

Proposal regarding the Board of Directors in Castellum

Castellum's second largest shareholder and two members of the Election Committee announce a proposal to ensure a continued well-balanced Board, including a Chairman that has no conflicts of interest.

Stichting Pensioenfonds ABP, the second largest shareholder in Castellum, and two members of the Election Committee, Vincent Fokke, representing Stichting Pensioenfonds ABP, and Charlotte Strömberg, Chair of the Board of Castellum, have a proposal regarding the composition of the Board of Directors of Castellum to be elected by the shareholders at the Annual General Meeting on March 25, 2021.

Proposal regarding the composition of the Board

The purpose of this proposal is to ensure a Board of Directors of Castellum that is both competent and experienced, is independent of competitors of Castellum and able to work in the interest of all shareholders in the company, under the leadership of a Chairman that has no conflicts of interest.

It is proposed that the Board of Directors shall consist of seven members, and that Per Berggren, Anna-Karin Hatt, Christer Jacobson, Christina Karlsson Kazeem, Nina Linander, Zdravko Markovski and Joacim Sjöberg shall be re-elected as Board members. Per Berggren is proposed as new Chairman of the Board. Charlotte Strömberg has declined re-election.

The existing Board of Directors of Castellum is indeed well-functioning. The proposed Board members, individually and as a group, possess a wide range of competences and experiences that are highly relevant for Castellum's business. Furthermore the proposed composition represents versatility and diversity, including an appropriate gender balance.

Castellum is currently in an intense transformation phase with a high level of transaction activity, strategic business developments and operational change, among others to meet customer expectations in a post-covid environment. Maintained continuity as regards to the work of the Board of Directors and an undisrupted environment in the Castellum boardroom are considered to be of high importance. Moreover, the existing Board of Directors has delivered excellent shareholder returns during a number of years. The proposed Board of Directors is considered best placed to continue this work and capable to safeguard the interest of all shareholders in Castellum. The proposed Board members are all deemed independent in relation to Castellum and its executive management and have shown a high level of integrity in their work as Board members of Castellum.

Per Berggren will be an excellent Chairman of the Board of Castellum. He has a deep understanding of the real estate sector and is not engaged in companies competing with Castellum. He knows Castellum very well, is highly regarded by the existing Board members, represents continuity and may independently represent all shareholders in Castellum.

Further information about the proposed Board members will be available on www.castellum.se before the Annual General Meeting.

Concerns regarding the proposal to nominate Rutger Arnhult as the Chairman of the Board of Castellum

As set out in the press release by Castellum on December 29, 2020, the members of the Election Committee, Vincent Fokke and Charlotte Strömberg do not support the Election Committee's proposal to nominate Rutger Arnhult as the Chairman of the Board of Castellum and have made a reservation against that proposal.

Rutger Arnhult is, together with related parties, in practice controlling the listed real estate companies Klövern and Corem Property Group. Both these companies are direct competitors of Castellum. It is not to the benefit of all shareholders in Castellum, nor in accordance with good corporate practice, to have a Chairman of the Board closely engaged in competing businesses. We believe it would be detrimental to the work and governance of the Board of Castellum to have such a Chairman of the Board. Also, as previously stated the Election Committee last year proposed Joacim Sjöberg as a member of the Board following nomination by Rutger Arnhult. This year, Rutger Arnhult is suggested, by a majority in the Election Committee, to become the Chairman of the Board. It would be disproportionate to Rutger Arnhult's economic interest in Castellum if he is allowed to appoint two or even more representatives on the Board, including the Chairman.

The existing Board members Anna-Karin Hatt, Christer Jacobson and Nina Linander have stated that they are not available for re-election in the event that Rutger Arnhult would be elected to the Board of Directors of Castellum. These Board members have expressed similar concerns as set out herein. The potential departure of three very competent and experienced Board members would be a serious detriment to good corporate governance in Castellum.

For further information please contact:

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January 27, 2021

Stichting Pensioenfonds ABP

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