



CASTELLUM

Castellum begins construction on E.ON's Nordic headquarters – invests 1.3 billion Swedish kronor in Malmö

Castellum is moving ahead with plans to start construction of a new office building, with E.ON as the major tenant, with an investment of approximately SEK 1.3 billion, including land acquisitions. The building permit has now been issued and construction will begin Q2, 2020.

Castellum is building a new Nordic head office for E.ON, to serve as the workplace of approx. 1,500 employees in the Nyhamnen district, located near Malmö's Central Station. Skanska is the procured entrepreneur for the project.

"In these times of concern caused by the Covid-19 virus, it feels gratifying to continue investing in important city-development projects such as E.ON's new headquarters. This project is Castellum's largest ever and it will strengthen both our cash flow and balance sheet with a long leasing contract and a solid customer. Along with our equally large upcoming project, the new Swedish National Courts Administration building right across the street, the E.ON headquarters will further consolidate our position as a long-term city developer in central Malmö," says Henrik Saxbom, CEO at CastellumAB.

The planned new building in Nyhamnen comprises approx. 27,000 sq.m. leasable area, of which E.ON rents about 24,000 sq.m. Construction is scheduled to begin in the second quarter of 2020, and preliminary occupancy is planned for the first quarter of 2023. The leasing agreement between E.ON and Castellum amounts to 12 years and corresponds to an annual rental value of SEK 70 million, which will be reported with net rental for 2020. The remaining vacant area of 3,000 sq.m. corresponds to an economic vacancy rate of 9% and for these areas there are ongoing negotiations. Castellum intends to finance the investment with existing operating income as well as unutilized credits.

In Nyhamnen, Castellum is also planning to develop a new Swedish National Courts building, which will house the Malmö District Court, Malmö's Administrative Court, and the Malmö Regional Tenancies Tribunal. Fully constructed, the area will grow into a dense, mixed-commerce city district, containing close to 13,000 new workplaces and 6,000 residences.

Both E.ON and Castellum want to construct an office building which is extraordinary from a sustainability perspective. This should permeate all aspects of the project, such as construction methods, choice of materials and energy solutions. The new construction will therefore be certified in compliance with the highest of certification levels, BREEAM Outstanding, as well as the Well Building Standard. The latter places unique demands related to the health and wellbeing of people who work in the building.

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Castellum is one of the largest listed real estate companies in Sweden. Property values total SEK 95.2 billion and holdings comprise office, warehousing/logistics and public-sector properties, covering a total leasable area of 4.3 million square metres. The real estate portfolio is owned and managed under the Castellum brand through a decentralized organization with strong and clear local presence in 17 cities in Sweden, as well as Copenhagen and Helsinki. Castellum is ranked as the most equal of 600 listed European companies by European Women on Boards 2020. Castellum is the only Nordic real estate and construction company elected to the Dow Jones Sustainability Index (DJSI), joining a select group of companies in the world who perform best on sustainability issues. In 2019, Castellum received two awards for sustainability efforts; designated Number One in the world by GRESB for the offices-and-logistics sector, as well as the Level Gold award for sustainability reporting from the EPRA (European Public Real Estate Association). The Castellum share is listed on Nasdaq Stockholm Large Cap. For further information visit www.castellum.com.