

Castellum and Heimstaden enter into major transaction totalling SEK 2.4 billion

Castellum AB (publ) and Heimstaden AB (publ) have completed a deal involving property values worth SEK 2.4 billion. In all, the transaction comprises 27 properties, totalling 186,668 sq. m. in Norrköping, Linköping, Örebro and Solna. The transaction also marks the beginning of a joint venture in the urban development of Linköping and Norrköping.

Castellum has acquired four properties in Örebro and one property in Solna through its wholly owned subsidiaries Aspholmen Fastigheter AB and Fastighets AB Brostaden,

In central Örebro, Aspholmen has acquired four office properties totalling 22,611 sq. m., with an occupancy rate of 92%. The investment amounted to SEKm 343 and the change of possession will take place in early May 2015.

In Solna, Brostaden has acquired an office property/project property of 5,364 sq.m. with an occupancy rate of 17%. The investment amounted to SEKm 63 and the change of possession will take place in early May 2015.

Furthermore, through wholly owned subsidiary Fastighets AB Corallen, Castellum has acquired 50% of the shares in Henry Ståhl Fastigheter AB (HSAB) from Heimstaden, with an option to acquire the remaining 50% of the company earliest after 18 months. Heimstaden has a corresponding option to sell the remaining 50% after the end of Corallen's time of option. Change of possession is estimated to take place in early June 2015. The purchase price, at utilization of the option, will be based on the properties market value. In addition, prior to the change of possession, Heimstaden will assume ownership of HSAB's residential properties. This latter action will streamline HSAB into a real estate company with commercial premises. HSAB owns – after this latest restructuring – 13 properties in Norrköping and 9 properties in Linköping, corresponding to a total property value of SEK 1.9 billion.

The transactions are conditional upon approval by the Swedish Competition Authority.

The real estate portfolio in Norrköping, with an occupancy rate of approx. 85%, comprises 12 centrally located office buildings and a well-located logistics property totalling 107,275 sq. m. The Linköping property portfolio consists of 9 office buildings totalling 51,418 sq. m. Of these, 6 are centrally located, 2 are situated in the Mjärdevi Science Park and one is situated in the Tornby-area. The occupancy rate of the real estate portfolio is just under 90%.

"This deal means that Castellum, with the strategy of a long-term player, gets the opportunity to grow in a region with favourable future prospects. We strengthen our position in Linköping and Örebro while entering a new market – Norrköping. As a long-term player, Castellum wants to contribute to urban development. This is why collaboration with Heimstaden was established, with the aim of developing new city districts in both Norrköping and Linköping. I look forward to working together with Heimstaden. We complement each other well: Castellum has vast experience in commercial properties and Heimstaden has steady focus on residential real estate. Together we'll develop a solid existing commercial property portfolio, while opening up for new constructions of both commercial and residential properties," says Henrik Saxborn, CEO of Castellum AB, in a statement. "We work continuously and intensively to increase the potential of our portfolio, and this transaction gives us an even more favourable position from which to deliver future growth," Saxborn continues.

“Through the partnership with Castellum we create the absolutely best opportunities for continued development of commercial premises in Norrköping and Linköping. Heimstaden, continues to wholly own all residential properties included in Heimstaden’s purchase of HSAB in December 2014. We can combine this with continued regional growth in Heimstaden’s prioritized segment: centrally located residential properties,” says Patrik Hall, CEO of Heimstaden. “Thus we get the best of both worlds, where this is also combined with our established cooperation on urban development. With employee skills, expert knowledge and service-mindedness – together with Castellum – we’ll contribute more substantially to future development in the region,” continues Patrik Hall.

Castellum AB (publ) discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act.

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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 38 billion, and comprises premises for office, retail, warehouse and industrial purposes with a total lettable area of approx 3.3 million sq.m. The real estate portfolio is owned and managed by six wholly owned subsidiaries with strong local roots in five growth regions: Greater Gothenburg, the Öresund Region, Greater Stockholm, Mälardalen and Eastern Götaland. Castellum is listed on NASDAQ Stockholm Large Cap.

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