NOTICE OF SECOND NOTEHOLDERS´ MEETING

Denna kallelse till obligationsinnehavarna är endast utformad på engelska.

Stockholm, 31 October 2024

To the holders (the "Noteholders") of the medium term notes (the "MTNs") issued pursuant to the loan with no. MTN 120 (ISIN SE0013882941) (the "Loan") issued by Kungsleden AB (publ) reg. no. 556545-1217 (the "Company") under a SEK 12,000,000,000 framework.

NOTICE OF SECOND NOTEHOLDERS´ MEETING

This notice has on 31 October 2024 been sent to Noteholders who are directly registered holders of MTNs pursuant to a Loan as of 30 October 2024 in the debt register (Sw. *skuldbok*) maintained by Euroclear Sweden AB (the "CSD"). If you are an authorised nominee under the Swedish Financial Instruments Accounts Act or if you otherwise are holding MTNs on behalf of someone else on a Securities Account, please forward this notice to the holder you represent as soon as possible. For further information, please see below under Clause 6 (*Voting Procedure*).

Key information:

Record Date for being eligible to vote:	19 November 2024
Notice of participation in the Second Meeting:	17.00 CET on 22 November 2024
Deadline for early votes by mail:	24 November 2024
Place of meeting:	Nordea Bank, Smålandsgatan 15-17, 111 46 Stockholm. Registry for the meeting will start 11.30 CET.
Time of meeting:	The meeting will start 12.00 CET, 26 November 2024.
Quorum requirement:	No quorum requirement.
Majority requirement:	At least eighty (80) per cent. of the Adjusted Loan Amount for which Noteholders vote under the Loan.

Reference is made to the SEK 400,000,000 notes due 30 March 2028 with ISIN: SE0013882941 and loan number: 120.

Reference is further made to the terms and conditions for the Loan dated 25 May 2020 (the "**Terms and Conditions**") and the final terms for the abovementioned Loan (together, the "**Final Terms**" and together with the Terms and Conditions (the "**Loan Terms**")). All capitalised terms used herein and not otherwise defined in this notice (this "**Second Notice**") shall have the meanings assigned to them in the Loan Terms.

On 7 October 2024, a notice of a noteholder's meeting was sent to the Noteholders, regarding a change of debtor under the Loan Terms (as further described below in Clause 2 (*Amendment*)) (the "**First Notice**") for the following loans: MTN 114 (ISIN: SE0012194009) MTN 115 (ISIN: SE0012676856), MTN 116 (ISIN: SE0013359791), MTN 117 (ISIN: SE0013882602), MTN 119 (ISIN: SE0013104304) and MTN 120 (ISIN SE0013882941) (the "**Outstanding Loans**").

The noteholders meeting was held on 31 October 2024 (the "**First Meeting**"). In respect of the Outstanding Loans with number MTN 114 (ISIN: SE0012194009), MTN 115 (ISIN: SE0012676856), MTN 116 (ISIN: SE0013359791), MTN 117 (ISIN: SE0013882602) and MTN 119 (ISIN: SE0013104304), a sufficient number of votes was obtained to form a quorum and a majority (close to 100 per cent. of the noteholders that were voting in First Meeting) voted in favor of the Amendment (as defined below). It is therefore resolved that the Amendment has been approved in respect of the above-mentioned Outstanding Loans. In relation to the Loan (being MTN 120 (ISIN SE0013882941), the number of votes obtained on the First Meeting was insufficient to form a quorum. Pursuant to the Loan Terms, the Company has a right to issue a notice for a second noteholder's meeting where the quorum requirement does not apply. The votes submitted in relation to the Loan for the First Meeting will still be valid for the Second Meeting and eligible for the Early Bird Consent Fee (as defined in the First Notice) as long as the relevant noteholders submitted such votes in accordance with the terms set out in the First Notice.

At the request of the Company, Nordic Trustee & Agency AB (publ) (the "**Agent**"), acting in its capacity as agent for the Noteholders under the Loan Terms, hereby convenes the Noteholders to a second meeting (the "**Second Meeting**") for the purpose of deciding on an Amendment (as defined and further described in Clause 2 (*Amendment*) below) to the Loan Terms. This Second Notice has also been published on the website of the Company and the Agent.

Upon the fulfilment of all requirements for the Effective Date (as defined below), the Amendment (as defined below) in respect of the Loan and the Outstanding Loans will be implemented no later than 1 February 2025. The Early Bird Consent Fee will be payable within 10 business days from the Effective Date.

The Second Meeting will take place at 12.00 (CET) on 26 November 2024, at the offices of Nordea Bank at Smålandsgatan 15-17,111 46 Stockholm, Sweden. Registration will start at 11.30 (CET).

Each Noteholder holding MTNs under the Loan on a Securities Account with the CSD, as a direct registered owner (Sw. *direktregistrerad ägare*) or authorised nominee (Sw. *förvaltare*) on 19 November 2024 (the "**Voting Record Date**") has a right to vote at the Meeting. For further information, please see below under Clause 5 (*Voting procedure*).

Nordea Bank Abp acted as solicitation agent on behalf of the Company for the purpose of the First Meeting (the "**Solicitation Agent**") where the Company solicited early consents for the Amendment and collected Consent Voting Instructions prior to the Early Bird Voting Date (each as defined in the First Notice)**.** By signing and delivering the Consent Voting Instruction, each eligible Noteholder appointed each of Bibi Larsen and Oscar Magnusson and any other authorised representative of Nordea Bank Abp and any other person appointed by any of them, each individually, to represent such Noteholder and vote at the First Meeting and, if quorum was not met at such meeting, at the Second Meeting.

Notwithstanding anything to the contrary in this Second Notice or in any other document in relation to the Amendment (as defined below), the Company may cancel the Second Meeting in its own discretion.

All Noteholders are strongly encouraged to review and consider the Amendment including the risk factors attached hereto in Schedule 4 (Risk Factors).

The risk factors appended hereto are the same as in relation to the First Meeting.

Disclaimer: The Second Notice is presented without any evaluation, advice or recommendations from the Agent whatsoever. The Agent has not reviewed or assessed this Second Notice or the Amendment (and its effects, should it be adopted) from a legal or commercial perspective of the Noteholders, and the Agent expressly disclaims any liability whatsoever related to the content of this Second Notice and the Amendment (and its effects, should it be adopted). The Noteholders are recommended to seek legal advice in order to independently evaluate whether the Amendment (and its effects) is acceptable or not.

Privacy Notice: The Company and the Agent (each as defined herein) may collect and process personal data relating to the Noteholders, the Noteholders' representatives or agents, and other persons nominated to act on behalf of the Noteholders. The personal data relating to the Noteholders is primarily collected from the registry kept by the CSD and any powers of attorney, Voting Forms and other documents received by the Company and/or the Agent in connection with Second Meeting.

The personal data collected will be processed by the Company and the Agent for the following purposes:

(a) to exercise their respective rights and fulfil their respective obligations under the Second Meeting;

(b) to manage the administration of the Second Meeting;

(c) to enable the Noteholders' to exercise their rights in the Second Meeting; and

(d) to comply with their obligations under applicable laws and regulations.

The processing of personal data by the Company and the Agent in relation to items (a) to (c) above is based on their legitimate interest to exercise their respective rights and to fulfil their respective obligations under the Second Meeting. In relation to item (d) above, the processing is based on the fact that such processing is necessary for compliance with a legal obligation incumbent on the Company or the Agent. Unless otherwise required or permitted by law, the personal data collected will not be kept longer than necessary given the purpose of the processing.

Personal data collected may be shared with third parties, such as the CSD, when necessary to fulfil the purpose for which such data is processed.

Subject to any legal preconditions, the applicability of which have to be assessed in each individual case, data subjects have the rights as follows. Data subjects have right to get access to their personal data and may request the same in writing at the address of the Company and the Agent, respectively. In addition, data subjects have the right to (i) request that personal data is rectified or erased, (ii) object to specific processing, (iii) request that the processing be restricted and (iv) receive personal data provided by themselves in machine-readable format. Data subjects are also entitled to lodge complaints with the relevant supervisory authority if dissatisfied with the processing carried out.

The Company's and the Agent's addresses, and the contact details for their respective Data Protection Officers (if applicable), are found on their websites www.castellum.com and www.nordictrustee.se.

1. Background

(a) The Company has requested that the Agent dispatch the Second Notice to the Noteholders under the Loan to request the approval to the change the debtor under the Loan, from the Company to Castellum AB ("**Castellum**") and hence transfer all rights and obligations under the Loan from the Company to Castellum.

(b) In 2022, following compulsory redemption following Castellum's public offer for the shares in Kungsleden, Castellum became the owner of 100 per cent. of the shares in Kungsleden. Since then, all new bond funding has been raised via Castellum. As a next step to streamline the Company’s debt structure and reduce administrative and reporting burdens, the Company is requesting Noteholders to approve a transfer of all bond debt from the Company to Castellum.

(c) If the Noteholders approve the request under the Loan pursuant to this Second Notice, the role as issuer under the Loan will be transferred to Castellum AB and the Company's role as issuer under the Loan will cease.

(d) Certain MTNs issued under the Terms and Conditions which mature in 2024 and will remain issued by the Company until their repayment or prepayment and are not subject to this Second Notice or the Amendment.

2. Amendment

(a) The Noteholders are hereby asked to approve that the Loan Terms are amended so that Castellum replaces the Company as issuer under the Loan and hence the Company ceases to be the issuer and to have any rights and obligations under the Loan and the Castellum assumes all such rights and obligations, all as set out in the draft amendment agreement set out as Schedule 1 hereto (the "**Amendment Agreement**") (the "**Amendment**"). The Amendment shall be considered a "substitution of debtor" as set out in Clause 12.9 of the Terms and Conditions. In addition, certain consequential technical amendments may be made to the Loan Terms due to the implementation of the Amendment.

(b) The Amendment and the Effective Date (as described in Clause 3 (*Effective Date*) below) in respect of the Loan is subject to (i) the majority requirements having been met in accordance with Clause 7 (*Majority Requirements*) in relation to the Loan and (ii) the Amendment being implemented in respect of all Outstanding Loans, provided that this condition (ii) may be waived by the Company in its sole discretion.

(c) The Noteholders are asked to confirm that the Noteholders agree to all amendments to the Loan Terms to the extent that they are consistent with the main principles set out in this Second Notice.

3. Effective Date

The Amendment shall be deemed approved immediately after the Second Meeting if the required majority requirements have been met in accordance with Clause 7 (*Majority Requirements*). For the purpose of implementing the Amendment, the Company, Castellum and the Agent shall enter into the Amendment Agreement no later than 1 February 2025.

The date on which the Company, Castellum and the Agent enter into the Amendment Agreement shall be deemed as the "**Effective Date**" for the purpose of this Second Notice.

4. Agenda for the Second Meeting

1. Opening of the meeting and election of chairman, recording clerk and attestor.

2. Preparation and approval of the voting list.

3. Approval of any powers of attorney.

4. Approval of the agenda.

5. Resolution on whether the Second Meeting has been duly convened.

6. The Company informs about the background and main terms of the Amendment.

7. Voting regarding the Amendment.

8. Closing of the meeting.

5. Voting Procedure

(a) Resolutions are passed through voting at the Second Meeting. A Noteholder holding more than one MTN need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.

(b) Noteholders may participate in the Second Meeting in person, by telephone conference or by submitting (and the Agent receiving) a duly completed voting form as set out in Schedule 3 (*Voting Form*) (the "**Voting Form**") to the Agent no later than 24 November 2024 (the "**Voting Deadline**"). Dial-ins to the Second Meeting will be shared by the Agent to participating Noteholders who have informed the Agent by no later than 17.00 (CET) on 22 November 2024 that they would like to attend the meeting via telephone conference in accordance with Clause 6 (*Notification of Participation in the Second Meeting Required*) below.

(c) Subject to paragraph (d) below, anyone who wishes to participate in the Second Meeting must on the Voting Record Date be registered as a Direct Registered Owner or Nominee in respect of the relevant MTNs and notify its participation in the Second Meeting in accordance with Clause 6 (*Notification of Participation in the Second Meeting Required*) below.

(d) If you are not registered as a Direct Registered Owner, but your MTNs are held through a registered Nominee or another intermediary, you may have three different options for voting at the Second Meeting:

  (i) you can ask the Nominee or other intermediary that holds the MTNs on your behalf to attend the Second Meeting and vote in its own name as instructed by you;

  (ii) you can obtain a power of attorney from the Nominee or other intermediary and participate in the Second Meeting based on the authorisation. If you hold your MTNs through several intermediaries, you need to obtain authorisation directly from the intermediary that is registered in the Securities Account on the Voting Record Date, or from each intermediary in the chain of holders, starting with the intermediary that is registered in the Securities Account as Nominee or Direct Registered Owner. A form of power of attorney that can be used for this purpose is annexed in Schedule 2; or

(iii) you can ask the Nominee or other intermediary that holds the MTNs on your behalf to deliver a Voting Form (together with a power of attorney as described in paragraph (e) below) to the Agent no later than on the Voting Deadline (as set out in paragraph (b) above).

(e) Whether any of these options are available to you depends on the agreement between you and the Nominee or other intermediary that holds the MTNs on your behalf (and the agreement between the intermediaries, if there is more than one).

(f) Please note that only Noteholders that are eligible to vote at the Second Meeting as described above may issue the power of attorney in the designated format set out in Schedule 2. This means that: (A) Noteholders which are directly registered in the Securities Account may issue the power of attorney in their own names, (B) authorised nominees registered as such in the Securities Account by Euroclear Sweden AB in Sweden may issue the power of attorney in their own names acting for their customers, and (C) holders that hold MTNs through a registered authorised nominee that does not agree to vote on behalf of its customers or through another intermediary need to obtain authorisation as set out above in order to be able to issue the power of attorney.

(g) The Agent recommends that you contact the securities firm that holds the MTNs on your behalf for assistance if you wish to participate in the Second Meeting and do not know how your MTNs are registered or need authorisation or other assistance to participate.

(h) By submitting a Voting Form, the relevant Noteholder undertakes not to trade the MTNs for which the Voting Form has been submitted until, and including, the Voting Record Date.

(i) By submitting a Voting Form, the relevant Noteholder agrees that such Voting Form is irrevocable from the date of submission.

6. Notification of Participation in the Second Meeting Required

(a) Noteholders who wish to participate (in person, by telephone conference or represented by proxy in the Second Meeting must notify the Agent of their participation (and if they would like to attend the Second Meeting in person or by telephone conference) in the Second Meeting no later than 17.00 (CET) on 22 November 2024. Notifications must be sent by e-mail to voting.sweden@nordictrustee.com.

(b) The notification to the Agent referred to in paragraph (a) above must specify the relevant Noteholder’s name, birth date or company registration number, the number of MTNs held and, where applicable, information about any representatives of the Noteholder and if the Noteholder wishes to participate by telephone conference, the email address to which dial-ins shall be circulated.

(c) If MTNs are held by a legal entity, the right to act on behalf of the Noteholder must be proven to the satisfaction of the Agent through complete authorisation documents, such as powers of attorney, board minutes, registration certificates or corresponding documents. The relevant documents shall be submitted to the Agent in original or as certified copies of the originals.

7. Majority Requirements

The Amendment will be passed if a majority of not less than eighty (80) per cent. of the Adjusted Loan Amount of the Loan for which Noteholders are voting at the Second Meeting votes in favour of the Amendment. If passed, the Amendment shall be binding on all Noteholders, whether or not present at the Second Meeting and whether or not voting.

8. Delivery of Power of Attorney and Voting Form

(a) Return (by regular mail, scanned copy by e-mail or by courier) the Voting Form (Schedule 3), the Power of Attorney (Schedule 2) or, if the MTNs are held in custody other than the CSD, other sufficient evidence to:

By regular mail:

Nordic Trustee & Agency AB (publ)
Attn: Adam Kastengren Sandberg
P.O. Box 7329
S-103 90 Stockholm

By courier:

Nordic Trustee & Agency AB (publ)
Attn: Adam Kastengren Sandberg
Norrlandsgatan 23
111 43 Stockholm

By email:

E-mail: voting.sweden@nordictrustee.com

9. FURTHER INFORMATION

(a) For further questions to the Company, regarding the request, please contact the Company at cab_finans@castellum.se.

(b) For further questions to the Agent, regarding the administration of the Meeting, please contact the Agent at sweden@nordictrustee.com.

____

Stockholm, 31 October 2024

NORDIC TRUSTEE & AGENCY AB (PUBL)

as Agent

Enclosed:

Schedule 1	Draft Amendment Agreement
Schedule 2	Power of Attorney/Authorisation
Schedule 3	Voting Form
Schedule 4	Risk Factors

DRAFT AMENDMENT AGREEMENT

Schedule 1

KUNGSLEDEN AB – AMENDMENT AGREEMENT TO TERMS & CONDITIONS

This agreement (this "**Agreement**") is made between:

NORDIC TRUSTEE & AGENCY AB (PUBL), reg. no. 556882-1879, acting as Agent on behalf of the Noteholders (the "**Agent**");

KUNGSLEDEN AB (PUBL), reg. no. 556545-1217, a limited liability company incorporated in Sweden, as Issuer (the "**Issuer**"); and

CASTELLUM AB (PUBL), reg. no. 556475-5550, a limited liability company incorporated in Sweden ("**Castellum**").

[**] 2024

1. BACKGROUND

1.1 This Agreement is entered into by the Agent, the Issuer and Castellum for the purpose of transferring all rights and obligations under the Notes (as defined below) from the Issuer to Castellum and consequential amendments to the Terms and Conditions (as defined below) as a result thereof.

1.2 The Agent is entering into this Agreement on behalf of the Noteholders following receipt of consents from the Noteholders pursuant to a Noteholders' Meeting held on or prior to the date hereof.

1.3 Reference is made to the terms and conditions (the applicable general terms and conditions and final terms) (the "**Terms and Conditions**") for the following notes issued by the Issuer pursuant to the Issuer's medium term note (MTN) program (the "**Notes**"):

(a) the SEK 300,000,000 Notes due 23 January 2026 with ISIN: SE0012194009 and loan number: 114;

(b) the SEK 300,000,000 Notes due 18 June 2025 with ISIN: SE0012676856 and loan number: 115;

(c) the SEK 750,000,000 Notes due 27 August 2025 with ISIN: SE0013359791 and loan number: 116;

(d) the SEK 150,000,000 Notes due 25 September 2026 with ISIN: SE0013882602 and loan number: 117;

(e) the SEK 600,000,000 Notes due 15 January 2027 with ISIN: SE0013104304 and loan number: 119; and

(f) the SEK 400,000,000 Notes due 30 March 2028 with ISIN: SE0013882941 and loan number: 120.

Terms defined in the Terms and Conditions have, unless otherwise expressly defined herein or otherwise required by the context, the same meaning in this Agreement.

2. TRANSFER OF DEBT (NOVATION)

The Issuer, Castellum and the Agent agree that the Issuer shall on the date hereof transfer, all of its rights and obligations under the Notes (including all amounts owed thereunder) to Castellum (the "**Transfer**").

3. AMENDMENT TO THE TERMS AND CONDITIONS

3.1 The Issuer, Castellum and the Agent agree to make the following amendments to the Terms and Conditions in relation to the Notes on the date hereof (where deleted wording is stricken out in red (indicated textually as the following example (~~stricken text~~) and added wording is underlined in blue (indicated textually as the following example (added text).

3.2 Definition of "**Company**":

~~Kungsleden AB (publ) (Reg. No. 556545-1217)~~

Castellum AB (publ) (Reg. No. 556475-5550),

the "**Amendment**".

3.3 The Amendment shall apply in relation to the Terms and Conditions in their entirety except in relation to Clause 10.3 where the reference to the Company shall (i) refer to the Issuer in relation to the obligation to apply for admission to trading on a Regulated Market and, (ii) refer to Castellum in relation to the obligation to maintain the admission as long as the relevant Loan is outstanding.

3.4 Furthermore, the term "green terms" of the relevant Notes shall instead be construed to refer to Castellums green terms originally dated 6 September 2022.

4. MISCELLANEOUS

4.1 This Agreement is designated as Loan Terms and may be executed in counterparts, each of which, when taken together, shall constitute one and the same agreement.

4.2 Any provisions of this Agreement may only be amended or waived in writing by the Issuer and the Agent.

4.3 The provisions of clause 19 (*Notices*) and clause 21 (*Governing Law and Jurisdiction*) of the relevant Terms and Conditions shall be incorporated into this Agreement as if set out in full herein.

KUNGSLEDEN AB (PUBL)
as Issuer

By:
Title:

By:
Title:

CASTELLUM AB (PUBL)

By:
Title:

By:
Title:

NORDIC TRUSTEE & AGENCY AB (PUBL)
as Agent on behalf of the Noteholders

By:

By:

POWER OF ATTORNEY/AUTHORISATION

Schedule 2

For the Second Meeting in respect of Kungsleden AB's (publ) MTN 120 (ISIN SE0013882941) for which notice was given 31 October 2024.

We hold MTNs in the Adjusted Loan Amount(s)[1] under the following Loan:

		Adjusted Loan Amount
MTN 120	ISIN SE0013882941	

Person/entity that is given authorisation (Sw. *Befullmäktigad*) to vote, including voting instruction, at the Second Meeting:	
Name	
Company	Day time telephone number
Reg. No / Id. No	Email

We hereby confirm that the person/entity specified above (Sw. *Befullmäktigad*) has the right to vote for the Adjusted Loan Amount that we represent in accordance with below:

		Adjusted Loan Amount	**For**	**Against**	**Abstain**
MTN 120	ISIN SE0013882941				

We are:

[1] *Explanatory note: In this context, the Adjusted Loan Amount of each Noteholder means the amount of the MTNs held by such Noteholder under the Loan.*

☐ Registered as noteholder on the Securities Account:

☐ Other intermediary and holds the MTNs through (specify below)

____

Place, date: _________________________

Authorised signature of noteholder

____

Day time telephone number

____

E-mail

____

To: Nordic Trustee & Agency AB (publ) as Agent

VOTING FORM

Schedule 3

For the second noteholders meeting (the "**Second Meeting**") regarding the medium term notes (the "**MTNs**") issued pursuant to the loan with no. MTN 120 (ISIN SE0013882941) (the "**Loan**") issued by Kungsleden AB (publ) reg. no. 556545-1217 (the "**Company**") under a SEK 12,000,000,000 framework.

The undersigned Noteholder or authorised person/entity (the "**Voting Person**"), votes either **For**, **Against** or **Abstain** in respect of the Amendment by marking the applicable boxes below.

Capitalised terms used and not otherwise defined herein shall have the meanings assigned to them in the Second Notice of Second Meeting dated 31 October 2024.

NOTE: If the Voting Person is not registered as Noteholder (as defined in the Second Notice), the Voting Person must enclose a proxy, please see Schedule 2 of the Second Notice

We vote on the Amendment as indicated below (please insert the Adjusted Loan Amount (as defined in the Loan Terms)[2] you wish to vote for in relation to each option selected):

		Adjusted Loan Amount; **For**	Adjusted Loan Amount; **Against**	Adjusted Loan Amount; **Abstain**
MTN 120	ISIN SE0013882941			

____

Name of the Voting Person: ____

Capacity of the Voting Person: (*tick the applicable box*)

Noteholder[3]: ☐ authorised person[4]: ☐

Voting Person's reg.no/id.no and country of incorporation/domicile: ____

[2] *Explanatory note: In this context, the Adjusted Loan Amount of each Noteholder means the amount of the MTNs held by such Noteholder under the Loan.*

[3] *When voting in this capacity, no further evidence is required.*

[4] *When voting in this capacity, the person/entity voting must also enclose a proxy (Schedule 2) from the Noteholder or other proof of authorisation showing the number of votes held on the Voting Record Date (as defined in the Second Notice).*

Securities Account number at Euroclear Sweden: (*if applicable*)	______________________________
Name and Securities Account number of custodian(s): (*if applicable*)	______________________________
Name of the beneficial holder of the Notes being voted for:	______________________________
Contact person, daytime telephone number and e-mail address:	______________________________

By submitting this Voting Form, I confirm that (a) I am aware of and have agreed that, this Voting Form is irrevocable from the date of submission and, (b) I confirm that I am aware that I am not to trade the MTNs for which the Voting Form has been submitted until Voting Record Date.

Place, date: ________________________________

____

Name:
(*Authorised signature*)

RISK FACTORS

Schedule 4

RISK FACTORS

*The potential novation of outstanding notes under Kungsleden AB (publ)'s MTN Programmes (the "**Notes**") to Castellum AB (publ) (the "**Novation**") will transfer the investors' credit risk from Kungsleden AB (publ) to Castellum AB. Prior to agreeing to the Novation, the investors should carefully consider the risks related to Castellum AB and its subsidiaries ("**Castellum**" or the "**Group**") and the industry in which they operate together with the risk factors described below. Words and expressions defined in the notice of the noteholders meeting (the "**Notice**") have the same meanings in these risk factors.*

In agreeing to the Novation, investors assume the risk that Castellum may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There are a wide range of factors which individually or together could result in Castellum becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as Castellum may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside Castellum's control. Castellum has identified in these risk factors a number of aspects which could materially adversely affect its business and ability to make payments due under the Notes.

Prospective investors should also read *the detailed information set out below and reach their own views prior to making any investment decision.*

RISKS RELATED TO THE CASTELLUM AND THE GROUP

The Group's operations are affected by macroeconomic factors.

Castellum owns and manages commercial properties in selected growth regions in Sweden, Denmark and Finland (and indirectly in Norway through shares owned in Entra ASA ("**Entra**")). Its operations are therefore affected by macroeconomic factors that are beyond its control. These factors include but are not limited to growth measured as gross domestic product ("**GDP**"), inflation and possible deflation, as well as general difficulties in securing financing (or financing on terms acceptable to Castellum). For instance, weak economic growth has a negative impact on the demand for commercial premises, which in turn may lead to higher vacancy rates, declining market rents and foregone indexation income from existing leases. The risk of payment difficulties (or even bankruptcies) also increases, which has an immediate negative effect on cash flow. Limited access to capital due to general difficulties in securing financing (or financing on terms acceptable to Castellum), for example, impedes Castellum's ability to conduct its operations. General economic downturns may also have an adverse effect on the market value of Castellum's properties and its assets more generally, including its shareholding in Entra. Additionally, global macroeconomic conditions may be adversely affected, for example, by political tensions, acts of war and/or expansion of sanctions, in particular as a result of the ongoing war between Russia and Ukraine and the military conflict in the Middle East. The prolongation of geopolitical tensions, sanctions and political uncertainty could negatively impact economic growth, business operations and real estate markets. This could have a material adverse effect on the financial performance and the cost of funding for Castellum. If any of these risks should materialise, it may have a materially adverse effect on Castellum's operations, earnings and financial position.

Economies across Europe and globally have recently experienced inflationary pressures. In response to persistently high inflation, central banks have raised interest rates which may stay higher for longer or even increase further if such inflationary pressures continue. Interest expenses represent Castellum's single largest cost item and any further significant increase in interest rates would increase the cost of funding of Castellum. Persistently high inflation may also have direct and indirect impact on tenants' business and tenants' ability to pay rent as they have less disposable income any may lead to an increase in defaults on rent payments. Indexation of leases, in addition to increases in energy costs, wages and sourcing, may reinforce cost pressure on tenants' business. In addition, inflationary pressure may negatively affect the cost of project developments and operating cost and may impact Castellum for instance in case of unlet space. Any such changes to interest rates and inflation may also adversely affect the market's yield requirements and the market value of Castellum's properties. If any of these risks should materialise, it may have a materially adverse effect on Castellum's operations, earnings and financial position.

Supply and demand for properties, and therefore the yield on property investments, varies between different geographic markets and property categories, and can thus develop differently within such geographic markets and property categories. There is a risk that demand will fall and the market's yield requirement will therefore increase within those geographic markets and property categories in which Castellum operates. This may have a material adverse impact on Castellum's operations, earnings and financial position.

The commercial property sector is competitive and Castellum may have difficulties competing successfully in the future.

Castellum operates in a competitive sector. Among other things, Castellum's competitiveness depends on its ability to attract and retain tenants, to anticipate future changes and trends in the sector, and to rapidly adapt to both current and future market needs. Furthermore, Castellum's competitors may have more resources at their disposal and may have the capacity to better withstand market downturns, to compete more successfully, to better retain skilled personnel, and to respond more rapidly to evolving tenant needs. Accordingly, Castellum may have to make investments, restructurings or price reductions in order to adapt to a changed competitive situation, for example through the renegotiation of lease terms. There is a risk that Castellum will not be able to successfully counteract the effects of competition. If Castellum is unable to successfully compete, this failure may materially impact on rent levels and vacancy rates, and Castellum's revenues could decline, which in turn may have a materially adverse impact on Castellum's operations, earnings and financial position.

Castellum's income is dependent on tenants meeting their rental obligations.

Castellum's income primarily comprises rental income from its properties. A failure by tenants to pay rents or otherwise to perform their obligations to Castellum may lead to lower rental income and increased bad debt losses. Castellum-specific factors may also affect the rental income negatively. For example, bad customer care or property maintenance may result in unsatisfied customers and ultimately an increased vacancy rate which in turn will lead to lower rental income. There is also a risk that Castellum's tenants will not renew or extend their leases as they expire. Furthermore, there is a risk that it will not be possible to find new tenants, or that new tenants will not pay the same rents as the previous tenants, which may result in a higher vacancy rate and lower rental income. If tenants fail to perform their obligations at all, for example in the event of bankruptcy, or only after debt collection measures have been taken, this may also result in loss of revenue and an increased vacancy rate, with lower property values as a consequence. If tenants fail to renew or extend their leases as they expire, or fail to pay agreed rents on time or otherwise fail to perform their obligations, this may have a material adverse impact on Castellum's operations, earnings and financial position.

Operational business risks.

For Castellum, the successful composition of its property portfolio is dependent on the properties in question having the right characteristics in terms of location and segment, and on the properties being able to meet customer preferences and technology requirements over time.

The performance of Castellum's property portfolio may be affected by a flaw in its geographical distribution, i.e. by Castellum owning properties in the wrong submarket or in the wrong city or location with regard to future growth and strong ongoing urbanisation trends, or by Castellum owning properties that do not meet evolving customer preferences, technology requirements, micro-location, demand or flexibility of use and contractual flexibility. Trends and demand may also change over time and it may not be possible to accurately predict future developments. For example, it remains to be seen how the growing demand for flexible working will affect the general demand for properties, both in terms of desired specifications and location of properties and rental volumes and vacancies more generally. Properties that cannot meet such requirements over time entail a higher risk of increased vacancies, which in turn may precipitate a decline in the value of the property in question, or a need on the part of Castellum to make costly investments. In addition, Castellum's property portfolio is divided into five segments: offices, public sector properties (Sw: *samhällsfastigheter*), warehouses/light industry properties, retail properties, and project and land properties. By 30 June 2024 the value of Castellum's property portfolio was split between segments as follows: 62 per cent office properties, 17 per cent community properties, 14 per cent warehouses/light industry properties, 5 per cent retail properties and 2 per cent project and land properties. If Castellum makes inaccurate judgements regarding which regions and segments have the right characteristics for continued holding of portfolio properties, or if Castellum does not succeed in ensuring that its properties meet customer demand over time despite the fact that they are located in regions and exist within segments that have the right characteristics with regard to economic growth, rental market conditions, collaborative climate and infrastructure connections, this may have a materially adverse effect on Castellum's operations, earnings and financial position.

Increasing operating and maintenance costs may affect Castellum's financial position.

Castellum's operating expenses mainly comprise tariff-based costs such as costs for heating, electricity, water and waste. There are a limited number of suppliers in respect of some of these utilities and services, which could result in an increased cost to Castellum. Notwithstanding that some of Castellum's leases are structured in such a manner that the tenant defrays a significant part of these costs, there may be a material adverse impact on Castellum's operations, earnings and financial position in case that it is not possible to receive increased rental payments to cover any such increased costs incurred by Castellum.

Measures aimed at maintaining the standard of Castellum's properties in the long-term and/or modernising properties require maintenance and renovation expenditures. Such expenditures are necessary to satisfy market or legal requirements may be significant and unforeseen. There is a risk that, in respect of large-scale operating expenses, maintenance or renovation work, it may not be possible to (i) pass on the associated costs to Castellum's tenants through increased rents or (ii) receive compensation through insurance indemnification. This may have a material adverse impact on Castellum's operations, earnings and financial position.

Business disruptions and operational shortcomings in Castellum's IT systems or control systems may have a negative impact on its operations.

All operational activities are subject to the risk of incurring losses due to deficient routines and/or the business being detrimentally affected by disruptions caused by shortcomings or internal or external events, such as, but not limited to, cyber-security breaches. The term operating risk refers mainly to the risk of financial consequences and consequences related to the loss of trust which ensue from such shortcomings in internal routines and systems, including IT systems. Operational certainty, achieved through sound internal control, appropriate administrative systems and access to reliable valuation and risk models, is required to mitigate such risks and reduce the risk to Castellum's administrative security and control. Castellum's ability to effectively run its organisation and to maintain effective internal control depends on having a functional IT environment and IT operations, and on having control systems that are integrated throughout the entire organisation. Failures or disruptions in Castellum's IT systems or control systems may also impact Castellum's ability to submit correct financial reports or to submit such reports in a timely manner, both internal and external. To the extent that Castellum experiences a serious failure or disruption in any of its systems or some other technological resource or experiences a cyber-security breach, it may be rendered incapable of effectively running and managing its operations. Business disruptions and shortcomings in operational security including serious failures and disruptions in Castellum's IT systems or control systems may also impact its customer relationships, reputation, risk management and profitability, which may in turn have a materially adverse effect on Castellum's operations, earnings and financial position.

Defects in or damage to Castellum's properties may result in unforeseen costs.

There are risks associated with the technical operation of properties, such as the risk of structural defects, other defects or deficiencies, damage (for example, through fire or other forces of nature) and contamination. Currently, Castellum has an ongoing insurance claim regarding water damage on one of its properties; where the cost for rectifying the relevant damage is estimated to approximately SEK 65 million. Climate change also presents a risk of property damage caused by weather conditions, increased water levels and changes in other physical environments that affect real estate. These risks could increase in the long run and this could mean increased investment requirements for properties located in vulnerable areas, to prevent such properties from becoming obsolete. Although Castellum seeks to invest in properties of a sound technical standard, there remains a risk that unforeseen costs could arise. In the event that such technical problems arise and the costs cannot be fully or partially covered by insurance, this may have a material adverse impact on Castellum's operations, earnings and financial position.

Property valuation relies on factors which are subject to change.

Castellum is exposed to changes in the market value of its property portfolio. Castellum reports its property holdings at fair value in accordance with IAS 40 *Investment Property*, such that the book value in respect of the Group’s properties corresponds to their assessed market value. Castellum uses an internal valuation process to assess the market value of its properties. In addition to this internal valuation, an external valuation is also carried out each year by independent appraisers in respect of approximately 50 per cent. by value of Castellum’s portfolio. There is still a risk that the valuation of some of the properties may be incorrect or may decline over time. The value of the properties is affected by, and any assessment made in the light of, a number of factors such as market supply, vacancy rate, rent level and operating expenses, residual value, yield requirement, general economic trends, interest rates and inflation. In particular, if interest rates continue to increase this will put pressure on portfolio yields, putting market values at risk of decline. There is no guarantee that there will be a liquid market for Castellum’s properties going forward. There is a risk that changes in any of these factors may have a negative effect on property values. This could have a material adverse impact on Castellum's earnings and financial position (for example, large write downs could negatively affect Castellum’s loan to value ratio as well as credit rating.

Property transactions involve uncertainties which could adversely impact Castellum's business.

Property transactions represent an important part of Castellum's business operations. Property transactions also entail inherent risks concerning uncertainties and there is a risk that Castellum may be (i) unable to find suitable acquisition properties, (ii) unable to finance property acquisitions on terms acceptable to Castellum or (iii) that desired property sales cannot be completed on terms acceptable to Castellum. All property transactions are associated with uncertainty and assumptions. The market's yield requirement, future vacancies, the tenants' payment capability, environmental conditions as well as technical defects constitute some of the uncertain elements associated with property transactions. Any of these factors may have a material adverse impact on Castellum's operations, financial position and earnings.

In addition, property-owning and property-acquiring companies are exposed to risks in relation to non-identified risks linked to businesses that are acquired, either because of a lack of information or due to the fact that assumptions made may turn out to be erroneous. For example, there may be difficulties integrating operations and employees, tenants may be lost, the accounts of the acquired business may be erroneous and/or the business may be the subject of unforeseen environmental or tax claims. When an acquisition or investment includes expansion into a new geographical market in which Castellum has limited or no experience it may also increase Castellum’s operational risk, as well as its financial risk including increased exposure to changes in currencies and funding conditions. Furthermore, other circumstances may exist that have an adverse impact on the value of the business or property being acquired. Notwithstanding the fact that, prior to each investment, Castellum makes an evaluation aimed at identifying and, if possible, mitigating the risks that may be associated with the investment, there remains a risk that future businesses or properties that are added through acquisitions may have a material adverse impact on Castellum's operations, earnings and financial position.

In several of the sales agreements entered into by Castellum, the purchaser may present warranty claims, such as that the property's use has deviated from an applicable zoning plan in violation of stipulated warranties; that, contrary to stipulated warranties, all charges relating to road construction/ maintenance costs and connection fees relating to the period prior to the completion date have not been paid in full; or that, contrary to stipulated warranties concerning the property, a public authority order to take measures has not been performed in full prior to the completion date. While Castellum has not been the subject of any material unsettled warranty claims with respect to sold properties and companies in the last few years, there is a risk that any claims in the future may have a material adverse impact on Castellum's business, financial position and earnings. Correspondingly, there is a risk that the possibility of obtaining compensation in the case of a warranty claim will be limited if an acquisition was made from a vendor which is, or will be, in financial difficulties or if there is a cap in respect of the amount of compensation that may be claimed – this may contribute to increased uncertainty and increased costs for Castellum, which in turn may have a material adverse impact on its operations, earnings and financial position.

Castellum may sell properties for a variety of reasons including to optimise its capital structure, adapt its property portfolio to the needs of customers or to finance its investments, for instance the purchase of new properties or new constructions, extensions and reconstructions. Castellum may not be able to sell properties at prices that reflect their current book value or at all. If Castellum is unable to generate proceeds through disposals, or if there is a material delay in effecting disposals, this may adversely impact liquidity and cash flow. As such, Castellum is dependent on a liquid property market, a matter which in turn depends on a number of different factors, such as macroeconomic conditions, changes in the financial position of potential buyers and their prospects for securing financing, changes in domestic or international economic conditions, and changes to legislation, regulations or tax policy in Sweden, Denmark and Finland. An illiquid property market may therefore have a materially adverse effect on Castellum's operations, earnings and financial position.

Project development poses risks to Castellum.

The construction, refurbishment and extension of properties constitute a part of Castellum's regular business operations. Project development is inherently associated with uncertainties and risks as regards costs and delays (among other things). Major projects can involve significant investments, which may lead to an increased credit risk if tenants fail to perform their obligations to pay rent and Castellum is unable to find other tenants for the premises in question, if Castellum fails to let the premises upon completion of a project, or if the demand or price of properties generally changes during the course of a project. Furthermore, although Castellum monitors development projects closely, projects may be delayed, become more expensive or the quality may not be as expected, which may result in increased costs or reduced income. In particular, increasing refurbishment and maintenance repair costs may arise, for example, from increasing legal requirements for energy efficiency, or due to inflation, increased energy costs or supply constraints which may drive up prices and costs. In addition, Castellum may be dependent on procuring the necessary public authority permits, permits and other licences for carrying out property development projects or carrying out its operations generally. There is a risk that Castellum will not succeed in implementing its property projects, which may have a material adverse impact on its operations, earnings and financial position.

Loss of key personnel may undermine Castellum's operations.

Castellum's business and financial performance is dependent on experienced employees possessing relevant skills. Such key individuals are included among senior executives as well as the Group's employees in general. Castellum’s success is, to a large extent, dependent on its ability to recruit, motivate and retain qualified personnel at every level of its organisation. Castellum has in the past two years experienced changes within the Group including in the composition of its Executive Group Management and there may be a risk that, over time, Castellum is unable to retain or recruit qualified personnel to the desired extent. Any disruption caused by the departure of one or more key individuals, including delay in securing highly skilled replacements, could have an impact on Castellum's ability to implement its strategy in the near-term which could have a material adverse impact on Castellum's operations, earnings and financial position.

Castellum could incur losses not covered by, or exceeding the coverage limits of, its insurance.

Castellum's management believes that its risks are covered by appropriate insurance coverage in line with market practice. Castellum has insurance policies, for example, in respect of property, business interruption and liability for damages. However, the actual losses suffered by Castellum could exceed its insurance coverage and could be material. Furthermore, certain types of risks (such as war, acts of terror, cyber security, insufficient preparation in the event of natural disasters or extreme weather events, such as floods) may be or may in the future be impossible or too costly for Castellum to insure itself against. If damage should occur to a property and subsequently lead to tenants terminating or not renewing their leases, there is also a risk that Castellum's insurance cover will not cover the consequent loss of rental income. If uninsured damage should occur, or if a damage event should exceed the insurance cover, Castellum may lose the capital invested in the property in question as well as future revenues from such property. Furthermore, Castellum may become liable to repair damage caused by uninsured risks. Castellum may also become liable for debts and other financial obligations with regard to damaged buildings. The realisation of one or more damaging events for which Castellum has no insurance coverage or for which Castellum's insurance coverage is insufficient could have a material adverse effect on Castellum's business, financial condition and results of operations.

Interests of Castellum's shareholders may conflict with these of the noteholders.

The interests of Castellum's shareholders, in certain circumstances, may conflict with those of the noteholders, particularly if Castellum encounters financial difficulties or is unable to pay its debts when due. In addition, Castellum's shareholders may have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, even though such transactions might involve risks to the noteholders. Any of these actions could have an adverse effect on Castellum's operations, earnings, financial position and future prospects.

Castellum has a holding company structure in which Castellum's subsidiaries conduct the Group's operations and own all the Group's properties.

Castellum has no significant assets other than the equity interests in and receivables vis-à-vis its subsidiaries. As a result, its ability to make required payments under the Notes (as the case may be) depends on the performance of its subsidiaries and their ability to distribute funds to it. Such cash flows will depend on the business and financial condition of each of its subsidiaries. In addition, the ability of certain subsidiaries to pay dividends and distributions may be limited by applicable laws and any indebtedness those subsidiaries have incurred. If for any reason Castellum's subsidiaries do not pay any dividends or distributions, or do so irregularly, its ability to make required payments under the Notes (as the case may be) may be adversely affected.

Further, Castellum's right to receive payment of provided financing from the liquidation of one of its subsidiaries, and therefore the noteholders' right to participate in those proceeds, will be structurally subordinated to the claims of other creditors of that subsidiary (see "*The claims of holders of the Notes are structurally subordinated*", below). In addition, even if Castellum is a creditor of any of its subsidiaries, its rights as a creditor would be subordinated to any existing security interest in the assets of such subsidiary.

FINANCIAL RISKS

Castellum may not be able to refinance its existing loans on competitive terms or at all.

External borrowing accounts form a large part of Castellum's supply of capital. As these loans mature, they must be repaid, extended or renewed in order to secure Castellum's need for long-term financing and liquidity.

Castellum is continuously engaged in the renegotiation of credit facilities and the addition of new facilities as needed. The conditions for Castellum refinancing loan facilities as they expire depend on access to financing at the time and Castellum's financial position. Although Castellum has access to long-term financing at the moment, it is possible that Castellum may in future breach the financial obligations pursuant to its credit facilities, which may cause the lenders in question to terminate the facilities. In the event that Castellum is unable to secure refinancing or can only obtain refinancing at substantially increased costs, this may have a material adverse impact on Castellum's operations, earnings and financial position.

Castellum is dependent on its long-term credit rating to pursue its financing strategy

Castellum has sought and obtained a long-term issuer credit rating of Baa3 by Moody's Investors Service ("**Moody´s**"). If Castellum's long-term credit rating was to be downgraded, future issuances of unsecured bonds and notes may become significantly more expensive or may not be possible in the targeted amounts. Moody´s could downgrade Castellum's long-term issuer credit rating if, for example, the value of Castellum's unencumbered assets or its fixed charge coverage ratio was not to reach certain levels, or Castellum's effective leverage (adjusted total debt divided by total assets) was to exceed certain levels, both on a sustained basis, or Castellum was unable to maintain an adequate liquidity profile at all times or its debt maturity schedule was shortened. If any of the risks described above were to materialise, this could potentially have an impact on both the cost and accessibility of new funding and it could be more difficult for Castellum to pursue its current funding strategy, which could have a material adverse effect on the Group's operations, earnings and financial position.

Fluctuations in market interest rates and loan margins may adversely affect Castellum's business.

Castellum's operations are primarily financed through equity and interest-bearing debt. Interest expenses represent Castellum's single largest cost item. As a consequence, Castellum is exposed to the risk of changes in market interest rates and loan margins. The risk is also affected by the strategy Castellum chooses in respect of fixed–interest periods. Increased interest expenses may have a material adverse impact on Castellum's operations, earnings and financial position.

Changes in the value of financial derivative instruments may result in losses for Castellum.

Castellum has a large number of loans with short fixed-interest periods and uses interest rate derivatives (mainly interest rate swaps) as an element in the management of interest-rate risk. Interest rate derivatives are regularly reported at fair value in the balance sheet, with changes in value being reported in the income statement. In the event that market rates fall, the market value of Castellum's interest rate derivatives will decrease, which may have a material adverse impact on Castellum's operations, earnings and financial position.

Castellum is exposed to credit and counterparty risk.

There is a risk that Castellum's counterparties within its financing operations will fail to perform their financial obligations to Castellum. Castellum's financing activities include, among other things, the execution of long and short-term loan agreements, the execution of interest rate derivatives, as well as the investment of liquidity surpluses through cash and deposits in banks. There is a risk that Castellum's counterparties will fail to perform their financial obligations to Castellum, which may have a material adverse impact on Castellum's operations, earnings and financial position.

Breach of financial covenants may lead to Castellum's creditors accelerating its loans.

Castellum's bank loan agreements usually include both financial and other covenants. Such covenants may, for example, relate to an interest-coverage ratio or loan volumes relative to the fair value of Castellum's properties.

As security for bank loans, Castellum may grant mortgages over certain properties or security interests in intragroup claims against subsidiaries, or Castellum may pledge shares in its subsidiaries, or provide guarantees.

In the event that Castellum breaches its financial covenants in a loan agreement, this may lead to the acceleration of loans or to credit institutions having recourse to pledged assets, which may have a material adverse impact on Castellum's operations, earnings and financial position.

A change in the ownership of Castellum could result in the requirement for Castellum to repay under the terms of its existing financing agreements and Notes and adversely affect its ability to secure subsequent refinancing.

If, for whatever reason, an individual investor or specific group of investors were to form a controlling majority shareholder in Castellum (or lower thresholds, for example in the case of certain loan agreements, an investor or a specific group of investors were to own shares representing more than a certain per cent. of the voting capital in Castellum), this could trigger terms in loan agreements or other instruments that result in the termination or repayment of such agreements or instruments or a need to renegotiate them. Such provisions are included in the terms and conditions with respect to the Notes and some loan agreements in place with lenders. Furthermore, such an event could result in a changed credit rating of Castellum. In the event of such changes in ownership, Castellum's ability to secure refinancing may be adversely affected, which could indirectly affect the Group's ownership of properties and therefore have a material adverse impact on the Group's operations, earnings and financial position.

Furthermore, there are terms and conditions of the Notes that stipulate that the noteholders are entitled to early redemption if one or more shareholders, individually or jointly, directly or indirectly, (i) were to own shares representing more than 50 per cent. of the voting or share capital or, (ii) through agreement, or in any other way, individually or jointly, would have the power to appoint a majority of the members of the board of directors of Castellum.

Major unforeseen payment obligations may impact on Castellum's liquidity.

Major payment obligations may arise in conjunction with the refinancing of loans in the event that lenders demand a lower loan-to-value ratio or if the relevant property falls in value following the drawing of the relevant loan by Castellum. In addition, Castellum's payment obligations primarily comprise operating expenses, such as costs for heating, electricity, water and refuse collection, agreed maintenance charges, investments in project development and other investments, as well as interest on, and the repayment of, debts.

Major unforeseen payment obligations may arise for Castellum, and there remains a possibility of non-payment to Castellum of large rent amounts. There is a risk that Castellum's liquidity will be insufficient to cover the performance of its payment obligations, which may have a material adverse impact on Castellum's operations, earnings and financial position.

Movements in exchange rates may adversely affect Castellum's business.

The Swedish krona is Castellum's reporting currency, but the Group also has revenues, expenses, assets and liabilities in currencies other than the Swedish krona. Castellum's currency exposure is currently limited to the Danish krone, the Euro and the Norwegian krone and relates to the properties that the Group owns in Denmark and Finland and a shareholding in Entra. Currency exposure arises in connection with the purchase and sale of goods and services in currencies other than the local currency of Castellum's relevant subsidiary, as well as dividend payments (transaction exposure), and the translation into Swedish krona of the balance sheets and income statements of the relevant foreign subsidiaries that are reported in foreign currency (translation exposure). In cases where currency derivatives are used, Castellum typically practices hedge accounting for net investments in foreign operations. Castellum's interest rate derivatives or currency derivatives change in value in the event of changes in the exchange rate between DKK and SEK and EUR and SEK and NOK and SEK. Accordingly, Castellum is exposed to exchange rates movements that could affect its income statement and balance sheet, which may have a material adverse impact on Castellum's operations, earnings and financial position.

RISKS RELATED TO THE NOTES

Set out below is a description of the most common such features which may occur in relation to any notes:

Credit risk

An investor in the Notes must assess the credit risk associated with Castellum and the MTN Programmes. In case the financial position or prospects for Castellum should deteriorate, there is a risk that Castellum would not be able to fulfil its payment obligations under the Notes. A deterioration of Castellum's financial position or prospects may also adversely affect the market price of the Notes.

Certain material interests

The dealers have engaged in, and may in the future engage in, banking or other services for Castellum in the ordinary course of business. In particular, it should be noted that a dealer may be a lender under credit facilities with a member of the Group as borrower. Therefore, there is a risk that conflicts of interest exist or will arise as a result of the dealers having previously engaged, or will in the future engage, in transactions with other partier, having multiple roles or carrying out other transactions for third parties with conflicting interests.

Noteholders' meeting

The terms and conditions of the MTN Programmes include certain provisions regarding noteholders' meetings which may be held in order to resolve matters relating to the noteholders' interests. Such provisions allow for designated majorities to bind all noteholders, including noteholders who have not participated in or voted at the actual meeting or who have voted differently than the required majority, to decisions that have been taken at a duly convened and conducted noteholders' meeting.

Early redemption

The applicable final terms for a loan may contain a right for Castellum to redeem Notes prior to the maturity date. Even if the redemption amount is higher than the applicable nominal amount, the redemption amount may be lower than the market price of the Notes. Prior to and during a period where Castellum has a right of early redemption, the value of the Notes may be affected by the redemption amount. In case Castellum makes an early redemption of Notes, the investor may lack an opportunity to reinvest the repaid amount at equivalent terms.

Clearing and settlement

The Notes are registered with a central securities depository, currently Euroclear Sweden for Notes issued in SEK and EUR and Norwegian Verdipapirsentralen ASA for Notes issued in NOK, and no physical Notes have been or will be issued. Euroclear Sweden and Verdipapirsentralen ASA are together referred to as the "**VP Systems**". Clearing and settlement of the Notes, as well as payment of interest and repayment of principal amounts, will be performed within the account-based system of relevant VP System. The noteholders are therefore dependent on the functionality of relevant VP System and its account-based system.

Notes with fixed interest rate

The value of Notes is highly influenced by the general interest rate level. An increase in the general interest rate level generally means that a Note bearing fixed interest rate may decrease in value.

Notes with floating interest rate

A decrease in the general interest rate level generally means that the return of the Notes bearing floating interest rate may decrease. The fact that the applicable base interest rate in accordance with the terms and conditions of the MTN Programmes may have a value lower than zero means that an investor in Notes with a floating interest rate is not guaranteed a return corresponding to the applicable margin.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks".

Interest rates and indices which are deemed to be "benchmarks", (including EURIBOR, CIBOR, STIBOR and NIBOR) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a benchmark.

The EU Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**") applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the United Kingdom (UK) by UK supervised entities of benchmarks of administrators that are not authorised by the UK Financial Conduct Authority (the FCA) or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark, in particular if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

The euro risk-free rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates. On 4 December 2023, the euro risk-free rate working group issued its final statement, announcing completion of its mandate.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The terms and conditions of the Castellum's existing MTN Programmes provide for certain fallback arrangements in the event that a Benchmark Event (as defined in the terms and conditions) occurs in respect of a published benchmark such as EURIBOR and/or any page on which such benchmark may be published (or any successor service) becomes unavailable. There is a risk that the relevant fallback provisions may not operate as expected or intended at the relevant time.

Furthermore, in certain circumstances the ultimate fallback for the purposes of calculation of the rate of interest for a particular interest period may result in the rate of interest for the last preceding interest period being used. This may result in the effective application of a fixed rate based on the rate for floating rate notes which was observed on the relevant screen page applied in the previous period when the original reference rate was available.

Any such consequences could have a material adverse effect on the value of and return on any such floating rate notes. Moreover, any of the foregoing or any other significant change to the setting or existence of any relevant reference rate could affect the ability of Castellum to meet its obligations under the floating rate notes (as the case may be) or could have an adverse effect on the value or liquidity of, and return on, any floating rate notes. Investors should consider these matters when making their investment decision with respect to the relevant floating rate notes.

RISKS RELATED TO THE NOTES GENERALLY

Set out below is a description of material risks relating to the Notes generally:

The claims of holders of the Notes are structurally subordinated.

As is common for property companies, Castellum's operations are principally conducted through subsidiaries. Accordingly, Castellum is, and will be, dependent on its subsidiaries' operations to service its payment obligations in respect of the Notes. The Notes are structurally subordinated to the claims of all holders of debt securities and other creditors, including trade creditors, of Castellum's subsidiaries, and structurally and/or effectively subordinated to the extent of the value of collateral to all Castellum's and its subsidiaries' secured creditors. The Notes will not be guaranteed by any of Castellum's subsidiaries or any other company or person. In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding up of the business of any of Castellum's subsidiaries, unsecured creditors of such subsidiaries, secured creditors and obligations that may be preferred by provisions of law that are mandatory and of general application will generally have the right to be paid in full before any distribution is made to Castellum.

The Notes will be effectively subordinated to any of Castellum's existing secured and future secured indebtedness.

The Notes are unsecured obligations, and the Notes are therefore effectively subordinated to Castellum's existing secured indebtedness and future secured indebtedness. Accordingly, holders of Castellum's secured indebtedness will have claims that are superior to the claims of noteholders to the extent of the value of the assets securing such other indebtedness. In the event of a bankruptcy, liquidation or dissolution of Castellum, the assets that serve as collateral for any secured indebtedness of Castellum would be available to satisfy the obligations under the secured indebtedness before any payments are made on the Notes. To the extent that Castellum was to secure any of their future indebtedness, to the extent not required to secure the Notes, their obligations, in respect of the Notes, would be effectively subordinated to such secured indebtedness to the extent of the value of the security securing such indebtedness.

The terms and conditions of the Notes contain provisions which may permit their modification without the consent of all investors.

The terms and conditions of the Notes contain provisions that authorizes the agent to represent the noteholders in all matters related to the MTN Programmes. The agent, thus, has the right, without power of attorney or consent from the noteholders, and without prior notice, to represent the noteholders in and out of court and in relation to enforcement authorities, in all situations or matters relating to the loan terms.

In certain instances, Castellum could substitute the obligor under the Notes without the consent or approval of all the noteholders

Castellum may, without the consent of all of the noteholders or the coupon holders, substitute itself with a substitute in respect of all rights and obligations arising under or in connection with the Notes. Any such substitution will be subject to the conditions set out in the terms and conditions of the Notes and requires the approval of noteholders representing at least 80 per cent of the part of the Adjusted Loan Amount (as defined in the terms and conditions of the MTN Programmes). The substitution of Castellum under the Notes could have an adverse effect on the noteholders.

The value of the Notes could be adversely affected by a change in applicable law or administrative practice.

The terms and conditions of the Notes and any non-contractual obligations arising out of or in connection with them are based on Swedish law. No assurance can be given as to the impact of any possible judicial decision or change to Swedish law or administrative practice after the date of each base prospectus and any such change could materially adversely impact the value of any notes affected by it.

Risks associated with Green Loans

The Green Financing Framework (as defined in Castellum's MTN programmes) and market practice may develop after a certain date which may lead to changed terms for a subsequent loan or changed requirements from Castellum.

Any failure of Castellum to comply with the green terms in relation to a specific loan or that a specific loan due to the Taxonomy Regulation ceases to be classified as a green bond does not constitute an event of default or termination event under the loan. Neither are creditors entitled to early payment, repurchase or redemption of the loan, or other type of compensation for non-compliance with the green terms. Consequently, there is a risk for investors in green loans that the loan will cease to be classified as a green loan.

In addition, no assurance can be given by Castellum, the arranger, any dealer or any other person to investors that any green bonds will comply with any future standards or requirements regarding any “green”, “social”, “environmental”, “sustainable” or other equivalently-labelled performance objectives, including (but not limited to) the EU Taxonomy Regulation and any related technical screening criteria, the EU Green Bond Regulation, SFDR, and any implementing legislation and guidelines, or any similar legislation in the UK, or any requirements of such labels as they may evolve from time to time, and, accordingly, the status of any Notes as being “green” (or equivalent) could be withdrawn at any time. Any green bonds issued under the MTN Programmes will not be compliant with the EU Green Bond Regulation and are only intended to comply with the requirements and processes in the Framework. It is not clear if the establishment of the EU Green Bond regulation label and the optional disclosures regime for bonds issued as “environmentally sustainable” under the EU Green Bond Regulation could have an impact on investor demand or, and pricing of, green bonds that do not comply with the requirements of the EU Green Bond Regulation label or the optional disclosures regime, such as the green bonds issued under the MTN Programmes. It could result in reduced liquidity or lower demand or could otherwise affect the market price of any green bonds issued under the MTN Programmes that do not comply with those standards proposed under the EU Green Bond Regulation.

No assurance or representation is given by Castellum, the arranger, any dealer or any other person as to the suitability or reliability for any purpose whatsoever of any opinion, report or certification of any third party (whether or not solicited by Castellum) which may be made available in connection with the issue of any Notes and in particular with any eligible green assets to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion, report or certification is not, nor shall be deemed to be, incorporated in and/or form part of these risk factors. Any such opinion, report or certification is not, nor should be deemed to be, a recommendation by Castellum, the arranger or any of the dealers or any other person to buy, sell or hold any such Notes. Any such opinion, report or certification is only current as of the date that such opinion, report or certification was initially issued. Prospective investors must determine for themselves the relevance of any such opinion, report or certification and/or the information contained therein and/or the provider of such opinion, report or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions, reports and certifications are not subject to any specific regulatory or other regime or oversight. Investors in such Notes shall have no recourse against Castellum, the arranger, the dealers or the provider of any such opinion, report or certification for the contents of any such opinion, report or certification.

RISKS RELATED TO THE MARKET GENERALLY

Set out below is a description of material market risks, including liquidity risk, exchange rate risk and credit risk:

Liquidity risk

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. If a tranche of Notes is issued to a single investor or a limited number of investors, this may result in an even more illiquid or volatile market in such Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies, are being issued to a single investor or a limited number of investors or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

If an investor holds Notes which are not denominated in the investor's home currency, they will be exposed to movements in exchange rates adversely affecting the value of their holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

Castellum will pay principal and interest on the Notes in the specified currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the specified currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the specified currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the specified currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of Castellum to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings assigned to Castellum may not reflect all the risks associated with an investment in those Notes.

One or more independent credit rating agencies may assign credit ratings to Castellum. Actual or anticipated changes in any such credit ratings may affect the market value of the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the Regulation (EC) No. 1060/2009 (as amended) (EU CRA Regulation) from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country non-EEA credit rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority (ESMA) on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

If the status of the rating agency rating the Notes changes for the purposes of the EU CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

LEGAL RISKS

Changes in legislation may adversely affect the Group's results of operations and increase its costs

Castellum's operations are subject to Swedish, Danish and Finnish laws and regulations, relating to for example construction documents and zoning, building standards, safety and protection regulations, health and environmental regulations, regulations concerning permitted construction materials, building classifications and rental legislation. Castellum is subject to legal restrictions in connection with the structuring of property transactions, and may become subject to additional such restrictions in the future. In addition, Castellum's operations may be affected by regional and supranational regulatory frameworks such as EU legislation. There is a risk of non-compliance with existing regulatory frameworks, which may result in sanctions being imposed on Castellum. Further, new legislation and other regulatory frameworks may be implemented in the future, and existing legislation and other regulatory frameworks may change and there is a risk that Castellum will be unable to comply with such changed requirements without having to implement far-reaching measures and incurring significant costs. Adapting Castellum's operations to correspond with these legal requirements may cause Castellum to incur additional costs, which in turn may have a materially adverse effect on Castellum's operations, earnings and financial position.

Castellum is subject to future possible change in tax laws and regulations.

Castellum operates in multiple jurisdictions. Castellum's operations are affected from time to time by applicable rules regarding corporate tax, value added tax, stamp duty and property tax in the jurisdictions in which Castellum operates. Castellum's operations are also affected by other state and municipal fees. Castellum conducts its operations in accordance with Castellum's interpretation of applicable tax laws and regulations, which means that there is a risk that Castellum's interpretation is incorrect or that applicable tax laws and regulations may be amended with possible retroactive effect. In addition, future changes to applicable tax laws and regulations may significantly affect the conditions for Castellum's operations, earnings and financial position.

The EU countries have agreed on the implementation of the directive on ensuring a global minimum level of taxation for multinational groups (the "**Pillar Two Directive**"). The directive has been implemented in the EU Member States by 31 December 2023 and it is applied from 1 January 2024, and introduces a global minimum tax rate of 15 per cent. on companies' income regardless of where in the world they operate. The rules apply to multinational groups with a turnover of at least EUR 750 million. Although the global minimum tax rate is lower than the national tax rate, this may lead to a 'top-up tax', since the taxable profit in some cases is calculated in a way that differs from the national tax rules. Sweden, Denmark and Finland implemented the Pillar Two Directive into domestic legislation in December 2023. The legislation may affect the taxation of Castellum and Castellum may be subject to additional taxes, if, for example, the tax rate of Castellum would be deemed to be lower than the global minimum rate of 15 per cent

On 31 March 2022, the Swedish Mapping, Cadastral and Land Registration Authority (Sw. *Lantmäteriet*) presented its report "Stamp duty on the acquisition of real property through land parcelling procedures", in which it is proposed that stamp duty should be levied on (i) acquisitions in accordance with the Land Code (1970:994) (Sw. *jordabalken*) followed by property formation, (ii) acquisitions through property reallotment (Sw. *fastighetsregleringsförvärv*), and (iii) acquisitions through partition (Sw. *klyvningsförvärv*). It is further proposed that the stamp duty levied on acquisitions through partition (Sw. *klyvningsförvärv*) shall be calculated based on the market value of the acquired property. The Swedish Mapping, Cadastral and Land Registration Authority (Sw. *Lantmäteriet*) has assessed that the proposal requires further investigation before a legislative amendment can be implemented and it is therefore difficult to predict when a final legislative proposal may be presented, what form such a proposal will take and when new rules on stamp duty may enter into force. There is a risk that the introduction of a general stamp duty obligation on certain acquisitions through land parcelling procedures could result in higher stamp duty costs for Castellum on such acquisitions. However, any new rules are not expected to have retroactive effect and acquisitions through land parcelling procedures commenced prior to such rules enter into force are therefore not expected to be affected.

On 5 March 2024, the Swedish government proposed new legislation on cyber security which is intended to take effect from 1 January 2025. The legislation is an implementation of the EU directive on measures for a high common level of cybersecurity (the "**NIS2 Directive**"). There is a risk that Castellum is affected by the new legislation which would require Castellum to overlook the management system to ensure its compliance with the new requirements. There is a risk that this new legislation could have a material adverse impact on Castellum's operations, earnings and financial position.

On 1 March 2023, the Finnish Income Tax Act (1535/1992) (the "**Finnish Income Tax Act**") was amended. The taxation of income from the transfer of real estate was extended to cover indirect transfers. Under the new law, Finland is entitled to tax in situations where a foreign company sells a company that owns shares in a Finnish real estate company or Finnish real estate. Pursuant to the amendment to the Finnish Income Tax Act, income from Finland includes gains from the disposal of shares, participations or rights in a company, association or group of assets managed on behalf of another person, if the assets of the company, associations or group of assets, consist directly or indirectly of more than 50 per cent. of real property situated in Finland on the date of the disposal or any of the 365 days preceding the disposal, and the transferred shares, units or similar rights are not listed on a trading venue. As a result of the amendment, there is a risk that Castellum will be subject to Finnish capital gains taxation upon the sale of a holding company that owns shares in a Finnish real estate company.

On 1 January 2024, the lower limit of the real estate tax rate for land was increased from 0.93 per cent. to 1.3 per cent. Furthermore, the Finnish real estate taxation regime is intended to be reformed so that the tax values better reflect the price level and construction costs in different areas. As the tax values of real estate would for the most part increase, the lower and upper limits of municipal real estate tax rates are intended to be lowered accordingly. The aim of the reform is not to raise or lower the real estate tax, but the tax burden would be partly distributed in a new way between various properties. As a result, the tax on an individual property could rise or fall. The reform is part of the programme of the Finnish Government and it is expected that the government proposal concerning the reform will be published during Q2 2024.

The Danish real estate valuation and taxation system is under reconstruction, and the taxation of all properties is preliminary until the final announcements of the property value assessments have been made. When the preliminary property value assessments are replaced by final property value assessments, the property taxes will be adjusted retrospectively. It is expected that the final Danish property value assessments on commercial properties will be announced in 2025 or 2026.

There can be no assurance that tax rates will not be increased in the future or that the changes described above or other changes in tax laws/regulations will not occur which will affect the ownership of real estate properties or real estate transactions resulting in unforeseen or higher tax liabilities. If any such risks materialise, it could have a material adverse impact on Castellum's operations, earnings and financial position.

Disputes and legal proceedings could have a material adverse effect on Castellum.

This risk relates to the costs that the Group may incur as a consequence of being party to legal proceedings, settlement costs, as well as costs in respect of awarded damages and other obligations which may be imposed on Castellum. Companies within the Group may, from time to time, become involved in disputes within the scope of normal business operations and run the risk, similarly to other companies within Castellum's industry, of being the subject of claims with respect to, for example, contractual issues, warranty claims, alleged errors in the provision of services, environmental issues and intellectual property rights. Such disputes and claims may be time-consuming, disrupt normal operations, involve large amounts, detrimentally affect customer relations and result in significant costs. In the event such disputes arise and Castellum is held liable in damages or enters into a settlement agreement, there is a risk that claims will not be covered in full by Castellum's insurance. In addition, the outcome of complicated disputes may be difficult to predict. Potential disputes and legal proceedings brought against Castellum may have a material adverse impact on Castellum's operations, earnings and financial position.

Environmental risks and related regulatory risks.

Castellum is subject to extensive and increasingly stringent environmental, health and safety legislation and regulations relating to its acquisition, ownership, possession and management of properties. Properties affect the environment through their construction, on-going maintenance and through the activities conducted within them. According to the Swedish Environmental Code (Miljöbalken (SFS 1998:808)), persons who pursue activities that have contributed to contamination are responsible for remedying any harm caused. In Castellum's case, it would normally be its tenants who are pursuing such activities. However, if the person pursuing the activity is unable to investigate, carry out or defray the cost of remediation, responsibility for the investigation and after-treatment may be imposed on a party that has acquired the property after 31 December 1998 and, at the time of the acquisition, was aware or should have been aware of the contamination. Furthermore, by acquiring a business and/or a company, a party may assume responsibility for environmental liability for contaminations which the operations and the businesses previously have contributed to. Thus, Castellum could be held liable for contaminations caused by operations acquired through previous business and real estate transfers. Responsibility may also be imposed on Castellum as a developer if actions for the development cause existing contaminations to spread to surrounding areas. Accordingly, there is a risk that in certain circumstances claims may be brought against Castellum for investigations, remedying and monitoring contamination or for the clean-up of contamination that has taken place, in order to maintain or restore properties to a condition that complies with the Environmental Code. In the event such liability is imposed on Castellum, it may have a material adverse impact on its operations, earnings and financial position.

Harm to Castellum's reputation may have a negative impact on its competitiveness, consume the time and resources of Castellum management, and give rise to additional costs.

Castellum's ability to attract and retain tenants is to a certain extent dependent on its reputation, including the positive reputation of its trademarks and business name, as a consequence of which its operations are sensitive to risks related to reputational harm. For instance, Castellum's reputation may be adversely affected by rumours, negative publicity or other factors that could lead to Castellum no longer being considered as being a competent and reputable operator on the market. If Castellum's reputation should deteriorate, or if Castellum should experience negative publicity, this may reduce Castellum's competitiveness, take up the time and resources of Castellum’s management and impose additional costs on Castellum, which may have a materially adverse effect on Castellum's potential to achieve its growth targets and its operations, earnings and financial position. Similarly, there is a risk that a third party may challenge the validity of Castellum’s trademark registrations or right to use its distinctive marks. Defending itself in proceedings regarding the validity of distinctive marks or registrations may be costly and, in the event Castellum is required to cease using its business names or valuable trademarks, this may have a material adverse impact on Castellum's operations, earnings and financial position.