

Castellum invests SEKm 317 in Stockholm's leading car dealership cluster

Castellum has begun new construction on a car showroom and related operations facilities, covering approx. 23,000 sq.m. on Smista Allé in Huddinge. The area has been developing into Stockholm's foremost cluster for car dealerships since the beginning of the 2000s. The investment is expected to total SEKm 317.

The new building is scheduled for completion during the first quarter of 2019.

The property will be constructed in four floors. Floor One and Two will comprise premises with a surface of approx. 9,300 sq.m. Floor Three and Four will house an unheated parking garage with a surface area of approx. 13,900 sq.m.

A 15-year leasing agreement has been signed with NCG Retail Ejendomme AB – who through British MotorGroup Stockholm will run a car dealership, including service and repair departments for the Jaguar and Land Rover automobile brands. The contract includes approx. 4,000 sq.m. heated premises, and parking on the garage floor. This represents an occupancy rate of 34%, relative to the total annual leasing value of SEKm 24,8.

This will be the final new construction along the E4 and Smista Allé, and will include the construction of a noise- and risk-screening barrier from the highway, in consideration of nearby residential areas.

Customers will enjoy access to a 180-metre long, extremely well-exposed signage position, directly toward the E4, as well as the upcoming Stockholm Bypass. This marks completion of the development area adjoining Smista Allé, thereby promoting more conveniently located services and even better public transit.

To date, Smista is Castellum's largest development area in the Stockholm region.

“We've been developing a car dealership cluster in the area since 2004. Once this project is completed, we'll own and manage 59 000 sq.m. of high-quality showroom, business and workshop premises – most of these in the form of concept buildings for well-known upscale car brands, such as Porsche, Mercedes, Audi, Volkswagen, Mini Cooper, Ford and Lexus”, says Henrik Saxborn, Castellum CEO.

After deductions for outstanding commercial papers, Castellum retains unutilized credit of approx. SEK 10 billion, which will be utilized for this investment.

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Castellum is one of the major listed real estate companies in Sweden. The fair value of the real estate portfolio amounts to approx. SEK 76 billion, and comprises of commercial properties for office, retail, warehouse and logistics with a total lettable area of approx. 4.4 million sq.m.

The real estate portfolio is owned and managed under the Castellum brand through a decentralized organization with strong and clear local presence in 20 cities from Copenhagen in the south to Sundsvall in the north.

In 2016, Castellum sustainability performance was awarded two top distinctions: First Prize for sustainability reporting in Europe from EPRA and Global Sector Leader, handed out by GRESB which means that Castellum is ranked first in the world within the office- and industrial-properties sector. Further Castellum has been selected as an index component of the Dow Jones Sustainability Indices (DJSI), which includes the companies in all industries in the world with best performance in terms of sustainability.

The Castellum share is listed on Nasdaq Stockholm Large Cap.

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