

Castellum sells properties in Östersund for SEKm 256 and invests SEKm 250 in Mölndal and Uppsala

Castellum has divested four office properties in central Östersund for a total of SEKm 256. In addition, two new construction projects have begun: storage and production facilities in Gothenburg, totalling SEKm 180, as well as a commercial property in Uppsala, amounting to SEKm 70.

The Östersund sales represent 18,700 sq.m, an area which covers a little over a third of Castellum's property holdings in the vicinity. Purchaser is Intea, a company committed to long-term ownership of community-service properties.

Sales price totalled SEKm 256, after deduction for costs and assessed deferred tax of SEKm 13, and exceeded the latest valuation by SEKm 9. The change of possession will take place on December 1st, 2016. Rental values total SEKm 21.7. Major tenants include Skatteverket, Länsstyrelsen in Jämtland county and Courts of Sweden. The economic occupancy rate is 96%, and the average contract length is 3.2 years.

The four properties included in the transaction are: Lagmannen 6, Onkel Adam 9, Tingshuset 7 and Åkeriet 10.

“These divestments are in line with what we announced in conjunction with the acquisition of Norrporten earlier this year: that divestments corresponding to a net value of SEK 4 billion would be carried out”, says Henrik Saxborn, Castellum CEO. Further, Mr. Saxborn also emphasizes that he is pleased to be selling to such a solid enterprise.

The investment in Mölndal, south of Gothenburg, which entails new construction covering 19,000 sq.m, will amount to SEKm 180, of which SEKm 38 refers to acquisition of land. The new building is estimated to be completed by year end, 2017/2018. A ten-year leasing contract for the entire building has been signed with Exertis CapTech, one of Sweden's leading distributors within the IT sector. Annual rental values amount to SEKm 14.4.

The building will feature environmental certification aimed at *Miljöbyggnad* Silver classification and it is being erected on one of the last major commercially zoned properties near Söderleden in Mölndal.

In Uppsala, Castellum is erecting a commercial building covering approx. 5,150 sq.m. The investment will total SEKm 70, of which SEKm 15 refers to own land. Completion is scheduled for autumn, 2017. The property is located in Boländerna, Uppsala's largest commercial area. The building's environmental certification will aim for *Miljöbyggnad* Silver classification.

Total annual rental value is calculated at SEKm 5.4. Leasing contracts comprising 76% of the annual rental value have already been signed. The two major contracts consist of a five-year agreement with Decathlon, a French-owned sports equipment enterprise, and a ten-year contract with the Möbelhuset Miljöbutiken furniture retailer.

“We are now growing through new production in both Mölndal and Uppsala, which is very positive and in line with our strategy”, says Henrik Saxborn.

Castellum has, after deduction of outstanding commercial papers, unutilized credit facilities of approx. SEK 4 billion, which will be used for the investments.

This information is information that Castellum AB is obliged to make public pursuant to the Securities Markets Act. The information was submitted for publication at 8 am CET on November 18, 2016.

For additional information, please contact:

Henrik Saxborn, CEO, Phone +46-31-60 74 50

Ulrika Danielsson, CFO, Phone +46-31-60 74 74

www.castellum.se

Castellum is one of the major listed real estate companies in Sweden. The fair value of the real estate portfolio amounts to approx. SEK 74 billion, and comprises of commercial properties for office, retail, warehouse and industrial with a total lettable area of approx. 4.7 million sq.m.

Castellum own and manage properties through one common brand in five geographical regions with strong local presence. The five geographical regions are: Central, North, Stockholm, West and Öresund.

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.

Castellum AB (publ), Box 2269, SE-403 14 Gothenburg | Org nr/Corp Id no SE 556475-5550 | Phone +46 31 60 74 00 Fax +46 31 13 17 55