Castellana Properties Socimi, S.A. and subsidiaries

Report on limited review
Condensed consolidated interim financial statements
for the six-month period ended September 30, 2021

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Report on limited review of interim condensed consolidated financial statements

To the shareholders of Castellana Properties Socimi, S.A.,

Introduction

We have performed a limited review of the accompanying condensed interim consolidated financial statements of Castellana Properties Socimi, S.A. (hereinafter, “the Parent Company”) and its subsidiaries (hereinafter, “the Group”), which comprise the interim balance sheet at 30 September 2021, and the interim income statement, interim statement of other comprehensive income, interim statement of changes in equity, interim statement of cash flows and related notes, all condensed and consolidated, for the six month period then ended. The Parent company´s directors are responsible for the preparation of these interim condensed financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, “Interim Financial Reporting”, as adopted by the European Union, for the preparation of condensed interim financial information. Our responsibility is to express a conclusion on these interim condensed financial statements based on our limited review.

Scope of Review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with legislation governing the audit practice in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim condensed financial statements.

Conclusion

Based on our limited review, that cannot be considered as an audit, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements for the six month period ended 30 September 2021 have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, “Interim Financial Reporting”, as adopted by the European Union, for the preparation of condensed interim financial statements.

Emphasis of Matters

We draw attention to note 2.1, in which it is mentioned that these interim condensed financial statements do not include all the information required of complete consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, therefore the accompanying interim financial statements should be read together with the consolidated annual accounts of the Group for the year ended 31 March 2021. Our conclusion is not modified in respect of this matter.

Other matters

This report has been prepared as a request of the Board of Directors in relation to the publication of the semi-annual financial report required by Circular 3/2020 of Bolsas y Mercados Españoles for "Information to be provided by trading listed companies in the BME Growth segment of BME MTF Equity".

PricewaterhouseCoopers Auditores, S.L.

Original signed by
Rafael Pérez Guerra

17 November 2021

CASTELLANA PROPERTIES SOCIMI, S.A. AND SUBSIDIARIES

Condensed Consolidated Interim Financial Statements
for the six-month period ended
30 September 2021

Note	

CASTELLANA PROPERTIES SOCIMI, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
(Thousands of euros)

			Thousands of euros
ASSETS	**Note**	**30 September 2021 (*)**	**31 March 2021**
Assets			
Non-current assets			
Intangible assets		20	21
Property, plant and equipment		125	117
Investment property	6	976,498	987,160
Other non-current financial assets	7	5,809	6,750
		982,452	**994,048**
Current assets			
Trade receivables for sales and services	7	3,285	3,927
Trade receivables, related companies	13	544	659
Other accounts receivable from Public Administrations		766	2,420
Other current financial assets		1,285	702
Short-term prepayments and accrued income		1,564	1,364
Cash and cash equivalents		52,751	34,916
		60,195	**43,988**
Total assets		**1,042,647**	**1,038,036**

Notes 1 to 16 form an integral part of these condensed consolidated interim financial statements.
(*) Unaudited period

CASTELLANA PROPERTIES SOCIMI, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
(Thousands of euros)

EQUITY AND LIABILITIES	Note	Thousands of euros 30 September 2021 (*)	31 March 2021
Equity and liabilities			
Equity			
Equity attributable to the owners of the parent company			
Share capital	8	86,271	86,271
Share premium	8 and 9	372,141	376,952
Legal reserve	9	5,376	5,376
Other reserves	9	10,105	10,107
Treasury shares	8	(329)	(355)
Retained earnings	9	24,683	51,728
Interim dividend		-	-
Other equity instruments	13	2,500	2,000
Profit/(loss) for the year		16,960	(31,856)
Measurement adjustments	9	(1,443)	(2,056)
		516,264	**498,167**
Liabilities			
Non-current liabilities			
Bank borrowings	10	439,376	443,666
Derivative financial instruments	10	1,245	1,992
Deferred tax liabilities		437	437
Other non-current financial liabilities	10	10,098	11,289
		451,156	**457,384**
Current liabilities			
Bank borrowings	10	41,368	49,483
Derivative financial instruments	10	197	64
Short-term payables to Group companies	10 and 13	17,649	17,645
Trade and other payables	10	11,115	10,790
Other current financial liabilities	7	2,459	2,249
Other liabilities	10 and 13	1,306	1,287
Other accounts payable to Public Administrations		1,133	967
		75,227	**82,485**
Total liabilities		**526,383**	**539,869**
Total equity and liabilities		**1,042,647**	**1,038,036**

Notes 1 to 16 form an integral part of these condensed consolidated interim financial statements.
(*) Unaudited period

CASTELLANA PROPERTIES SOCIMI, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
(Thousands of euros)

	Note	Thousands of euros	
		Six-month period ended 30 September 2021 (*)	**Six-month period ended 30 September 2020 (*)**
Continuing operations			
Provision of services		37,216	22,896
Staff costs		(2,516)	(2,366)
Other operating expenses		(11,849)	(11,884)
Fixed asset disposal costs		(159)	-
Other profit/(loss)		(18)	(7)
OPERATING PROFIT/(LOSS) BEFORE VALUATION OF INVESTMENT PROPERTY		**22,674**	**8,639**
Changes in fair value of investment property	6	927	(21,195)
OPERATING PROFIT/(LOSS)		**23,601**	**(12,556)**
Financial expenses	10	(6,641)	(6,322)
NET FINANCIAL INCOME/(EXPENSE)		**(6,641)**	**(6,322)**
PROFIT/(LOSS) BEFORE TAX		**16,960**	**(18,878)**
Income tax		-	-
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY		**16,960**	**(18,878)**
EARNINGS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY			
Basic and diluted earnings per share	8	**0.20**	**(0.22)**

Notes 1 to 16 form an integral part of these condensed consolidated interim financial statements.
(*) Unaudited period

CASTELLANA PROPERTIES SOCIMI, S.A. AND SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(Thousands of euros)

		Thousands of euros	
	Note	Six-month period ended 30 September 2021 (*)	Six-month period ended 30 September 2020 (*)
Profit for the year		**16,960**	**(18,878)**
Other comprehensive income			
Items that may be reclassified to profit/(loss)			
Other profit/(loss)			
Items that will not be reclassified to profit/(loss)			
Cash flow hedges		613	15
Other comprehensive income for the year, after tax			
Total comprehensive income for the year		**17,573**	**(18,863)**

Notes 1 to 16 form an integral part of these condensed consolidated interim financial statements.
(*) Unaudited period

CASTELLANA PROPERTIES SOCIMI, S.A. AND SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
(Thousands of euros)

	Share capital (Note 8)	Share premium (Note 8)	Legal reserve (Note 9)	Other reserves (Note 9)	Treasury shares (Note 8)	Retained earnings (Note 9)	Profit/(loss) for the year	Interim dividend	Other equity instruments (Note 12)	Measurement adjustments (Note 9)	TOTAL
BALANCE AT 31 MARCH 2020	**86,271**	**400,568**	**3,044**	**10,042**	**(228)**	**57,886**	**17,162**	**(17,025)**	**1,000**	**(2,620)**	**556,100**
Profit/(loss) for the period	-	-	-	-	-	-	(18,878)	-	-	15	(18,863)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(18,878)**	**-**	**-**	**15**	**(18,863)**
Distribution of prior year profit/(loss)	-	-	2,332	65	-	(6,158)	(17,162)	20,923	-	-	-
Dividend distribution	-	(17,420)	-	-	-	-	-	(3,898)	-	-	(21,318)
Treasury share transactions	-	-	-	-	(128)	-	-	-	500	-	372
Total transactions with owners, recognised directly in equity	**-**	**(17,420)**	**2,332**	**65**	**(128)**	**(6,158)**	**(17,162)**	**17,025**	**500**	**-**	**(20,946)**
BALANCE AT 30 SEPTEMBER 2020 (*)	**86,271**	**383,148**	**5,376**	**10,107**	**(356)**	**51,728**	**(18,878)**	**-**	**1,500**	**(2,605)**	**516,291**
Profit/(loss) for the period	-	-	-	-	-	-	(12,978)	-	-	549	(12,429)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(12,978)**	**-**	**-**	**549**	**(12,429)**
Dividend distribution	-	(6,196)	-	-	-	-	-		-	-	(6,196)
Treasury share transactions	-	-	-	-	1	-	-	-	-	-	1
Other changes	-	-	-	-	-	-	-	-	500	-	500
Total transactions with owners, recognised directly in equity	**-**	**(6,196)**	**-**	**-**	**1**	**-**	**-**	**-**	**500**	**-**	**(5,695)**
BALANCE AT 31 MARCH 2021	**86,271**	**376,952**	**5,376**	**10,107**	**(355)**	**51,728**	**(31,856)**	**-**	**2,000**	**(2,056)**	**498,167**
Profit/(loss) for the period	-	-	-	-	-	-	16,960	-	-	613	17,573
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**16,960**	**-**	**-**	**613**	**17,573**
Distribution of prior year profit/(loss)	-	-		(4,811)	-	(27,045)	31,856		-	-	-
Treasury share transactions	-	-	-	(2)	26	-	-	-	-	-	24
Other changes	-	(4,811)	-	4,811	-	-	-	-	500	-	500
Total transactions with owners, recognised directly in equity	**-**	**(4,811)**	**-**	**(2)**	**26**	**(27,045)**	**31,856**	**-**	**500**	**-**	**524**
BALANCE AT 30 SEPTEMBER 2021 (*)	**86,271**	**372,141**	**5,376**	**10,105**	**(329)**	**24,683**	**16,960**	**-**	**2,500**	**(1,443)**	**516,264**

Notes 1 to 16 form an integral part of these condensed consolidated interim financial statements.
(*) Unaudited period

CASTELLANA PROPERTIES SOCIMI, S.A. AND SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT
(Thousands of euros)

	Note	Thousands of euros	
		Six-month period ended 30 September 2021 (*)	Six-month period ended 30 September 2020 (*)
A) CASH FLOW FROM OPERATING ACTIVITIES			
Pre-tax profit/(loss) for the year		**16.960**	**(18.878)**
Adjustments to profit/(loss)		**6.432**	**30.328**
Fixed asset depreciation		9	8
Changes in fair value of investment property	5	(927)	21.195
Change in provisions		550	2.803
Results from disposals		159	-
Financial expenses		6.641	6.322
Changes in working capital		**2.031**	**1.446**
Trade and other receivables	7	2.359	(3.402)
Other current assets		(782)	(115)
Trade and other payables	10	493	5.136
Other current liabilities		214	2
Other non-current assets and liabilities		(253)	(175)
Cash flows from operating activities		**25.423**	**12.896**
B) CASH FLOW FROM INVESTMENT ACTIVITIES			
Payments on investments		**(14.677)**	**(10.695)**
Intangible Assets		(1)	(3)
Property, plant and equipment		(15)	(5)
Investment property	6	(14.661)	(10.687)
Collections on disvestment		26.091	-
Investment property		26.091	-
Cash flow from investment activities		**11.414**	**(10.695)**
C) CASH FLOW FROM FINANCING ACTIVITIES			
Collections and payments from equity instruments		**26**	**(129)**
Issue of equity instruments	8	(1)	-
Acquisition of own equity instruments	8	(39)	(131)
Disposal of equity instruments		66	2
Collections and payments on financial liabilities	**10**	**(19.027)**	**12.239**
Receivables on Related companies Loan		-	17.500
Interest paid		(5.474)	(5.261)
Debt repayment		(13.553)	-
Dividend payments and return on other equity instruments:		**-**	**(21.266)**
Dividends		-	(21.266)
Cash flow from financing activities		**(19.001)**	**(9.156)**
		-	
NET INCREASE/REDUCTION IN CASH AND CASH EQUIVALENTS		**17.836**	**(6.955)**
Cash and cash equivalents at the start of the financial year		**34.916**	**49.058**
Cash and cash equivalents at the end of the financial year		**52.751**	**42.103**

Notes 1 to 16 form an integral part of these condensed consolidated interim financial statements.
(*) Unaudited period

CASTELLANA PROPERTIES SOCIMI, S.A. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Thousands of euros)

1. ACTIVITIES AND GENERAL INFORMATION

Castellana Properties Socimi, S.A. (hereinafter, "Company") was incorporated in Spain on 19 May 2015 under the Spanish Companies Act. Originally called Vinemont Investment, S.A., its name was changed to the current one on 30 May 2016. Its registered office is at Glorieta de Rubén Darío, 3 – 1ª Planta derecha, 28010 Madrid.

Its corporate purpose is described in Article 2 of its Articles of Association and consists of:

- The acquisition and development of urban properties intended for lease. The development activity includes refurbishment of buildings according to the terms of Value Added Tax Law 37 of 28 December 1992.
- The ownership of interests in the share capital of other Spanish Real Estate Investment Trusts (*Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliario*, "SOCIMI") or other companies that are not resident in Spain, that have the same corporate purpose, and that are governed by rules similar to those governing SOCIMIs in Spain as regards the compulsory, legal or statutory policy on profit distribution.
- The ownership of shares or interests in the share capital of other companies that are both resident and non-resident in Spain, whose main purpose is the acquisition of urban properties to let, and which are governed by the same legal framework that governs SOCIMIs as regards the compulsory, legal and statutory policy on profit distribution, and which meet the investment requirements set out in Article 3 of the Spanish SOCIMI Law 11, dated 26 October 2009.
- The ownership of shares or interests in Collective Real Estate Investment Institutions governed by Spanish Collective Investment Institutions Law 35 of 4 November 2003.

The Company may also engage in other ancillary activities, this being understood to mean activities that generate income accounting for less than 20% of the Company's total income over a single tax period.

Any activity that must by law meet special requirements that are not met by the Company are excluded.

The aforementioned business activities may also be fully or partially engaged in indirectly by the Company through the ownership of interests in another company or companies with a similar corporate purpose.

The Company is in turn majority owned by the group of companies parented by Vukile Property Fund Limited, a South African company listed on the Johannesburg Stock Exchange.

On 21 December 2017, the General Shareholders' Meeting approved the change of the Group companies' financial year end to 31 March each year (previously 31 December). Accordingly, the financial year of the parent company and its subsidiaries runs from 1 April to 31 March of the following year.

On 15 September 2021, the Castellana Properties Socimi, S.A. General Shareholders' Meeting approved the Individual and Consolidated Annual Accounts for the financial year ended 31 March 2021.

These condensed consolidated interim financial statements have been prepared by the Board of Directors of the Parent Company on 16 November 2021.

a) Regulatory regime

The Company is regulated under the Spanish Companies Act.

In addition, on 15 September 2016 the Company informed the tax authorities that it wished to avail itself of the rules governing Spanish Real Estate Investment Trusts (SOCIMIs) and is therefore subject to Law 11 of 26 October 2009, as amended by Law 16 of 27 December 2012 on SOCIMIs. Law 11/2021, of July 9, on measures to prevent and fight tax fraud establishes the obligation for Socimis to pay 15% tax on undistributed profits from the years beginning on January 1, 2021.

Article 3 of Law 11 of 26 October 2009 sets out certain requirements that must be met by this type of company, namely:

i) They must have invested at least 80% of the value of their assets in urban properties intended for lease, or in land for the development of properties that are to be used for the same purpose, provided that development begins within three years following its acquisition, or in equity investments in other companies, as set out in Article 2.1 of the aforementioned Law.

ii) At least 80% of the income for the tax period corresponding to each year, excluding the income deriving from the transfer of ownership interests and real estate properties used by the Company to pursue its main corporate purpose, once the retention period referred to in the following paragraph has elapsed, must come from the lease of properties and from dividends or shares in profits associated with the aforementioned investments.

iii) The real estate properties that make up the Company's assets must remain leased for at least three years. The calculation of this term will include the time that the properties have been offered for lease, up to a maximum of one year.

Transitional Provision One of the SOCIMI Law allows for application of the SOCIMI tax rules under the terms set out in Article 8 of the SOCIMI Law, even when the requirements it contains are not met on the date of incorporation, on the condition that these requirements are met during the two years following the date on which it is decided to opt for application of the said tax rules. It is the opinion of the Company's directors that these requirements will be met.

All of the shares of Castellana Properties Socimi, S.A. have been listed on the BME Growth (formerly the Spanish Alternative Stock Exchange (MAB)) since 25 July 2018, within the SOCIMI segment.

(Thousands of euros)

b) Subsidiaries

As at 30 September 2021, Castellana Properties Socimi, S.A. is the parent company of a Group of companies which is comprised of the following subsidiaries:

Company	Registered address	Corporate purpose	Shareholding %	Date control was acquired
Junction Parque Castellón S.L.U.	Glorieta Rubén Darío, no. 3 (Madrid)	Shopping Centre Leasing	100%	30 June 2017
Junction Parque Principado, S.L.U.	Glorieta Rubén Darío, no. 3 (Madrid)	Shopping Centre Leasing	100%	30 June 2017
Castellana Parque Alcorcón, S.L.U.	Glorieta Rubén Darío, no. 3 (Madrid)	Shopping Centre Leasing	100%	30 June 2017
Junction Parque Huelva, S.L.U.	Glorieta Rubén Darío, no. 3 (Madrid)	Shopping Centre Leasing	100%	30 June 2017
Junction Parque Motril, S.L.U.	Glorieta Rubén Darío, no. 3 (Madrid)	Shopping Centre Leasing	100%	30 June 2017
Junction Parque Granada, S.L.U.	Glorieta Rubén Darío, no. 3 (Madrid)	Shopping Centre Leasing	100%	30 June 2017
Junction Parque Cáceres, S.L.U.	Glorieta Rubén Darío, no. 3 (Madrid)	Shopping Centre Leasing	100%	30 June 2017
Junction Parque Mérida, S.L.U.	Glorieta Rubén Darío, no. 3 (Madrid)	Shopping Centre Leasing	100%	30 June 2017
Castellana Parque Villanueva, S.L.U.	Glorieta Rubén Darío, no. 3 (Madrid)	Shopping Centre Leasing	100%	30 June 2017
Junction Parque Alameda, S.L.U.	Glorieta Rubén Darío, no. 3 (Madrid)	Shopping Centre Leasing	100%	5 December 2017
Junction Parque Habaneras, S.L.U.	Glorieta Rubén Darío, no. 3 (Madrid)	Shopping Centre Leasing	100%	9 May 2018
Morzal Property Iberia, S.L.U.	Glorieta Rubén Darío, no. 3 (Madrid)	Shopping Centre Leasing	100%	27 November 2018
Castellana Innovación, S.L.U.	Glorieta Rubén Darío, no. 3 (Madrid)	Project development	100%	22 July 2021

On 17 September 2021, the parent company Castellana Properties Socimi, S.A. made a non-cash contribution of €3,736 thousand to the subsidiary Junction Parque Alameda, SLU. The contribution has been considered and defined as an asset contribution as it does not meet the definition of a business under IFRS 3. The property contributed is Pinatar Park Phase 2, Phase 1 already forming part of Junction Parque Alameda, S.L.U. asset.

On 1 April 2021, the companies Randolph, SLU and Roxbury, SLU were merged into the acquiring company Randolph, SLU, whose business name was changed to Castellana Parque Alcorcón, SLU on 30 July 2021.

On 1 April 2021, the companies Junction Parque Villanueva 1, SLU and Junction Parque Villanueva Fase 2, SLU were merged into the acquiring company Junction Parque Villanueva Fase 2, SLU, whose name was changed to Castellana Parque Villanueva, SLU on 30 July 2021.

On 22 July 2021, the company Castellana Innovación, SLU was incorporated to engage in the study and possible development of innovative business plans for the shopping centres.

2. BASIS FOR THE PRESENTATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The main accounting policies adopted in the preparation of these condensed consolidated interim financial statements are described below. These policies have been applied consistently to all the periods shown, unless otherwise stated.

2.1 Basis of presentation

These condensed consolidated interim financial statements for the six-month period ended 30 September 2021 have been prepared under IAS 34 "Interim Financial Reporting" and do not therefore include all the information that would be required of full consolidated financial statements drawn up under the International Financial Reporting Standards adopted by the European Union, so the accompanying condensed consolidated interim financial statements must be read together with the Group's consolidated annual accounts for the financial year ended 31 March 2021, prepared in compliance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU).

These condensed consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) adopted by the European Union (collectively, IFRS-EU), pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council and successive amendments.

The preparation of these condensed consolidated interim financial statements in accordance with IFRS-EU requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. Note 2.3 explains the areas that require a higher level of judgement or complexity and the areas in which assumptions and estimates have a significant effect on the condensed consolidated interim financial statements.

The condensed consolidated interim financial statements have been prepared on a historical cost basis and adjusted as the result of the restatement of investment properties, financial assets and financial liabilities (including derivatives) at fair value through profit/(loss) or through equity.

Unless otherwise stated, the figures contained in these condensed consolidated interim financial statements are expressed in thousands of euros.

These condensed consolidated interim financial statements have been submitted for limited review, but they have not been audited.

2.2 New IFRS-EU standards, amendments and IFRIC interpretations issued

a) Standards, amendments and mandatory interpretations for financial years commencing on or after 1 January 2021:

- IFRS 9 (Amendment), IAS 39 (Amendment), IFRS 7 (Amendment), IFRS 4 (Amendment) and IFRS 16 (Amendment) “Interest rate benchmark reform: Phase 2”.
- IFRS 4 (Amendment) “Extension of the temporary exemption from applying IFRS 9”.
- IFRS 16 (Amendment) “COVID-19-related rent concessions beyond 30 June 2021”.

The application of these amendments and interpretations has not had a material effect on these condensed consolidated interim financial statements.

b) Standards, amendments and interpretations that have not yet come into force, but that can be adopted in advance [IAS 8.29]:

- IAS 16 (Amendment) "Property, plant and equipment- proceeds before intended use".
- IAS 37 (Amendment) "Contracts of an onerous nature - costs of fulfilling a contract"
- IFRS 3 (Amendment) "Reference to the Conceptual Framework".
- Annual Improvements to IFRS. Cycle 2018 - 2020:
  - o IFRS 1 "First-time adoption of IFRS"
  - o IFRS 9 "Financial instruments"
  - o IAS 41 "Agriculture"

c) Standards, interpretations and amendments of existing rules that cannot be adopted early or have not been adopted by the European Union

On the date on which these condensed interim consolidated financial statements were authorised for issue, the IASB and IFRS Interpretations Committee had published the standards, amendments and interpretations that are outlined below, which may not be adopted in advance, and which are pending adoption by the European Union:

- IFRS 10 (Amendment) and IAS 28 (Amendment) “Sale or contribution of assets between an investor and its associates or joint ventures”.
- IFRS 17 "Insurance contracts".
- IFRS 17 (Amendment) "Amendments to IFRS 17".
- IAS 1 (Amendments) "Classification of liabilities as current or non-current".
- IAS 1 (Amendment) "Breakdown of accounting policies".
- IAS 8 (Amendment) "Definition of accounting estimates".
- IAS 12 (Amendment) "Deferred tax related to assets and liabilities arising from a single transaction".

Should any of the above-mentioned standards be adopted by the European Union or were it possible to early adopt them, the Group would apply the standards and reflect the corresponding effects in its condensed consolidated interim financial statements.

The application of these amendments and interpretations will not have a material effect on the Group's financial statements.

2.3 Critical measurement issues and estimates of uncertainty

The preparation of these condensed consolidated interim financial statements requires the parent company's directors to make judgements, estimates and assumptions that affect the application of the accounting policies and the balances of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and judgements are continually reassessed and are based on historical experience and other factors, including expectations of future events that are considered reasonable in the circumstances. The Group makes estimates and judgements concerning the future. The resulting accounting estimates, by definition, will rarely match actual results. The adjustments made when the estimates are regularised will be prospective.

Estimates and judgements that entail a significant risk of giving rise to a substantial adjustment to the carrying amounts of assets and liabilities during the following financial year are explained below.

<u>Fair value of investment property</u>

The Group obtains independent valuations of its investment properties every six months. In their end-of-year reports for each financial year, the directors assess each property's fair value, taking account of the most recent independent valuations. The directors determine the value of a property within a range of reasonably acceptable estimated values.

The best evidence of the fair value of investment property in an active market is the price of similar assets. In the absence of such information and in light of the current market situation, the Group determines fair value using a range of reasonable values. When making such judgements, the Group uses a series of sources, including:

i. Current prices in an active marketplace of different kinds of properties in varying states of repair and different locations, adjusted to reflect differences with respect to the Group’s own assets.
ii. Recent prices paid for properties in other, less active marketplaces, adjusted to reflect changes in economic conditions since the transaction date.
iii. Discounted cash flows based on estimates resulting from the terms and conditions contained in current lease agreements and, where possible, evidence of the market prices of similar properties in the same location, through the use of discount rates that reflect the uncertainty of time.

<u>Fair value of derivatives and other financial instruments</u>

The fair value of financial instruments that are not traded on an active market (for example, off-exchange derivatives) is determined using valuation techniques. The Group uses judgement to select a variety of methods and makes assumptions that are based on current market conditions at each balance sheet date. The Group has used discounted cash flow analyses for various interest rate contracts that are not traded on active markets.

<u>Income tax</u>

The parent company applies the system provided by Law 11 of 26 October 2009 on Spanish Real Estate Investment Trusts (SOCIMIs) which, in practice, means that the parent company is subject to a Corporate Income Tax rate of 0%, provided certain requirements are met (Note 1).

The directors monitor compliance with the requirements set out in the relevant legislation in order to secure the tax benefits offered.

In this regard, the directors consider that the necessary requirements will be met within the established terms and periods, and they have therefore not recognised any income or expense in respect of corporate income tax.

Notwithstanding the fact that the estimation criteria are based on reasonable assessments and objective methods of analysis, it is possible that future events may make it necessary to adjust such estimates (upwards or downwards) in future periods; where necessary and pursuant to IAS 8, the change of estimate will be recognised prospectively in the income statement.

2.4 Consolidation

(a) Subsidiaries

Subsidiaries are all the companies (including structured institutions) over which the Group has control. The Group controls a company or institutions when it obtains, or has the right to obtain, variable returns as the result of its involvement in the subsidiary and also has the ability to use its power over the company in question in order to influence these returns. Subsidiaries are consolidated from the date on which control is transferred to the Group and deconsolidated on the date on which such control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Where necessary, amounts presented by subsidiaries have been adjusted to bring them into line with the Group's accounting policies.

(b) Changes to shareholdings in subsidiaries without a change of control

Transactions involving non-controlling shareholdings that do not result in a loss of control are carried as equity transactions, i.e. as transactions with the owners in their capacity as such. The difference between the fair value of the consideration paid and the corresponding proportion of the carrying amount of the subsidiary's net assets is taken to equity. Any gains or losses resulting from the disposal of non-controlling shareholdings are taken to equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any interest retained in the Company is remeasured at its fair value on the date on which control is lost and the change in the carrying amount is taken to the income statement. Fair value is the initial carrying amount for the purposes of the subsequent recognition of the remaining shareholding as an associate, joint venture or financial asset. In addition, any amount previously recognised in other comprehensive income in relation to that company is accounted for as if the Group had directly sold the related assets and liabilities. This could mean that the amounts previously carried under other comprehensive income are reclassified to the income statement.

2.5 Segment reporting

Information on business segments is reported on the basis of the internal information supplied to the ultimate decision-making authority. The investments committee has been identified as the ultimate decision-making authority, since it is responsible for allocating resources and assessing the performance of operating segments, as well as being in charge of strategic decision-making, with final approval by the Board of Directors (Note 5).

2.6 Intangible assets

<u>Computer software</u>

Software licences acquired from third parties are capitalised based on the costs incurred to acquire the specific program and prepare it for use. These costs are amortised over the estimated useful life.

Software maintenance costs are expensed when incurred. Costs directly related to the production of unique and identifiable software controlled by the Group and likely to have economic benefits over more than one year are accounted for as intangible assets. Direct costs include software development staff costs and a suitable percentage of general overheads.

2.7 Property, plant and equipment

Property, plant and equipment are recognised at acquisition price or production cost, less accumulated depreciation and any accumulated impairment losses.

Subsequent expenses are capitalised at the asset's carrying amount only when it is likely that future economic benefits associated with the expenditure will flow to the Group and the asset's cost may be reliably measured. Recurring maintenance costs are charged to the income statement for the period in which they are incurred.

Depreciation of property, plant and equipment (except for land, which is not depreciated) is systematically calculated using the straight-line method over the estimated useful life, taking into account actual depreciation caused by wear and tear. Estimated useful lives are as follows:

	Depreciation rate (%)
Other facilities	10%
Furniture	10%
Data-processing equipment	25%

The useful life of all fixed assets is reviewed and, where applicable, adjusted at each balance sheet date.

When the carrying amount of a fixed asset is higher than its estimated recoverable value, the carrying amount is immediately written down to recoverable value (Note 2.8).

2.8 Investment property

Property that is held in order to obtain long-term income or capital gains, or both, and is not occupied by Group companies is classified as investment property. Investment property includes shopping centres, retail parks and other buildings owned by the Group. Investment property also includes property that is under construction or being developed for future use as investment property.

Investment property is initially valued at cost, including related transaction costs and financing costs, if applicable (developments). Following initial recognition, investment property is accounted for at fair value.

The fair value of investment property is presented at the end of the reference period and is not amortised, in accordance with IAS 40.

The fair value of investment property reflects, inter alia, lease income and other assumptions that market players would take into account when valuing the property under current market conditions. The calculation of the fair value of these items is described in Note 6.

Subsequent expenses are capitalised at the asset’s carrying amount only when it is likely that future economic benefits associated with the expenditure will flow to the Group and the asset's cost may be reliably measured. Other repair and maintenance expenses are taken to the income statement when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is written off.

Any fair value changes are taken to the income statement. When the Group disposes of a property at fair value in an arm’s-length transaction, the carrying amount immediately prior to the sale is adjusted to the transaction price and the adjustment is entered in the income statement as part of the net gain from the fair value adjustment to investment property.

If an investment property becomes an owner-occupied property, it is reclassified as property, plant and equipment. Its fair value on the date on which it is reclassified becomes its cost for subsequent accounting purposes.

If an owner-occupied property becomes an investment property due to a change of use, the resulting difference between the carrying amount and fair value of that asset on the transfer date is treated in the same way as a restatement under IAS 16. Any resulting increase in the carrying amount of the property is taken to the income statement insofar as it reverses a previous loss due to impairment. Any remaining increase is recognised in other comprehensive income, directly increasing equity in the revaluation reserve. Any resulting fall in the carrying amount of the property is initially recognised in other comprehensive income against any previously recorded revaluation reserve, and any remaining fall in value is taken to the income statement.

When an investment property undergoes a change of use, as reflected by the beginning of development work with a view to its sale, the property is transferred to inventories. The cost allocated to the property for subsequent recognition under inventories is its fair value on the date on which the change of use occurs.

2.9 Non-financial asset impairment losses

Assets subject to depreciation are reviewed for impairment whenever an event or change in circumstances indicates that the carrying amount may not be recoverable. An impairment loss is recognised in the amount by which the asset's carrying amount exceeds its recoverable value. Recoverable value is the higher of the asset's fair value less costs to sell and value in use. In order to assess impairment losses, assets are grouped at the lowest level for which there are generally independent identifiable cash flows (cash-generating units). Previous impairment losses on non-financial assets (other than goodwill) are reviewed for possible reversal on each financial reporting date.

The value of non-financial assets subject to depreciation is not significant.

2.10 Financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are included in current assets unless they mature more than 12 months after the balance sheet date, in which case they are carried as non-current assets. Loans and receivables are recognised on the balance sheet under "Trade and other receivables".

These financial assets are initially recognised at fair value, including directly attributable transaction costs, and are subsequently measured at amortised cost. Accrued interest is recognised applying the effective interest rate, which is understood to be the discount rate that brings the instrument's carrying amount into line with all estimated cash flows through to maturity. This notwithstanding, trade receivables that fall due within less than one year are carried at face value at both initial recognition and subsequent measurement, provided the effect of not discounting cash flows is immaterial.

At the year end at least, the necessary impairment adjustments are made where there is objective evidence that all receivables will not be collected.

Impairment losses are calculated as the difference between the carrying amount of the asset in question and the present value of estimated future cash flows, discounted at the effective interest rate at the initial recognition date. Measurement adjustments and any reversals are taken to the income statement.

2.11 Financial liabilities

Creditors and payables

This category includes trade and non-trade payables. These third-party resources are classified as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

These payables are initially recognised at fair value, adjusted for directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest method. The effective interest rate is the discount rate that brings the instrument's carrying amount into line with expected future payment flows to the maturity of the liability.
Nonetheless, trade payables that are due within less than one year and do not have a contractually agreed interest rate are carried at face value both at initial recognition and subsequent measurement, provided the effect of not discounting cash flows is immaterial.

Borrowings

Borrowings are initially recognised at fair value less any transaction costs incurred. Subsequently, borrowings are measured at amortised cost: any difference between the proceeds obtained (net of the costs required to obtain them) and the repayment value is taken to the income statement over the life of the borrowings using the effective interest method.

2.12 Financial derivatives and hedge accounting

Financial derivatives are measured at fair value at both initial recognition and subsequent measurement. The method used to recognise any resulting gains or losses depends on whether or not the derivative is designated as a hedging instrument and, if so, on the type of hedge.

Hedging instruments are measured and recognised by nature where they are not or are no longer effective hedges.

In the case of derivatives that do not qualify for hedge accounting, fair value gains or losses are immediately taken to the income statement.

The Group designates certain derivatives as hedges of a specific risk associated with a recognised asset or liability or with a highly probable forecast transaction (cash flow hedges).

At inception, the Group documents the relationship between the hedging instruments and hedged items, as well as its risk management objectives and hedging strategy. The Group also documents its evaluation, both at inception and continuously thereafter, of whether the derivatives being used in the hedging transactions are expected to be highly effective in order to offset changes in fair value or in cash flows from hedged items.

The total fair value of a hedging derivative is included in non-current assets or liabilities if the time remaining to maturity of the hedged item is more than 12 months and under current assets or liabilities if the time remaining to maturity of the hedged item is less than 12 months. Derivatives held for trading are carried under current assets or liabilities.

Cash flow hedges

The effective portion of changes in the fair value of a derivative designated as a cash flow hedge is entered under other comprehensive income. Any gain or loss on the ineffective portion is taken immediately to the income statement under “other net (losses)/profits”.

Amounts accumulated in equity are reclassified to the income statement in the periods in which the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). Gains or losses on the effective portion of interest rate swaps used to hedge loans at variable rates are taken to the income statement under “financial income/expenses”. However, when the hedged forecast transaction results in the recognition of a non-financial asset (for example, inventory or property, plant and equipment), the gains and losses previously deferred in equity are transferred from equity and included in the initial value of the asset's cost. The deferred amounts are definitively included in the cost of the assets sold, in the case of inventories, or in depreciation, in the case of property, plant and equipment.

When a hedging instrument matures or is sold or when the requirements for the application of hedge accounting cease to be met, any gains or losses accumulated in equity to that date will remain in equity and will be recognised when the forecast transaction is finally taken to the income statement. When it is expected that the scheduled transaction is not going to take place after all, the profit or loss accumulated in the equity is immediately transferred to the income statement under the heading "other net (losses)/profits".

2.13 Offsetting financial instruments

Financial assets and financial liabilities are offset and are shown in the net amount on the balance sheet when there is a legally enforceable right to offset the amounts recognised and the Group intends to settle them for the net amount or realise the asset or cancel the liability simultaneously. The legally enforceable right should not be contingent on future events and should be enforceable in the normal course of business and in the event of a breach or the insolvency or bankruptcy of the Company or counterparty.

2.14 Cash and cash equivalents

Cash and cash equivalents includes petty cash, bank demand deposits, other short-term highly-liquid investments with original maturities of three months or less, and bank overdrafts.

2.15 Share capital

Share capital is made up of ordinary shares.

The costs of issuing new shares or options are recognised directly in equity as a reduction in reserves.

In the event that the Company acquires treasury shares, the consideration paid, including any incremental cost that is directly attributable, is deducted from equity until the shares are redeemed, reissued or sold. When treasury shares are subsequently sold or reissued, any amount received is taken to equity, net of any directly attributable incremental costs.

Basic earnings per share are calculated by dividing the profit attributable to the Company's owners, excluding the cost of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for incentives settled in ordinary shares issued during the year and excluding treasury shares.

For diluted earnings per share, the figures used in determining basic earnings per share are adjusted, taking account of the effect after income tax of interest and other financial expenses associated with potential ordinary shares with dilutive effects and the weighted average number of additional ordinary shares that would have been outstanding had all the potentially dilutive ordinary shares been converted.

2.16 Current and deferred income tax

In accordance with the SOCIMI tax rules, the parent company is subject to a corporate income tax rate of 0%.

As established in Article 9.2 of Law 11 of 26 October 2009, as amended by Law 16 of 27 December 2012, the Company will be subject to a special rate of 19% on the overall sum of the dividends or shares of profits received by shareholders whose interest in the Company's share capital is equal to or greater than 5%, when those dividends, in the possession of its shareholders, are exempt or have a tax rate of less than 10% (to this effect, the tax due will be taken into consideration under the Non-Resident Income Tax Law).

However, that special rate will not apply when the dividends or shares of profits are received by entities whose purpose is the ownership of interests in the share capital of other SOCIMIs or other companies that are not resident in Spain, that have the same corporate purpose and that are governed by rules similar to those governing SOCIMIs as regards the compulsory, legal or statutory policy on profit distribution, with respect to companies that have a share that is equal to or greater than 5% of the share capital of the SOCIMIs and that pay tax on those dividends or shares of profits at a rate of at least 10%.

With effects for tax periods beginning on January 1, 2021, the entity will be subject to a special tax of 15% on the amount of profits obtained in the year that is not distributed, in the part that comes from income that has not been taxed at the general corporate tax rate nor is it from income covered by the reinvestment period regulated in letter b) of section 1 of article 6 of this Law.

For each Group company that does not come under the aforementioned tax rules, income tax expense (income) is the amount of tax that accrues during the financial year and comprises both current tax and deferred tax.

Both current and deferred tax expense (income) is recognised in the income statement. However, the tax effect of to entries that are taken directly to equity is carried in equity.

Current tax assets and liabilities are measured at the amounts expected to be paid or recovered from the tax authorities, in line with legislation in force or approved and pending publication at the year end.

Deferred taxes are calculated, using the liability method, on temporary differences arising between the tax bases of the assets and liabilities and their carrying amounts.
However, deferred taxes are not recognised if they arise from the initial recognition of an asset or liability in a transaction that is not a combination of businesses which, at the time of the transaction, does not affect the accounting result or the tax base. Deferred tax is determined by applying tax legislation and tax rates approved or about to be approved at the balance sheet date, and that are expected to be applied when the relevant deferred tax asset is realised or deferred tax liability is paid.

Deferred tax assets are only recognised to the extent that it is probable that the Company will earn future taxable profits that will allow these temporary differences to be offset.

2.17 Leases

a) When the Group is the lessee - Operating lease

Leases in which the lessor maintains a significant part of the risks and rewards of ownership are classified as operating leases. Operating lease payments (net of any incentive received from the lessor) are charged to the income statement for the year in which they accrue on a straight-line basis over the lease term.

b) When the Group is the lessor

Properties let out under operating leases are included in investment property on the balance sheet. Income earned from the leasing of property is recognised on a straight-line basis over the lease term (Note 2.20).

2.18 Long-term incentive plans

According to the BME Growth (formerly the Spanish Alternative Stock Market (MAB)) admission prospectus, executive directors' remuneration may include long-term incentive plans consisting of shares or stock options, or cash-settled share-based remuneration. The General Shareholders' Meeting has the authority to decide whether remuneration is supplemented by parent company shares, stock options or cash-settled share-based remuneration.

The General Shareholders' Meeting held on 15 September 2020 approved a share-based long-term incentive plan. This plan will be in effect for nine years and the right to receive shares as an incentive will accrue when the conditions set out in the plan are met for each calculation period. The first cycle comprises the period from 1 April 2019 to 31 March 2022 (see Note 12).

2.19 Provisions and contingent liabilities

Provisions are set aside: when the Group has a present legal or constructive obligation as a result of past events; when it is likely that an outflow of resources will be required to settle the obligation; and when the amount has been reliably estimated. No provisions are set aside for future operating losses.

Provisions are valued at the present value of payments that are expected to be required to settle the obligation, using a pre-tax rate that reflects the current market assessment of the time value of money and the specific risks of the obligation. Adjustments to provisions as the result of their restatement are expensed as they accrue.

Provisions that mature in one year or less and have no material financial effects are not discounted. When it is expected that a portion of the payment necessary to cancel the provision will be reimbursed by a third party, this reimbursement is recorded as an independent asset, provided that its receipt is practically certain.

Contingent liabilities are possible obligations resulting from past events, the crystallisation of which is contingent on future events beyond the Group's control. These contingent liabilities are not recognised in the accounts.

2.20 Revenue recognition

Revenue is stated at the fair value of the consideration received or receivable and represents amounts receivable for services rendered in the ordinary course of business, less discounts, value added tax and other sales-related taxes, that is in accordance with the lease agreements signed and on a straight-line basis over the lease term. Any incentives will be allocated on a straight-line basis to the lease expiration date."

Provision of services

The Group provides leasing services. Income earned from the leasing of property is entered on a straight-line basis over the lease term. When the Group offers incentives to its tenants, the cost of the incentive is recognised during the lease term on a straight-line basis as a reduction in rental income. The costs associated with each lease payment are expensed.

Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group writes the carrying amount down to its recoverable amount, which is calculated as the estimated future cash flow discounted at the original effective interest rate of the instrument, and the receivable is continuously discounted as interest income.

2.21 Related-party transactions

Generally speaking, transactions between related parties are initially recognised at fair value. Where applicable, if the agreed price differs from fair value, this difference will be recognised based on the economic reality of the transaction. It will subsequently be measured in accordance with the provisions set out in the relevant standards.

2.22 Dividend distribution

The payment of dividends to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

The parent company falls into the special category of SOCIMI (Spanish Real Estate Investment Trust Status) and is thus governed by the special tax rules laid down in Law 11 of 26 October 2009, as amended by Law 16 of 27 December 2012 on SOCIMIs. Law 11/2021, of July 9, on measures to prevent and fight tax fraud establishes the obligation for Socimis to pay 15% tax on undistributed profits from the years beginning on January 1, 2021, unless they have already been taxed at the general rate or in the case of income covered by the reinvestment period detailed in letter "b" below.

They are required to distribute the profits they obtain over the course of the year to their shareholders in the form of dividends, after complying with the relevant legal obligations. Distribution must be approved within the six months following the year end, in the following way:

a) 100% of the profits resulting from dividends or shares of profits received from the companies referred to in Article 2.1 of this Law.

b) At least 50% of the profits earned from the transfer of the property, shares or ownership interests referred to in Article 2.1. of the Law, where this occurs after the deadlines referred to in Article 3.3 of the Law have expired, when the property, shares or interests are used to pursue the Company's primary corporate purpose. The remainder of these profits must be reinvested in other property or investments related to the pursuit of this corporate purpose within three years of the transfer date. Otherwise, the profits must be distributed in full together with any profits for in the year in which the reinvestment period expires. If the items in which the reinvestment has been made are transferred prior to the end of the holding period, profits must be distributed in full, together, where applicable, with the part of the profits attributable to the years in which the Company was not subject to the special tax scheme provided for in the aforementioned Law.

c) At least 80% of the remaining profits obtained.

The dividend must be paid within one month of the distribution resolution.
When dividends are charged to reserves originating from profits for a year in which the special tax rules were applied, the distribution must necessarily be approved by means of the resolution referred to above.

2.23 Comparability

In accordance with the International Financial Reporting Standards adopted by the European Union, for comparative purposes, the condensed interim consolidated income statement, the condensed interim consolidated statement of comprehensive income, the condensed interim consolidated statement of changes in equity and the condensed interim consolidated cash flow statement at 30 September 2021 are presented together with information for the six-month period ended 30 September 2020, and the condensed interim consolidated balance sheet is presented together with information for the financial year ended 31 March 2021.

2.24 Going concern

These condensed consolidated interim financial statements have been drawn up on a going concern basis, assuming that the Group will realise its assets and settle its commitments in the ordinary course of business.

At 30 September 2021, the Group's working capital is negative in the amount of €15,032 thousand (working capital was negative in the amount of €38,497 thousand at 31 March 2021). This negative working capital is explained mainly by the bank borrowings totalling €41,234 thousand at 30 September 2021 (€49,345 thousand at 31 March 2021) and a loan of €17,500 thousand from the principal shareholder Vukile Property Fund Limited at 30 September (€17,500 thousand at 31 March 2021). At the date of formulation of these Condensed Consolidated Interim Financial Statements the Group has reached an agreement with a financial entity, signing a Term sheet to refinance the syndicated loan in the second half of the year, in order to establish its maturity in the long term. The Group has carried out the analysis of various scenarios and therefore has the capacity to take alternative cash management measures that will allow to meet short-term obligations.

At 30 September 2021, the Group has a buoyant cash position of €52,751 thousand and expects to end the year in a similar position. The leverage ratio (Note 4.2) stands at 46.33%, in line with the market. Despite the situation caused by COVID-19, the Group's cash flows amounted to €25,423 thousand during the six-month period ended 30 September 2021. The Company also continues to have the support of its main shareholder.

2.25 Materiality

In determining the information to be disclosed in these notes to the condensed consolidated interim financial statements and other matters, the Group, in accordance with IAS 34, has taken into account their materiality in relation to the condensed consolidated interim financial statements for the six-month period ended on 30 September 2021.

3. SIGNIFICANT CHANGES DURING THE CURRENT REPORTING PERIOD

On 1 April 2021, the companies Randolph, SLU and Roxbury, SLU were merged into the acquiring company Randolph, SLU, whose business name was changed to Castellana Parque Alcorcón, SLU on 30 July 2021(Note 1.b).

On 1 April 2021, the companies Junction Parque Villanueva 1, SLU and Junction Parque Villanueva Fase 2, SLU were merged into the acquiring company Junction Parque Villanueva Fase 2, SLU, whose name was changed to Castellana Parque Villanueva, SLU on 30 July 2021(Note 1.b).

On 18 May 2021, the syndicated financing repayment schedule was renewed, as a result of which the first tranche falls due in June 2022.

On 18 June 2021, the Group sold two office buildings owned by the parent company, in the amount of €26,500 thousand. The acquisition price of these properties was €22,500 thousand. The Group repaid €13,438 thousand of the associated syndicated loan as part of this operation.

On 30 June 2021, the Group signed a waiver with a financial entity, for the Morzal Property Iberia, S.L.U. loan, exonerating the Group from fulfilling certain covenants to 31 December 2021.

On 22 July 2021, the company Castellana Innovación, SLU was incorporated to engage in the study and possible development of innovative business plans for the shopping centres.

On 17 September 2021, the parent company Castellana Properties Socimi, S.A. made a non-cash contribution of €3,736 thousand to the subsidiary Junction Parque Alameda, SLU in respect of the contribution of the asset Pinatar Fase II.

4. FINANCIAL RISK MANAGEMENT

The Group's activities are exposed to various financial risks: market risk (interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on uncertainty in financial markets and seeks to minimise any potential adverse impact on its financial profitability.

Risk management is overseen by the Group's Finance Department, which identifies, evaluates and hedges financial risks in accordance with the policies approved by the Board of Directors. The Board provides policies for overall risk management and policies covering specific areas such as interest rate risk, liquidity risk, the use of derivatives and non-derivatives and investing cash surpluses.

4.1 Financial risk management

a) Market risk

The Group's interest rate risk relates to borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. At 30 September 2021, circa 39.01% (40.65% at 31 March 2021) of its financing was linked to a variable rate. The Group's borrowings at variable interest rates are denominated in euros.

The Group analyses its exposure to interest rate risk dynamically. Several scenarios are generated, taking account of financing and hedging alternatives. Based on these scenarios, the Group estimates the impact of a certain interest rate change on the result (scenarios are only used for liabilities that represent the most significant positions subject to interest rates).

These analyses take the following into account:

- The economic environment in which it conducts its business: The design of different economic scenarios, modifying the key variables that may affect the Group (interest rates, share price, percentage occupancy of investment property, etc.). The identification of interdependent variables and the degree to which they are connected.
- The assessment timeframe: The timeframe for the analysis and any potential departures will be taken into account.

Based on the simulations carried out, the maximum recalculated impact that a 1% interest rate fluctuation would have on profit after tax would be a €881 thousand increase or a €626 thousand reduction in financial expenses. Simulations are performed regularly to ensure that the potential maximum loss remains within the limits established by management.

On the basis of these different scenarios, the Group manages cash flow interest rate risk through variable-to-fixed interest rate swaps. These interest rate swaps have the economic effect of converting variable interest borrowings to fixed interest borrowings. In general, the Group obtains long-term borrowings at variable interest rates and swaps them for borrowings at fixed interest rates lower than those which would be available if the Group obtained borrowings directly at fixed interest rates. Under interest rate swaps, the Group undertakes with third parties to exchange, on a regular basis, the difference between fixed and variable interest, calculated on the basis of the notional principal amount contracted. Fixed interest rates vary between 1.78% and 1.92% and variable interest rates vary between 1.30% and 2.21%.

b) Credit risk

Credit risk is managed at Group level. The Group defines its policy for managing and analysing credit risk relating to new customers before offering them the ordinary terms and conditions. Credit risk mainly arises from deposits made with the relevant organisations, financial derivatives and receivables for sales and services rendered, as well as sundry debtors.
The Group's credit risk controls set out the credit quality that must be displayed by customers, taking account of their financial situation, past experience and other factors. Individual credit limits are set on the basis of internal and external ratings, in accordance with the limits stipulated by the Board of Directors. The use of credit limits is regularly reviewed.

The Group believes that it does not have any significant concentrations of credit risk, this being understood to refer to the possible impact that a default on receivables could have on the income statement.

The Group's maximum exposure to credit risk by type of financial asset (excluding financial derivatives and deposits) is as follows:

Description	Thousands of euros	
	30 September 2021	**31 March 2021**
Current assets net of impairment provisions		
Trade and other receivables (Note 7)	3,829	4,586
Cash and cash equivalents	52,751	34,916
	56,580	**39,502**

The fair value of “Cash and cash equivalents” approximates the carrying amount shown in the above table.

c) Liquidity risk

Cash flow forecasts are made by the Group's Finance Department. This department monitors forecasts of the Group's liquidity requirements in order to ensure that it has sufficient cash to meet its operational needs, while maintaining sufficient available liquidity at all times to ensure that the Group does not breach its financing limits and covenants. These forecasts take account of the Group's financing plans, ratio compliance, fulfilment of internal objectives and, where applicable, any regulatory or legal requirements.

The periods over which the Group's bank borrowings mature in nominal terms are shown in the following table:

Description	Thousands of euros 30/09/2021 Non-current	Thousands of euros 30/09/2021 Current
September 2022	-	41,368
September 2023	38,745	-
September 2024	1,150	-
September 2025	389,200	-
> September 2026	18,802	-
	447,897	**41,368**

Description	Thousands of euros 31/03/2021 Non-current	Thousands of euros 31/03/2021 Current
March 2022	-	49,483
March 2023	40,439	-
March 2024	66,688	-
March 2025	1,150	-
> March 2026	345,062	-
	453,339	**49,483**

On the balance sheet date, the Group records cash totalling €52,751 thousand (€34,916 thousand at 31 March 2021).

At 30 September 2021, the Group's working capital is negative in the amount of €15,032 thousand (working capital was negative in the amount of €38,497 thousand at 31 March 2021). This negative working capital is explained mainly by the bank borrowings totalling €41,234 thousand at 30 September 2021 (€49,345 thousand at 31 March 2021) and a loan of €17,500 thousand from the principal shareholder Vukile Property Fund Limited at 30 September and 31 March 2021. At the date of formulation of these Condensed Consolidated Interim Financial Statements the Group has reached an agreement with a financial entity, signing a Term sheet to refinance the syndicated loan in the second half of the year, establishing its maturity in the long term.

d) Tax risk

As mentioned in Note 1, the parent company has applied the special tax scheme for Spanish Listed Real Estate Investment Trusts (SOCIMIs). Pursuant to the contents of Article 6 of Law 11 of 26 October 2009, as amended by the SOCIMI Law 16 of 27 December 2012, companies that have applied this scheme are required to distribute the profits they obtain over the course of the year to their shareholders in the form of dividends, after fulfilling the relevant corporate obligations. Distribution must be approved within the six months following the year end and paid within one month of the date of the distribution resolution (see Note 9).

If the General Shareholders' Meeting does not approve the dividend distribution proposed by the Board of Directors, calculated in accordance with the requirements of the said Law, they will be in breach of the Law and will therefore be taxed under the general tax rules, rather than the rules that apply to SOCIMIs.

e) Other risks

The appearance of the COVID-19 coronavirus in China in January 2020 and its global spread to a large number of countries led the World Health Organization to classify the viral outbreak as a pandemic on 11 March 2020.

This pandemic has impacted economic and financial markets and virtually all sectors of the economy are facing huge challenges in the current economic circumstances.

As of the date of formulation of these Consolidated Summarized Interim Financial Statements, more than 80% of the Spanish target population has been vaccinated with the complete guideline against the COVID-19 coronavirus.

Using the information available, the Group's directors and management have reviewed the main impacts of the pandemic on these Condensed Consolidated Interim Financial Statements, as described below:

- Operating risk:

The Group has fostered communication between the owner and operators so as to ascertain their situation as quickly as possible and be in a position to make the best decisions in each specific case. These actions included discounting the guaranteed minimum rent for April and May 2020 for tenants that were unable to do business due to the "State of Emergency".

Since the start of the pandemic, the Castellana Group has offered support to all of its tenants so as to arrive at the best solution for both parties. Rent concessions were granted in the amount of €18,796 thousand during the fiscal year ended 31 March 2021.

However, the Company has a high-quality tenant base, so rent collection periods were not affected. The Group's directors and management continue to monitor potential effects of the pandemic on works in progress for certain investment properties and the leases of current and future tenants.
During the period ended 30 September 2021, the Group continued to support tenants by granting rent concessions totalling €1,093 thousand.

- Liquidity risk:

Group management monitors liquidity needs to ensure that sufficient financial resources are available to meet requirements. The Group's position is very robust due to having €52,751 thousand in cash and cash equivalents and a leverage ratio of 46.33%, in line with the market (Note 4.2)

- Consolidated asset and liability measurement risk:

Risks of default or deterioration of tenants' financial position did not increase significantly, with the bad debt ratio standing at around 4.1%.

COVID-19 has led to us facing a number of unprecedented circumstances. In this regard, at 30 September 2020 the Group's valuers issued a valuation for all of the properties in the portfolio based on a "material valuation uncertainty" under the RICS VPS3 and VPGA10 Red Book Global Standards. A lower degree of certainty and greater attention should therefore have been attributed to the valuations. At 31 March 2021, this material valuation uncertainty only affected the shopping centres and a retail warehouse park, all other assets having been removed from the portfolio. At 30 September 2021, the "Material valuation uncertainty" was eliminated for all the portfolio assets, the valuer simply including a clarification on the upturn being observed in the markets, specifically the real estate industry, even though the pandemic is not over. The Group recognises investment properties at fair value based on valuations carried out by independent experts whose assumptions reflect the potential impact of COVID-19.

As regards other assets and liabilities in the consolidated balance sheet, no material changes in value have been detected in relation to the possible effects of the pandemic.

Before issuing these consolidated annual accounts, the Group's management and directors assessed the situation and concluded that the Group still has sufficient financial resources to apply the going concern principle.

Finally, the Group's directors and management are constantly overseeing the situation so as to successfully overcome any financial or non-financial impacts.

4.2 Capital management

The Group's main capital management objectives are to ensure long- and short-term financial stability, the positive performance of Castellana Properties Socimi, S.A.'s shares, the appropriate financing of investments and a reduction in debt levels. Financial leverage ratios, calculated as: (Net borrowings at amortised cost / (Net borrowings at amortised cost + equity)) at 30 September 2021 and 31 March 2021 were as follows:

Description	Thousands of euros	
	30 September 2021	**31 March 2021**
Net borrowings (Note 10)	445,642	475,878
Equity	516,264	498,167
Leveraging	**46.33%**	**48.86%**

Management believes that the Group's level of indebtedness is low.

Leverage ratios on real estate investments, calculated as borrowings at amortised cost over the fair value of investment property at 30 September 2021 and 31 March 2021 were 46% and 49% respectively, and the Group aims is to keep these ratios at between 40% and 50%.

4.3 Estimation of fair value

The table shown below contains an analysis of the financial instruments that are measured at fair value, classified by valuation method. The different levels have been defined as follows:

- Quoted prices (non-adjusted) in active markets for identical assets and liabilities (Level 1).
- Inputs that differ from the quoted price included in Level 1 and are observable for the asset or liability, either directly (the prices themselves) or indirectly (derived from prices) (Level 2).
- Data for the asset or liability not based on observable market input (i.e. unobservable inputs) (Level 3).

The following table shows the Group's financial assets and liabilities at fair value. See Note 6, which reports on the fair value of investment property.

30 September 2021	Thousands of euros			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Long-term financial investments				
Interest rate hedging derivatives	-	-	-	-
Total assets	**-**	**-**	**-**	**-**
Liabilities				
Long-term payables				
Interest rate hedging derivatives	-	(1,443)	-	(1,443)
Total liabilities	**-**	**(1,443)**	**-**	**(1,443)**

31 March 2021	Thousands of euros			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Long-term financial investments				
Interest rate hedging derivatives	-	-	-	-
Total assets	**-**	**-**	**-**	**-**
Liabilities				
Long-term payables				
Interest rate hedging derivatives	-	(2,056)	-	**(2,056)**
Total liabilities	**-**	**(2,056)**	**-**	**(2,056)**

The fair value of interest rate swaps is calculated as the current value of estimated future cash flows, based on the estimated interest rate curve.

During the six-month period ending on 30 September 2021, no transfers between levels occurred.

4.4 Offset of financial assets and liabilities

The Group's only financial assets and liabilities are, respectively, security deposits with official bodies and security deposits to be returned to tenants. It is the Group's intention that if these amounts are repaid, they will be settled on a gross basis, so they have not been offset.

5. SEGMENT REPORTING

The Investments Committee, together with the Board of Directors, represent the Group's highest decision-making authority. Management has defined operating segments based on information which is reviewed by these bodies for the purposes of allocating resources and evaluating the Group's performance. Management identifies three reporting segments: Retail, Offices and Corporate.

Segment information for these activities is as follows:

Six-month period ended 30 September 2021

	Thousands of euros			
Description	**Retail**	**Offices**	**Corporate**	**Total**
Provision of services	36,627	589	-	**37,216**
Changes in fair value of investment property	927		-	**927**
Staff costs	-	-	(2,516)	**(2,516)**
Other operating expenses	(10,275)	(154)	(1,420)	**(11,849)**
Income from asset disposals	-	-	(159)	**(159)**
Other profit/(loss)	(9)	-	(9)	**(18)**
Operating profit/(loss)	**27,270**	**435**	**(4,104)**	**23,601**
Financial expenses	(6,192)	(138)	(311)	**(6,641)**
Net financial income/(expense)	(6,192)	(138)	(311)	**(6,641)**
Profit/(loss) before tax	**21,078**	**297**	**(4,415)**	**16,960**
Income tax	-	-	-	**-**
Profit/(loss) for the period	**21,078**	**297**	**(4,415)**	**16,960**

CASTELLANA PROPERTIES SOCIMI, S.A. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Thousands of euros)

Six-month period ended 30 September 2020

	Thousands of euros			
Description	**Retail**	**Offices**	**Corporate**	**Total**
Provision of services	21,692	1,204	-	**22,896**
Changes in fair value of investment property	(21,305)	110	-	**(21,195)**
Staff costs	-	-	(2,366)	**(2,366)**
Other operating expenses	(10,696)	(229)	(959)	**(11,884)**
Other profit/(loss)	(1)	-	(6)	**(7)**
Operating profit/(loss)	**(10,310)**	**1,085**	**(3,331)**	**(12,556)**
Financial expenses	(6,045)	(144)	(133)	**(6,322)**
Net financial income/(expense)	**(6,045)**	**(144)**	**(133)**	**(6,322)**
Profit/(loss) before tax	**(16,355)**	**941**	**(3,464)**	**(18,878)**
Income tax	-	-	-	**-**
Profit/(loss) for the period	**(16,355)**	**941**	**(3,464)**	**(18,878)**

The amounts provided to the Investments Committee and the Board of Directors in respect of total assets and liabilities are valued in accordance with the same criteria as those applied in the condensed consolidated interim financial statements. These assets and liabilities are assigned on the basis of segment activities.

30 September 2021

	Thousands of euros			
Description	**Retail**	**Offices**	**Corporate**	**Total**
Investment property	976,498	-	-	976,498
Other non-current assets	5,452	294	208	5,954
Non-current assets	**981,950**	**294**	**208**	**982,452**
Trade and other receivables	3,285	-	544	3,829
Other current assets	55,600	-	766	56,366
Current assets	**58,885**	**-**	**1,310**	**60,195**
Total assets	**1,040,835**	**294**	**1,518**	**1,042,647**
Bank borrowings	439,376	-	-	439,376
Other non-current liabilities	11,780	-	-	11,780
Non-current liabilities	**451,156**	**-**	**-**	**451,156**
Bank borrowings	41,368	-	-	41,368
Other current liabilities	11,765	-	22,094	33,859
Current liabilities	**53,133**	**-**	**22,094**	**75,227**
Total liabilities	**504,289**	**-**	**22,094**	**526,383**

31 March 2021

Description	Thousands of euros			
	Retail	Offices	Corporate	Total
Investment property	960,910	26,250	-	987,160
Other non-current assets	6,392	294	202	6,888
Non-current assets	**967,302**	**26,544**	**202**	**994,048**
Trade and other receivables	3,927	-	659	4,586
Other current assets	35,542	-	3,860	39,402
Current assets	**39,469**	**-**	**4,519**	**43,988**
Total assets	**1,006,771**	**26,544**	**4,721**	**1,038,036**
Bank borrowings	435,997	7,669	-	443,666
Other non-current liabilities	13,424	294	-	13,718
Non-current liabilities	**449,421**	**7,963**	**-**	**457,384**
Bank borrowings	46,124	3,360	-	49,484
Other current liabilities	11,739	-	21,262	33,001
Current liabilities	**57,863**	**3,360**	**21,262**	**82,485**
Total liabilities	**507,284**	**11,323**	**21,262**	**539,869**

6. INVESTMENT PROPERTY

Investment property primarily includes shopping centres and retail parks owned by the Group that are held to obtain long-term rental income and are not occupied by the Group.

The following table contains a breakdown of the investment property and related movements:

	Thousands of euros
Balance at 31.03.2020	**1,003,490**
Acquisitions	-
Capitalised subsequent disbursements	29,134
Profit/(loss) net of adjustments at fair value	(45,464)
Balance at 31.03.2021	**987,160**
Disposals	(26,250)
Capitalised subsequent disbursements	14,661
Profit/(loss) net of adjustments at fair value	927
Balance at 30.09.2021	**976,498**

On 18 June 2021, the Group sold two office buildings owned by the parent company, in the amount of €26,500 thousand. These assets were valued at €26,250 thousand at 31 March 2021.

During the financial year ended on 31 March 2021, the Group did not acquire any buildings.
Note 15 contains detailed information on the properties included in this item.

Several mortgage guarantees have been put in place for certain properties, the market values of which stand at €976,498 thousand (€987,160 thousand at 31 March 2021), securing the Group's fulfilment of the terms and conditions of the financing obtained. At 30 September 2021, the nominal value of this financing amounted to €489,265 thousand (€502,822 thousand at 31 March 2021) (see Note 10).

a) Income and expenses on investment property

The following income and expenses on investment property have been taken to the income statement:

Description	Thousands of euros	
	Six-month period ended 30 September 2021	Six-month period ended 30 September 2020
Rental income	37,216	22,896
Operating expenses related to investment properties that generate rental income	(10,429)	(10,925)
Operating expenses related to investment properties that do not generate rental income	-	-
	26,787	**11,971**

At 30 September 2021, lease income was reduced by rent concessions granted to tenants as a result of the Covid-19 pandemic in the amount of €1,093 thousand (€15,711 thousand at 30 September 2020). These rent concessions will be taken to the Group's income statement for the year, as the effect of straight-line recognition is immaterial.

b) Operating leases

Total future minimum receipts under non-cancellable operating leases are as follows:

Description	Thousands of euros	
	30.09.21	31.03.21
Less than one year	53,399	53,086
Between one and two years	36,857	38,708
Between two and three years	27,137	29,126
Between three and four years	18,740	22,988
Between four and five years	10,511	15,759
More than five years	22,553	42,083
	169,197	**201,750**

c) Insurance

The Group has a policy of taking out all the insurance policies necessary to cover any possible risk that might affect any aspect of its investment properties. The coverage provided by these policies is deemed to be sufficient.

d) Obligations

At the year end, the Group had paid up €2,787 thousand by way of a purchase option for a plot of land next to the property "Los Arcos" (Seville) (€2,787 thousand at 31 March 2021).

e) Valuation process

The cost and fair value of investment property at 30 September 2021 and 31 March 2021 are detailed below:

Description	Thousands of euros			
	30/09/2021		31/03/2021	
	Cost	Fair value	Cost	Fair value
Investment property	963,491	976,498	965,659	987,160
	963,491	**976,498**	**965,659**	**987,160**

The valuations were carried out adopting the “market value” approach, in accordance with the Property Appraisal and Valuation method and the Guidance Notes published by the Royal Institution of Chartered Surveyors of Great Britain (RICS), Valuation Standards, 8th edition. The market value of the Group's properties has been determined on the basis of a valuation carried out by independent expert valuers (Colliers International).

“Market Value” is defined as the estimated amount at which a property should exchange on the valuation date, between a willing seller and a willing buyer and after a reasonable sales marketing period, during which both parties have acted knowledgeably, prudently and without compulsion.

The valuation methodology adopted by the independent valuers in order to determine fair value was primarily the 10-year discounted cash flow method.

The discounted cash flow method is based on forecasts of the probable net income that will be generated by assets over a specific time period, taking into account the residual value of the assets in question at the end of that period. Cash flows are discounted at an internal rate of return in order to arrive at net present value. This internal rate of return is adjusted to reflect the risk associated with the investment and assumptions used. Key variables are therefore net income and the discount rate.

The estimated yields depend on the type and age of the properties and their location. The properties have been valued individually, via calculations based on the lease agreements in place at the end of the financial year and, if applicable, the forecast value based on current market rents for the different areas, as well as comparables and completed transactions.

(Thousands of euros)

On the basis of the simulations performed, the recalculated impact that a variation of 0.25% would have on the fair value of the property would be as follows:

30 September 2021

IRR variance	(0.250%)	0.250%
Retail	17,160	(16,740)
Land & Purchase Option	580	(560)
Theoretical profit/(loss)	**17,740**	**(17,300)**

31 March 2021

IRR variance	(0.250%)	0.250%
Retail	17,360	(16,960)
Offices	410	(410)
Land & Purchase Option	330	(320)
Theoretical profit/(loss)	**18,100**	**(17,690)**

The discount rate range applied is as follows:

30 September 2021	Minimum	Maximum
IRR		
Retail	7.25%	9.30%

31 March 2021	Minimum	Maximum
IRR		
Retail	7.25%	9.25%
Offices	7.50%	8.75%

The effect of a 10% variation in the rental increases considered has a significant impact on consolidated assets and on the consolidated income statement as regards investment property:

	30/09/2021		31/03/2021	
	Assets	Net consolidated profit/(loss)	Assets	Net consolidated profit/(loss)
10% increase in market rents	65,982	65,982	68,740	68,740
10% decrease in market rents	(70,298)	(70,298)	(68,650)	(68,650)

The valuation of investment property is classified under level 3, according to the definition detailed above in Note 4.3. The fair value of investment property has been calculated by independent expert valuers using valuation techniques involving observable and available market data, based, to a lesser extent, on specific estimates by the organisations.

During the six-month period ending on 30 September 2021, no transfers between levels occurred.

The EPRA BPRs Association has changed the formula for calculating the old NAV and has replaced this ratio with 3 new NAVs, for all the years beginning on January 1, 2020. The new reference NAV of the Castellana Group will be the NTA (Net Tangible Asset) which as of 30 September 2021 stood at €517,686 thousand (6.00 euros / share), at 31 March 2021 the NTA was 500,202 thousand euros (5.80 euros / share).

On 11 March 2020, the World Health Organization (WHO) declared the COVID-19 coronavirus outbreak a “Global Pandemic”. This situation has impacted global financial markets, restrictions having been imposed on transport and businesses having been affected in many industries.

The Spanish Government declared a “State of Emergency” on 14 March 2020, which ended on 21 June 2020. Among other aspects, this entailed restrictions on mobility and the closure of shopping centres.

The response to COVID-19 meant that we faced a number of unprecedented circumstances. In this regard, on 30 September 2020, the Group's valuers issued a valuation based on a “material valuation uncertainty” under the RICS VPS3 and VPGA10 Red Book Global Standards. A lower degree of certainty and greater attention therefore had to be attributed to the valuations. At 31 March 2021, this “material valuation uncertainty” only affected the shopping centres and a retail warehouse park, all other assets having been removed from the portfolio. At 30 September 2021, the “Material valuation uncertainty” was eliminated for all the portfolio assets, the valuer simply including a clarification on the upturn being observed in the markets, specifically the real estate industry, even though the pandemic is not over.

The total fees, including the fee for this assignment, earned by Colliers International Spain (or other companies forming part of the same group of companies in Spain) from the recipient of the services (or other companies forming part of the same group of companies) are less than 5% of the company's total revenue.

7. LOANS AND RECEIVABLES

As of 30 September 2021 and 31 March 2021, the breakdown of this heading is as follows:

		Thousands of euros
	30/09/2021	**31/03/2021**
Long-term loans and receivables		
- Other financial assets	5,809	6,750
	5,809	**6,750**
Short-term loans and receivables:		
- Trade receivables for sales and services	3,285	3,927
- Trade receivables, related companies (Note 13)	544	659
- Other financial assets	1,285	702
	5,114	**5,288**
	10,923	**12,038**

The carrying amounts of loans and receivables (both long and short term) approximate their fair values, since the effect of discounting is not significant.

The entry "Other long-term and short-term financial assets" includes the amounts deposited with the competent organisations in each Autonomous Region.

Of the total short-term loans and receivables, the amount of €3,160 thousand had matured at 30 September 2021 (€3,698 thousand at 31 March 2021), of which €1,316 thousand had been provisioned (€1,506 thousand at 31 March 2021) in accordance with the trade receivable ageing policy provided by IFRS 9 and the Group's own analysis.

At the end of the period, the trade receivables heading includes the amount of €1,441 thousand pending to be invoiced to tenants (€1,735 thousand at 31 March 2021).

All the amounts reported in this section are past due and unprovisioned, which the Group expects to recover.

The following table contains a breakdown of the age of trade receivables for sales and services, receivables from related parties and sundry receivables:

Description	**Thousands of euros**	
	30/09/2021	**31/03/2021**
Up to 3 months	1,192	1,073
Between 3 and 6 months	593	1,154
More than 6 months	1,375	1,471
	3,160	**3,698**

The carrying amount of loans and receivables is denominated in euros.

The balance in "Trade receivables" is shown net of impairment adjustments. The corresponding provisions are set aside for bad debts.

Movements in the bad debt provision during the period were as follows:

Description	**Thousands of euros**	
	30/09/2021	**31/03/2021**
Opening balance	**(1,506)**	**(345)**
Appropriation	(555)	(2,071)
Reversal	612	884
Application	133	26
Closing balance	**(1,316)**	**(1,506)**

8. SHAREHOLDERS' FUNDS

a) Share capital

At 30 September 2021 and 31 March 2021, share capital stood at €86,271 thousand, consisting of 86,271,047 shares with a par value of €1 each, all in the same class, fully subscribed and paid up.

As at 30 September 2021 and 31 March 2021, the two shareholders with more than a 3% stake in the Parent Company are Vukile Properties Limited and Morze European Real Estate Ventures.

The breakdown is as follows:

	30/09/2021		31/03/2021	
	No. of shares	% Share	No. of shares	% Share
Vukile Properties Limited	71,209,613	83%	71,209,613	83%
Morze European Real Estate Ventures	13,333,333	15%	13,333,333	15%

As of 30 September 2021 and 31 March 2021, the breakdown of share capital is as follows:

Description	Thousands of euros	
	30.09.21	31.03.21
Authorised capital	86,271	86,271
Unpaid share capital	-	-
	86,271	**86,271**

b) Share premium

This reserve is unrestricted so long as distribution would not result in the parent company's shareholders' funds falling below the share capital figure (see Note 9).

As of 30 September 2021 and 31 March 2021, the breakdown of share premium is as follows:

Description	Thousands of euros	
	30/09/2021	31/03/2021
Share premium	372,141	376,952
	372,141	**376,952**

On 15 September 2021, the General Shareholders' Meeting approved the offset of €4,811 thousand in prior-year losses against the share premium account.

c) Treasury shares

Movements in treasury shares over the period have been as follows:

Description	30.09.21		31.03.21	
	Number of treasury shares	Thousands of euros	Number of treasury shares	Thousands of euros
Opening balance	**58,173**	**355**	**37,882**	**228**
Additions/purchases	6,590	39	22,901	142
Decreases	(10,800)	(65)	(2,610)	(15)
Closing balance	**53,963**	**329**	**58,173**	**355**

On 10 July 2018, Castellana Properties entered into a liquidity agreement with Renta 4 Banco, S.A. with the aim of increasing liquidity and favouring the stability of the Company's stock price. This agreement came into effect on 25 July 2018.

The Parent company's treasury shares held at 30 September 2021 represented 0.06% of the Company's share capital (0.07% at 31 March 2021) and totalled 53,963 shares (58,173 at 31 March 2021). The average cost of the Company's treasury shares was €6 per share.

These shares are recognised as a reduction of €329 thousand in the value of the Company's shareholders' funds at 30 September 2021 (€355 thousand at 31 March 2021).

The parent company has complied with the requirements of Article 509 of the Spanish Companies Act, which stipulates that the par value of acquired shares listed on official secondary markets, together with those already held by the parent company and its subsidiaries, must not exceed 10% of share capital. The subsidiaries do not hold either treasury shares or parent company shares.

d) Earnings per share

Basic earnings per share are calculated by dividing the net profit/(loss) attributable to the parent company's owners for the period by the weighted average number of ordinary shares in circulation during the period, excluding the weighted average number of treasury shares held over the period.

Diluted earnings per share are calculated by dividing the net profit/(loss) attributable to the parent company's owners for the period by the weighted average number of ordinary shares in circulation during the period, plus the weighted average number of ordinary shares that would be issued during the conversion of all potentially dilutive instruments.

The following table shows the income figures and information on the number of shares used to calculate basic and diluted earnings per share:

Calculation of basic and diluted earnings

Description	Six-month period ended 30 September 2021	Six-month period ended 30 September 2020
Net profit (thousands of euros)	16,960	(18,878)
Average number of shares issued (shares)	86,271,047	86,271,047
Average number of treasury shares held (shares)	55,964	40,551
Basic and diluted earnings per share (euros)	0.20	(0.22)

With regard to the calculation of earnings per share, there were no transactions involving ordinary shares or potential ordinary shares between the closing date of the condensed consolidated interim financial statements and the date they were authorised for issue that were not taken into account when calculating such earnings for the six-month period ended 30 September 2021.

9. RESERVES AND RETAINED EARNINGS

At 30 September 2021, €5,376 thousand (€5,376 thousand at 31 March 2021) corresponded to the legal reserve. This reserve has been set aside under the terms of Article 274 of the Spanish Companies Act, which establishes that companies must in all cases allocate an amount equal to 10% of their profits for the year to this reserve, until the total reaches at least 20% of the share capital figure. It cannot be distributed, and if it is used to offset losses when the other available reserves are not sufficient for this purpose, it must be replenished with future profits.

Description	Thousands of euros	
	30.09.21	31.03.21
Legal reserve	5,376	5,376
Other reserves	10,105	10,107
Hedging reserve	(1,443)	(2,056)
Treasury shares	(329)	(355)
Total reserves	**13,709**	**13,072**
Retained earnings	73,008	100,053
Dividend distribution	(48,325)	(48,325)
Total retained earnings	**24,683**	**51,728**

Other reserves at 30 September 2021 also include a restricted reserve in the amount of €10,128 thousand due to a share capital reduction carried out by the Parent Company in 2017. This reserve will only be made available if this is approved by the General Shareholders' Meeting and published in order to allow the creditors the stipulated period of time to object to the capital reduction.

Distribution of previous year profit/(loss)

The proposed distribution of the profit/(loss) and reserves of the parent company Castellana Properties Socimi, S.A.'s for the financial year ended on 31 March 2021, which was approved by the General Shareholders' Meeting on 15 September 2021, was as follows:

Description	Thousands of euros
Available for distribution	
Profit/(loss) for the year	(4,811)
	(4,811)
Application	
Prior-year losses	(4,811)
	(4,811)

On the same date, the General Shareholders' Meeting resolved to offset these losses against the share premium balance.

10. CREDITORS AND PAYABLES

Description	Thousands of euros	
	30/09/2021	31/03/2021
Long-term creditors and payables:		
Bank borrowings	439,376	443,666
Other financial liabilities	10,098	11,289
Derivative financial instruments	1,245	1,992
	450,719	**456,947**
Short-term creditors and payables:		
Bank borrowings	41,368	49,483
Derivative financial instruments	197	64
Short-term payables to Group companies (Note 13)	17,649	17,645
Trade and other payables	11,115	10,790
Other current financial liabilities	2,459	2,249
Other liabilities	1,306	1,287
	74,094	**81,518**
	524,813	**538,465**

The carrying amounts of creditors and payables, both long and short term, approximate their fair values, since the effect of discounting is immaterial. Bank borrowings are recognised at amortised cost.

Guarantee deposits received from tenants as per the lease agreements signed are recorded as other long-term and short-term financial liabilities.

Trade and other payables primarily include balances payable in respect of investments in assets in the course of construction and provisions relating to property management.

The carrying amount of creditors and payables is denominated in euros.

Bank borrowings includes the balance of four loans granted to the Group.

The maturities of these bank borrowings are set out below at face value:

Description	Thousands of euros 30/09/2021	
	Non-current	Current
September 2022	-	41,368
September 2023	38,745	-
September 2024	1,150	-
September 2025	389,200	-
> September 2026	18,802	-
	447,897	**41,368**

Description	Thousands of euros 31/03/2021	
	Non-current	Current
March 2022	-	49,483
March 2023	40,439	-
March 2024	66,688	-
March 2025	1,150	-
> March 2026	345,062	-
	453,339	**49,483**

The Group has included an amortised cost of €8,521 thousand (€9,673 thousand at 31 March 2021) on the balance sheet in respect of loan arrangement costs. At 30 September 2021, accrued unmatured interest amounted to €134 thousand (€138 thousand at 31 March 2021). Interest expenses accrued during the period totalled €4,307 thousand (€4,409 thousand at 30 September 2020). The other financial expenses recognised in the income statement relate to interest of the loan with its main shareholder, on hedging derivatives and financial expenses at amortised cost.

During the period the Group has not signed any new financing agreements with banks (€47,490 thousand during the year ended 31 March 2021).

During the financial year ended 31 March 2021, the Group drew €8,854 thousand of the mortgage loan extension arranged with the financial institution Aareal Bank, AG, signed on 24 September 2019, to purchase two assets annexed to two shopping centres already owned, "Bahía Sur" and "Los Arcos", for a maximum amount of €47,490 thousand, falling due in 2025. No further amounts were drawn down on this loan during the period ended 30 September 2021.

(Thousands of euros)

The loans are secured by a mortgage on certain properties whose market value at 30 September 2021 totalled €976,498 thousand (Note 6), €987,160 thousand at 31 March 2021. The loan from the Group company Morzal Property Iberia, S.L.U. is also secured by a pledge on 100% of the borrower's shares.

On 5 December 2017, the parent company, acting not as a borrower but as a guarantor, together with the subsidiaries listed below, arranged a syndicated loan for a total amount of €146 million, maturing in 2023, with the banks CaixaBank, Banco Popular and Banco Santander, the latter acting as the agent bank, which has been used to settle the Group's previous financing and fund the purchase of the properties acquired by the company Junction Parque Alameda, S.L.U.

On 18 June 2021, the Group sold two office buildings owned by the parent company, in the amount of €26,500 thousand. As part of this operation, the Group repaid a part of the first syndicated financing tranche in the amount of €5,438 thousand and all of the associated CAPEX line in the amount of €8,000 thousand.

The loan is secured by assets the fair value of which following the repayment is as follows:

Company	Property	30/09/2021	31/03/2021
Junction Parque Castellón S.L.U.	Ciudad del Transporte	2,924	2,924
Junction Parque Principado, S.L.U.	Parque Principados Retail Park	13,593	13,593
Castellana Parque Oeste, S.L.U.	Parque Oeste Retail Park	21,377	21,377
Junction Parque Huelva, S.L.U.	Marismas del Polvorín Retail Park	12,466	12,466
Junction Parque Motril, S.L.U.	Motril Retail Park	3,594	3,594
Junction Parque Granada, S.L.U.	Kinepolis Retail Park & Leisure Centre	21,120	23,359
Junction Parque Cáceres, S.L.U.	Mejostilla Retail Park	3,856	3,856
Junction Parque Mérida, S.L.U.	La Heredad Retail Park	6,176	6,176
Castellana Parque Villanueva, S.L.U.	Villanueva de la Serrena Retail Park (Phases I and II)	6,891	6,891
Junction Parque Alameda, S.L.U.	Alameda Shopping Centre San Pedro Del Pinatar Retail Park	48,565	51,764
		140,562	**146,000**

On 9 May 2018, the subsidiary Junction Parque Habaneras, S.L.U. took out a mortgage with the financial institution Aareal Bank, AG in the amount of €42,330 thousand, secured by the Habaneras Shopping Centre and maturing in 2025.

On 27 September 2018, the subsidiary Morzal Property Iberia, S.L. (contributed in the share capital increase through the non-monetary contribution described in Note 10) signed a mortgage loan with the financial institution Aareal Bank, AG in the amount of €256 million, secured by 4 assets, namely the "El Faro", "Bahía Sur", "Los Arcos" and “Vallsur” shopping centres.

On 27 March 2019, the parent company, acting not as a borrower but as a guarantor, together with the subsidiaries listed below, arranged an extension of the syndicated loan, in the form of a CAPEX line, for a total amount of €8,000 thousand, that has been repaid, with the banks CaixaBank and Banco Santander. The entire amount of the financing had been drawn down at 31 March 2021.

(Thousands of euros)

The entire amount of this loan was repaid during the period ending on 30 September 2021. As of 31 March 2021 and 30 September 2020, the amount drawn down per company is as follows:

Company	Property	30/09/2021	31/03/2021
Junction Parque Castellón S.L.U.	Ciudad del Transporte	-	-
Junction Parque Principado, S.L.U.	Parque Principados Retail Park	-	-
Castellana Parque Oeste, S.L.U.	Parque Oeste Retail Park	-	264
Junction Parque Huelva, S.L.U.	Marismas del Polvorín Retail Park	-	203
Junction Parque Motril, S.L.U.	Motril Retail Park	-	387
Junction Parque Granada, S.L.U.	Kinepolis Retail Park & Leisure Centre	-	6,190
Junction Parque Cáceres, S.L.U.	Mejostilla Retail Park	-	-
Junction Parque Mérida, S.L.U.	La Heredad Retail Park	-	12
Castellana Parque Villanueva, S.L.U.	Villanueva de la Serrena Retail Park (Phases I and II)	-	410
Junction Parque Alameda, S.L.U.	Alameda Shopping Centre	-	534
	San Pedro Del Pinatar Retail Park	-	-
		-	**8,000**

On 31 July 2019, the Parent company arranged a syndicated loan of €23,000 thousand, maturing in 2031, from the banks Liberbank and Banco Pichincha to finance the purchase of the Puerta Europa shopping centre.

On 24 September 2019, the subsidiary Morzal Property Iberia, S.L. arranged an extension of the mortgage loan from the financial institution Aareal Bank, AG for the purchase of two assets annexed to two shopping centres already owned, "Bahía Sur" and "Los Arcos", for a maximum of €47,490 thousand, maturing in 2025, €27,354 thousand of which had been drawn down at 30 September 2021 (€27,354 thousand at 31 March 2021).

On 30 June 2021, the Group signed a waiver with a financial entity, for the Morzal Property Iberia, S.L.U. loan, exonerating the Group from fulfilling certain covenants to 31 December 2021.

On 18 May 2021, the syndicated financing repayment schedule was renewed, as a result of which the first tranche falls due in June 2022.

At the date of formulation of these Condensed Consolidated Interim Financial Statements the Group has reached an agreement with a financial entity, signing a Term sheet to refinance the syndicated loan in the second half of the year, establishing its maturity in the long term.

These loans are subject to compliance with certain covenants, which is standard practice in the sector in which the Group operates, the ratio being calculated every six months. As of 30 September 2021, the Group had complied with all of these covenants.

11. PROVISIONS AND CONTINGENCIES

At 30 September 2021 the Group has three third-party technical guarantees in place in the amount of €107 thousand, the maturity of which is linked to construction work completions (€148 thousand at 31 March 2021).

12. PARENT COMPANY DIRECTORS' REMUNERATION, SHAREHOLDINGS AND BALANCES

Shareholdings, positions and activities of the members of the Board of Directors

Article 229 of the Spanish Companies Act, which was approved by Royal Legislative Decree 1 of 2 July 2010, requires directors to notify the Board of Directors (or, in the absence of such a body, the other Directors or the General Shareholders' Meeting) of any direct or indirect conflict of interest they may have with the Company.

Likewise, directors must disclose any direct or indirect interests they or persons related to them may hold in any company engaging in activities which are identical, analogous or complementary to those comprising the Company's corporate purpose. They must also disclose the positions they hold or duties they perform at such companies. The directors have not notified any conflicts of interest with respect to the Castellana Group.

Directors' remuneration

During the six-month period ended 30 September 2021, remuneration accrued to the directors totalled €745 thousand (€711 thousand at 30 September 2020), of which executive directors received a total of €524 thousand (€512 thousand at 30 September 2020).

The Group has not granted any loans to the Board of Directors and does not have pension funds or any other similar obligations to the benefit of its directors.

There is a share-based remuneration plan for the Parent Company's executive team (Note 2.18). The first calculation period comprises the period from 1 April 2019 to 31 March 2022. At 30 September 2021, the Parent Company has estimated a cost of €2,500 thousand recognised in the item "Other equity instruments" (€2,000 thousand at 31 March 2021).

13. RELATED-PARTY TRANSACTIONS AND BALANCES

The following table shows a breakdown of the transactions carried out with related parties:

Description	Thousands of euros	
	Six-month period ended 30 September 2021	**Six-month period ended 30 September 2020**
Income		
Reinvoicing of costs	-	694
	-	**694**
Expenses		
Interest	(311)	(133)
	(311)	**(133)**

During the six-month period ended 30 September 2020, the Group recognised income relating to the special tax stipulated in Article 9.2 of Law 11/2009 of 26 October on SOCIMIS (listed property investment companies) (Note 2.16), which was recharged to the main shareholders by companies that hold a shareholding of over 5% and pay tax at a rate below 10%.

Interest expense relates to a loan of €17,500 thousand arranged with Vukile Property Fund Limited on 14 May 2020, which matures on 13 July 2022 (See note 16).

As of 30 September 2021 and 31 March 2021, the breakdown of balances with related parties and Group companies is as follows:

Description	Thousands of euros	
	30/09/2021	31/03/2021
Receivables (Note 7)		
Adam Lee Morze	42	42
Diversified Real Estate Assets Management, S.L. (DREAM)	2	2
Morze European Real Estate Ventures (MEREV)	500	615
	544	**659**
Payables (Note 10)		
Vukile Property Fund Limited	17,649	17,645
	17,649	**17,645**

On 14 July 2020, the parent company Castellana Properties SOCIMI, S.A. entered into a loan agreement with its principal shareholder Vukile Property Fund Limited for €17,500 thousand, maturing on 23 July 2020. On 16 September 2020, the Group signed an addendum to this agreement, which extended the maturity date to 13 July 2021. On 14 May 2021, the Group signed a second addendum, which extended the maturity date to 13 July 2022. The loan bears an annual interest rate of 3.5%.

14. OTHER INFORMATION

The average number of employees during the six-month period ended 30 September 2021 and 30 September 2020, shown by professional grade, is as follows:

Grade	30.09.21	30.09.20
Directors	6	6
University graduates or diploma holders	21	18
Administrative personnel and other	3	3
	30	**27**

15. INFORMATION REQUIREMENTS RESULTING FROM SOCIMI STATUS, LAW 11/2009, AS AMENDED BY LAW 16/2012

a) Reserves from financial years prior to the application of the tax rules set out in Law 11/2009, as amended by Law 16 of 27 December 2012.

Not applicable.

b) Reserves from years in which the tax rules set out in Law 11/2009, as amended by Law 16 of 27 December 2012, were applied, distinguishing the part that derives from income subject to the zero-tax rate, or the 19% rate, from income that has been taxed at the general rate, if applicable.

The reserves recognised derive from income subject to 0% tax.

c) Dividends distributed against profits each year in which the tax rules contained in Law 11/2009, as amended by Law 16 of 27 December 2012, applied, distinguishing the portion arising from income subject to 0% or 19% tax from the portion relating to income subject to tax at the general rate.

All of the dividends distributed derive entirely from income subject to 0% tax.

d) In the case of a distribution charged to reserves, stating the year in which the reserve applied originated and whether it were taxed at 0%, 19% or the general rate.

No dividends were distributed against reserves.

e) Date of the agreement for the distribution of dividends referred to in c) and d) above.

- Dividend of €134 thousand for the 2016 financial year, approved by the General Shareholders' Meeting on 29 June 2017.
- Dividend of €1,202 thousand for the three-month period ended 31 March 2018, approved by the General Shareholders' Meeting on 13 July 2018.
- Interim dividend of €10,948 thousand for the financial year ended 31 March 2019, approved by the Board of Directors on 21 May 2018.
- Interim dividend of €6,967 thousand for the financial year ended 31 March 2019, approved by the Board of Directors on 15 November 2018.
- Interim dividend of €8,150 thousand for the financial year ended 31 March 2019, approved by the Board of Directors on 14 May 2019.
- Interim dividend of €17,025 thousand for the financial year ended 31 March 2020, approved by the Board of Directors on 13 November 2019.
- Dividend charged to the share premium account in the amount of €2,107 thousand, approved by the Board of Directors on 13 November 2019.
- Interim dividend of €3,899 thousand for the financial year ended 31 March 2020, approved by the Board of Directors on 13 June 2020.

(Thousands of euros)

- Dividend charged to the share premium account in the amount of €17,420 thousand, approved by the Board of Directors on 13 June 2020.
- Interim dividend of €53 thousand for the financial year ended 31 March 2020, approved at the General Shareholders' Meeting on 15 September 2020.

f) Date of acquisition of properties intended for rent and interests in the share capital of companies referred to in Article 2.1 of this Law.

The parent company owns the following rental properties:

Property	Location	Date acquired
Puerta Europa	A-7 Km-106 11203, Algeciras (Cádiz)	31 July 2019

The parent company has holdings in the share capital of companies, referred to in Article 2.1 of the Spanish SOCIMI Law:

Company	Date acquired	Property	Location
Junction Parque Castellón S.L.U.	30 June 2017	Ciudad del Transporte	Avenida Europa 231, Castellon De La Plana
Junction Parque Principado, S.L.U.	30 June 2017	Parque Principados Retail Park	LG Paredes 201, Siero (Asturias)
Castellana Parque Alcorcón, S.L.U..	30 June 2017	Parque Oeste Retail Park	Avenida de Europa 4, Alcorcon - Madrid
Junction Parque Huelva, S.L.U.	30 June 2017	Marismas del Polvorín Retail Park	Calle Molino Mareal 1, Huelva
Junction Parque Motril, S.L.U.	30 June 2017	Motril Retail Park	Rambla de las Brujas, Motril, Granada
Junction Parque Granada, S.L.U.	30 June 2017	Kinepolis Retail Park & Leisure Centre	Calle Samuel Billy Wilder 1, Pulianas - Granada
Junction Parque Cáceres, S.L.U.	30 June 2017	Mejostilla Retail Park	Calle Jose Espronceda 52, Plot M-19.1ª, Caceres

(Thousands of euros)

Company	Date acquired	Property	Location
Junction Parque Mérida, S.L.U.	30 June 2017	La Heredad Retail Park	Avenida José Saramago de Sousa, Merida
Castellana Parque Villanueva, S.L.U.	30 June 2017	Villanueva de la Serrena II Retail Park	Carretera Don Benito, S/N, Villanueva de la Serena, Badajoz
Junction Parque Alameda, S.L.U.	5 December 2017	Alameda Shopping Centre	Calle Luis Buñuel 6, 18197, Pulianas - Granada
		San Pedro Del Pinatar Retail Park (Phases I and II)	UA-1 Local Level Plan (*Plan Parcial*) “Area 3e”, Manzana P-9, San Pedro del Pinatar (Murcia)
Junction Parque Habaneras, S.L.U.	9 May 2018	Habaneras Shopping Centre	Avenida Rosa Mazón Valero 7, Torrevieja, Alicante
Morzal Property Iberia S.L.U.	27 November 2018	Vallsur Shopping Centre	Paseo de Zorilla, Valladolid
		Los Arcos Shopping Centre	Avenida de Andalucia S/N, Seville
		Bahía Sur Shopping Centre	Avenida Caño Herrera S/N, San Fernando, Cádiz
		El Faro Shopping Centre	Avenida de Elvas S/N, Badajoz

g) Identification of assets taken into account when calculating the 80% referred to in Article 3.1 of the Law.

The assets taken into account when calculating the 80% referred to in Article 3.1 of the SOCIMI Law are the ones listed in the previous point.

h) Reserves from years in which the tax scheme provided by the Law was applicable and which have been made use of (not for distribution or offsetting losses) during the tax period, stating the year from which the reserves originate.

Not applicable.

(Thousands of euros)

16. EVENTS AFTER THE REPORTING PERIOD

On 16 November 2021, the Company Board of Directors agreed to pay out an interim dividend in the amount of €6,000 thousand, i.e., €0.0696 per share.

The following table details the forecast cash flow statement prepared by the Board of Directors:

Profit/(loss)	19,678
Legal reserve	(1,968)
Voluntary reserve	(11,710)
Dividend charged to profits	**6,000**
Total dividend payable	**6,000**
Available cash	**26,800**

At the date of formulation of these Condensed Consolidated Interim Financial Statements the Group has reached an agreement with a financial entity, signing a Term sheet in order to refinance the syndicated loan in the second half of the year, to establish its maturity in the long term

CASTELLANA PROPERTIES SOCIMI, S.A.

PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2021

Pursuant to the requirements of Article 253 of the Spanish Companies Act and Article 37 of the Spanish Commercial Code, on 16 November 2021 the members of the Board of Directors of Sociedad Castellana Properties Socimi, S.A. prepared the condensed consolidated interim financial statements for the period between 1 April 2021 and 30 September 2021, set out in the accompanying documents that precede this written submission.

Laurence Gary Rapp
Chairman

Alfonso Brunet
Board Member

Jorge Morán
Board Member

Michael John Potts
Board Member

Nigel George Payne
Board Member

Adam Lee Morze
Board Member

Guillermo Massó
Board Member

Debora Santamaría
Board Member

Laurence Cohen
Board Member