

REFINITIV STREETEVENTS

# EDITED TRANSCRIPT

CAST.ST - Castellum AB to Discuss An Increased Share Exchange and Cash Offer to Entra ASA Shareholders Presentation

EVENT DATE/TIME: DECEMBER 18, 2020 / 3:15PM GMT

## CORPORATE PARTICIPANTS

**Henrik Saxborn** *Castellum AB (publ) - CEO*

## PRESENTATION

**Henrik Saxborn** - *Castellum AB (publ) - CEO*

Hello, everyone. We have a short presentation from Castellum because we have now changed our bid on Entra and other activity as well. It's just been done approximately published 10 minutes ago. So I will go a little bit slow in the beginning, so everyone can have the time to come in.

But we can take the next slide, please. What we are now announcing is 2 things. We are, first of all, reversing our offer on Entra, and that offer now includes that we have -- we issued 8 new Castellum shares for every 13 Entra shares, 1-3, 13 Entra shares, plus a cash component of NOK 54.4. This means that we have a stock of 71% and 29% cash consideration. It also includes, of course, a mix and match facility in there.

This refers to offers equals to per Entra share then NOK 185 Castellum and then the synergies that we will come back to of NOK 16. And plus that, we also have an impact on the next item that we're doing right now.

We have also signed a contract with Blackstone to sell a large logistic and warehouse and light industry portfolio in Sweden in the existing Castellum portfolio for SEK 19 billion. That is 20% premium to the last reported value.

This sale comes in 2 portions. First of all, a portion of SEK 5 billion, meaning that 39 assets that we will directly sell. And then SEK 13 billion, which is in -- it will be completed, if we succeed in the completion of entering as an owner to Entra.

This value uplift is the same as SEK 8 per Castellum shares. At this moment. But even if do we sell a lot of the warehouse and logistics and light industry, we still have a good platform for the future in the logistics. We have -- as I will show you later, we have all the developments left in the existing Castellum portfolio.

So we are very pleased because we're announcing now that we're doing the sales of all these assets and then also has the offer increased to the shareholders of Entra.

We can take the next slide, please. So what does this mean then? First of all, I mean, it's almost a 30% increase on premium of Entra's undisturbed share price. And it's all so that we can build something that's much, much stronger together.

So we are stating the same thing that we stated a month ago, we really would like to merge these 2 companies into something that has not been created before in the Nordics, some of this portfolio that is strong, fantastic and with the best opportunities going forward.

This portfolio will now include assets for SEK 132 billion. And doing this, we will also be able of crystallizing synergies for approximately SEK 300 million. And we were on top of that, be able of looking through the target, the rating of the new target and getting a low rate -- higher rating that Castellum has today that gives us this part of the synergies. So simply an opportunity that we can't miss. This large commercial real estate company in the Nordic region will -- definitely would be #1 in size. But it will also hold 40% of its income from the public sector. And when we talk public sector here, don't do any mistakes, this is government income, we're talking about more or less 100%.

On top of that, we then have the development portfolio of approximately 100 -- 1 million square meters.

So this is what we like to do, we would like to merge the 2 blue-chip culture and the top companies in the Nordics. We would like to continue being sustainable and us actually being the sustainable champion and being part of all that we have already started on each side today.

So if we continue at the next slide, please. You can see what we're doing with of course, the premium, what they will do, would be 20%. The yield on the sales is approximately 4.7%. And as I said, it's mixed into 2 portions. The first tranche is existing of 39 properties, valued for -- sold for

approximately SEK 5 billion. And the second tranche will be conditional on the completion of the offer on Entra. So totally, this adds up to 214 assets.

And we can take the next slide, please. But we also then keeping, as I said, the logistics and warehouse part of the portfolio. The future will give us the opportunity to create another 1 million square meters, and we keep still this 362 assets that we already -- the square meters that we already own in the nearbys of Gutenberg and Stockholm. So this will give us the future to continue to grow on NAV and also serve the logistics sector with what is needed for the future.

So to summarize, if you take the next slide, please, we have the same objective that we had 1 month ago when we entered the market with this news. We would like to merge one of the two best companies under the office side in the Nordics. We would like to create something that's not been created before. We would like to take care of the synergies and create value for the shareholders, and simply brings the strongest listed balance sheet in the Nordics to continue forward on a sustainable and new tech era.

So that is our objective. And we hope this will be pleased to the shareholders of both Castellum and Entra.

Thank you very much. I'm leaving for questions.

So I have no questions on the screen. So I think we simply close the presentation there then. Thank you very much.

#### DISCLAIMER

Refinitiv reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2020, Refinitiv. All Rights Reserved.