

The Board of Directors' proposal to reduce the share capital by way of cancellation of own shares

The Board of Directors proposes that the Annual General Meeting resolves to reduce the Company's share capital by an amount of SEK 8,665,500 by way of cancellation of the 17,331,000 own shares held by the Company as of the date of this notice. The reduction amount shall be allocated to unrestricted equity.

The resolution to reduce the share capital by way of cancellation of own shares is conditional upon the Board of Directors utilising the authorisation proposed to be resolved by the Annual General Meeting in accordance with item 19 of the notice convening the Annual General Meeting.

The resolution to reduce the share capital may be carried out without obtaining an authorisation from the Swedish Companies Registration Office, since the resolution will not be executed unless the Company simultaneously carries out a rights issue, by means of the Board of Directors' exercise of the authorisation proposed to be resolved upon by the Annual General Meeting as set out in item 19 of the notice convening the Annual General Meeting. This entails that the share capital, after the rights issue, will increase by an amount exceeding the amount that the share capital is being reduced with as set out above. Combined, these measures entail that neither the Company's restricted equity nor its share capital is reduced as a result of the cancellation of own shares.

The Board of Directors further proposes that the Annual General Meeting shall resolve to grant the Board of Directors the authority to make any such minor adjustments to the resolution of the Annual General Meeting as set out above that may prove necessary for the registration of the resolutions with the Swedish Companies Registration Office or Euroclear Sweden AB and, otherwise, to take such measures as may be required for the implementation of the resolution.

The statement by the Board of Directors in accordance with Chapter 20, Section 13 of the Swedish Companies Act and the auditor's report in accordance with Chapter 20, Section 14 of the Swedish Companies Act are available on the Company's website, www.castellum.com.

A resolution will only be validly adopted if shareholders holding no less than two thirds (2/3) of both the votes cast and the shares represented at the meeting vote in favour of the proposal.

Gothenburg in February 2023
CASTELLUM AKTIEBOLAG
The Board of Directors