

Our esteemed shareholders:

It is especially gratifying to welcome you to our own offices here in Gothenburg.

As Örjan said in his introduction, this is a city that is truly undergoing a transformation.

And Castellum is playing a key role in this.

Let me start with a quick look backward before we go into the future.

When we met at last year's Annual General Meeting, Castellum's situation was marked by major bond maturities, rising interest costs and a credit rating that was in danger.

You, our shareholders, resolved to approve a proposed share issue of SEK 10 Bn. It was a prudent decision. Because of that share issue, profits earned and property sales of approximately SEK 6.5 Bn, we were able to amortise SEK 16 Bn in liabilities. The loan-to-value ratio fell to 38 per cent, despite having to impair our property values by 15 per cent at the same time. We now have record-high liquidity of SEK 25 Bn. This is an enormous amount that was freed up over a short period of time, and it safeguards our security.

After a year of being put to the test, we can now state that Castellum stands on a stable financial foundation.

The divestments we carried out in 2023 and at the start of the year were not just to strengthen the balance sheet. They were also strategic in nature. We are now selling not because we have to, but because we want to.

What do we want to sell, and why?

After the acquisition of Kungsleden in late 2022, Castellum has had a somewhat more diffuse portfolio that we want to streamline, both geographically and by category. Both during 2023 and to date this year, we have withdrawn from locations such as Halmstad, Uddevalla and Nyköping. Not because they are bad locations, but because we want to focus on what are, for us, more strategic regions. And to generate density in

the locations where we operate. We can then conduct cost-efficient property management operations, and be competitive in every sub-market.

Divestments of non-strategic properties allow us to realise the values in our first-rate development portfolio.

The reasons for selling individual buildings vary. Forthcoming investment needs, solitary properties, segments that we do not prioritise, locations where we are not at the top from a market perspective. And, sometimes, because development of the property was completed under our management. But we do NOT sell because we have to. Those times have past.

This is how Castellum's asset portfolio is allocated today.

The Nordic platform has been part of the company's strategy since its entry into Finland in 2018. Our Nordic strategy offers exposure to some of the most stable economies in the world, with the majority of these properties in the largest cities in the Nordic region, with the strongest growth.

76 per cent of the portfolio is concentrated in the largest cities: Stockholm, Gothenburg, Malmö, Copenhagen and Helsinki. Via our associated company Entra, we also own a fantastic property portfolio that is largely located in central Oslo, currently the most dynamic economy in the Nordic region.

Some of the advantages of our Nordic strategy are being able to accompany our customers as they grow in neighbouring regions and being able to broaden our financing in several of the Nordic countries. One example worth mentioning is that we have obtained very long-term secured loans from the Danish bank Nykredit at significantly better terms than from Swedish banks, which is only possible owing to our Nordic strategy.

Castellum's asset portfolio comprises primarily offices, publicly financed workplaces such as government agencies and departments as well as logistics and warehouse/light industry properties.

Castellum's customer base is a cross-section of the Swedish business and public sectors. The largest contract accounts for 1.2 per cent of our yearly rental income, which generates stability and resilience in the contract portfolio.

One out of every four Swedish krona paid in rent comes from publicly financed operations such as the Swedish Police, which otherwise is our single largest tenant. Public tenants rarely pay the highest rents, but on the other hand they account for stability and long-term contracts.

Now, I thought I would address the future.

As I said in my introduction, we have a tough year behind us, but there is much that now points in the right direction for Castellum. Our interest costs are decreasing owing to major amortisations, and we have refinanced and extended our debt maturity. And we can state that the capital market opened up to us during the spring.

Under these circumstances, we are well positioned to offset fluctuations in the business cycle, but we also have the possibility of acting on profitable investment opportunities.

After the pandemic, the office rental market has been called into question. Do we even need offices when we can work remotely?

"Yes," we said during the pandemic, and "Yes" is still the answer today. But the office landscape is undergoing change. And those who can adapt themselves to customers' new needs will be the winners in future.

Castellum conducts an annual Nordic survey that measures office workers' expectations and behaviours at their workplace.

This year's survey, which just over 4,000 office workers responded to, shows that increasing numbers of companies are switching from cell offices with individual spaces to activity-based offices with fewer desks.

The report also shows that attendance in the office is continuing to grow after the pandemic: 9 out of 10 workers are spending half of their work time or more at the office.

Those who are satisfied with their office environment work at the office more days of the week.

7 out of 10 managers want to see greater attendance at the office.

But expectations that hybrid work will continue are high.

From this, we can predict that the adaptation to more flexible offices will continue.

Castellum is well placed for being able to best meet customer needs.

Apart from our properties, competence among our employees is the company's biggest asset.

In the warehouse/logistics segment, we are not seeing the same changes. Demand remains high in good locations. This plays a major role in this segment. Our project opportunities for logistics in the Port of Gothenburg and Säve therefore have excellent future prospects.

Now, let me continue on project opportunities specifically.

Last year, we completed the largest projects in the company's history: E.ON's Nordic head office and the Court Building, both in Malmö.

Eight major property projects in total were completed, with an aggregate annual rental value of SEK 326 M. These projects thus account for a significant part of the company's growth.

This year, the pace of investment is lower. Owing to proper capital discipline and successful divestments, however, we will be able to invest approximately SEK 3 Bn in the current year.

Some of the opportunities I would like to touch on in more detail are located here in Gothenburg. At the moment, two fantastic projects are under way and will be completed next year: the Swedish Police Building in Backa and Tusenskönan, which will become a new veterinary hospital at Blå stjärnan i Mölndal.

I mentioned Säve. Planning work for the area is in progress at the moment, and as of yet we shouldn't draw any conclusions. However, the proposal that will be sent out for consultation after the summer would allow Castellum to develop 700,000 square metres of buildings for the sustainable logistics solutions of the future.

Another area of interest for developing modern logistics and warehouse facilities is, of course, the Port of Gothenburg, where we have the possibility of developing approximately 145,000 square metres of leasable area in the area, in partnership with the port.

Early in the year, we decided to start an exciting renovation project in the heart of Stockholm. This project, Erskine & Friends, is a property from the 1950s where we are saving the best from that epoch and adding modernisations to create 10,000 square metres of attractive office space. In the Hagastaden district of Stockholm, we have several opportunities through three major projects, of which the 20,000-square-metre Infinity project is first in line to be started.

In Västerås, we are now building a fully leased, efficient and sustainable 37,000-square-metre logistics facility. In Norrköping, we are renovating a previously vacant office building that is now fully leased to a state tenant.

Later on, we will be constructing this fantastic building right outside, on the other side of the street: the 25,000-square-metre Noon Garden.

Before I wind up, I would like to speak a little about our sustainability initiatives.

Sustainability isn't something we are occupying ourselves with out of pure charity. It is vital for our business today. And it is crucial for our opportunities to create value in future, and for our own survival on Earth.

The construction and property industry accounts for 40 per cent of global emissions.

I had the opportunity to participate in the climate summit in Dubai last winter. It was quite a sombre occasion. Not because of bad food or uninteresting speakers, but because the outlook for developments is not especially good. But there are glimmers of hope: technology that is already established CAN be applied already now to yield significant improvements.

So what can a property company like Castellum do?

The majority of our emissions arise in new construction. Setting sustainability requirements for the materials we use can reduce emissions by 40 per cent even now. Deciding to make conscious choices therefore makes a difference.

We can make the greatest difference when we re-use and renovate, in cases where new construction is not necessary.

Castellum set the bar high many years ago in terms of its sustainability goals. Today, these are an integral part of our strategy and business.

In 2023, we reached two of our sustainability goals: installing at least 100 solar PV systems on our properties, and certifying at least half of our properties for sustainability, by 2025.

At the moment, we are working on setting new goals.

I would also like to present my management team, who are crucial to our success.

COO (Chief Operating Officer) Sebastian Schlasberg. Investment Director Kristina Sawjani, Chief Legal Officer Malin Löveborg, HR Director Hanna Brandström and Communications Director Anna-Karin Nyman. And our Regional Managing Directors, each of whom manage asset portfolios corresponding to the 20 largest property companies in Sweden: Örjan Rystedt, here in Region West, manages SEK 27 Bn i property value; Sven Stork, Region Stockholm, SEK 43 Bn; Per Gawelin, Region Central, SEK 23 Bn; Mats Eriksson, Region Mälardalen, SEK 16 Bn; and we also have Ola Orsmark, Region Öresund, SEK 22 Bn who unfortunately could not be with us today.

Take the opportunity to ask the team any questions you might have.

Finally, I would like to finish where I began.

After a year of being put to the test, we can state that Castellum stands on a stable financial foundation.

We have a fantastic development portfolio from which we can create both growth and value. And we have the muscle we need to leverage opportunities and address the challenges that a recession, if it is a lengthy one, brings with it.

Thank you for listening!