	—	—	—	—	—	3,910	1,088	36,800 EKL	
20	Gamlestaden 22:14	Gothenburg	2004	1957	18,038	700	540	502	—	8	19,788	20,313	85,498 EKL	
21	Gamlestaden 26:1	Gothenburg	<1995	1914/1987	6,340	270	2,126	6,500	—	3	15,239	24,356	53,700 EKL	T/B
22	Olskroken 14:2	Gothenburg	<1995	1895/1986	7,507	315	311	3,636	136	47	11,952	10,263	71,114 EKL	
23	Skår 58:1	Gothenburg	<1995	1991	11,855	—	—	—	—	—	11,855	6,151	119,000 EKL	B
24	Arendal 764:394	Gothenburg	2005	1990	8,969	389	—	—	—	—	9,358	9,646	46,200 EKL	T
25	Backa 27:43	Gothenburg	1998	1984	3,531	—	984	309	—	—	4,824	3,920	27,200 EKL	
26	Backa 196:6	Gothenburg	1996	1990	1,332	—	408	—	—	—	1,740	5,274	7,952 EKL	
—	Ellesbo 1:5 & 2:10	Gothenburg	2012	1990/2009	—	—	2,270	—	—	—	2,270	30,163	5,169 EKL	B
27	Kärna 28:19	Gothenburg	1996	2008	—	—	4,600	—	—	—	4,600	21,832	34,241 EKL	
28	Kärna 77:3	Gothenburg	1998	1990	1,269	—	—	—	—	—	1,269	9,200	5,687 EKL	T
182	Lindholmen 28:3 A	Gothenburg	2011	2013	9,453	—	—	—	—	—	9,453	3,000	122,000 EKL	
29	Lindholmen 28:3 B	Gothenburg	2006	2006	4,873	204	72	—	—	—	5,149	2,725	114,000 EKL	
30	Lundbyvassen 3:1	Gothenburg	2011	1949/2006	10,790	—	—	—	—	13	10,803	6,016	128,200 EKL	
31	Ramborgsgränd 733:409	Gothenburg	<1995	1988	2,207	939	1,108	—	—	—	4,254	9,499	21,957 EKL	
32	Sannegården 28:33	Gothenburg	2006	1880/1987	5,237	—	1,097	172	—	34	6,540	3,016	60,400 EKL	
33	Sannegården 52:1	Gothenburg	2011	1956/1993	4,632	484	725	1,719	—	—	7,560	12,783	59,600 EKL	
34	Tingstadsvassen 11:11	Gothenburg	<1995	1992	3,401	2,170	337	—	—	29	5,937	4,267	33,000 EKL	B
36	Tingstadsvassen 26:5	Gothenburg	2002	1989	792	—	2,518	—	—	—	3,310	4,566	20,571 EKL	T/B
38	Högsbo 8:8	Gothenburg	2000	1961/2001	1,100	—	1,000	—	—	—	2,100	3,500	9,764 HAR	B
39	Högsbo 13:3	Gothenburg	<1995	1982	1,244	—	—	—	—	—	1,244	3,787	7,257 HAR	T/B
40	Högsbo 17:7	Gothenburg	2012	1969	3,489	—	559	—	—	—	4,048	2,996	23,000 HAR	
199	Högsbo 20:11	Gothenburg	2013	1969	2,400	—	300	—	—	—	2,700	8,605	13,880 HAR	B
41	Högsbo 20:22	Gothenburg	2002	1982	14,145	178	760	—	—	—	15,083	15,522	78,600 HAR	
42	Högsbo 24:12	Gothenburg	1999	1968/1990	3,117	—	2,756	—	—	—	5,873	12,817	45,467 HAR	B
43	Högsbo 27:7	Gothenburg	2002	1988	7,933	—	—	—	—	—	7,933	9,723	64,600 HAR	
44	Högsbo 36:6	Gothenburg	2012	1991	3,851	—	510	—	—	—	4,361	5,336	37,000 HAR	

Note: T=Ground rent A=Lease B=Unutilized building permission









## Greater Gothenburg

Name of property	Address	Municipality	Acquis- year	Build/ Recon.year	Square metres per type of premises						Total	Site sq.m.	Tax Mgmt. assessment sub- value diary Note	
					Office	Retail	Warehouse	Industrial	Residential	Other.				
45 Kobbegården 6:362	Stora Ävägen 19 A-B, 21	Gothenburg	<1995	1990	5,513	878	1,150	—	—	—	7,541	5,490	59,200	HAR
46 Kobbegården 6:726	Datavägen 14 B	Gothenburg	<1995	1981	2,573	—	—	—	—	—	2,573	4,267	11,992	HAR
47 Anisen 1	Johannefredsgatan 1	Mölndal	2000	1990	1,676	—	237	—	—	—	1,913	5,843	11,910	HAR B
48 Anisen 3	Johannefredsgatan 3	Mölndal	1998	2003	1,800	1,500	—	2,600	—	—	5,900	10,108	47,455	HAR
49 Berguven 1	Möbelgatan 4	Mölndal	2004	1964	6,500	—	—	—	—	500	7,000	24,283	27,000	HAR B
50 Generatorm 5	Aminogatan 16	Mölndal	<1995	1986	640	—	—	483	—	—	1,123	5,169	8,443	HAR
51 Mejramen 1	Lunnagårdsgatan 4	Mölndal	1999	1999	8,300	—	4,700	—	—	—	13,000	38,818	89,542	HAR B
52 Potttegården 4	Kråketorpsgratan 20	Mölndal	<1995	1992	3,182	—	1,836	—	—	—	5,018	6,060	27,850	HAR
53 Riskullaverket 2	Aminogatan 25	Mölndal	<1995	1991	1,692	—	1,261	—	—	—	2,953	3,411	16,898	HAR
54 Sesamfröet 2	Aminogatan 27	Mölndal	2005	1992	5,150	—	700	—	—	—	5,850	11,000	53,600	HAR B
152 Törnrosen 3	Flöjelbergsgatan 10	Mölndal	1999	1964	2,497	—	1,085	—	—	—	3,582	4,468	10,357	HAR B
55 Apollo 5	Österlånggatan 5	Borås	<1995	1930/1979	6,803	552	193	—	—	—	7,548	2,343	41,600	HAR
56 Cedern 9,12,15,16	Ramnåsg 1/Göteborgsv 6	Borås	2005	1935/1980	4,289	300	2,129	260	—	361	7,339	4,159	12,765	HAR B
57 Katrinedal 14	Katrinedalsgratan 22	Borås	<1995	1990	2,360	—	1,892	—	—	—	4,252	7,675	16,378	HAR
58 Midas 14	Västerlånggatan 17	Borås	<1995	1974	15,408	5,424	—	366	—	—	21,198	8,185	160,400	HAR B
59 Narcissus 5	L. Brogratan 15/St. Brogratan 16	Borås	<1995	1930	908	1,484	—	—	1,284	—	3,676	853	31,114	HAR
60 Nestor 2	Lilla Brogratan 19-21	Borås	<1995	1962/1991	1,225	3,012	135	—	—	—	4,372	1,381	40,000	HAR
61 Nestor 3	Stora Brogratan 24	Borås	1999	1930	1,346	732	—	—	439	—	2,517	590	20,864	HAR
62 Solsten 1:108 A	Designvägen 2	Härryda	<1995	2003	11,756	—	—	—	—	—	11,756	19,206	66,600	EKL
204 Solsten 1:118	Designvägen 1	Härryda	2014	2007	4,860	—	—	—	—	—	4,860	7,063	46,800	EKL B
207 Fanan 26	Kristian IV:s väg 1	Halmstad	2014	1999	3,699	—	180	—	—	1,920	5,799	6,387	—	HAR
208 Fanan 30	Kristian IV:s väg 3	Halmstad	2014	1988	15,387	38	—	—	—	2,005	17,430	12,518	—	HAR
209 Fanan 43	Linjegatan 6	Halmstad	2014	1986	2,561	—	—	—	—	—	2,561	6,544	15,298	HAR
210 Fanan 47	Linjegatan 3	Halmstad	2014	1986	2,610	—	184	—	—	332	3,126	6,720	14,525	HAR
211 Fanan 49	Linjegatan 8-10	Halmstad	2014	1999	3,955	—	—	—	—	3,223	7,178	10,298	—	HAR
212 Fanan 51	Linjegatan 5-7	Halmstad	2014	2004	2,621	—	—	—	—	2,900	5,521	5,886	—	HAR
63 Flaggan 1	Laholmsvägen 84	Halmstad	2007	1959/2004	—	2,895	—	—	—	—	2,895	5,941	8,995	HAR
64 Karossen 3	Kristinehedsvägen 5, 7	Halmstad	2007	1965/2004	916	4,458	568	535	—	—	6,477	14,500	20,792	HAR B
65 Kartongen 3	Spikgatan 7	Halmstad	2007	1990/1995	3,434	—	2,842	—	—	40	6,316	20,900	25,751	HAR B
66 Valsen 2	Svingelvägen 2	Halmstad	2007	1979/2003	2,294	—	—	—	—	—	2,294	7,314	10,726	HAR B
67 Filaren 1	Sveagatan 10	Alingsås	<1995	1958/1968	3,116	2,282	158	—	—	—	5,556	4,636	31,577	HAR
68 Gjutarén 26 B	Metallgatan 2-4	Alingsås	<1995	2000	3,585	—	—	—	—	—	3,585	4,000	21,432	HAR B
69 Partille 4:2, 4:25	G:a Kronvägen 22	Partille	<1995	1940/1981	—	2,240	—	—	—	—	2,240	8,250	12,930	HAR
70 Ugglum 8:37	Göteborgsvägen 78-80	Partille	<1995	1998/1982	2,082	1,312	—	—	278	—	3,672	5,731	29,234	HAR
72 Ugglum 8:92	Göteborgsvägen 74-76	Partille	<1995	1992	4,944	720	193	—	—	—	5,857	5,408	44,000	HAR
73 Ugglum 126:4	Gibsons väg 3	Partille	<1995	1990	468	—	—	—	—	—	468	767	4,046	HAR
74 Hede 3:125	Sättarevägen 3	Kungsbacka	<1995	1990	1,759	—	601	—	—	—	2,360	3,690	10,825	HAR
75 Kungsbacka 4:46	Lilla Verkstadsgatan 8	Kungsbacka	<1995	1979	401	—	—	—	—	—	401	1,356	1,791	HAR B
76 Varla 2:380	Energigatan 11	Kungsbacka	<1995	1990	1,689	—	685	—	—	—	2,374	4,590	13,509	HAR
77 Varla 2:416	Kungsparksvägen 2	Kungsbacka	2001	2002	1,100	—	680	—	—	—	1,780	5,500	10,967	HAR B
78 Varla 3:22 B	Hällabäcksvägen 2	Kungsbacka	2006	1979	1,100	4,700	1,100	—	—	—	6,900	15,000	69,200	HAR B
79 Vägmästaren 5	Syréngatan 1	Kungsbacka	2009	2010	3,000	—	—	—	—	—	3,000	6,500	32,600	HAR B
Total office/retail					341,620	50,240	45,889	17,082	8,246	14,427	477,504	608,620	3,923,595	





## Greater Gothenburg

Greater Gothenburg													Tax Mgmt.		
Name of property	Address	Municipality	Acquis- year	Build/ Recon.year	Square metres per type of premises							Site sq.m.	assessment sub- value sidary Note		
					Office	Retail	Warehouse	Industrial	Residential	Other	Total				
WAREHOUSE/INDUSTRIAL															
80	Arendal 1:13	Styckegodsgatan 4	Gothenburg	2005	2006	—	—	27,787	—	—	—	27,787	6,408	152,800	EKL
81	Arendal 7:4	Kärnlyckegatan 11	Gothenburg	1998	1991	713	—	2,955	—	—	4	3,672	12,671	17,000	EKL
82	Arendal 764:130	Oljevägen 103-109	Gothenburg	2005	1971	—	—	9,492	16,427	—	—	25,919	41,244	91,644	EKL
84	Backa 20:5	Exportgatan 2-8	Gothenburg	2007	1989/1999	1,175	—	856	13,869	—	—	15,900	37,965	72,401	EKL B
85	Backa 22:11	Exportgatan 67	Gothenburg	<1995	1990	195	—	2,550	—	—	—	2,745	5,031	10,338	EKL
86	Backa 25:7	Exportgatan 28	Gothenburg	1999	1972	—	—	—	11,200	—	—	11,200	23,169	39,732	EKL
87	Backa 26:3	Exportgatan 40	Gothenburg	1996	1947/1988	2,732	763	2,438	—	—	6	5,939	6,000	25,545	EKL
88	Backa 27:2	Importgatan 17	Gothenburg	<1995	1968	—	—	2,765	—	—	—	2,765	12,927	13,542	EKL B
89	Backa 29:24	Importgatan 12	Gothenburg	<1995	1977	—	—	2,224	—	—	—	2,224	4,366	8,108	EKL
90	Backa 94:1	Exportgatan 15	Gothenburg	1998	1989	—	—	7,560	—	—	—	7,560	20,947	31,190	EKL B
91	Backa 97:11	Exportgatan 39-41	Gothenburg	2002	1978	1,508	—	2,486	—	—	—	3,994	19,285	25,632	EKL
92	Backa 107:4	Transportgatan 17	Gothenburg	2010	1983/2006	1,645	—	21,055	—	—	—	22,700	73,621	29,200	EKL T
93	Backa 192:4	Aröds Industriväg 60	Gothenburg	<1995	1989	343	194	1,507	—	—	—	2,044	3,428	7,755	EKL T
94	Backa 192:6	Aröds Industriväg 62	Gothenburg	1998	1988	—	—	1,371	—	—	—	1,371	4,387	5,073	EKL
95	Backa 192:10	Aröds Industriväg 66	Gothenburg	<1995	1990	1,629	—	1,191	—	—	—	2,820	6,042	12,043	EKL
96	Backa 193:1	Aröds Industriväg 2 A	Gothenburg	2000	1988/1996	—	—	—	3,750	—	—	3,750	10,524	16,574	EKL B
97	Backa 197:2	Aröds Industriväg 17-19	Gothenburg	<1995	1990	—	—	1,228	—	—	—	1,228	2,727	4,848	EKL
98	Kärra 28:10	Transportgatan 37	Gothenburg	1996	2010	—	2,217	—	—	—	—	2,217	14,872	16,992	EKL
181	Kärra 28:18	Transportgatan 37	Gothenburg	1996	2012	—	—	5,442	—	—	—	5,442	20,287	40,608	EKL
99	Kärra 37:4	Tagenevägen 21	Gothenburg	<1995	1972	—	1,195	11,740	—	—	—	12,935	26,476	41,769	EKL
100	Kärra 72:36	Tagenevägen 34	Gothenburg	2008	2011	—	—	6,400	—	—	—	6,400	14,600	39,127	EKL
203	Kärra 73:3	Tagenevägen 15 B	Gothenburg	2013	1999	—	—	1,450	—	—	—	1,450	7,817	8,997	EKL B
101	Kärra 74:2	Tagenevägen 29	Gothenburg	1996	2010	—	—	19,558	—	—	—	19,558	35,995	97,600	EKL
102	Kärra 74:3	Tagenevägen 33	Gothenburg	1998	1985	—	—	—	7,505	—	—	7,505	22,398	32,394	EKL B
103	Kärra 75:3	Transportgatan 35	Gothenburg	2008	1980	—	—	4,143	4,357	—	—	8,500	14,375	36,536	EKL
104	Kärra 77:8	Tagenevägen 72	Gothenburg	<1995	1991	227	—	1,859	—	—	—	2,086	8,914	11,686	EKL
200	Kärra 78:12-13	Trankärrsgatan 9-11	Gothenburg	2013	1982/2012	—	—	4,090	—	—	—	4,090	10,122	16,670	EKL B
201	Kärra 78:8	Trankärrsgatan 3B	Gothenburg	2013	1962/1982	—	—	2,809	—	—	—	2,809	5,060	10,751	EKL
202	Kärra 80:6	Trankärrsg 16/Tagenev 45	Gothenburg	2013	1990/2010	—	—	1,498	—	—	—	1,498	3,908	10,114	EKL
105	Kärra 80:7	Trankärrsgatan 14	Gothenburg	<1995	1990	—	—	3,507	—	—	—	3,507	7,185	16,669	EKL T
106	Kärra 94:1	Orrekulla Industrigata 25	Gothenburg	1999	1990	—	—	—	1,960	—	—	1,960	3,520	8,188	EKL
107	Kärra 96:1	Orrekulla Industrigata 13-15	Gothenburg	2001	1991	210	—	3,780	—	—	—	3,990	10,408	18,254	EKL B
109	Tingstadsvassen 12:6	Manufakturgatan 19	Gothenburg	<1995	1990	328	—	2,657	—	—	—	2,985	2,960	13,776	EKL T
110	Tingstadsvassen 12:9	Manufakturgatan 21-23	Gothenburg	<1995	1957	—	—	6,226	—	—	—	6,226	7,355	13,707	EKL T
111	Tingstadsvassen 14:7	Stålverksgatan 11	Gothenburg	1997	1993	443	—	232	3,655	—	—	4,330	6,847	18,912	EKL B
112	Tingstadsvassen 19:3	Kolgruvegatan 1	Gothenburg	<1995	1950/1988	601	168	9,664	—	—	—	10,433	16,645	24,954	EKL T
114	Högsbo 7:16	Gustaf Mellins Gata 7	Gothenburg	<1995	1987	1,301	—	—	404	—	—	1,705	4,043	10,216	HAR
115	Högsbo 9:3	A Odhners Gata 17	Gothenburg	2008	1978/2002	635	—	2,267	—	—	—	2,902	6,007	16,962	HAR
116	Högsbo 18:1	E A Rosengrens Gata 30-38	Gothenburg	<1995	1966/1973	1,092	—	7,628	—	—	—	8,720	17,149	31,560	HAR B
117	Högsbo 26:8	August Barks Gata 25	Gothenburg	1998	1969/1979	2,123	—	—	2,253	—	—	4,376	6,068	17,132	HAR B
118	Högsbo 28:3	August Barks Gata 7	Gothenburg	<1995	1968/1981	785	—	—	2,857	—	—	3,642	3,942	14,025	HAR
119	Högsbo 36:1	Norra Långebergsgatan 8	Gothenburg	2000	1971/1995	710	—	3,840	—	—	—	4,550	9,057	23,121	HAR
120	Högsbo 36:5	Hulda Mellgrens Gata 3	Gothenburg	1998	1991	553	—	—	2,931	—	—	3,484	5,438	16,366	HAR B
121	Högsbo 36:7	Hulda Mellgrens Gata 5	Gothenburg	2012	1990	1,710	—	7,421	—	—	—	9,131	18,010	51,400	HAR B
122	Högsbo 36:9	Hulda Mellgrens Gata 9	Gothenburg	<1995	2007	400	—	1,475	—	—	—	1,875	4,253	13,349	HAR
123	Högsbo 38:9	Sisjö Kullegata 4	Gothenburg	<1995	1984	—	—	—	983	—	—	983	8,609	10,894	HAR B



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## Greater Gothenburg

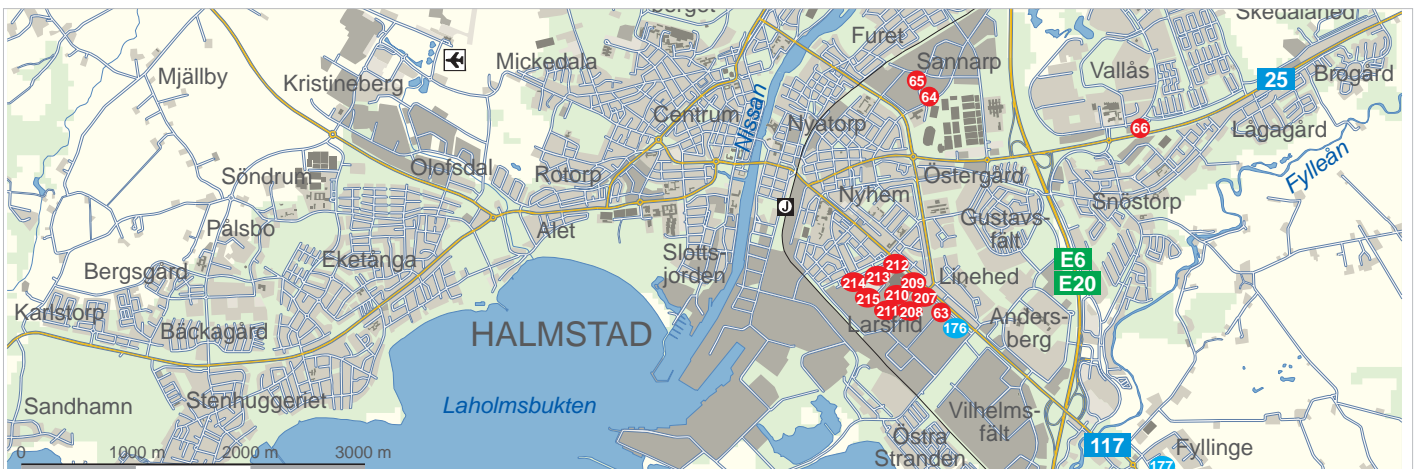
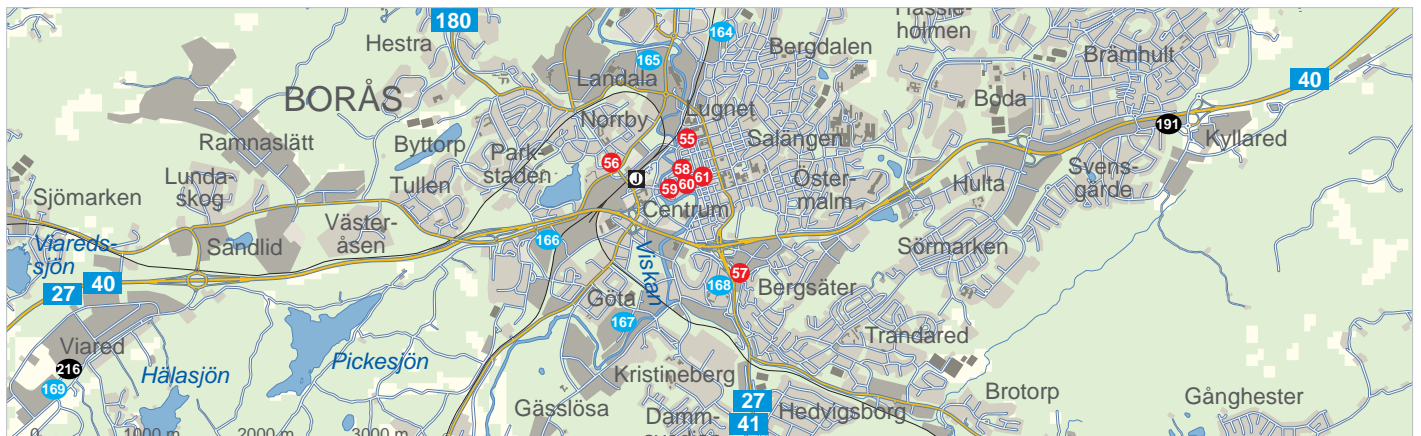
Name of property	Address	Municipality	Acquis- year	Build/ Recon.year	Square metres per type of premises						Total	Site sq.m.	Tax Mgmt. assessment sub- value diary Note		
					Office	Retail	Warehouse	Industrial	Residential	Other					
124 Högsbo 40:1	Gustaf Werners Gata 2	Gothenburg	1999	1981/1999	1,495	–	5,505	–	–	–	7,000	16,070	33,745	HAR	B
125 Högsbo 40:2	Gustaf Werners Gata 4	Gothenburg	2006	1978	400	–	2,815	–	–	–	3,215	10,799	19,237	HAR	B
126 Kobbegården 208:6	Askims Verkstadsväg 16	Gothenburg	1999	1973/1979	480	–	–	1,264	–	–	1,744	3,462	7,458	HAR	
127 Kobbegården 209:1	Askims Verkstadsväg 15	Gothenburg	1999	1973/1996	–	–	–	2,538	–	–	2,538	6,336	12,508	HAR	B
128 Kobbegården 6:180	Datavägen 20	Gothenburg	<1995	1980	1,704	–	1,078	–	–	–	2,782	5,100	18,100	HAR	
129 Kobbegården 6:360	Datavägen 31	Gothenburg	2001	1979	1,640	–	5,349	–	–	–	6,989	14,508	43,600	HAR	
130 Kobbegården 6:7	Ekonomivägen 11	Gothenburg	1999	1978/1986	–	–	–	6,290	–	–	6,290	15,973	30,468	HAR	B
131 Rud 51:21	Klangfärgsgatan 2 C	Gothenburg	2006	1979/1989	510	–	2,590	–	–	–	3,100	6,926	–	HAR	T
132 Tynnered 1:10	Kontrabassgatan 12	Gothenburg	<1995	1969	429	140	–	2,152	–	–	2,721	7,475	11,103	HAR	T/B
133 Kallebäck 3:4	Mejerigatan 1	Gothenburg	2000	1962	11,724	485	18,343	–	–	–	30,552	37,723	104,000	EKL	
134 Olskroken 35:7	Blomstergatan 2	Gothenburg	2009	1977	417	–	3,427	–	–	–	3,844	37,598	12,071	EKL	T
135 Olskroken 35:9	Grönsaksgratan 5	Gothenburg	2009	1966	874	–	6,781	–	–	–	7,655	9,127	21,595	EKL	T
136 Olskroken 35:14	Grönsaksgratan 3	Gothenburg	2009	1967	1,184	4,542	–	–	–	–	5,726	6,216	18,129	EKL	T
138 Gaslyktan 11	Argongatan 26-30	Mölndal	2003	1987	4,000	–	11,000	–	–	–	15,000	38,100	96,000	HAR	B
139 Generatorm 1	Aminogatan 24	Mölndal	2003	1995/2003	1,445	–	3,110	–	–	–	4,555	30,000	46,512	HAR	B
140 Generatorm 2	Aminogatan 20-22	Mölndal	<1995	1991	164	–	2,938	–	–	–	3,102	8,933	18,312	HAR	
141 Heliumgasen 11	Kryptongatan 5 B	Mölndal	1999	1975	4,560	–	–	5,093	–	–	9,653	16,300	50,424	HAR	B
215 Hökegården 1	Kärragatan 2	Mölndal	2014	1971	675	–	1,900	–	–	–	2,575	8,839	15,272	HAR	B
142 Kryddpepparn 3	Östergårdsgatan 8	Mölndal	<1995	1992	–	–	–	4,140	–	–	4,140	15,347	–	HAR	B
143 Kusen 3	Idrottsvägen 10	Mölndal	2011	2005	2,773	–	–	4,852	–	–	7,625	17,665	44,303	HAR	
144 Pottegården 2	Kråketorpsgatan 18	Mölndal	<1995	1964	–	–	1,800	–	–	–	1,800	7,014	10,178	HAR	B
145 Skinnickan 1	Ålegårdsgatan 5	Mölndal	<1995	1989	1,221	–	–	4,720	–	–	5,941	10,267	11,565	HAR	
146 Syrgasen 8	Kryptongatan 14	Mölndal	<1995	1979	–	–	–	3,055	–	–	3,055	11,197	19,145	HAR	B
147 Tjärblomman 2	Flöjelbergsgatan 3 A	Mölndal	1999	1960	2,495	–	4,540	–	–	–	7,035	9,193	18,563	HAR	B
148 Tjärblomman 3	Sallarängsgatan 3	Mölndal	1999	1970	1,225	–	7,533	–	–	–	8,758	9,394	23,303	HAR	
149 Tulpanen 1	Bergfotsgratan 5	Mölndal	1999	1961	1,812	–	2,954	–	–	–	4,766	5,577	15,425	HAR	B
150 Tusenskönan 2	Flöjelbergsgatan 6	Mölndal	1999	1960	3,567	–	933	–	–	–	4,500	5,346	14,636	HAR	B
151 Tusenskönan 4	Bergfotsgratan 3	Mölndal	1999	1961	2,038	–	2,424	–	–	–	4,462	5,397	13,588	HAR	B
153 Vallmon 2	Flöjelbergsgatan 13	Mölndal	<1995	1965	662	–	2,518	–	–	–	3,180	3,642	8,957	HAR	
154 Vallmon 3	Flöjelbergsgatan 11	Mölndal	<1995	1965	676	–	2,570	–	–	–	3,246	3,830	9,194	HAR	
155 Vallmon 6	Flöjelbergsgatan 7 B	Mölndal	<1995	1965	1,629	–	6,685	–	–	–	8,314	9,956	23,354	HAR	
156 Vallmon 7	Flöjelbergsgatan 7 A	Mölndal	1999	1930	960	–	3,844	–	–	–	4,804	6,894	14,200	HAR	B
157 Ängsviolen 1	Flöjelbergsgatan 18	Mölndal	<1995	1960/1965	1,765	180	–	3,655	–	–	5,600	10,292	20,450	HAR	B
158 Hede 3:12	Faktorvägen 1	Kungsbacka	2003	1992	1,971	–	6,929	–	–	–	8,900	32,809	44,793	HAR	B
159 Hede 3:131	Tryckarevägen 8	Kungsbacka	<1995	1991	170	–	1,347	–	–	–	1,517	7,558	6,602	HAR	B
160 Kungsbacka 4:47	L. Verkstadsg 2-6/ Verkstadsg 7	Kungsbacka	<1995	1978/1990	1,516	–	2,475	–	–	–	3,991	9,317	12,949	HAR	
161 Varla 2:388	Energigatan 21	Kungsbacka	<1995	1995/2013	500	–	3,970	–	–	–	4,470	10,003	19,732	HAR	
162 Varla 2:415	Borgås Gårdsväg 15	Kungsbacka	2004	2002	755	–	3,676	–	–	–	4,431	8,852	20,540	HAR	
163 Varla 3:22	Hallabäcksvägen 1	Kungsbacka	2006	1979	3,500	–	18,500	–	–	–	22,000	78,644	82,256	HAR	B
164 Hinden 2	Sagagatan 17	Borås	<1995	1956	692	–	–	5,748	–	–	6,440	9,833	10,364	HAR	B
165 Kilsund 3	Evedalsgratan 5	Borås	<1995	1935	709	260	1,400	9,847	–	–	12,216	16,660	24,090	HAR	B
166 Lagern 8	Hällingsgratan 15	Borås	<1995	1948/1961	239	–	–	8,753	–	–	8,992	5,700	12,103	HAR	B
167 Silverpoppeln 31	Ålandsgratan 6	Borås	2006	1961/1970	835	–	–	2,165	–	–	3,000	6,143	4,826	HAR	
168 Snödroppen 8	Elinsdalsg 9,13-15/ Södra Korsg 11	Borås	2005	1980/1980	1,543	–	–	5,881	–	–	7,424	14,546	18,696	HAR	B
169 Trucken 5	Viaredsvägen 14	Borås	2 001	2001/2012	1,050	–	13,550	–	–	–	14,600	37,700	70,400	HAR	B





## Greater Gothenburg

Greater Gothenburg												Tax Mgmt.				
Name of property	Address	Municipality	Acquis- year	Build/ Recon.year	Square metres per type of premises						Site sq.m.	assessment sub-				
					Office	Retail	Warehouse	Industrial	Residential	Other		Total	value	sidary	Note	
170	Bulten 6	Bultgatan 1	Alingsås	2007	1985/1990	760	—	2,600	—	—	—	3,360	19,559	11,542	HAR	B
171	Gjutaren 26	Metallgatan 2-4	Alingsås	<1995	1933/1989	1,383	—	9,082	—	—	—	10,465	21,080	22,167	HAR	B
172	Konfektasken 15	Kolvägen 2/Sidenvägen 7	Alingsås	<1995	1929/1969	3,769	—	6,927	—	—	—	10,696	15,544	24,483	HAR	B
173	Stallet 3	Tomasgårdsvägen 19	Alingsås	2008	1990	1,295	—	2,040	—	—	—	3,335	4,700	11,542	HAR	B
174	Hede 2:11	Hedeforsvägen 6	Lerum	2006	1960/1974	500	—	2,200	—	—	—	2,700	9,973	8,705	HAR	
175	Berg 1:76	Åkerivägen 7	Lerum	2006	2007	1,500	—	8,400	—	—	—	9,900	30,000	50,088	HAR	B
213	Fanan 39	Pilefeltsgatan 71	Halmstad	2014	1990	—	1,870	—	—	—	—	1,870	3,279	4,978	HAR	
176	Fogden 4	Laholmsvägen 84	Halmstad	2007	1960/1990	278	1,946	8,609	118	—	1,028	11,979	25,800	25,118	HAR	B
177	Fyllinge 20:409	Sadelvägen 5	Halmstad	2011	1992	166	—	—	4,223	—	—	4,389	22,276	17,741	HAR	B
178	Hönekulla 1:571	Ävägen 1	Härnäs	2006	1986/2002	1,762	—	—	2,345	—	187	4,294	6,596	14,919	HAR	
192	Solsten 1:108 B	Designvägen 5	Härnäs	2014	1999	—	—	6,534	—	—	—	6,534	16,551	11,600	EKL	
179	Kåbäcken 11:7	Gamla Alingsåsvägen 29	Partille	<1995	1961/1964	—	—	2,227	—	—	—	2,227	5,477	5,611	HAR	
Total warehouse/industrial						98,475	13,960	396,254	148,990	0	1,225	658,904	1,442,158	2,587,394		



● Office/retail ● Warehouse/industrial ● Development projects and land



Trucken 5, Borås



Midas 14, Borås



## Greater Gothenburg

Greater Gothenburg												Tax Mgmt. assessment sub-value sidary Note			
Name of property	Address	Municipality	Acquis- year	Build/ Recon.year	Square metres per type of premises						Site sq.m.				
					Office	Retail	Warehouse	Industrial/Residential	Other	Total					
DEVELOPMENT PROJECTS															
180	Inom Vallgraven 4:1	Östra Larmgatan 18	Gothenburg	<1995	1856/1988	–	2,597	–	–	–	2,597	671	18,600	EKL	
137	Majorna 163:1	Banehagsliden 2	Gothenburg	2006	1949	2,488	–	5,677	452	–	8,617	9,263	18,164	EKL B	
198	Lundbyvassen 8:1	Lindholmsallén 2	Gothenburg	2013	–	8,990	–	–	–	–	8,990	2,725	46,800	EKL	
205	Lindholmen 30:5	Lindholmspiren 7	Gothenburg	2014	–	–	–	–	–	–	–	3,375	1,518	EKL B	
206	Sörred 7:23		Gothenburg	2014	–	–	–	–	–	–	–	12,500	–	EKL B	
Total development projects						11,478	2,597	5,677	452	0	0	20,204	28,534	85,082	
UNDEVELOPED LAND															
183	Annedal 21:9	Haraldsgatan 3	Gothenburg	1999	–	–	–	–	–	–	–	2,088	–	EKL	
193	Krokslätt 102:9	Eklandagatan 80	Gothenburg	2008	–	–	–	–	–	–	–	791	574	EKL B	
194	Tingstadsvassen 31:6	Stålverksgatan 11	Gothenburg	1997	–	–	–	–	–	–	–	2,687	–	EKL B	
184	Högsbo 33:1	Gruvgatan 29	Gothenburg	<1995	–	–	–	–	–	–	–	5,483	4,934	HAR B	
185	Högsbo 39:3	Ingela Gathenhelms Gata 8	Gothenburg	<1995	–	–	–	–	–	–	–	1,720	1,548	HAR B	
187	Kobbegården 152:1	Industrivägen 4-6	Gothenburg	<1995	–	–	–	–	–	–	–	25,158	22,600	HAR B	
188	Heliumgasen 4	Neogatan 4B	Mölndal	<1995	–	–	–	–	–	–	–	4,794	4,314	HAR B	
–	Skällared 3:49	Lysekulevägen	Kungsbacka	<1995	–	–	–	–	–	–	–	29,297	1,640	EKL B	
190	Varla 3:34	Hallabäcksvägen 1	Kungsbacka	2006	–	–	–	–	–	–	–	14,356	4,306	HAR B	
191	Kyllared 1:112	Tvinnaregatan 27	Borås	<1995	–	–	–	–	–	–	–	5,118	1,279	HAR B	
216	Trucken 6	Viaredsvägen 14	Borås	2014	–	–	–	–	–	–	–	38,500	1,054	HAR B	
171	Gjutaren 27	Metallgatan 2-4	Alingsås	<1995	–	–	–	–	–	–	–	600	–	HAR	
214	Fanborgen 3	Spetsvinkelgatan 8	Halmstad	2014	–	–	–	–	–	–	–	1,990	752	HAR B	
214	Fanborgen 4	Spetsvinkelgatan 8	Halmstad	2014	–	–	–	–	–	–	–	5,067	–	HAR	
204	Solsten 1:155	Designvägen 1	Härryda	2014	–	–	–	–	–	–	–	2,948	1,031	EKL	
Total undeveloped land						0	0	0	0	0	0	140,597	44,032		
Total Greater Gothenburg						451,573	66,797	447,820	166,524	8,246	15,652	1,156,612	2,219,909	6,640,103	



● Office/retail ● Warehouse/industrial ● Development projects and land



Karossen 3, Halmstad

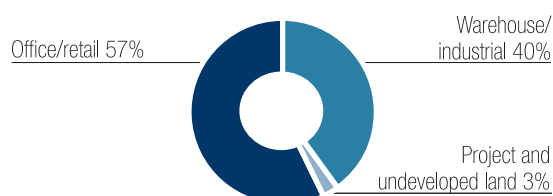


Gjutaren 26 B, Alingsås

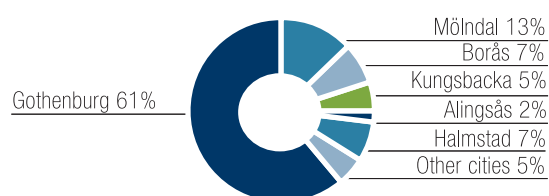
## Castellum's Real Estate Portfolio in Greater Gothenburg 2014-12-31

	No. of properties	Area thous. sq.m	Rental value SEKm	Rental value SEK/sq.m	Economic occupancy rate	Rental income SEKm	Property costs SEKm	Property costs SEK/sq.m	Net operating income SEKm
<b>Office/retail</b>									
Central Gothenburg	18	77	174	2,276	96.1%	167	38	503	129
Hisingen	14	77	107	1,386	85.4%	91	22	293	69
Halmstad	10	60	67	1,126	90.5%	61	12	189	49
Högsbo, Sisjön	10	53	55	1,030	81.7%	45	11	211	34
Borås	7	51	55	1,083	94.2%	52	13	257	39
Rest of Greater Gothenburg	27	160	177	1,105	93.6%	166	38	234	128
<b>Total office/retail</b>	<b>86</b>	<b>478</b>	<b>635</b>	<b>1,330</b>	<b>91.6%</b>	<b>582</b>	<b>134</b>	<b>281</b>	<b>448</b>
<b>Warehouse/industrial</b>									
Hisingen	36	252	183	728	90.2%	165	33	131	132
Mölnadal	20	112	95	851	88.7%	85	18	157	67
Högsbo/Sisjön	19	78	68	871	94.0%	64	12	149	52
Kungsbacka	6	53	29	555	96.7%	28	5	107	23
Borås	6	45	33	721	94.4%	31	6	128	25
Rest of Greater Gothenburg	16	119	97	808	93.3%	90	23	191	67
<b>Total warehouse/industrial</b>	<b>103</b>	<b>659</b>	<b>505</b>	<b>766</b>	<b>91.7%</b>	<b>463</b>	<b>97</b>	<b>146</b>	<b>366</b>
<b>Total</b>	<b>189</b>	<b>1,137</b>	<b>1,140</b>	<b>1,003</b>	<b>91.6%</b>	<b>1,045</b>	<b>231</b>	<b>203</b>	<b>814</b>
Leasing and property administration							58	51	- 58
<b>Total after leasing and property administration</b>							<b>289</b>	<b>254</b>	<b>756</b>
Development projects	5	20	25	-	-	21	5	-	16
Undeveloped land	15	-	-	-	-	-	-	-	-
<b>Total</b>	<b>209</b>	<b>1,157</b>	<b>1,165</b>	<b>-</b>	<b>-</b>	<b>1,066</b>	<b>294</b>	<b>-</b>	<b>772</b>

Property value by property type



Property value by municipality



## Property related key figures

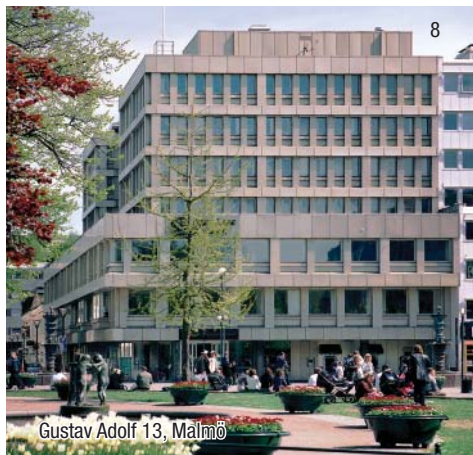
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Rental value, SEK/sq.m.	1,003	993	957	944	935	919	885	856	834	839
Economic occupancy rate	91.6%	94.1%	93.4%	95.4%	94.1%	94.0%	92.6%	90.8%	89.4%	90.7%
Property costs, SEK/sq.m.	254	264	259	257	264	262	228	227	224	230
Net operating income, SEK/sq.m.	665	670	635	644	616	602	591	551	521	531
Number of properties	209	196	194	193	188	190	187	182	176	172
Lettable area, thousand sq.m.	1,157	1,111	1,103	1,085	1,046	1,028	1,017	1,000	914	859

## Öresund Region

Öresund Region

						Square metres per type of premises							Tax Mgmt.			
	Name of property	Address	Municipality	Acquis- year	Build/ Recon.year	Office	Retail	Warehouse	Industrial	Residential	Other	Total	Site sq.m.	assessment sub- value	subsi- diary	Note
	OFFICE/RETAIL															
1	Armringen 2	Agnesfridsvägen 190	Malmö	2011	1975	480	3,869	24	494	–	–	4,867	14,925	20,327 BRI	T	
2	Betongen 11	Krang 4/Västkvstv/Nubbg	Malmö	<1995	1991	4,872	–	37	–	–	–	4,909	6,168	32,628 BRI	T/B	
4	Brandnåvan 1&2	Stenbärgsgatan 1	Malmö	1999	1989	2,822	–	–	–	–	–	2,822	9,670	14,826 BRI	T/B	
5	Bältespännat 13	Hornyxeg 12/Amilonsv 3	Malmö	2006	1972/2002	–	1,820	–	–	–	–	1,820	4,402	8,774 BRI		
6	Flygledaren 3	Höjdrodergatan 18	Malmö	2004	1991	1,610	–	–	–	–	–	1,610	3,620	7,956 BRI	T	
7	Flygvärdinnan 4	Höjdroderg 30-34/ Vattenverksv 47	Malmö	<1995	1935/2001	5,174	–	4,082	–	–	–	9,256	17,848	62,844 BRI	T	
106	Fullriggaren 4	Riggaregatan 51-57	Malmö	2 010	2013	4,760	510	–	–	–	323	5,593	1,857	102,600 BRI		
8	Gustav Adolf 13	Gustav Adolfs Torg 4	Malmö	2003	1968	6,182	3,587	155	–	–	–	9,924	2,224	217,000 BRI		
9	Hälsingland 19	Fosiev 9-19/Finlandsg 1/ Trelleborgsv 12-14	Malmö	<1995	1950/2003	8,232	6,613	13	–	–	–	14,858	25,474	93,132 BRI	B	
10	Höjdrodret 3	Kabingatan 11	Malmö	2007	1990	1,182	–	162	–	–	–	1,344	1,600	7,731 BRI		
12	Malte 23	Fredriksbergsgatan 16	Malmö	1999	1965	5,619	533	753	643	–	–	7,548	2,597	69,000 BRI		
13	Murman 8	Murmansg. 126/Kruseg. 27	Malmö	<1995	1960/1989	5,912	–	1,286	–	–	–	7,198	7,200	25,720 BRI		
14	Nejlkebuketten 4	Skiffervägen 15-19	Malmö	2012	1991	6,565	–	–	–	–	–	6,565	12,995	43,600 BRI		
15	Nejlkebuketten 6	Derbyvägen 7	Malmö	2011	1987	1,739	–	–	–	–	26	1,765	10,000	9,875 BRI		
16	Norsen 12	Föreningsg 7-11/Brog 12	Malmö	<1995	1930/1990	2,446	–	96	54	75	593	3,264	1,296	– BRI		
115	Revolversvarven 12	Jägershillgatan 18	Malmö	2012	1987	9,984	–	–	–	–	–	9,984	16,531	48,000 BRI		
17	Sadelknappen 4	Ridsögatan 10	Malmö	1999	1985	994	–	–	–	–	511	1,505	5,463	6,833 BRI		
18	Skevrodret 1	Kabingatan 9	Malmö	2007	1978/1997	2,158	–	–	–	–	–	2,158	3,000	9,403 BRI		
19	Skjutsstallslyckan 3	Lundavägen 62	Malmö	<1995	1946	–	1,391	–	1,705	–	–	3,096	3,690	6,816 BRI		
20	Spännbucklan 16	Agnesfridsvägen 178	Malmö	<1995	1972/2002	–	4,762	–	–	–	–	4,762	15,561	26,839 BRI		
22	Stenryxan 21	Stenryxegatan 14	Malmö	2007	1992/1999	1,094	–	–	–	–	–	1,094	2,301	5,127 BRI		
23	Stillman 40	Krusegatan 34	Malmö	2005	1975/1986	1,787	–	–	–	–	–	1,787	3,550	7,035 BRI		
24	Svedjenåvan 3	Stenbärgsgatan 4-6	Malmö	<1995	1991	4,732	–	–	–	–	–	4,732	4,493	30,021 BRI		
107	Sändaren 1	Agnesfridsvägen 111	Malmö	2010	2013	12,165	–	220	–	–	1,575	13,960	40,239	92,800 BRI	T	
25	Torshammaren 11	Hornyxegatan 6	Malmö	2011	1984	647	–	–	–	–	–	647	5,034	3,904 BRI		
26	Tuborg 1	Kronoborgsv. 5/V Rönne- holmsv. 38/Tuborgsg. 2	Malmö	<1995	1945/1980	6,508	–	350	403	–	132	7,393	4,377	– BRI		
27	Värbuketten 3	Husievägen 21	Malmö	2001	1987/2002	1,595	–	1,722	–	–	–	3,317	7,421	22,329 BRI		
28	Forskaren 2	Emdalavägen 4-18	Lund	1999	2001	19,176	–	–	–	–	1,813	20,989	18,274	344,000 BRI		
29	Forskaren 2:2	Emdalavägen 4-10	Lund	1999	2008	8,615	–	–	–	–	736	9,351	9,136	151,000 BRI		
105	Forskaren 2:3	Scheelevägen	Lund	1999	2012	7,541	–	–	–	–	1,638	9,179	9,136	151,000 BRI		
30	Jöns Petter Borg 9	Landerigränden 23	Lund	1999	1990	4,442	–	6,794	–	–	–	11,236	22,584	62,344 BRI	B	
31	Kvarsten 2	Skiffervägen 15-19	Lund	<1995	1991	695	–	943	–	–	–	1,638	9,543	12,217 BRI		
31	Kvarsten 2:2	Skiffervägen 15	Lund	<1995	1991/2013	–	–	2,300	–	–	300	2,600	9,543	12,839 BRI		
32	Reuterdaahl 15	Scheelevägen 16/Neversv.	Lund	1997	1990	2,947	–	–	–	–	175	3,122	4,478	41,600 BRI		
33	Reuterdaahl 15:2	Scheelevägen 16	Lund	2006	1990	5,645	–	–	–	–	–	5,645	12,077	82,800 BRI		
34	Rudebok 2	Rudeboksvägen 3	Lund	2004	1985/2004	4,697	–	–	–	–	–	4,697	14,781	37,800 BRI		
35	Smörkärnan 1	Kaprifollevägen 1/Kobjersv.	Lund	1996	1968/1995	6,331	–	136	–	–	1,340	7,807	15,000	73,400 BRI		
37	St Clemens 22	Stortorget 6-8	Lund	<1995	1832/1981	1,160	1,423	128	–	574	–	3,285	2,769	55,516 BRI	B	
38	St Clemens 27	Stortorget 4/Grönegatan	Lund	<1995	1846/1999	255	1,439	–	–	–	–	1,694	1,114	47,800 BRI		
39	Stockholmsledet 8	Scheelevägen 30-32	Lund	<1995	1991	10,781	–	1,041	–	–	30	11,852	11,084	149,000 BRI		
40	Traktorn 2	Traktorvägen 11-13	Lund	2004	1990/1995	9,778	–	559	–	–	727	11,064	16,573	102,400 BRI		
100	Traktorn 4	Traktorvägen 13	Lund	2012	1983	–	–	–	–	–	1,796	1,796	4,500	7,172 BRI		

Note: T=Ground rent A=Lease B=Unutilized building permission





## Öresund Region

Name of property	Address	Municipality	Acquis- year	Build/ Recon.year	Square metres per type of premises						Total	Site sq.m.	Tax Mgmt.	
					Office	Retail	Warehouse	Industrial	Residential	Other			assessment	sub- value sidary Note
41	Trumlan 1	Lund	<1995	1990	–	1,183	1,334	–	–	–	2,517	9,066	12,783	BRI
117	Grusbacken 3	Helsingborg	2012	2013	2,488	–	–	–	–	–	2,488	9,909	20,069	BRI
118	Grusgången 2	Helsingborg	2014	1991/2001	1,556	–	1,220	–	–	–	2,776	6,833	12,060	BRI
43	Kavalleristen 9	Helsingborg	1997	1920/1993	11,521	–	207	–	–	663	12,391	27,223	80,099	BRI B
44	Kroksabeln 18	Helsingborg	2004	1988	2,855	–	435	–	–	225	3,515	4,809	17,988	BRI
45	Kulan 3	Helsingborg	2002	1996/2005	–	–	12,730	–	–	–	12,730	18,567	43,400	BRI
46	Musköten 5	Helsingborg	<1995	1970/1985	1,619	725	1,535	–	–	–	3,879	4,000	11,482	BRI
47	Pilbågen 6	Helsingborg	2000	1977	–	4,525	814	–	–	–	5,339	11,400	18,873	BRI B
48	Pilbågen 6:2	Helsingborg	2004	1980	4,955	4,728	1,541	–	–	456	11,680	16,000	55,580	BRI
49	Rustningen 1	Helsingborg	<1995	1989	7,823	2,597	709	–	–	–	11,129	15,000	74,165	BRI
50	Snårskogen 1	Helsingborg	<1995	1991	2,095	4,661	1,872	–	–	–	8,628	27,824	43,093	BRI
51	Spjutet 2	Helsingborg	2008	1970/2003	1,392	5,169	–	–	–	162	6,723	15,287	35,200	BRI
52	Studsaren 4	Helsingborg	<1995	2006	850	–	1,182	–	–	–	2,032	7,200	9,407	BRI
54	Vikingen 6	Helsingborg	<1995	1878/1984	535	159	–	–	–	–	694	274	7,840	BRI
55	Vikingen 12	Helsingborg	<1995	1912/1988	625	–	–	–	–	600	1,225	414	15,140	BRI
57	Abildager 26	Brøndby	2011	1995	1,805	–	1,738	–	–	–	3,543	14,012	33,417	BRI
58	Hovedvejen 1-7	Glostrup	2011	2007	3,797	303	–	–	–	2,933	7,033	3,796	179,342	BRI
59	Roskildevej 22	Albertslund	2011	1970/1994	8,490	–	–	–	–	–	8,490	26,396	61,342	BRI
60	Vibeholms Allé 15	Brøndby	2011	1961/2007	2,398	–	–	–	–	760	3,158	3,695	46,859	BRI
120	Marielundvej 10	Herlev	2014	1998	1,734	–	645	–	–	182	2,561	5,517	25,306	BRI
61	Transformervej 14-16	Herlev	2012	1972/1989	3,846	–	1,213	–	–	840	5,899	6,000	54,702	BRI
<b>Total office/retail</b>					<b>241,706</b>	<b>49,997</b>	<b>47,976</b>	<b>3,299</b>	<b>649</b>	<b>18,536</b>	<b>362,163</b>	<b>627,350</b>	<b>3,164,155</b>	



## Öresund Region

Öresund Region													Tax Mgmt.		
Name of property	Address	Municipality	Acquis- year	Build/ Recon.year	Square metres per type of premises							Site sq.m.	assessment sub- value sidary Note		
					Office	Retail	Warehouse	Industrial	Residential	Other	Total				
WAREHOUSE/INDUSTRIAL															
62 Benkammen 6	Skogholmogatan 5	Malmö	2005	1994	—	—	12,997	—	—	—	12,997	30,100	54,705 BRI	B	
63 Bjurö 12	Flintrännegatan 21/ Bjurögatan	Malmö	<1995	1960/1974	2,979	—	13,349	6,328	—	390	23,046	35,500	75,677 BRI	T	
65 Bjälken 3	Skruvgatan 8	Malmö	1998	1962	420	—	2,183	—	—	28	2,631	2,618	6,486 BRI		
66 Dubbelknappen 17	Risxyegatan 6	Malmö	1998	1989	—	—	2,450	—	—	—	2,450	8,472	10,659 BRI	B	
67 Finngrundet 1	Blidögatan 30	Malmö	1998	1966	—	—	7,490	—	—	—	7,490	10,000	20,008 BRI	T	
68 Flygflyren 1	Flygfältsvägen 1	Malmö	2000	1950/2002	1,690	1,495	8,675	—	—	180	12,040	38,706	51,843 BRI	B	
69 Gulsippan 1	Källvattengatan 5	Malmö	2001	1988	—	—	13,993	—	—	—	13,993	38,450	67,687 BRI	B	
70 Haken 3	Vinkelgatan 5	Malmö	2008	1993	342	—	—	3,224	—	—	3,566	4,871	10,697 BRI	T	
71 Hamnen 22:27	Mercurigatan 3	Malmö	<1995	1952/1976	—	—	—	—	—	—	—	545	299 BRI	T	
72 Holkyxan 5	Bronsyxegatan 11	Malmö	<1995	1977/2000	—	—	6,510	—	—	—	6,510	13,035	22,179 BRI	T	
73 Kalkgrundet 5	Borrgatan 15/Koksg 1-3/ Väderög.2	Malmö	<1995	1935/1985	669	—	6,734	—	—	—	7,403	14,274	23,809 BRI	T	
75 Lillgrund 5	Borrgatan 31/ Flintrännegatan 2	Malmö	2002	1952/1998	—	—	4,430	—	—	—	4,430	4,685	15,611 BRI		
76 Långdansen 1	Sängleksgatan 9	Malmö	<1995	1980	—	—	1,200	—	—	—	1,200	10,042	8,903 BRI		
77 Murman 7	Murmansgatan 124/ Krusegatan 25	Malmö	<1995	1959/1987	1,120	—	5,160	162	—	—	6,442	10,400	18,698 BRI	T	
78 Murman 11	Murmansgatan 118-120/ Krusegatan 21	Malmö	1998	1960	2,925	—	5,221	—	—	291	8,437	6,475	23,085 BRI	T	
79 Revolversvarven 9	Jägershillgatan 16	Malmö	1997	1985	—	—	3,900	—	—	—	3,900	10,932	19,030 BRI	T	
114 Revolversvarven 10	Jägershillgatan 14	Malmö	2012	1988	—	—	3,600	—	—	—	3,600	15,570	30,551 BRI		
80 Ringspännat 1	Kantyxeg. 5/Knackstensg. 1	Malmö	2002	2002	—	—	6,700	—	—	—	6,700	15,730	27,547 BRI		
81 Sadelknappen 1	Sadelgatan 9	Malmö	1999	1979	—	—	2,000	—	—	—	2,000	5,284	8,153 BRI		
82 Stångbettet 1	Travbanen 1/Skrittig 11	Malmö	2000	1989	—	—	1,743	—	—	—	1,743	4,051	7,858 BRI		
83 Tistlarna 9	Styrögatan 4/Väderög./ Kocksg.	Malmö	2000	1991	1,451	—	14,050	—	—	—	15,501	31,020	52,413 BRI	B	
84 Tågarp 16:22	Företagsvägen 14	Malmö	<1995	1968/1993	1,855	—	8,007	—	—	—	9,862	19,069	28,200 BRI		
85 Tågarp 16:72	Företagsvägen 25	Malmö	<1995	1973/1988	572	—	383	1,099	—	—	2,054	12,656	8,991 BRI		
86 Akvamarinen 1	Diabasgatan 1	Helsingborg	2000	2007	—	—	4,713	—	—	—	4,713	10,000	25,432 BRI		
87 Bergakungen 1	Måndagsgatan 6	Helsingborg	<1995	1990	478	—	2,465	—	—	—	2,943	6,799	11,295 BRI		
88 Dolken 4	Mörsaregatan 16	Helsingborg	2004	1970/1985	410	—	2,586	—	—	—	2,996	4,000	9,187 BRI		
89 Grusbacken 2	Makadamgatan 15	Helsingborg	2005	2005	—	—	—	13,300	—	—	13,300	27,645	62,480 BRI		
90 Grusbådden 2	Mogatan 2-6	Helsingborg	<1995	1989	1,550	—	7,824	—	—	30	9,404	35,657	41,242 BRI		
91 Grusbådden 3	Makadamgatan 16	Helsingborg	2007	2007/2010	—	—	—	13,705	—	—	13,705	29,700	62,400 BRI		
92 Grusplanen 3	Makadamgatan 19-21	Helsingborg	2005	1990	—	—	2,735	—	—	—	2,735	7,292	10,993 BRI		
93 Hyveljärmet 3	Lastgatan 9	Helsingborg	<1995	1990	—	—	2,276	—	—	—	2,276	6,014	9,597 BRI		
119 Kniven 7	Florettgatan 9	Helsingborg	2014	1979	433	—	2,307	—	—	275	3,015	5,084	11,095 BRI		
113 Kulan 3:2	Garnisonsgatan 5	Helsingborg	2010	2014	—	—	9,689	—	—	—	9,689	35,500	39,200 BRI		
94 Mimer 12	S Tvärgången 3	Helsingborg	<1995	1960	—	—	34	—	—	3,733	3,767	9,378	— BRI	B	
95 Nide 2	Rundgången 10	Helsingborg	<1995	1955/1985	1,824	—	3,703	1,179	—	—	6,706	23,599	21,966 BRI		
96 Topasen 1	Andesitgatan 8	Helsingborg	2003	1989	—	—	—	8,558	—	—	8,558	33,786	44,821 BRI	B	
97 Värjan 3	Garnisonsgatan 9	Helsingborg	2002	1969	1,112	695	3,025	—	—	—	4,832	17,923	15,938 BRI	B	
98 Annedal 9	Annedalsvägen 2	Lund	<1995	1990	—	—	1,296	—	—	—	1,296	4,527	6,119 BRI		



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## Öresund Region

Öresund Region

												Tax Mgmt.		
Name of property	Address	Municipality	Acquis- year	Build/ Recon.year	Square metres per type of premises						Site sq.m.	assessment sub-		
					Office	Retail	Warehouse	Industrial	Residential	Other		Total	value	sidary Note
99 Råbyholm 5	Landerigr 2-4/Borgs väg 9	Lund	1999	1984	2,501	—	7,908	—	—	—	10,409	21,376	62,679	BRI
101 Vätten 4	Traktorvägen 8	Lund	2003	2003	—	—	3,100	—	—	—	3,100	8,003	18,870	BRI
102 Vätten 5	Traktorvägen 10	Lund	2003	1974/1995	—	—	3,645	—	—	—	3,645	16,384	12,120	BRI
103 Årdret 12	Höstbruksvägen 14	Lund	<1995	1990	—	—	2,049	—	—	—	2,049	6,223	7,890	BRI
104 Helgeshöj Allé 38	Helgeshöj Allé 38	Taastrup	2012	1991	6,509	—	10,503	—	—	—	17,012	108,180	152,552	BRI B
Total warehouse/industrial					28,840	2,190	200,633	47,555	0	4,927	284,145	759,555	1,218,965	

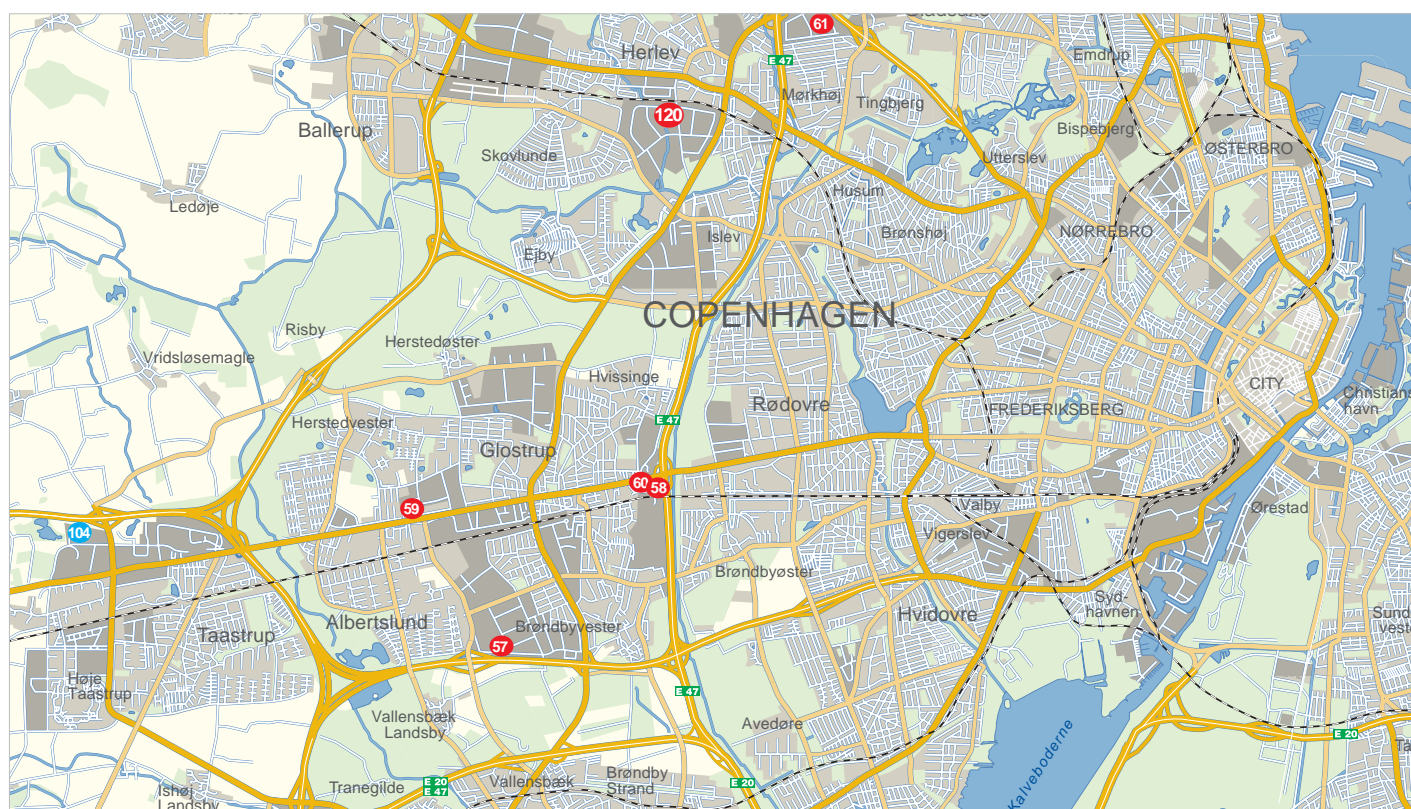


● Office/retail ● Warehouse/industrial ● Development projects and land



## Öresund Region

Öresund Region												Tax Mgmt.				
Name of property	Address	Municipality	Acquis- year	Build/ Recon.year	Square metres per type of premises						Site sq.m.	assessment sub- value subsidiary Note				
					Office	Retail	Warehouse	Industrial/Residential	Other	Total						
UNDEVELOPED LAND																
116	Krukskärnan 6	Flintyegatan 6	Malmö	2012	—	—	—	—	—	—	—	18,086	9,800	BRI	T/B	
109	Moränen 1 & 2	Borrgatan 1	Malmö	<1995	—	—	—	—	—	—	—	11,281	6,208	BRI	B	
110	Ringspännat 5	Kantygatan 1 A	Malmö	2006	—	—	—	—	—	—	—	10,000	2,010	BRI	B	
111	Svedjenävan 4	Stenbärgsgatan 2	Malmö	2006	—	—	—	—	—	—	—	3,398	2,038	BRI	T/B	
112	Höjdpunkten 2	Östra Torn 27:2	Lund	2001	—	—	—	—	—	—	—	15,079	4,385	BRI	B	
Total undeveloped land						0	0	0	0	0	0	57,844	24,441			
Total Öresund Region						270,546	52,187	248,609	50,854	649	23,463	646,308	1,444,749	4,407,561		



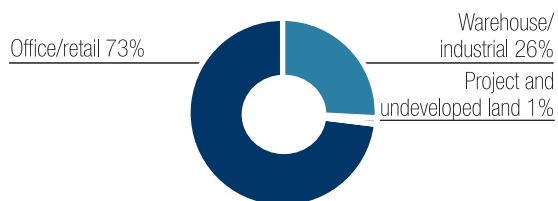
● Office/retail ● Warehouse/industrial ● Development projects and land



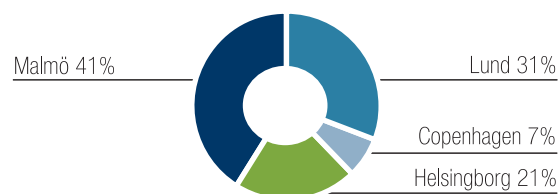
## Castellum's Real Estate Portfolio in Öresund Region 2014-12-31

	No. of properties	Area thous. sq.m	Rental value SEKm	Rental value SEK/sq.m	Economic occupancy rate	Rental income SEKm	Property costs SEKm	Property costs SEK/sq.m	Net operating income SEKm
<b>Office/retail</b>									
Malmö	27	138	194	1,408	83.8%	163	48	346	115
Lund	16	108	168	1,550	85.8%	144	34	313	110
Helsingborg	14	85	87	1,025	82.7%	72	20	235	52
Copenhagen	6	31	34	1,097	87.7%	29	9	316	20
<b>Total office/retail</b>	<b>63</b>	<b>362</b>	<b>483</b>	<b>1,334</b>	<b>84.6%</b>	<b>408</b>	<b>111</b>	<b>307</b>	<b>297</b>
<b>Warehouse/industrial</b>									
Malmö	23	158	111	705	84.7%	94	31	196	63
Helsingborg	14	89	68	763	83.7%	57	11	124	46
Lund	5	20	20	987	99.6%	20	3	150	17
Copenhagen	1	17	14	845	100.0%	14	5	300	9
<b>Total warehouse/industrial</b>	<b>43</b>	<b>284</b>	<b>213</b>	<b>752</b>	<b>86.8%</b>	<b>185</b>	<b>50</b>	<b>176</b>	<b>135</b>
<b>Total</b>	<b>106</b>	<b>646</b>	<b>696</b>	<b>1,078</b>	<b>85.3%</b>	<b>593</b>	<b>161</b>	<b>250</b>	<b>432</b>
Leasing and property administration							62	95	- 62
<b>Total after leasing and property administration</b>							<b>223</b>	<b>345</b>	<b>370</b>
Undeveloped land	5	—	—	—	—	—	—	—	—
<b>Total</b>	<b>111</b>	<b>646</b>	<b>696</b>	<b>—</b>	<b>—</b>	<b>593</b>	<b>223</b>	<b>—</b>	<b>370</b>

Property value by property type



Property value by municipality



## Property related key ratios

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Rental value, SEK/sq.m.	1,078	1,121	1,107	1,065	1,060	1,063	989	971	932	915
Economic occupancy rate	85.3%	85.0%	84.5%	85.2%	86.6%	86.5%	88.1%	87.7%	86.8%	88.1%
Property costs, SEK/sq.m.	345	354	331	304	315	320	278	271	256	244
Net operating income, SEK/sq.m.	575	599	605	603	604	601	593	581	553	563
Number of properties	111	117	117	109	101	100	100	97	92	90
Lettable area, thousand sq.m.	646	737	726	678	646	620	621	602	587	600

## Greater Stockholm

Greater Stockholm

													Tax Mgmt.		
Name of property	Address	Municipality	Acquis- year	Build/ Recon.year	Square metres per type of premises						Total	Site sq.m.	assessment sub-		
					Office	Retail	Warehouse	Industrial	Residential	Other			value	sidary	Note
OFFICE/RETAIL															
2	Betongblandaren 3	Gårdsfogdevägen 16	Stockholm	2001	1971	2,955	3,242	236	—	—	—	6,433	2,722	43,400	BRO
3	Betongblandaren 10	Archimedesv 1-3/ Gårdsfogdev 8-10	Stockholm	2005	1975/1996	1,675	10,437	2,192	—	—	30	14,334	15,170	111,565	BRO
4	Betongblandaren 12	Gårdsfogdevägen 18 B	Stockholm	1998	1972	7,263	—	159	—	—	—	7,422	3,679	59,400	BRO
5	Betongblandaren 13	Adolfbergsvägen 15, 25-31	Stockholm	<1995	1989	7,275	2,335	1,243	—	—	—	10,853	7,690	73,200	BRO B
6	Domnarvet 18	Fagerstagatan 11-13	Stockholm	2012	1991	5,523	103	—	—	—	260	5,886	6,640	—	BRO T
7	Domnarvet 36	Fagerstagatan 15	Stockholm	2012	1991	3,488	—	317	—	—	—	3,805	3,071	26,078	BRO T
8	Fredsfors 14	Karlsbodavägen 39-41	Stockholm	<1995	1960	11,216	—	6,774	—	—	1,443	19,433	7,073	108,377	BRO
9	Lisenen 2	Hässelby Torg 1	Stockholm	2011	1982/1995	2,299	—	—	—	—	—	2,299	1,104	—	BRO T
10	Vallonsmidet 8	Gårdsfogdevägen 1-7	Stockholm	<1995	1963/1992	13,694	2,765	6,962	—	—	10	23,431	29,425	160,600	BRO B
11	Ekenäs 1	Finlandsgatan 24-48	Stockholm	<1995	2003	18,712	540	—	—	—	8	19,260	9,631	228,600	BRO T
12	Ekenäs 2	Finlandsgatan 12-14	Stockholm	<1995	1989	4,594	—	75	—	—	—	4,669	1,987	43,400	BRO T
13	Ekenäs 3	Finlandsgatan 10	Stockholm	<1995	1989	3,535	—	756	—	—	—	4,291	4,792	35,600	BRO T
14	Ekenäs 4	Finlandsgatan 16-18	Stockholm	<1995	1991	7,531	100	444	—	—	—	8,075	2,255	71,200	BRO T
15	Karis 3	Finlandsgatan 62	Stockholm	2001	1989	2,881	—	510	—	—	5	3,396	2,248	30,600	BRO T
16	Karis 4	Finlandsgatan 50-60	Stockholm	2000	1985	4,675	466	119	—	—	—	5,260	3,920	44,362	BRO T
17	Sätessdalen 2	Norgegatan 2	Stockholm	2006	1990/2001	10,310	500	772	—	—	182	11,764	10,812	106,000	BRO T
18	Getholmen 2	Måsholmstorget 1-13	Stockholm	<1995	1990	5,367	—	356	—	—	—	5,723	3,195	47,600	BRO T
19	Hästholmen 2	Ekholmsvägen 23	Stockholm	<1995	1985	1,220	—	—	—	—	—	1,220	1,839	8,841	BRO T
22	Tjörhornet 15	Huddingevägen 103-109	Stockholm	<1995	1986	18,623	575	3,943	—	—	12	23,153	13,314	219,568	BRO
23	Mandelblomman 15	Avestag 29/Kronofogdev 56	Stockholm	<1995	1950/1990	3,321	—	300	—	—	—	3,621	4,364	22,413	BRO
24	Drevem 1 & Dvärgsp. 1	Gråhundsvägen 82-84	Stockholm	<1995	1970/1995	1,215	2,745	—	—	—	—	3,960	5,729	25,400	BRO
25	Getholmen 1	Ekholmsvägen 32-36	Stockholm	1998	1982	5,851	—	2,250	—	—	—	8,101	4,717	58,000	BRO T
27	Domnarvet 39	Gunnebogatan 24-26	Stockholm	<1995	1989	1,267	—	1,386	—	—	—	2,653	1,940	17,811	BRO T
109	Rosteriet 5	Lövholmsv 9, Trekantsv 9	Stockholm	2012	1956	3,270	—	—	—	—	—	3,270	2,390	43,400	BRO T
28	Gråslöken 1	Anderstorpsvägen 20-26	Solna	2006	1976	6,106	681	233	—	—	—	7,020	1,288	71,000	BRO
29	Råsten 4	Råstensg 1/Stureg 10	Sundbyberg	2007	1929/2001	2,700	—	—	—	—	—	2,700	1,111	33,800	BRO
30	Yrket 4	Smidesvägen 10-12	Solna	2006	1982/1984	9,494	—	926	—	—	404	10,824	8,774	121,000	BRO B
31	Ekplantan 4	Djupdalsvägen 1-7	Sollentuna	1996	1990	8,385	1,291	139	—	—	400	10,215	8,595	73,000	BRO
32	Ekstubben 21 & 23	Djupdalsvägen 10-22, 30-32	Sollentuna	1999	1989	6,076	—	199	—	—	110	6,385	3,069	52,568	BRO
33	Ekstubben 25	Djupdalsvägen 24-26	Sollentuna	2011	1987/1988	1,050	—	—	—	—	—	1,050	534	—	BRO
35	Ringpärmen 4	Bergskällavägen 32	Sollentuna	1996	1987	10,828	600	1,173	—	—	—	12,601	12,206	80,000	BRO
36	Sjöstugan 1	Sidensvansvägen 8-10	Sollentuna	1996	1990	4,465	—	1,908	—	—	—	6,373	9,156	42,400	BRO
37	Altartorpet 22	Jägerhorns Väg 6	Huddinge	1996	1986	818	1,267	630	—	—	—	2,715	5,766	40,600	BRO T
38	Altartorpet 23	Jägerhorns Väg 8	Huddinge	1996	1987	1,315	2,906	—	—	—	—	4,221	5,755	65,000	BRO T
39	Arrendatorn 15	Jägerhorns Väg 3-5	Huddinge	2001	1987	490	625	210	—	—	—	1,325	2,422	9,794	BRO
40	Arrendatorn 16	Jägerhorns Väg 1	Huddinge	<1995	1987	628	747	130	—	—	—	1,505	2,803	11,518	BRO
42	Varpen 8	Smista Allé 36	Huddinge	1997	2009	—	—	—	11,290	—	—	11,290	6,900	48,352	BRO B
43	Riggen 2	Botkyrkavägen 4	Huddinge	2012	1991	5,255	—	160	—	—	32	5,447	5,901	37,200	BRO
113	Spejaren 3	Smista Allé	Huddinge	1997	2014	—	—	—	6,391	—	—	6,391	9,250	13,829	BRO B
44	Varpen 8 C	Smista Allé 32	Huddinge	1997	2010	—	—	—	1,390	—	—	1,390	3,100	8,929	BRO
45	Visiret 2 A	Smista Allé 44	Huddinge	2004	2004	—	—	—	2,690	—	—	2,690	4,890	16,594	BRO
46	Visiret 2 B&C	Smista Allé 42	Huddinge	1997	2006	—	—	—	7,500	—	—	7,500	13,747	44,800	BRO
104	Visiret 2 D	Smista Allé	Huddinge	1997	2013	—	—	—	—	—	12,357	12,357	5,000	30,130	BRO
47	Visiret 2 F	Smista Allé 38-50	Huddinge	1997	2009	—	—	—	4,895	—	—	4,895	8,241	28,800	BRO

Note: T=Ground rent A=Lease B=Unutilized building permission







## Greater Stockholm

Name of property	Address	Municipality	Acquis- year	Build/ Recon.year	Square metres per type of premises						Total	Site sq.m.	Tax Mgmt. assessment sub- value sidary Note		
					Office	Retail	Warehouse	Industrial	Residential	Other			value	sidary	Note
48 Hammarby-Smedby 1:454	Johanneslundsvägen 2-6	Uppl-Väsby	2006	1991	8,268	–	120	–	–	–	8,388	10,460	65,600	BRO	
49 Hammarby-Smedby 1:461	Johanneslundsvägen 3-5	Uppl-Väsby	2006	1988	3,659	676	218	–	–	–	4,553	6,798	35,000	BRO	
50 Veddesta 2:22	Nettovägen 7	Järfälla	<1995	1965/1975	508	–	–	–	–	–	508	1,782	2,765	BRO	
52 Veddesta 2:58	Fakturavägen 5	Järfälla	2007	1985/1995	980	–	–	–	–	–	980	2,452	6,666	BRO	
53 Veddesta 2:66	Girovägen 13	Järfälla	2010	1989	3,183	–	250	–	–	8	3,441	7,422	23,415	BRO	
54 Sicklaön 393:4	Vikdalsvägen 50	Nacka	<1995	1990	3,495	–	519	–	–	–	4,014	10,819	42,822	BRO	
<b>Total office/retail</b>					<b>225,463</b>	<b>32,601</b>	<b>35,609</b>	<b>34,156</b>	<b>0</b>	<b>15,261</b>	<b>343,090</b>	<b>307,948</b>	<b>2,590,997</b>		
<b>WAREHOUSE/INDUSTRIAL</b>															
56 Charkuteristen 5	Hallvägen 21	Stockholm	2001	1955	1,520	–	5,447	–	–	–	6,967	4,213	11,348	BRO	T
57 Charkuteristen 6	Slakthusgatan 20	Stockholm	2001	1955	–	1,066	1,139	186	–	–	2,391	1,665	8,034	BRO	T
58 Charkuteristen 8	Slakthusgatan 22	Stockholm	2001	1968	548	–	4,667	–	–	–	5,215	2,582	16,793	BRO	T
59 Linde Torp 8	Bolidenvägen 8-10	Stockholm	<1995	1929	574	67	1,141	–	–	–	1,782	7,350	17,526	BRO	B
60 Sandhagen 6	Slakthusgatan 9	Stockholm	2001	1967	1,531	–	2,659	–	–	–	4,190	1,728	15,464	BRO	T
61 Domnarvet 4	Domnarvetgatan 27-29	Stockholm	<1995	1987	1,682	–	5,427	–	–	642	7,751	8,605	37,200	BRO	T
62 Domnarvet 27	Fagerstagatan 19 B	Stockholm	<1995	1982	–	–	–	1,970	–	–	1,970	4,337	11,665	BRO	T
63 Domnarvet 28	Fagerstagatan 19 C	Stockholm	2010	1986	–	–	–	3,720	–	–	3,720	7,272	19,992	BRO	T
64 Mandellblomman 16	Kronofogdevägen 62	Stockholm	2007	1974	1,011	–	1,938	940	–	–	3,889	4,125	15,650	BRO	
65 Stensåtra 7	Strömsåtravägen 16	Stockholm	1999	1974	–	–	5,288	–	–	–	5,288	10,212	24,292	BRO	T
66 Dagskiftet 4	Elektravägen 10	Stockholm	2007	1945	358	–	1,352	–	–	–	1,710	1,892	7,871	BRO	T
67 Elektra 3	Västbergavägen 25	Stockholm	<1995	1946	1,144	280	6,130	–	–	–	7,554	10,106	37,978	BRO	
68 Godståget 1	Transportvägen 7-9	Stockholm	<1995	1985	1,785	–	11,211	70	–	5	13,071	31,392	107,976	BRO	
69 Furudal 4	Fagerstagatan 10	Stockholm	2010	2008	–	–	–	1,237	–	–	1,237	2,051	9,506	BRO	T
70 Lagerhallen 2	Brunnby 2-4/ Parthandlarv 27-45	Stockholm	2004	1975	2,194	–	7,560	–	–	3,609	13,363	9,512	57,200	BRO	T
71 Östmästaren 2	Östmästargränd 4	Stockholm	2012	1980	–	–	–	3,292	–	–	3,292	5,915	22,000	BRO	T
72 Tornluggen 1	Bällstav 159/Tornväktargr 1-9	Stockholm	<1995	1963/1983	–	–	1,900	–	–	–	1,900	3,898	9,551	BRO	T
73 Tornluckan 1	Tornväktargränd 6	Stockholm	<1995	1960	–	–	810	–	–	–	810	927	3,144	BRO	T
74 Vagnhallen 19	Jämtlandsgatan 131	Stockholm	2006	1963/1974	–	–	–	5,544	–	–	5,544	5,177	22,371	BRO	T
108 Elementet 3	Bäckvägen 20	Sollentuna	2012	1963	722	–	1,597	799	–	–	3,118	2,624	13,769	BRO	
76 Elementet 4	Bäckvägen 18	Sollentuna	<1995	1960	1,084	190	9,794	–	–	–	11,068	18,469	56,325	BRO	
77 Revisorn 4	Bergkällavägen 33	Sollentuna	2011	1988	–	–	–	2,635	–	–	2,635	6,915	17,955	BRO	B
78 Tidskriften 2	Kuskvägen 2	Sollentuna	1997	1976	1,235	2,894	5,673	–	–	–	9,802	18,203	64,341	BRO	
79 Rosersberg 2:21-22	Rosersbergsvägen 43-45	Sigtuna	1996	1990	–	–	2,126	–	–	–	2,126	5,240	12,047	BRO	
81 Rosersberg 11:34	Tallbacksgatan 14	Sigtuna	1996	1987/1990	936	–	35,543	–	–	–	36,479	92,299	181,443	BRO	
114 Rosersberg 11:94	Skansvägen 25	Sigtuna	2014	2008	–	–	9,353	–	–	–	9,353	19,971	61,400	BRO	B
83 Bredgården 1:7	Jättevägen 4	Järfälla	2010	1978	111	294	–	3,039	–	260	3,704	9,213	14,000	BRO	
102 Veddesta 1:9	Fakturavägen 2	Järfälla	2007	1965	–	–	285	1,918	–	–	2,203	3,731	19,131	BRO	
84 Veddesta 2:17	Nettovägen 9	Järfälla	2006	1968	–	–	1,338	–	–	–	1,338	5,350	7,527	BRO	
85 Veddesta 2:19	Girovägen 9	Järfälla	<1995	1964	–	–	2,556	–	–	–	2,556	10,000	16,067	BRO	
86 Veddesta 2:21	Nettovägen 5	Järfälla	<1995	1965/1988	150	–	1,755	–	–	–	1,905	5,000	9,705	BRO	
87 Veddesta 2:26	Nettovägen 11	Järfälla	<1995	1968	465	190	2,288	–	–	–	2,943	7,000	15,224	BRO	
88 Veddesta 2:49	Girov 11	Järfälla	2010	1981	–	–	1,296	2,383	–	–	3,679	9,250	22,281	BRO	T
89 Veddesta 2:50	Kontov 7/Veddestav 23-25	Järfälla	<1995	1964	1,280	–	2,884	565	–	–	4,729	21,889	32,164	BRO	B
90 Veddesta 2:60	Fakturavägen 4	Järfälla	2007	1987	320	–	155	484	–	–	959	1,099	4,561	BRO	T
91 Veddesta 2:68	Fakturavägen 6	Järfälla	2012	1990	239	–	–	2,546	–	–	2,785	2,801	13,136	BRO	
92 Veddesta 2:77	Fakturavägen 1-3	Järfälla	2007	1994/1997	1,000	–	4,215	–	–	–	5,215	14,857	36,440	BRO	
106 Elektronen 1	Hovslagarevägen 5	Sollentuna	2012	1957/1987	261	–	–	2,112	–	–	2,373	3,639	11,278	BRO	
107 Elektronen 4	Hovslagarevägen 3A-B	Sollentuna	2012	1958/1992	855	–	1,267	1,710	–	–	3,832	5,273	19,255	BRO	
34 Ringpärmen 3	Bergskällavägen 30	Sollentuna	2005	1986	895	–	2,047	997	–	240	4,179	7,918	23,091	BRO	
41 Ellipsen 3	Ellipsvägen 11	Huddinge	2001	1993	2,319	–	1,139	–	–	–	3,458	3,904	16,828	BRO	
– Dumpen 7	Speditionsvägen 36	Huddinge	2014	2009	–	–	6,792	–	–	–	6,792	12,035	36,605	BRO	
112 Palissaden 4	Smista Allé 30	Huddinge	1997	2013	–	–	–	2,198	–	–	2,198	3,285	17,885	BRO	
– Slipstenen 1	Fråsarv 19/Slipstensv 4-8	Huddinge	2012	2006	–	2,808	–	–	–	–	2,808	11,442	17,208	BRO	
93 Skälby 2:9	Instrumentvägen 2	Uppl-väsby	2010	1984	697	–	–	2,486	–	–	3,183	7,720	19,997	BRO	T
94 Hantverkaren 2	Hantverkavägen 9	Botkyrka	<1995	1976/1979	–	–	–	5,790	–	–	5,790	11,672	24,497	BRO	
95 Kumla Hage 3	Kumla Gårdsväg 24 A-B	Botkyrka	<1995	1985	–	–	1,889	–	–	–	1,889	3,959	8,370	BRO	
96 Kumla Hage 13	Kumla Gårdsväg 24 C	Botkyrka	<1995	1990	–	–	1,630	–	–	–	1,630	3,258	8,151	BRO	
98 Saltmossen 3	Kumla Gårdsväg 21	Botkyrka	<1995	1983/1986	–	–	23,433	3,103	–	–	26,536	57,214	151,801	BRO	
110 Segersby 1	Kumla Gårdsväg 10	Botkyrka	2012	1976	325	–	3,384	8,310	–	–	12,019	24,104	45,304	BRO	
105 Åby 1:223	Cementvägen 7	Haninge	2011	2013	–	–	–	6,553	–	–	6,553	10,209	40,600	BRO	
– Skarpnäs 5:10	Skarpövägen 14	Nacka	2010	2008	2,301	–	2,247	1,274	–	–	5,822	7,491	31,349	BRO	
<b>Total warehouse/industrial</b>					<b>27,542</b>	<b>7,789</b>	<b>181,355</b>	<b>65,861</b>	<b>0</b>	<b>4,756</b>	<b>287,303</b>	<b>549,993</b>	<b>1,525,296</b>		



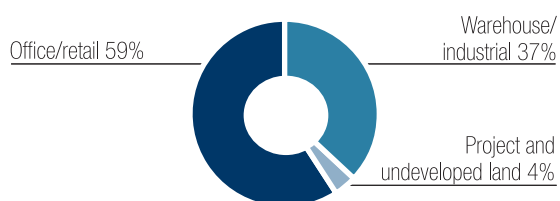
## Greater Stockholm

Greater Stockholm													Tax Mgmt.			
Name of property	Address	Municipality	Acquis- year	Build/ Recon.year	Square metres per type of premises							Site sq.m.	assessment sub- value	Note		
					Office	Retail	Warehouse	Industrial	Residential	Other	Total					
DEVELOPMENT PROJECTS																
1	Archimedes 1	Gårdsfogdevägen 2-6	Stockholm	1996	1979	12,309	2,144	3,445	310	—	—	18,208	13,663	100,479	BRO	B
104	Smista 3:23	Smista Allé	Huddinge	2011	—	—	589	—	—	—	—	589	12,035	247	BRO	
Total development projects						12,309	2,733	3,445	310	0	0	18,797	25,698	100,726		
UNDEVELOPED LAND																
103	Rankan 3-4	Sollentunaholmsvägen 1-7	Sollentuna	1997	—	—	—	—	—	—	—	—	88,355	38,000	BRO	B
104	Smista Park	Smista Allé	Huddinge	2011	—	—	—	—	—	—	—	—	30,955	0	BRO	B
Total undeveloped land						0	0	0	0	0	0	0	119,310	38,000		
Total Greater Stockholm						265,314	43,123	220,409	100,327	0	20,017	649,190	1,002,949	4,255,019		

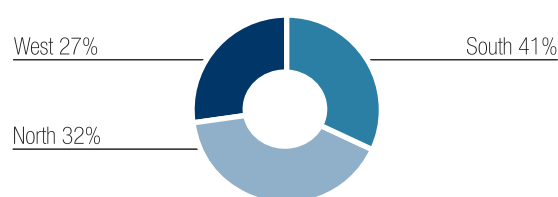
## Castellum's Real Estate Portfolia in Greater Stockholm 2014-12-31

	No. of properties	Area thous. sq.m	Rental value SEKm	Rental value SEK/sq.m	Economic occupancy rate	Rental income SEKm	Property costs SEKm	Property costs SEK/sq.m	Net operating income SEKm
<b>Office/retail</b>									
North	17	111	155	1,397	73.3%	114	42	372	72
West	14	121	162	1,340	84.0%	136	35	287	101
South	19	111	152	1,366	93.3%	141	25	235	116
<b>Total office/retail</b>	<b>50</b>	<b>343</b>	<b>469</b>	<b>1,367</b>	<b>83.5%</b>	<b>391</b>	<b>102</b>	<b>298</b>	<b>289</b>
<b>Warehouse/industrial</b>									
North	22	120	123	1,019	91.6%	112	23	194	89
West	8	27	25	929	88.0%	22	6	214	16
South	22	141	139	993	86.0%	120	30	213	90
<b>Total warehouse/industrial</b>	<b>52</b>	<b>288</b>	<b>287</b>	<b>998</b>	<b>88.6%</b>	<b>254</b>	<b>59</b>	<b>205</b>	<b>195</b>
<b>Total</b>	<b>102</b>	<b>631</b>	<b>756</b>	<b>1,199</b>	<b>85.4%</b>	<b>645</b>	<b>161</b>	<b>256</b>	<b>484</b>
Leasing and property administration							44	71	-44
<b>Total after leasing and property administration</b>							<b>205</b>	<b>326</b>	<b>440</b>
Development projects	2	18	21	—	—	10	5	—	5
Undeveloped land	2	—	—	—	—	—	—	—	—
<b>Total</b>	<b>106</b>	<b>649</b>	<b>777</b>	<b>—</b>	<b>—</b>	<b>655</b>	<b>210</b>	<b>—</b>	<b>445</b>

Property value by property type



Property value by municipality



## Property related key ratios

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Rental value, SEK/sq.m.	1,199	1,198	1,203	1,181	1,154	1,175	1,144	1,090	1,038	999
Economic occupancy rate	85.4%	83.1%	82.8%	82.2%	82.8%	84.8%	84.0%	81.2%	81.3%	83.1%
Property costs, SEK/sq.m.	326	337	344	362	345	347	343	325	338	315
Net operating income, SEK/sq.m.	697	658	652	609	611	650	618	560	506	515
Number of properties	106	105	109	100	97	90	90	87	80	73
Lettable area, thousand sq.m.	649	639	650	573	569	534	535	517	501	442



## Mälardalen

Mälardalen													Tax Mgmt.			
Name of property	Address	Municipality	Acquis- Build/		Square metres per type of premises							Site sq.m.	assessment sub-		Note	
			year	Recon.year	Office	Retail	Warehouse	Industrial	Residential	Other	Total		value	sidary		
OFFICE/RETAIL																
1	Boländerna 5:12	Fällhagsleden 51	Uppsala	2010	1983/1996	5,984	—	286	—	—	—	6,270	15,251	42,380	ASP	B
2	Boländerna 8:6	Knivstagatan 6	Uppsala	2008	1990	2,429	—	—	—	—	—	2,429	3,806	20,674	ASP	
3	Boländerna 8:11	Bergsbrunnagatan 15	Uppsala	2008	1975	3,989	485	3,376	—	—	—	7,850	11,535	16,853	ASP	
4	Boländerna 9:1	Märstagatan 2	Uppsala	2008	1946/2005	1,737	—	537	—	—	—	2,274	2,890	—	ASP	
5	Boländerna 11:5	Märstagatan 7	Uppsala	2011	1975	2,407	—	—	—	—	—	2,407	4,346	14,509	ASP	B
6	Boländerna 28:3	Verkstadsgatan 9	Uppsala	2000	1971	—	24,655	1,064	—	—	—	25,719	64,871	241,200	ASP	B
8	Boländerna 28:4 A	Verkstadsgatan 9	Uppsala	2003	1987	—	—	4,100	—	—	—	4,100	10,981	44,592	ASP	B
7	Boländerna 28:4 B	Verkstadsgatan 11	Uppsala	2003	2002	2,124	—	—	—	—	—	2,124	4,500	25,000	ASP	
11	Boländerna 36:2	Danmarksgatan 20	Uppsala	2011	1982	360	1,581	396	—	—	—	2,337	3,204	15,400	ASP	
12	Dragarbrunn 16:2	Dragarbrunns Torg 2-6/ Klostergatan 13-15	Uppsala	2004	1963	4,616	1,798	184	—	—	129	6,727	2,209	119,000	ASP	
13	Dragarbrunn 20:2	Kungsgatan 43/St Persgatan 17	Uppsala	1999	1963	2,479	767	46	—	—	—	3,292	921	—	ASP	
14	Dragarbrunn 20:4	Dragarbrunnsgatan 34	Uppsala	2010	2010/2014	9,548	2,959	356	—	1,305	—	14,168	4,472	104,400	ASP	
120	Dragarbrunn 21:1 & 21:5	S:t Persgatan 21	Uppsala	2012	1970	7,226	—	24	—	—	—	7,250	4,747	8,930	ASP	B
17	Kungsången 35:3	Kungsgatan 76	Uppsala	1998	2001	3,030	—	—	—	—	—	3,030	4,547	32,234	ASP	
18	Kvarngården 64:3	Sportfältsvägen 3	Uppsala	1996	1991	1,959	—	15	—	—	—	1,974	2,955	14,475	ASP	
19	Årsta 36:2	Möllersvärdsgatan 12	Uppsala	<1995	1978/1989	1,319	—	1,538	—	—	—	2,857	5,143	19,816	ASP	
20	Årsta 36:7	Hanselligatan 6	Uppsala	2007	1986	388	—	1,873	—	—	—	2,261	3,358	13,526	ASP	
21	Årsta 67:1	Stålgatan 8-12	Uppsala	<1995	1988	540	9,962	932	—	—	—	11,434	31,608	85,951	ASP	
22	Årsta 72:3	Svederusgatan 1-4	Uppsala	1997	1990	2,195	1,792	4,433	—	—	224	8,644	10,792	44,770	ASP	
23	Årsta 74:1	Fyrislundsgatan 68	Uppsala	1999	1985	—	6,853	—	—	—	—	6,853	15,268	37,000	ASP	
24	Årsta 74:3	Axel Johanssons Gata 4-6	Uppsala	<1995	1990	13,027	238	225	—	—	490	13,980	17,212	83,000	ASP	
25	Årsta 78:1	Fyrislundsgatan 73	Uppsala	2011	2000	2,838	—	—	—	—	—	2,838	4,156	16,146	ASP	
26	Basen 10	Fridhemsgatan 2-4	Örebro	<1995	1900/1990	6,244	—	—	—	—	—	6,244	4,997	39,200	ASP	
27	Borgaren 1	Fabriksgatan 1 A	Örebro	2008	1969/2001	6,545	—	1,100	—	—	847	8,492	3,375	63,548	ASP	
28	Inköparen 1	Rörvägen 1	Örebro	2007	2008	3,698	5,765	—	—	—	—	9,463	22,500	57,476	ASP	
—	Järnmalmen 1	Osmundgatan 10	Örebro	2006	1967/1995	2,695	—	8,249	—	—	—	10,944	47,714	31,768	ASP	B
30	Konstruktören 11	Söderleden 14	Örebro	<1995	1987	1,715	—	—	—	—	—	1,715	7,876	9,915	ASP	
31	Kontrollanten 9	Äbyvägen 3	Örebro	2007	1992	3,714	—	1,106	—	—	—	4,820	11,974	15,881	ASP	
32	Lagerchefen 3	Aspholmsvägen 3	Örebro	1996	1957/1985	—	1,900	—	—	—	—	1,900	9,213	12,961	ASP	B
33	Lantmannen 7	Boställsvägen 10	Örebro	<1995	1985	72	2,248	250	—	—	—	2,570	8,573	10,117	ASP	
114	Litografen 1&2 A	Adolfsbergsvägen 4	Örebro	2012	1964	3,960	7,414	9,954	—	—	957	22,285	122,107	120,127	ASP	
34	Motormannen 1	Radiatorvägen 1	Örebro	<1995	1966	293	3,436	410	—	—	—	4,139	10,501	17,875	ASP	
35	Röda rummet	Radiatorvägen 17	Örebro	1996	2000	3,405	—	—	—	—	—	3,405	7,710	24,650	ASP	
36	Rörläggaren 1	Aspholmsvägen 4	Örebro	<1995	1963/1992	—	—	—	5,180	—	—	5,180	15,881	21,686	ASP	B
37	Rörmokaren 1	Elementvägen 13-15	Örebro	<1995	1963/1986	110	—	—	3,735	—	—	3,845	10,432	16,338	ASP	
38	Rörmokaren 5	Elementvägen 1	Örebro	<1995	1984	1,297	1,023	—	—	—	—	2,320	6,656	12,088	ASP	
40	Stinsen 18	Fabriksgatan 18-22	Örebro	2008	1983/2003	12,054	—	103	—	—	103	12,260	5,008	103,600	ASP	B
41	Svetsaren 4	Elementvägen 12	Örebro	<1995	1976/1984	176	1,695	2,393	—	—	—	4,264	9,644	16,897	ASP	
42	Svetsaren 5	Elementvägen 14	Örebro	<1995	1977/1988	2,970	—	150	—	—	—	3,120	7,355	12,417	ASP	
43	Svetsaren 6	Radiatorvägen 14	Örebro	2000	1962	5,625	—	—	—	—	—	5,625	7,956	50,855	ASP	
44	Svetsaren 7	Elementvägen 16	Örebro	<1995	1960/1983	675	—	180	—	—	—	855	2,658	5,179	ASP	
45	Svetsaren 8	Elementvägen 4	Örebro	<1995	1977	570	3,060	220	—	—	—	3,850	8,074	12,477	ASP	
46	Svånghjulet 1	Stubbengatan 2	Örebro	2010	2004	4,556	1,660	2,638	—	—	250	9,104	24,143	34,052	ASP	B

Note: T=Ground rent A=Lease B=Unutilized building permission



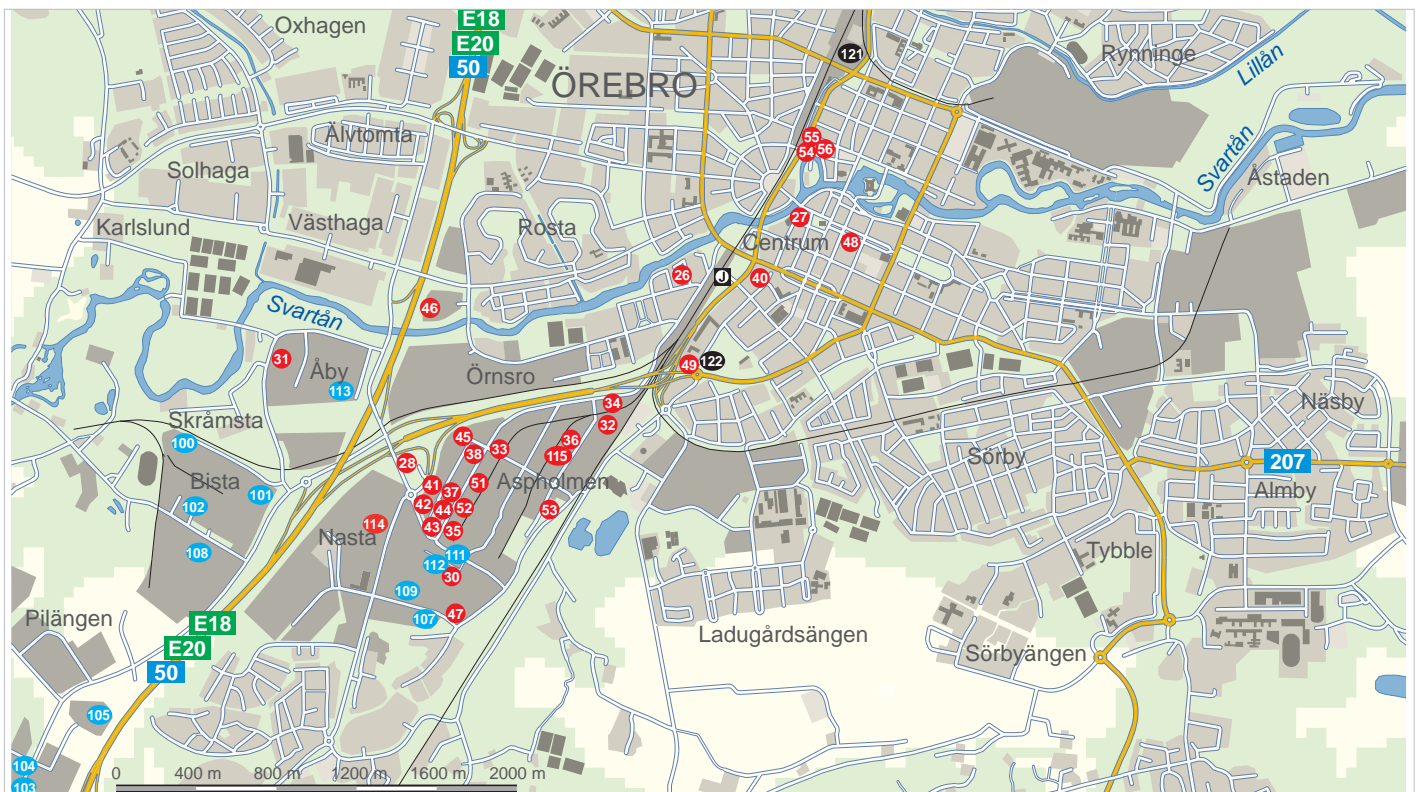
Stinsen 18, Örebro



Inköparen 1, Örebro

## Mälardalen

Name of property	Address	Municipality	Acquis- year	Build/ Recon.year	Square metres per type of premises						Site sq.m.	Tax Mgmt. assessment sub- value Note		
					Office	Retail	Warehouse	Industrial	Residential	Other	Total			
47 Telemontören 1	Nastagatan 2	Örebro	2007	1993	3,620	—	2,882	—	—	—	6,502	30,750	19,406 ASP	B
48 Tryckeriet 2	Stortorget 8	Örebro	2008	1984/1999	1,400	847	—	—	—	387	2,634	1,350	26,724 ASP	
49 Tågmästaren 25	Fabriksgatan 54	Örebro	2008	1986	6,225	—	1,167	—	—	6	7,398	8,110	34,400 ASP	B
51 Virkeshandlaren 7	Radiatorvägen 11	Örebro	<1995	1970/1987	5,911	—	278	—	—	—	6,189	15,377	27,175 ASP	
52 Virkeshandlaren 10	Radiatorvägen 13-15	Örebro	1996	1979	2,694	3,565	1,060	—	—	—	7,319	20,242	30,498 ASP	
53 Ånsta 20:117	Aspholmsvägen 9	Örebro	1996	1990	755	—	—	—	—	—	755	1,907	3,742 ASP	
54 Ölstången 11	Järntorgsgatan 1	Örebro	2008	1939/2003	3,940	—	580	—	—	—	4,520	937	28,800 ASP	
55 Ölstången 14	Olaigatan 2	Örebro	2008	1929	2,194	—	—	—	—	—	2,194	852	16,700 ASP	
56 Ölstången 15	Olaigatan 4	Örebro	2008	1975/2003	3,101	—	—	—	—	—	3,101	1,517	23,000 ASP	
57 Blåsterugnen 2	Kokillgatan 7	Västerås	1997	1991	—	1,894	—	—	—	—	1,894	11,045	8,938 ASP	T
58 Dagslåndan 11	Jonasborgsvägen 26	Västerås	1996	1990	1,106	—	—	—	—	—	1,106	3,651	6,261 ASP	T
59 Degeln 1	Kokillgatan 1-3	Västerås	1996	1984	4,610	1,050	700	181	—	—	6,541	26,917	21,734 ASP	T
60 Elenergin 1	Elledningsgatan 2	Västerås	2008	1976	119	466	—	4,498	—	—	5,083	26,290	18,763 ASP	B
61 Elledningen 4	Tunbytorpsgatan 31	Västerås	<1995	1991	3,586	—	—	—	—	—	3,586	10,256	20,460 ASP	
62 Fallhamaren 1	Fallhammargatan 3	Västerås	<1995	1989	2,425	—	1,655	407	—	—	4,487	10,700	17,729 ASP	
63 Friledningen 13	Tunbytorpsgatan 10	Västerås	1999	1978	390	1,440	750	—	—	—	2,580	7,000	11,864 ASP	T



● Office/retail ● Warehouse/Industrial ● Development projects and land



Svånghjulet 1, Örebro



Ölstången 11, Örebro



## Mälardalen

Name of property	Address	Municipality	Acquis- year	Build/ Recon.year	Square metres per type of premises						Total	Site sq.m.	Tax Mgmt. assessment sub- value subsidiary Note		
					Office	Retail	Warehouse	Industrial	Residential	Other					
64 Gjutjärnet 7	Gjutjärngatan 5	Västerås	<1995	1989	–	2,005	247	260	–	135	2,647	10,517	8,015 ASP		
65 Hjulsmäden 1	Gjutjärngatan 8	Västerås	<1995	1990	–	1,112	871	–	–	–	1,983	5,625	8,599 ASP		
66 Jordlinan 2	Stenbygatan 6	Västerås	<1995	1991	179	2,050	6,155	480	–	–	8,864	21,467	27,264 ASP	B	
67 Kokillen 1	Kokillgatan 2	Västerås	1996	1988	545	1,165	1,295	–	–	–	3,005	11,975	13,386 ASP	T	
68 Kopparlunden	Kopparlunden	Västerås	2001	1890/2000	18,978	–	–	1,524	–	–	20,502	10,256	117,444 ASP		
69 Kraftfältet 5	Omformargatan 2	Västerås	2005	1991	715	836	1,640	729	–	–	3,920	11,221	15,950 ASP		
70 Köpmannen 1	Kranbyggargatan 1	Västerås	<1995	1984	–	320	–	1,095	–	–	1,415	5,804	7,303 ASP		
71 Köpmannen 3	Kranbyggargatan 3	Västerås	<1995	1982	–	875	–	1,495	–	–	2,370	10,073	12,006 ASP	T	
72 Ringborren 8&16	Tallmätargatan 1	Västerås	<1995	1956/1988	4,987	–	–	–	–	–	4,987	9,019	14,239 ASP		
73 Tunbytorp 1	Strömlidningsgatan 1	Västerås	2005	1965	410	3,797	524	1,278	–	–	6,009	27,584	23,382 ASP	T	
74 Tunbytorp 7	Strömlidningsgatan 3	Västerås	2005	1965	–	360	1,901	5,674	–	–	7,935	31,990	32,271 ASP	T	
75 Tunbytorp 19	Tunbytorpsgatan 2 A	Västerås	2005	1990	1,982	–	–	–	–	–	1,982	11,782	6,745 ASP		
77 Vikingatiden 9	Brandthovdagatan 17 A	Västerås	2007	2004	173	–	438	173	–	–	784	3,477	3,124 ASP		
<b>Total office/retail</b>					<b>198,614</b>	<b>101,073</b>	<b>68,281</b>	<b>26,709</b>	<b>1,305</b>	<b>3,528</b>	<b>399,510</b>	<b>930,810</b>	<b>2,294,885</b>		

## WAREHOUSE/INDUSTRIAL

78 Boländerna 12:1	Danmarksgatan 24	Uppsala	2011	1979	520	–	6,106	–	–	–	6,626	14,136	32,284 ASP	B	
79 Husbyborg 1:83	Gamla Börjevägen 2-16	Uppsala	2008	1972/1988	–	218	747	5,969	–	–	6,934	14,543	37,752 ASP	B	
80 Årsta 38:1	Möllersvärdsgatan 5	Uppsala	<1995	1979	–	–	–	2,960	–	–	2,960	8,572	18,160 ASP	B	
81 Barkborren 3	Barkborregatan 3	Västerås	<1995	1970/1989	–	–	–	2,950	–	–	2,950	10,000	8,748 ASP	T	
82 Elkraften 4	Tunbytorpsgatan 16	Västerås	2005	1976	–	–	946	–	–	–	946	5,673	4,100 ASP	T	
83 Elkraften 6	Elledningsgatan 4	Västerås	2008	1981	–	–	1,150	–	–	–	1,150	8,025	4,765 ASP	T	
84 Elkraften 7	Energigatan 3 A	Västerås	2005	1976	250	–	–	1,070	–	–	1,320	5,073	4,373 ASP	T	
85 Elledningen 1	Tunbytorpsgatan 29	Västerås	1999	1982	–	1,200	710	–	–	–	1,910	8,300	7,225 ASP	T	
86 Friledningen 8	Tunbytorpsgatan 6	Västerås	2005	1971	235	–	568	1,539	–	–	2,342	11,243	8,133 ASP	T	
87 Friledningen 9	Tunbytorpsgatan 8	Västerås	2005	1968	647	940	2,115	1,500	–	–	5,202	9,995	18,990 ASP		
88 Fältmätaren 29	Fältmätargatan 9	Västerås	2007	1960	810	–	–	2,257	–	–	3,067	10,173	11,032 ASP	T	
118 Högsparningen 1	Lågspänningsgatan 8	Västerås	2007	2014	–	–	–	3,911	–	–	3,911	22,500	21,800 ASP	B	
89 Järnåldern 6	Brandthovdagatan 11	Västerås	2008	1982	476	–	629	777	–	45	1,927	5,967	7,426 ASP	T	
– Krista 1	Sältängsvägen 59	Västerås	2004	2005	–	–	–	2,980	–	–	2,980	11,500	17,398 ASP		
91 Köpmannen 8	Lundby Gårdsgata 4	Västerås	2004	1988	–	–	351	2,334	–	–	2,685	9,957	10,510 ASP		
92 Ledningstråden 1	Tunbytorpsgatan 1-3	Västerås	2005	1967	520	1,011	4,541	–	–	–	6,072	27,410	20,961 ASP	T	
94 Lufthammaren 1	Ånghammargatan 2-4	Västerås	1996	1977	3,894	–	1,803	1,646	–	–	7,343	17,055	20,642 ASP	T	
95 Tunbytorp 2	Tunbytorpsgatan 4	Västerås	2005	1970	–	–	1,548	1,825	–	647	4,020	19,191	12,376 ASP	B	
96 Tunbytorp 8	Friledningsgatan 3 A	Västerås	2005	1970	–	–	830	–	–	–	830	5,825	3,714 ASP		
97 Tunbytorp 10	Tunbytorpsgatan 4 A	Västerås	2005	1978	957	–	6,324	–	–	211	7,492	24,663	20,400 ASP		
98 Voltmätaren 3	Lågspänningsgatan 7	Västerås	2006	1990	–	–	–	760	–	–	760	2,254	2,645 ASP		
99 Ånghammaren 2	Ånghammargatan 1-9	Västerås	1996	1972/1994	1,181	520	4,744	6,996	–	40	13,481	35,738	32,101 ASP	T	
100 Bleckslagaren 1	Handelsgatan 9	Örebro	2012	1970	645	–	3,185	–	–	–	3,830	14,405	– ASP		
101 Bleckslagaren 6	Handelsgatan 1	Örebro	2008	1982	–	–	–	4,326	–	–	4,326	22,243	16,096 ASP	B	
102 Bleckslagaren 8	Vattenverksgatan 8	Örebro	2006	1978/2001	–	–	–	4,750	–	–	4,750	24,878	20,017 ASP	B	
103 Chauffören 2	Stuvargatan 3	Örebro	1997	1991	500	–	6,600	–	–	–	7,100	16,974	24,435 ASP		
104 Chauffören 3	Pikullagatan 9	Örebro	2006	1991	–	–	–	1,577	–	–	1,577	5,442	5,519 ASP		
105 Distributören 7	Krangatan 11	Örebro	2012	1989	795	–	6,795	–	–	–	7,590	24,675	24,185 ASP		





## Mälardalen

Name of property	Address	Municipality	Acquis- year	Build/ Recon.year	Square metres per type of premises						Total	Site sq.m.	Tax Mgmt.		
					Office	Retail	Warehouse	Industrial	Residential	Other			assessment	sub- value	sidary Note
– Däcket 1	Dialoggatan 14	Örebro	2008	2012	–	–	740	1,128	–	–	1,868	7,184	10,448	ASP	
107 Försäljaren 2	Nastagatan 9	Örebro	2012	2008	–	–	3,049	–	–	–	3,049	9,545	18,130	ASP	B
108 Elektrikern 3	Vattenverksgatan 3	Örebro	2012	1972	–	–	8,440	–	–	–	8,440	18,823	17,800	ASP	
109 Grosshandlaren 2	Nastagatan 6-8	Örebro	2001	1977	2,008	1,955	19,170	–	–	–	23,133	61,695	92,028	ASP	B
– Gällersta-Gryt 4:9	Gällerstavägen	Örebro	<1995	1969	–	–	–	11,625	–	–	11,625	42,143	24,606	ASP	
111 Konstruktören 9	Söderleden 10	Örebro	1996	1987	–	–	1,260	–	–	–	1,260	3,573	5,838	ASP	
112 Konstruktören 10	Söderleden 12	Örebro	<1995	1987	–	–	–	3,665	–	–	3,665	10,649	16,630	ASP	
113 Kontrollanten 12	Skomaskinsgatan 6	Örebro	2012	1981	3,859	–	6,971	–	–	–	10,830	30,946	33,400	ASP	
115 Rörläggaren 2	Aspholmsvägen 6	Örebro	2004	1984	–	–	2,955	–	–	–	2,955	4,960	12,387	ASP	
116 Ånsta 20:148	Berglunda 208	Örebro	2007	1971/1999	1,380	–	2,805	–	–	–	4,185	44,237	23,281	ASP	B
<b>Total warehouse/industrial</b>					<b>18,677</b>	<b>5,844</b>	<b>95,082</b>	<b>66,545</b>	<b>0</b>	<b>943</b>	<b>187,091</b>	<b>630,165</b>	<b>670,335</b>		



● Office/retail ● Warehouse/industrial ● Development projects and land



Gjutjärnet 7, Västerås

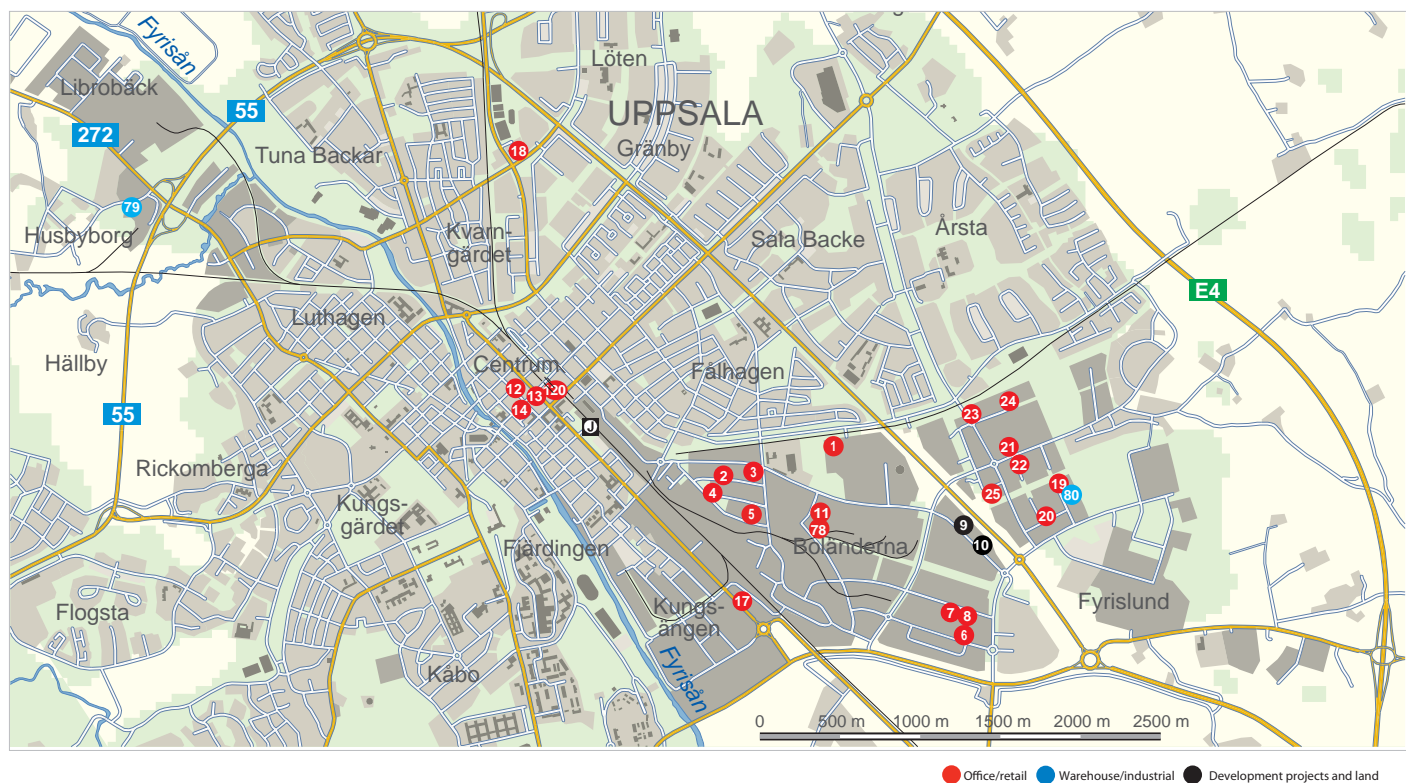


Boländerna 28:3, Uppsala



## Mälardalen

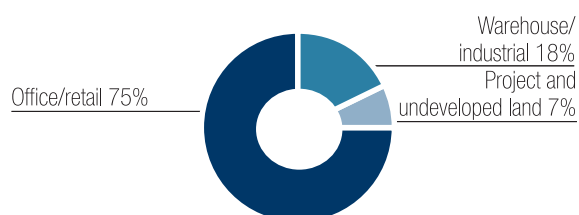
Mälardalen												Tax Mgmt.				
Name of property	Address	Municipality	Acquis- year	Build/ Recon.year	Square metres per type of premises						Site sq.m.	assessment value	sub- sidiary	Note		
					Office	Retail	Warehouse	Industrial	Residential	Other					Total	
DEVELOPMENT PROJECTS																
9	Boländerna 35:1	Bolandsgatan 18	Uppsala	2006	2006	—	8,466	250	—	—	—	8,716	26,193	71,018	ASP	B
10	Boländerna 35:2	Bolandsgatan 20	Uppsala	<1995	1981	—	4,118	—	—	—	—	4,118	9,600	35,400	ASP	
93	Ledningstråden 6	Tunbytorpsgatan 23	Västerås	2005	1970	—	—	—	—	—	—	—	8,000	3,550	ASP	T/B
76	Verkstaden 14	Kopparlunden	Västerås	2001	2001	8,739	—	—	—	—	—	8,739	40,900	39,934	ASP	B
122	Drottningparken	Fabrikgatan	Örebro	2014	—	—	—	—	—	—	—	—	8,000	—	ASP	
114	Litografen 1&2 B	Adolfsbergsvägen 4	Örebro	2012	—	9,350	—	—	—	—	—	9,350	—	—	ASP	B
121	Olaus Petri 3:244	Östra Bangatan	Örebro	2014	—	—	—	—	—	—	—	—	5,000	—	ASP	B
Total development projects						18,089	12,584	250	0	0	0	30,923	97,693	149,902		
Total Mälardalen						235,380	119,501	163,613	93,254	1,305	4,471	617,524	1,658,668	3,115,122		



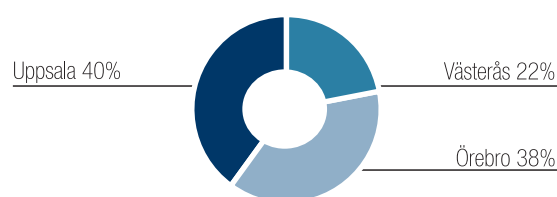
## Castellum's Real Estate Portfolia in Mälardalen 2014-12-31

	No. of properties	Area thous. sq.m	Rental value SEKm	Rental value SEK/sq.m	Economic occupancy rate	Rental income SEKm	Property costs SEKm	Property costs SEK/sq.m	Net operating income SEKm
<b>Office/retail</b>									
Uppsala	22	141	201	1,428	91.4%	184	49	343	135
Örebro	30	167	176	1,051	94.0%	165	47	281	118
Västerås	20	91	94	1,025	87.1%	82	24	265	58
<b>Total office/retail</b>	<b>72</b>	<b>399</b>	<b>471</b>	<b>1,178</b>	<b>91.5%</b>	<b>431</b>	<b>120</b>	<b>299</b>	<b>311</b>
<b>Warehouse/industrial</b>									
Västerås	19	70	55	783	85.2%	47	16	221	31
Örebro	16	100	67	673	89.8%	60	15	152	45
Uppsala	3	17	17	1,031	93.7%	16	5	318	11
<b>Total warehouse/industrial</b>	<b>38</b>	<b>187</b>	<b>139</b>	<b>746</b>	<b>88.4%</b>	<b>123</b>	<b>36</b>	<b>193</b>	<b>87</b>
<b>Total</b>	<b>110</b>	<b>586</b>	<b>610</b>	<b>1,040</b>	<b>90.8%</b>	<b>554</b>	<b>156</b>	<b>265</b>	<b>398</b>
Leasing and property administration							34	57	- 34
<b>Total after leasing and property administration</b>							<b>190</b>	<b>322</b>	<b>364</b>
Development projects	7	31	29	—	—	19	6	—	13
<b>Total</b>	<b>117</b>	<b>617</b>	<b>639</b>	<b>—</b>	<b>—</b>	<b>573</b>	<b>196</b>	<b>—</b>	<b>377</b>

Property value by property type



Property value by municipality



## Property related key ratios

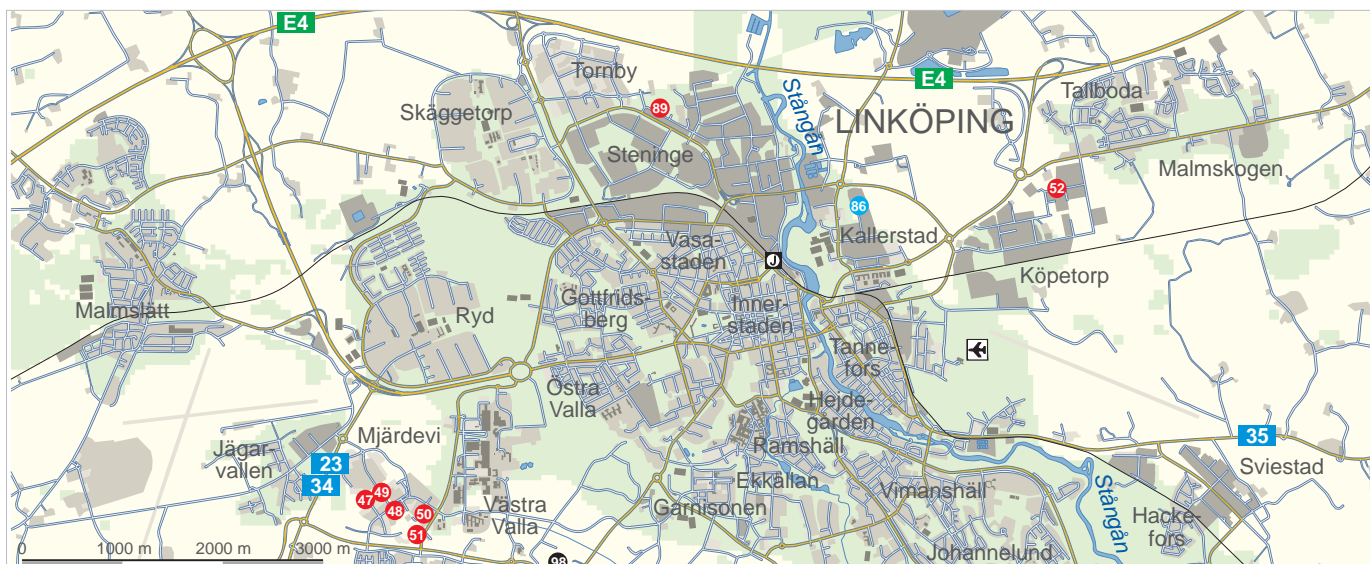
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Rental value, SEK/sq.m.	1,040	977	967	982	934	928	859	807	778	766
Economic occupancy rate	90.8%	90.5%	92.7%	92.6%	90.6%	92.4%	93.0%	89.3%	88.4%	87.5%
Property costs, SEK/sq.m.	322	324	312	340	325	329	268	247	258	244
Net operating income, SEK/sq.m.	622	560	584	570	521	528	531	474	429	427
Number of properties	118	114	120	120	116	115	117	101	91	86
Lettable area, thousand sq.m.	617	617	624	560	545	516	519	432	410	384



## Eastern Götaland

Eastern Götaland													Tax Mgmt.	
Name of property	Address	Municipality	Acquis- year	Build/ Recon.year	Square metres per type of premises						Site sq.m.	assessment value	sub-sidiary	Note
					Office	Retail	Warehouse	Industrial	Residential	Other				
OFFICE/RETAIL														
87 Atollen 3	Lantmätargränd 53-63	Jönköping	2011	2013	2,789	2,404	–	–	765	5	5,963	870	80,051	COR
1 Droskan 12	Slottsgatan 14	Jönköping	1998	1990	9,394	–	–	–	–	–	9,394	4,951	98,400	COR
2 Elektronen 1	Datorgatan 6	Jönköping	2008	2000	524	–	1,168	–	–	–	1,692	4,237	7,311	COR B
3 Hotellet 8	V Storgatan 9-13	Jönköping	<1995	1963/1999	2,952	15,701	296	–	–	–	18,949	5,121	208,000	COR
4 Vagnmakaren 7	Hästhovsvägen 2	Jönköping	<1995	1983/2001	–	9,531	–	–	–	14	9,545	19,226	63,400	COR
5 Valutan 11	Kompanigatan 1-2	Jönköping	<1995	1992/2001	3,184	1,606	746	–	–	5	5,541	7,763	70,600	COR
6 Varuhuset 1	Batterigatan 2	Jönköping	2009	2009	–	11,041	–	–	–	–	11,041	42,046	118,000	COR
75 Vattenpasset 2	Ekhagsringen 17	Jönköping	<1995	1980	1,299	–	1,749	1,073	–	–	4,121	17,884	–	COR
8 Vilan 7	Huskvarnavägen 58-64	Jönköping	2000	1955/1999	8,946	1,093	4,450	–	–	–	14,489	25,576	72,450	COR
76 Vingen 4	Linnegatan 1	Jönköping	<1995	1970	1,322	530	–	1,883	–	–	3,735	17,281	14,347	COR B
9 Visionen 3 A	Bataljonsgatan 10-12	Jönköping	2004	2010	7,441	–	264	–	–	–	7,705	12,269	106,800	COR
10 Visionen 3 B	Bataljonsgatan 10	Jönköping	2004	1996/1995	9,731	–	423	–	–	–	10,154	27,162	48,812	COR
11 Vågskålen 3	Huskvarnavägen 40	Jönköping	2003	1983	8,384	–	7,591	–	–	–	15,975	42,536	39,360	COR
12 Vågporten 5	Vasavägen 4	Jönköping	2003	1955/2004	251	2,076	–	–	–	–	2,327	8,458	12,392	COR
13 Ögongloben 5	Gråshagsgatan 11	Jönköping	2006	1961	3,512	–	–	–	–	–	3,512	7,346	7,261	COR
14 Örontofsen 5	Granitvägen 7-9	Jönköping	2006	1976	1,053	880	3,641	–	–	–	5,574	15,061	28,755	COR
89 Gården 15	Gillbergagatan 37-45	Linköping	2009	2013	6,105	–	3,600	–	–	–	9,705	34,706	65,200	COR
47 Idémannen 1	Teknikringen 16	Linköping	2007	1990	–	–	580	–	–	–	580	4,212	4,959	COR
48 Idémannen 2, Collegium	Teknikringen 7	Linköping	2007	1989	12,922	4,136	–	–	–	45	17,103	27,823	122,600	COR
49 Idémannen 2, Datalinjen	Datalinjen 1	Linköping	2007	1989/1994	1,593	–	–	–	–	–	1,593	4,590	10,363	COR
50 Idémannen 2, Teknikringen	Teknikringen 1 A-F	Linköping	2007	1984/1996	6,667	–	–	–	–	10	6,677	19,720	43,346	COR
51 Idémannen 2, Vita Huset	Universitetsvägen 14	Linköping	2007	2002	8,136	–	–	–	–	–	8,136	29,597	69,200	COR B
52 Magnetjärnet 6	Finnögatan 5 C	Linköping	2010	1996	2,388	–	–	–	–	–	2,388	8,328	10,623	COR B
Total office/retail					98,593	48,998	24,508	2,956	765	79	175,899	386,763	1,302,230	
WAREHOUSE/INDUSTRIAL														
– Flahult 21:3	Momarken 42	Jönköping	2001	1980	–	–	3,994	–	–	–	3,994	24,177	15,383	COR B
– Flahult 21:5	Betavägen 17	Jönköping	2012	1997/2008	–	–	9,023	–	–	–	9,023	36,847	29,288	COR B
74 Vargön 4	Vasavägen 5	Jönköping	2003	1989	–	–	3,500	570	–	–	4,070	6,694	12,763	COR
88 Ättehögen 18	Fordonsvägen 8	Jönköping	2012	2013	–	–	–	3,334	–	–	3,334	11,009	17,794	COR
78 Österbotten 4	Skeppsbrogatan 6	Jönköping	<1995	1930/1991	503	–	162	2,279	–	–	2,944	6,972	8,319	COR
79 Överlappen 13	Kalkstensgatan 6-8	Jönköping	2004	1977/1995	2,105	–	275	3,376	–	–	5,756	22,575	27,852	COR
80 Översticket 25	Kindgrensgatan 3	Jönköping	2008	1981	445	–	6,211	882	–	–	7,538	16,342	13,591	COR B
– Törestorp 2:51	Kulltorpsvägen 25	Gnosjö	<1995	1946	–	–	–	14,310	–	–	14,310	55,273	17,457	COR
– Källemo 1	Källemogatan 12	Vaggeryd	<1995	1956/1988	–	–	7,552	–	–	–	7,552	48,347	11,123	COR B
– Yggen 1	Krokvägen 1	Vaggeryd	<1995	1985/1989	–	–	–	6,303	–	–	6,303	18,598	11,581	COR
86 Pagoden 1	Ottargatan 10	Linköping	2008	1972/2002	–	1,732	1,668	–	–	–	3,400	9,000	8,742	COR B
Total warehouse/industrial					3,053	1,732	32,385	31,054	0	0	68,224	255,834	173,893	
DEVELOPMENT PROJECTS														
97 Algen 1	Lantmätargränd 42	Jönköping	2013	–	–	4,321	–	–	–	–	4,321	2,749	33,200	COR
96 Visionen 3 C	Bataljonsgatan 10	Jönköping	2004	–	2,472	–	–	–	–	–	2,472	8,180	–	COR
77 Ögongloben 6	Kindgrensgatan 4	Jönköping	2008	1997	–	–	–	–	–	–	–	7,500	6,234	COR B
98 Jägmästaren 1	Djurgården	Linköping	2013	–	–	8,912	–	–	–	–	8,912	44,381	15,201	COR B
Total development projects					2,472	13,233	0	0	0	0	15,705	62,810	54,635	
UNDEVELOPED LAND														
96 Visionen 4	Bataljonsgatan 10	Jönköping	2013	–	–	–	–	–	–	–	–	4,750	–	COR
96 Visionen 5	Bataljonsgatan 10-12	Jönköping	2015	–	–	–	–	–	–	–	–	–	–	COR
Total undeveloped land					0	0	0	0	0	0	0	4,750	0	
Total Eastern Götaland					104,118	63,963	56,893	34,010	765	79	259,828	710,157	1,530,758	

Note: T=Ground rent A=Lease B=Unutilized building permission



● Office/retail ● Warehouse/industrial ● Development projects and land



Visionen 3 A, Jönköping

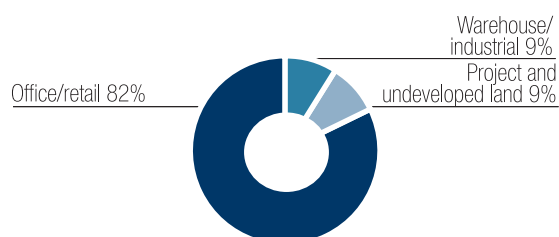


Idémannen 2, Linköping

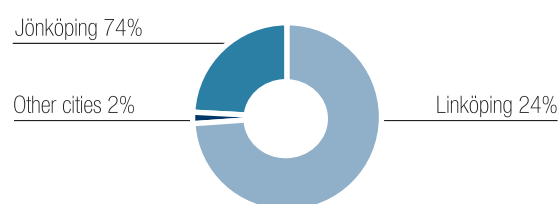
## Castellum's Real Estate Portfolio in Eastern Götaland 2014-12-31

	No. of properties	Area thous. sq.m	Rental value SEKm	Rental value SEK/sq.m	Economic occupancy rate	Rental income SEKm	Property costs SEKm	Property costs SEK/sq.m	Net operating income SEK/m
<b>Office/retail</b>									
Jönköping	16	130	165	1,277	89.9%	149	40	305	109
Linköping	7	46	54	1,163	86.0%	46	19	418	27
<b>Total office/retail</b>	<b>23</b>	<b>176</b>	<b>219</b>	<b>1,247</b>	<b>89.0%</b>	<b>195</b>	<b>59</b>	<b>335</b>	<b>136</b>
<b>Warehouse/industrial</b>									
Jönköping	7	37	19	531	93.4%	18	4	120	14
Linköping	1	3	3	725	59.4%	2	1	139	1
Rest of Eastern Götaland	3	28	8	292	98.5%	8	1	52	7
<b>Total warehouse/industrial</b>	<b>11</b>	<b>68</b>	<b>30</b>	<b>442</b>	<b>92.0%</b>	<b>28</b>	<b>6</b>	<b>93</b>	<b>22</b>
<b>Total</b>	<b>34</b>	<b>244</b>	<b>249</b>	<b>1,022</b>	<b>89.3%</b>	<b>223</b>	<b>65</b>	<b>267</b>	<b>158</b>
Leasing and property administration							23	95	-23
<b>Total after leasing and property administration</b>							<b>88</b>	<b>362</b>	<b>135</b>
Development projects	4	16	1	—	—	0	1	—	-1
Undeveloped land	2	—	—	—	—	—	—	—	—
<b>Total</b>	<b>40</b>	<b>260</b>	<b>250</b>	<b>—</b>	<b>—</b>	<b>223</b>	<b>89</b>	<b>—</b>	<b>134</b>

Property value by property type



Property value by municipality



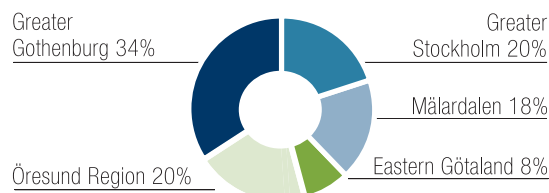
## Property related key ratios

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Rental value, SEK/sq.m.	1,022	885	844	818	795	775	745	748	688	675
Economic occupancy rate	89.3%	86.8%	88.4%	88.4%	88.0%	90.0%	90.8%	90.4%	90.6%	90.0%
Property costs, SEK/sq.m.	362	284	268	272	268	275	261	269	239	213
Net operating income, SEK/sq.m.	551	483	478	451	432	422	416	407	384	395
Number of properties	40	94	95	95	96	95	93	82	76	73
Lettable area, thousand sq.m.	260	519	518	515	505	501	480	452	375	366

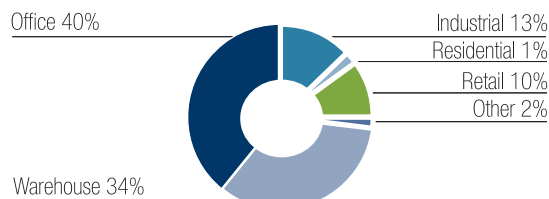


	Square metres per type of premises						Total	Site sq.m.	Tax assess- ment value
	Office	Retail	Warehouse	Industrial	Residential	Other			
Greater Gothenburg	451,573	66,797	447,820	166,524	8,246	15,652	1,156,612	2,219,909	6,640,103
Öresund Region	270,546	52,187	248,609	50,854	649	23,463	646,308	1,444,749	4,407,561
Greater Stockholm	265,314	43,123	220,409	100,327	0	20,017	649,190	1,002,949	4,255,019
Mälardalen	235,380	119,501	163,613	93,254	1,305	4,471	617,524	1,658,668	3,115,122
Eastern Götaland	104,118	63,963	56,893	34,010	765	79	259,828	710,157	1,530,758
<b>Total Castellum</b>	<b>1,326,931</b>	<b>345,571</b>	<b>1,137,344</b>	<b>444,969</b>	<b>10,965</b>	<b>63,682</b>	<b>3,329,462</b>	<b>7,036,432</b>	<b>19,948,563</b>

Distribution by region and sq.m.m



Distribution by type and sq.m.



## Properties sold in 2014

Name of property	Address	Municipality	Acquis- year	Build/ Recon.year	Square metres per type of premises						Total	Site sq.m.	Tax assess- Mgmt	
					Office	Retail	Warehouse	Industrial	Residential	Other			ment value	subsid.
GREATER GOTHENBURG														
Tingstadsvassen 11:9	Kolgruvvegatan 9	Gothenburg	<1995	1988	343	–	721	–	–	–	1,064	2,213	5,456	EKL
Guldheden 8:11	Guldhedsgatan 5	Gothenburg	2000	1995	10,477	–	23	–	–	–	10,500	9,896	11,092	EKL
Total Greater Gothenburg					10,820	0	744	0	0	0	11,564	12,109	16,548	
ÖRESUND REGION														
Erik Dahlberg 2	Kullagatan 21	Helsingborg	1996	1890/1987	400	442	–	–	–	–	842	350	14,830	BRI
Vikingen 4	L Strandgatan 5	Helsingborg	<1995	1900/1983	800	–	–	–	–	–	800	257	6,375	BRI
St Botulf 11	Botulfsg 5/Skomakareg 4	Lund	<1995	1931/1990	–	1,359	–	–	3,139	380	4,878	1,988	87,200	BRI
Motorblocket 1	Ringvägen 170	Landskrona	<1995	1972/1992	130	8,628	100	–	–	–	8,858	22,005	13,503	BRI T
Stadt Hamburg 14	St Hamburgsg. 1/St Nygata/ Malmborgsg. 1-3	Malmö	<1995	1900/2004	2,690	4,013		–	373	2,695	9,771	3,671	193,422	BRI
Lybeck 10	St Nygata 46-50/Malmborgsg 2-8/Studentg.	Malmö	1999	1964/1992	6,544	9,655	–	–	4,995	9,749	30,943	6,199	493,000	BRI
Bjälken 2	Skruvgatan 4/Västkvst/ Spettgatan 1	Malmö	<1995	1962/1990	470	–	2,001	–	–	1,040	3,511	5,623	9,495	BRI T
Kampen 25	Lantmannagatan 22-26	Malmö	<1995	1940/1990	4,764	–	22,867	1,825	–	11,213	40,669	49,281	60,066	BRI
Intäkten 5	Lantmannag 20/Ystadsg 49	Malmö	2000	–	–	–	–	–	–	–	0	2,625	1,181	BRI B
Total Öresund Region					15,798	24,097	24,968	1,825	8,507	25,077	100,272	91,999	879,072	
GREATER STOCKHOLM														
Rensseriet 25	Bolidenv 12, 16/Tjurhornsgr 3	Stockholm	<1995	1910/1965	3,096	–	872	247	–	–	4,215	7,978	32,207	BRO B
Instrumentet 1	Fabriksvägen 9	Solna	2006	1995/2005	–	–	–	3,673	–	–	3,673	2,065	17,665	BRO
Total Greater Stockholm					3,096	0	872	3,920	0	0	7,888	10,043	49,872	
EASTERN GÖTALAND														
Almen 9	Malmövägen 12-14	Värnamo	1997	1957/1989	1,075	11,304	38	–	–	40	12,457	23,702	35,916	COR
Bodarna 2	Myntgatan 8-10	Värnamo	<1995	1934/1991	1,433	373	–	–	–	–	1,806	1,186	10,143	COR
Bokbindaren 20	Västbovägen 56	Värnamo	<1995	1975/1991	2,167	–	394	–	–	–	2,561	11,385	6,601	COR
Drabanten 1	Nydalavägen 16	Värnamo	1997	1940/1986	230	1,028	–	–	–	–	1,258	2,971	3,496	COR
Gamla Gåsen 4	Boagatan 1	Värnamo	<1995	1907	200	–	–	–	–	–	200	1,903	1,322	COR B
Gillet 1	Flanaden 3-5	Värnamo	1996	1974	2,416	990	103	–	1,704	–	5,213	3,475	33,512	COR
Golvläggaren 2	Silkesvägen 30-34	Värnamo	2000	2008	734	8,800	1,620	–	–	–	11,154	43,069	50,549	COR
Jungfrun 11	Köpmansg 3-7/Luddög 1	Värnamo	<1995	2001/1982	315	3,897	158	–	601	–	4,971	5,849	25,438	COR
Karpen 3	Jönköpingsvägen 105-107	Värnamo	1997	1956/1990	542	838	405	888	–	–	2,673	7,930	5,615	COR
Lejonet 11	Lasarettsg 1-5/Storgatsb 23	Värnamo	2000	1987/1987	4,192	807	160	–	89	–	5,248	2,433	33,312	COR
Linden 1	Malmövägen 3/Växjövägen 24-26	Värnamo	2001	2012	2,350	1,700	2,264	–	–	–	6,314	13,014	23,112	COR

## Properties sold in 2014 - continuation

Name of property	Address	Municipality	Acquis- year	Build/ Recon.year	Square metres per type of premises						Site sq.m.	Tax assess- Mgmt		Note
					Office	Retail	Warehouse	Industrial	Residential	Other	Total	ment value	subsid.	
Ljuset 8	Nydalavägen 1-9	Värnamo	<1995	2003	–	2,590	–	–	–	–	2,590	9,674	13,064	COR
Mattläggaren 2	Silkesvägen 24	Värnamo	2000	1997	195	2,453	485	–	–	–	3,133	8,542	6,827	COR
Mon 13	Karlsdalsgatan 2	Värnamo	1997	1983	1,986	–	–	–	–	–	1,986	2,294	8,268	COR
Plattläggaren 1	Silkesvägen 18	Värnamo	2008	1989	1,798	–	–	–	–	–	1,798	5,994	3,496	COR
Rågen 1	Expovägen 6	Värnamo	<1995	1965/1990	2,361	–	2,836	–	–	–	5,197	8,919	11,358	COR
Vindruvan 4	Storgatsb 14-16	Värnamo	<1995	1982	610	2,954	–	–	437	–	4,001	4,717	21,279	COR
Vindruvan 22	Storgatsb 20/Köpmansg 2-6	Värnamo	<1995	1982	–	7,262	–	–	–	5	7,267	3,394	39,000	COR
Vindruvan 15	Storgatsbacken 12	Värnamo	1997	1989	878	1,110	–	–	–	–	1,988	694	9,842	COR
Värnamo 14:11	Jönköpingsvägen 41-43	Värnamo	<1995	1917/1982	2,209	–	1,972	–	–	–	4,181	5,686	11,473	COR
Draken 1	Ingelundsvägen 1	Värnamo	<1995	1968/1988	–	–	1,750	–	–	–	1,750	21,396	2,567	COR B
Flundran 4	Runemovägen 1	Värnamo	<1995	1963/1992	–	–	5,459	6,147	–	–	11,606	34,523	23,358	COR
Mattläggaren 1	Silkesvägen 24	Värnamo	2008	1997	–	–	–	2,700	–	–	2,700	8,655	8,023	COR B
Posten 4	Postgatan 3-5	Värnamo	<1995	1929	455	733	321	2,516	159	–	4,184	2,991	12,528	COR
Rödspättan 1	Runemovägen 10	Värnamo	2004	1973	545	–	4,160	–	–	–	4,705	12,975	8,437	COR
Rödspättan 4	Runemovägen 4	Värnamo	<1995	1980	–	–	2,960	–	–	–	2,960	7,122	5,210	COR
Sandskåddan 4	Margretelundsvägen 7	Värnamo	<1995	1982	–	–	2,780	–	–	–	2,780	8,005	5,111	COR
Sjötungan 3	Margretelundsvägen 6	Värnamo	1999	1989	–	–	2,570	–	–	–	2,570	14,524	5,703	COR B
Takläggaren 4	Rörläggarev 8/Silkesv 39	Värnamo	<1995	1991	–	–	9,067	–	–	–	9,067	39,349	21,145	COR B
Takläggaren 8	Silkesvägen 43	Värnamo	2008	1999	–	–	–	6,995	–	–	6,995	24,814	26,720	COR B
Värnamo 14:2	Myntgatan 2	Värnamo	<1995	1982	–	–	–	–	–	–	0	1,000	–	COR A
Yxan 4	Fabriksgatan 10-12	Värnamo	2005	1975	–	–	5,595	–	–	–	5,595	10,017	14,162	COR
Yxan 6	Fabriksgatan 4	Värnamo	<1995	1978/1990	–	–	1,477	–	–	–	1,477	11,699	3,510	COR B
Bleckslagaren 1	Repslagarevägen 5	Värnamo	2004	–	–	–	–	–	–	–	0	5,587	670	COR B
Värnamo 14:86	Myntgatan 6	Värnamo	<1995	–	–	–	–	–	–	–	0	2,641	–	COR B
Bagaren 10	Ljungadalsg 2/Hejareg 10	Växjö	2007	1987	28,593	–	2,335	–	–	–	30,928	89,222	129,289	COR B
Båken 1	Systratorpsvägen 16	Växjö	2006	1983	1,410	–	25	–	–	–	1,435	5,125	4,389	COR
Garvaren 4	Hjalmar Petris väg 32	Växjö	1999	1981	2,526	–	44	–	–	–	2,570	6,901	7,956	COR B
Glasmästaren 1	Arabygatan 80	Växjö	1999	1988	6,381	886	557	–	–	–	7,824	11,297	31,800	COR
Nordstjärnan 1	Kronobergsgatan 18-20	Växjö	2002	1971/2000	5,981	–	149	–	–	–	6,130	2,425	50,400	COR
Plåtslagaren 4	Verkstadsgatan 5	Växjö	2002	1967/1988	2,243	780	686	1,893	–	–	5,602	10,000	14,909	COR
Rimfrosten 1	Solängsvägen 4	Växjö	2000	1972	42	6,686	1,922	–	–	–	8,650	58,671	20,000	COR B
Segestad 4	Segestadsvägen 7	Växjö	1998	1990	910	–	–	–	–	–	910	3,911	–	COR
Sotaren 4	Arabygatan 82	Växjö	2002	1992	2,318	457	204	–	–	–	2,979	4,007	15,421	COR
Svea 8	Lineborgsplan 3	Växjö	1998	1982	2,061	–	–	–	–	–	2,061	3,938	12,320	COR
Unaman 8	Klosterg 6/Kungsg 3/Sand- gårdsg 6-8	Växjö	2006	1969	2,075	2,812	300	–	422	–	5,609	2,185	38,536	COR
Ödman 15	Storgatan 29	Växjö	2001	1972	2,380	1,941	–	–	–	–	4,321	2,661	38,200	COR
Elefanten 3	Rådjursvägen 6	Växjö	<1995	1988	–	–	1,384	934	–	–	2,318	8,940	6,264	COR
Illern 5	Isbjörnsvägen 11-13	Växjö	<1995	1987	885	–	406	855	–	–	2,146	5,276	7,507	COR
Isbjörnen 4	Isbjörnsvägen 6	Växjö	<1995	1993	–	–	625	10,308	–	–	10,933	30,505	27,025	COR
Sjömärket 3	Annavägen 3	Växjö	1998	1989	1,868	341	475	6,811	–	–	9,495	26,853	31,992	COR B
Snickaren 12	Smedjegatan 10-20	Växjö	1998	1976/1989	3,638	5,194	15,178	–	–	–	24,010	45,018	65,080	COR B
Postiljonen 2	Öjaby	Växjö	2009	–	–	–	–	–	–	–	0	19,597	1,959	COR B
Marås 1:12	Maråsliden 7	Gnosjö	<1995	1960	–	–	–	1,140	–	–	1,140	3,335	83	COR
<b>Total Eastern Götaland</b>					<b>90,002</b>	<b>65,936</b>	<b>70,864</b>	<b>41,187</b>	<b>3,412</b>	<b>45 271,446</b>	<b>711,996</b>	<b>993,897</b>		
<b>Total Castellum</b>					<b>119,716</b>	<b>90,033</b>	<b>97,448</b>	<b>46,932</b>	<b>11,919</b>	<b>25,122 391,170</b>	<b>826,147</b>	<b>1,939,389</b>		

# GRI

Castellum reports on our sustainability activities in accordance with the GRI G4, Core level guidelines. The report covers the Castellum Group sustainability efforts throughout 2014. The table below indicates where you can find the reported information in the 2014 Annual Report. All standard indicators are accounted for. Regarding specific indicators, the report focuses on what is essential to Castellum's business operations. Castellum's ambition is to provide a full account of all significant indicators within three years. The report has not been reviewed by an external party.

## General standard indicators

GRI-reference		Page/reference	Accounting
<b>Strategy and Analysis</b>			
G4-1	CEO's comments	2-3	R
<b>Organizational Profile</b>			
G4-3	Name of the organization	Cover, 41	R
G4-4	Primary brands, products and/or services	4-5, Cover	R
G4-5	Location of organization's headquarters	96 (Note 1)	R
G4-6	Countries where the organization operates	99 (Note 2)	R
G4-7	Nature of ownership and legal form	57-60	R
G4-8	Markets	12	R
G4-9	Scale of the organization	87	R
G4-10	Number of employees by employment type, employment contract, gender and region.	42-44	R
G4-11	Percentage of total employees covered by collective bargaining agreements	42	R
G4-12	Describe the organization's supply chain	39	R
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership or supplier chain.	17	R
G4-14	Whether and how the precautionary approach is applied by the organization	35	R
G4-15	External economic, environmental and social principles to which the organization subscribes or which it endorses	35	R
G4-16	Membership in projects or committees	35	R
<b>Identified material aspects and boundaries</b>			
G4-17	Entities included in the reporting, or not	106	R
G4-18	Process for defining the report content	35	R
G4-19	List of identified material aspects	35	R
G4-20	Each aspects boundaries within the organisation	35	R
G4-21	Each aspects boundaries outside the organisation	36-40	R
G4-22	The effect of any restatement of information provided in previous reports, and the reasons for such restatements	NR	
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	35	R
<b>Stakeholder engagement</b>			
G4-24	List of stakeholder groups engaged by the organization	Website, 35	R
G4-25	Identification and selection of stakeholder with whom to engage	Website, 35	R
G4-26	Approach to stakeholder engagement	Website, 35	R
G4-27	Key topics and concerns that have been raised through stakeholder engagement	Website, 35	R
<b>Report profile</b>			
G4-28	Reporting period for information provided	96	R
G4-29	Date of most recent previous report	2015-02-03	R
G4-30	Reporting cycle	96	R
G4-31	Contact point for questions regarding the report or its contents	Cover	R
G4-32	GRI Content Index and reference	144	R
G4-33	Policy for external assurance	144, 34	R
<b>Governance</b>			
G4-34	Governance structure, including committees with responsibility for decision-making on economic, environmental and social impacts	34	R
<b>Ethics and integrity</b>			
G4-56	Values, principles and codes of conduct	Website, 43	R

### Explanation

R	Reported	
NR	Not reported	For more detailed information regarding GRI and calculation methods
PR	Partly reported	see Castellum website section "Sustainable business".

## Specific standard indicators

GRI-reference		Page/reference	Accounting
<b>Category: Economic</b>			
<b>Economic Performance</b>			
G4-EC1	Direct economic value generated and distributed	86-87	R
G4-EC3	Coverage of the organization's defined benefit plan obligations	102-103	R
<b>Category: Environmental</b>			
<b>Efficient use of resources</b>			
G4-EN1	Materials used by weight		NR
G4-EN3	Energy consumption within the organization	36-37	R
G4-EN6	Reduction of energy consumption	36-37	R
G4-EN8	Total water withdrawal by source	36-37	R
G4-EN18	Greenhouse gas emissions	36-37	R
G4-EN23	Total weight of waste by type and disposal method		NR
<b>Development of a sustainable real estate portfolio</b>			
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	36	R
G4-EN29	Monetary value of significant fines and sanctions for non-compliance with environmental laws and regulations	38	R
<b>Clear demands to suppliers: working conditions and environmental considerations</b>			
G4-EN32	Percentage of new suppliers that were screened using environmental criteria		NR
<b>Category: Social</b>			
<b>Creation of healthy and safe work environments</b>			
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	42	PR
<b>Further training and career opportunities for our employees</b>			
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	42	PR
<b>Category: Society</b>			
<b>Diversity and equality</b>			
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity. <i>Exception: in accordance with Swedish law, minority group are not reported</i>	42, 80, 83	R
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken		NR
<b>Social engagement and development in our growth regions</b>			
G4-S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs	34, 39, 40	R
<b>Prevention of bribery and corruption</b>			
G4-S04	Communication and training on anti-corruption policies and procedures	43	R
G4-S010	Significant actual and potential negative impacts on society in the supply chain and actions taken	39	R
<b>Category: Product Responsibility</b>			
<b>Sustainable relationships with customers</b>			
G4-PR1	Significant product and service categories for which health and safety impacts are assessed for improvement	38	R
G4-PR5	Results of surveys measuring customer satisfaction	30-31	R



# Definitions

## **Actual net asset value (EPRA NNAV)**

Reported equity according to the balance sheet, adjusted for actual deferred tax instead of nominal deferred tax.

## **Counterparty risk/Credit risk**

The risk that a counterparty does not complete delivery or payment.

## **Currency risk**

The risk that changes in the exchange rate will effect income and cash flow.

## **Data per share**

In calculating income and cash flow per share the average number of shares has been used, whereas in calculating assets, shareholders' equity and net asset value per share the number of outstanding shares has been used.

## **Dividend pay out ratio**

Dividend as a percentage of income from property management.

## **Dividend yield**

Proposed dividend as a percentage of the share price at the year end.

## **Economic occupancy rate**

Rental income accounted for during the period as a percentage of rental value for properties owned at the end of the period. Properties acquired/completed during the period have been restated as if they had been owned or completed during the whole year, while properties disposed of have been excluded entirely. Development projects and undeveloped land have been excluded.

## **EPRA EPS (Earnings Per Share)**

Income from property management adjusted for nominal tax attributable to income from property management, divided with the average number of shares. With taxable income from property management means income from property management with a deduction for tax purposes of depreciation and reconstruction.

## **Funding risk**

The risk that no funding is available or very unfavourable at a given point in time.

## **Income from property management**

Net income for the period/year after reversal of changes in value and tax.

## **Interest coverage ratio**

Income from property management after reversal of net financial items as a percentage of net financial items.

## **Interest rate risk**

The risk that changes in the market interest rate will effect income and cash flow.

## **Liquidity risk**

The risk of not having access to liquidity or unutilized credit facilities in order to settle payments due.

## **Loan to value ratio**

Interest-bearing liabilities as a percentage of of the properties' fair value with deduction for acquired properties not taken in possession, and with addition for properties disposed of, still in possession, at the year-end.

## **Long term net asset value (EPRA NAV)**

Reported equity according to the balance sheet, adjusted for interest rate derivatives and deferred tax.

## **Net operating income margin**

Net operating income as a percentage of rental income.

## **Number of shares**

Registered number of shares - the number of shares registered at a given point in time.

Outstanding number of shares - 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 outstanding shares during a given period.

## **Operating expenses, maintenance, etc.**

This item includes both direct property costs, such as operating expenses, maintenance, ground rent and real estate tax, as well as indirect costs for leasing and property administration.

## **Operational risk**

The risk of incurring losses due to insufficient procedures and/or improper actions.

## **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.

## **Rental income**

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

## **Rental value**

Rental income plus estimated market rent for vacant premises.

## **Return on actual net asset value**

Income after tax as a percentage of initial net asset value during the year, but with actual deferred tax instead of nominal tax. In the interim accounts the return has been recalculated on an annual basis, disregarding seasonal variations normally occurring in operations.

## **Return on long term net asset value**

Income after tax with reversed changes in value of derivatives and deferred tax as a percentage of initial long term net asset value. In the interim reports the return has been recalculated on annual basis, disregarding seasonal variations normally occurring in operations.

## **Return on total capital**

Income before tax with reversed net financial items and changes in value 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.

## **SEK per square metre**

Property-related key ratios, expressed in terms of SEK per square metre, are based on properties owned at the end of the period. Properties acquired/completed during the year have been restated as if they had been owned or completed for the whole year, while properties disposed of have been excluded entirely. Development projects and undeveloped land have been excluded. In the interim accounts key ratios have been recalculated on an annual basis, disregarding seasonal variations normally occurring in operations.

## **Total yield per share**

Share price development with addition of the dividends during the period which was reinvested in shares that day shares traded ex-dividend.

# Annual General Meeting

Castellum AB's Annual General Meeting will take place on Thursday March 19, 2015 at 5 pm in RunAn, Chalmers Kårhus, Chalmersplatsen 1, Gothenburg.  
For more information and notification of attendance see [www.castellum.se](http://www.castellum.se).

## Annual General Meeting calender and dividend

Notification for the AGM	March 13, 2015
Annual General Meeting	March 19, 2015
Ex-dividend date	March 20, 2015
Record day for the dividend	March 23, 2015
Payment of dividend	March 26, 2015

## Financial Reporting

Interim Report January - March 2015	April 15, 2015
Half-year Report January - June 2015	July 15, 2015
Interim Report January - September 2015	October 15, 2015
Year-end Report 2015	January 20, 2016



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