

CONDENSED CAPITAL INCREASE DOCUMENT FOR THE BME  
GROWTH SEGMENT OF THE BME MTF EQUITY MARKET

**CASTELLANA PROPERTIES SOCIMI, S.A.**

**JUNE 2022**

This Condensed Capital Increase Document (the “**Capital Increase Document**” or “**CCID**”) has been drafted in accordance with the model provided in Appendix 2 of AEM Circular 2/2020 of 30 July, on the requirements and procedures applicable to capital increases in companies whose shares are listed for trading on the BME Growth segment of the BME MTF Equity market (hereinafter, the “**Market**” or “**BME Growth**”) and it has been prepared on the occasion of the listing of the new shares resulting from the capital increase in the BME Growth segment.

Investors in companies traded on BME Growth must be aware that they are taking on a greater risk than would be involved when investing in companies listed on the Securities Markets. Investors in companies listed on BME Growth should seek advice from an independent professional.

It is recommended that shareholders and investors read this entire Condensed Capital Increase Document carefully before making any investment decisions relating to these newly issued shares.

Neither the Governing Body of BME MTF Equity nor the Spanish Securities Markets Commission (CNMV) has approved or conducted any type of verification or check in relation to the contents of this Capital Increase Document. Responsibility for the information published corresponds, at least, to the Issuing Entity and its directors. The Market's role is limited to checking that the information is complete, consistent and understandable.

Renta 4 Corporate, S.A., with registered address at Paseo de la Habana 74, Madrid, with Tax Code (NIF) A-62585849, duly entered at Madrid Mercantile Registry in Volume 21,918, Sheet 11, section B, Page M-390614, as a BME Growth Registered Adviser, acting as such on behalf of Castellana Properties SOCIMI, S.A. (hereinafter “**Castellana**”, the “**Company**” or the “**Issuer**”), a company which has applied for the newly issued shares resulting from its capital increase to be listed on the Market, for the purposes set out in BME Growth Circular 4/2020, of 30 July, on Registered Advisers in the BME Growth Trading Section of BME MTF Equity (“**Circular 4/2020**”),

#### **HEREBY DECLARES**

**One.** That it has assisted and collaborated with the Company in the preparation of this present Capital Increase Document, which is required by Circular 2/2020, on the requirements and procedures that apply to capital increases by entities whose shares are listed for trading on the BME Growth segment of the BME MTF Equity market (hereinafter, “**Circular 2/2020**”).

**Two.** That it has reviewed the information that the Issuer has compiled and published.

**Three.** That the Condensed Capital Increase Document complies with the regulations and meets the applicable requirements on content, accuracy and quality without omitting any relevant information or misleading investors.

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## **1. INCORPORATION OF REFERENCE VALUES FROM THE COMPANY'S INFORMATION DOCUMENT FOR ADMISSION**

### **1.1. Information Document for Admission**

When listing its shares on BME Growth on 25 July 2018, the Company prepared the corresponding Information Document for Admission (hereinafter, “**IDA**”) in accordance with the model provided in the Appendix to AEM Circular 2/2018 of 24 July, on the requirements and procedures applicable to the inclusion or exclusion for trading on the Alternative Exchange Market of shares that are issued by Growth Companies and Spanish Real Estate Investment Trusts (*Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario*, “**SOCIMIs**”), which has now been replaced by Circular 1/2020 of 30 July, on the requirements and procedures applicable to inclusion or exclusion for trading in the BME Growth segment of BME MTF Equity (hereinafter, “**Circular 1/2020**”).

In addition, when making its non-cash share capital increase in January 2019, its cash share capital increase in July 2019, and its non-cash share capital increase in November 2019, Castellana prepared the corresponding Condensed Capital Increase Documents for the Market (hereinafter, the “**January 2019 CCID**”, the “**July 2019 CCID**” and the “**November 2019 CCID**” respectively). The aforementioned IDA and CCID can be consulted on the Company's website (<http://www.castellanasocimi.es>), and on the BME Growth website ([https://www.bmegrowth.es/esp/Ficha/CASTELLANA\\_PROPERTIES\\_SOCIMI\\_SA\\_ES\\_0105360004.aspx](https://www.bmegrowth.es/esp/Ficha/CASTELLANA_PROPERTIES_SOCIMI_SA_ES_0105360004.aspx)), where you can also find financial information, Privileged Information and Other Relevant Information that has been published in relation to the Company.

In both web sites, in compliance with the contents of Circular 3/2020 of 30 July, on the financial information to be provided by companies admitted for trading in the BME Growth segment of BME MTF Equity (hereinafter, “**Circular 3/2020**”), can be found all public documents that have been submitted to the Market since the listing of the Company's securities.

### **1.2. Person or persons responsible for the information contained in the Document, who must have the status of Director. A declaration from the said person or persons that, to the best of their knowledge, the Document reflects the true situation and there are no relevant omissions**

Alfonso Brunet Morales-Arce, in the name and representation of the Company, as CEO of the Company's Board of Directors, in exercise of the express powers granted to him by the Board of Directors at its meeting of 26 May 2022, assumes responsibility for the contents of this Condensed Capital Increase Document (hereinafter, “**April 2022 CCID**”), the format of which is in accordance with Appendix 2 of BME Growth Circular 2/2020.

Alfonso Brunet Morales-Arce, as the person responsible for this Condensed Capital Increase Document, hereby declares that, to the best of his knowledge, the information contained herein reflects the true situation and does not contain any relevant omissions.

### **1.3. Full identification of the issuing entity.**

Castellana Properties SOCIMI, S.A. is a listed real estate investment trust (SOCIMI), with registered office at Glorieta de Rubén Darío 3, 1ª planta derecha, 28010 Madrid, and with Tax Code A-87293015.

Castellana is the parent company of a group of fourteen subsidiary companies that are wholly owned by the Company. The purpose of these companies is to manage their corresponding real estate assets. All subsidiary companies are governed by the rules governing SOCIMIs.

The company was incorporated for an indefinite period with the name “Vinemont Investment, S.A.”, with registered address at Calle Ayala 66, Madrid, in a publicly recorded deed authorised on 19 May 2015 in the presence of Madrid Notary Public Francisco Javier Piera Rodríguez, deed reference number 1727. It is entered at Madrid Mercantile Registry in Volume 33483, Book 0, Sheet 61, Section 8, Sheet M 602735, Entry No. 1, dated 25 May 2015.

On 25 November 2015, the Company’s sole shareholder made the decision to change the Company’s registered office to Calle Alcalá 61, 3ª planta, 28014 Madrid. It also amended article 2 of the Company’s Articles of Association (referring to the Company’s corporate purpose), approving the consolidated text of the Articles of Association and adding the new Articles 4 *bis* and 13 to include the requirements for applying for inclusion under the special tax regime for SOCIMIs (Spanish real estate investment trusts), applicable as of 1 January 2016. These resolutions were formalised in a public deed executed on 25 November 2015 before Madrid Notary Public José Luis Martínez-Gil Vich, deed reference number 2,774. This was entered at Madrid Mercantile Registry on 10 December 2015, in Volume 33,483, Book 0, Sheet 64, Section 8, Page M 602735, Entry No. 4.

Subsequently, for the purposes of adapting the Articles of Association to the special tax regime for SOCIMIs, on 27 May 2016 the Company amended article 35 (application of profits/(losses)), and it also changed its name to “Castellana Properties SOCIMI, S.A.”, its current name, in a deed executed on 30 May 2016 before Madrid Notary Public Ignacio Martínez Plaza, deed reference number 1,563. This was entered at Madrid Mercantile Registry on 4 August 2016, in Volume 33,483, Book 0, Sheet 69, Section 8, Page M 602735, Entry No. 5.

Castellana’s corporate purpose is recorded in article 2 of its Articles of Association (hereinafter, “**Articles of Association**”), the wording of which on the date of this Information Document, pursuant to Act 11 of 26 October 2009 (hereinafter, the “**SOCIMI Act**”), is as follows:

**“ARTICLE 2. Corporate Purpose.**

*The Company’s main corporate purpose is the performance of the following activities, whether in Spain or abroad:*

- (a) the acquisition and development of urban real estate assets for lease or the restoration of buildings under the terms set out in Spanish Value Added Tax 37 of 28 December 1992;*
- (b) the ownership of interests in the share capital of other Spanish Real Estate Investment Trusts (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 these SOCIMIs as regards the compulsory, legal or statutory policy on profit distribution;*
- (c) the ownership of interests in the share capital of other companies that are both resident and non-resident in Spain, whose corporate purpose is the acquisition of urban properties for lease, and which are governed by the same rules that govern SOCIMIs as regards the compulsory, legal or statutory policy on profit distribution, and which meet the investment requirements set out in Article 3 of Act 11 of 26 October 2009, by which SOCIMIs are governed (the “SOCIMI Act”).*
- (d) The ownership of shares or holdings in Collective Investment Institutions governed by Spanish Collective Investment Institutions Act 35 of 4 November 2003, or any regulation that may replace it in the future.*

*In addition to the business activity resulting from its main corporate purpose, the Company may also engage in other ancillary activities, this being understood to mean activities that generate income which accounts for less than 20% of the Company’s total income over a single tax period, or activities that can be deemed to be ancillary according to the legislation in force from time to time. These may include the following:*

- (a) In general, the subscription, derivative acquisition, holding, use, administration, or disposal of transferable securities and corporate shares, except for activities that are subject to special legislation; and*
- (b) The management and administration of securities representing the shareholders’ funds of companies that are not resident in Spain, through the corresponding organisation of material and personal resources, pursuant to Article 107 of Spanish Company Tax Act 27 of 27 November 2014 and the regulations by which it is implemented, replaced or amended.*



*The activities included in its corporate purpose may be engaged in by the Company, indirectly and either wholly or in part, through the ownership of shares or holdings in companies with the same or a similar corporate purpose.*

*The company may not engage directly (or indirectly, where applicable) in any of the activities that are reserved under specific legislation. If the law requires some form of professional qualification, prior administrative authorisation, entry in the public registry or any other pre-requisite in order for any of the activities included in the corporate purpose to be carried out, such activities may not begin until the necessary professional or administrative requirements have been met.”*

## **2. UPDATED VERSION OF THE DOCUMENT PROVIDING INFORMATION ON ADMISSION FOR TRADING**

### **2.1 Aim of the share capital increase. Purposes to which the funds that are going to be obtained as a consequence of the listing of the newly issued shares are going to be put, with a breakdown of each of the main planned uses in order of priority. If the issuer is aware that the expected funds are not going to be sufficient for all the proposed uses, the amount and source of any other necessary funds will be declared.**

#### **Introduction**

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The Extraordinary General Shareholders' Meeting held on 15 March 2022 agreed to increase the share capital by €12,500,000 through the issue of 12,500,000 ordinary shares. The new shares were issued at their par value of €1 plus a share premium of €5 per share, resulting in an issue price of €6 per share. The cost of the share capital increase amounts to a total of €75,000,000, of which €12,500,000 corresponds to share capital and €62,500,000 corresponds to a share premium.

The purpose of the share capital increase forming the subject of this Capital Increase Document is to implement the resolution adopted at the Extraordinary General Shareholders' Meeting held on 15 March 2022, which approved (among other resolutions) a share capital increase by capitalisation of loans in a par amount of €12,500,000, through the issue of 12,500,000 new shares, each with a par value of €1 and a share premium of €5, and which was notified to the markets in the form of Further Relevant Information on 16 March 2022 via both the BME Growth website and the Company's own website. The resolution was publicly recorded on 16 March 2022 in a public deed executed in the presence of Madrid Notary Public Rocío Rodríguez Martín, deed reference number 1,402. It is entered at Madrid Mercantile Registry in Volume 37816, Book 0, Sheet 122, Sheet M 602735, Entry No. 43, dated 25 April 2022.

## **Aim of the share capital increase**

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This share capital increase carried out through the capitalisation of loans was considered advisable for the Company, since this resulted in the cancellation of most of the liability that had arisen from the financing provided by the majority shareholder Vukile Property Fund Limited (hereinafter, “**Vukile**”) for the investment made in LAR España Real Estate SOCIMI, S.A., thus reducing the Company’s need for bank financing and leading to an immediate improvement in its cash and liquidity position, while at the same time removing the obligation to repay the said loan and increasing the Company’s solvency. In addition, in this way the Company would reduce its liabilities and reinforce its shareholders’ funds for the purposes of improving the ratio between debt and share capital, in such a way that the structure of its shareholders’ funds would be more robust.

The capitalisation of the loan represents the countervalue of the proposed capital increase, which results from the loan signed on 20 January 2022 by Vukile, as lender, and the Company, as borrower, in the amount of €75,000,000 with a maturity date of 4 February 2022, the purpose of which was to allow the Company to finance part of the acquisition of a shareholding in the company LAR España Real Estate SOCIMI, S.A.

The total balance of the loan, i.e. €75,000,000, has been declared by mutual agreement to be due and payable in its entirety. It is herein recorded that the interest accrued on the loan has been paid to Vukile by the Company.

The new shares issued as consideration for the capitalisation of the loan are represented by book entries that will be accounted for by Sociedad de Gestión de Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear).

Pursuant to the contents of Article 301 of the Spanish Companies Act, on 9 February 2022 Castellana’s Board of Directors issued a report on the nature and characteristics of the loans to be capitalised, published as an appendix to the notice convening the Extraordinary General Shareholders’ Meeting on 15 March 2022 and attached to this CCID as Appendix II.

In addition, pursuant to the contents of Article 304 of the Spanish Companies Act, since this is a share capital increase that is to be made by capitalisation of loans, the remaining shareholders do not have any pre-emptive subscription right.

Attached to this CCID as part of Appendix II is the report prepared by the Company’s auditor, dated 11 February 2022, relating to the share capital increase by the capitalisation of loans, the loan amounts of which are indicated above.

## **Valuation of the contribution and share capital increase at Castellana**

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The proposed share capital increase carried out by Castellana's Board of Directors by capitalising the loans amounted to a total value of €75,000,000, of which €12,500,000 corresponds to share capital and €62,500,000 corresponds to a share premium. This increase was effected through the issue of 12,500,000 new accumulable and indivisible shares, each with a par value of 1 euro, with the same rights and obligations as the shares currently in circulation, and with a share premium per share of €5, which resulted in an issue price of €6 per share.

Notwithstanding the fact that the Company's share price was quoted at €6.85 on 7 February 2022, with an average weighted value during the four months prior to 7 February 2022 of €6.68 per share, the Board of Directors believes that the value described in the previous paragraph is justified by the fact that, given the limited day-to-day change in its price and the number of shares that can be traded, the share price will not recover to the true value of the shares.

Thus, it should be borne in mind that, after shares were priced at the time of their listing on BME Growth at a price of €6 per share, their value rose to the current price of €6.85 per share as the result of the purchase, on various dates and at different prices, of a very small percentage of the Company's total share capital. Given the limited liquidity of the shares, these purchases have an impact on the listed share price which does not reflect the changes in the true market value of the shares, which is much closer to the value regarded as relevant for the purposes of this share capital increase. Therefore, in order to remain consistent with the share capital increases that were previously approved by the Company, and even with the value given by the parties to operations carried out both OTC and in blocks in earlier operations, the price of the Company's shares is linked to the Company's EPRA NTA (€6).

The EPRA NTA ratio (1) is calculated assuming that the entity buys and sells the net real estate assets, thus materializing certain levels of deferred tax liability.

<sup>1</sup> For the calculation of the EPRA NTA, we start from the Equity attributed to the shareholders. Hybrid instruments are included/excluded, obtaining the diluted NAV. Additionally, revaluations of: real estate investments are included (when they are recorded at the Acquisition Cost method), real estate investments under renovation (when they are recorded at the Acquisition Cost method), other non-recurring investments, leases when recorded as financial leases and that of assets available for sale, obtaining the NAV diluted at market value. Additionally, deferred taxes are excluded in relation to the revaluation of real estate assets, the fair value of financial instruments, goodwill as a result of deferred taxes, goodwill reflected in the balance sheet, intangibles reflected in the balance sheet and, for Finally, the property transfer tax is included, obtaining the EPRA NTA.

As a consequence, the Board of Directors believes that it would not be advisable solely to consider the current list price of the shares as an indicator of their value. It believes that a much truer valuation of the shares that the Company is proposing to issue would be to take the Company's net asset value (taking unrealised capital gains into account) or its EPRA NTA figure. In this regard, from the information received by the Board of Directors, it can be concluded that the EPRA NTA per share as of 30 September 2021 was €6 per share.

The Board of Directors therefore believes that the value that should be taken into account for the purposes of this share capital increase is EPRA NTA per share, which amounts to €6 per share and which implies a share premium of €5 per share. For the relevant legal purposes, it is herein recorded that the shares representing the Company's current share capital are fully paid up.

As a result of the aforementioned credit compensation proposal, the Company's share capital will increase by 12,500,000 euros through the creation of 12,500,000 shares of one euro (€1) par value each. These new shares will be fully subscribed by Vukile.

Following the share capital increase by means of the capitalisation of loans described in this CCID, Castellana will have two direct shareholders with a direct shareholding of more than 5% of the share capital, the details of which are as follows:

<b>Direct shareholders</b>	<b>Prior to share capital increase</b>	<b>New shares</b>	<b>After share capital increase</b>	<b>% Shareholding</b>
Vukile Property Fund Limited	75,954,419	12,500,000	88,454,419	89.56%
Morze European Real Estate Ventures	9,833,333	0	9,833,333	9.96%
The Bank Of New York Mellon	181,311	0	181,311	0.18%
Brown Brothers Harriman Luxembourg S.A.	89,408	0	89,408	0.09%
Non-controlling interests	154,745	0	154,745	0.16%
Treasury shares	57,831	0	57,831	0.05%
<b>TOTAL</b>	<b>86,271,047</b>	<b>12,500,000</b>	<b>98,771,047</b>	

In addition, one organisation has an indirect shareholding in the Company's share capital of more than 5% through Morze European Real Estate Ventures, (MEREV), as broken down below:

<b>Indirect shareholders</b>	<b>% shareholding in MEREV</b>	<b>% shareholding in Castellana</b>
Lava Capital Partners Limited	63.44%	6.32%

**2.2 Privileged and other significant information. Mention of the existence of the websites of the issuer and the Market on which privileged and other significant information has been publicly available since its listing on the Market.**

In compliance with the contents of Circular 3/2020 of 30 July, on the financial information to be provided by companies admitted for trading in the BME Growth segment of BME MTF Equity (hereinafter, “Circular 3/2020”), the aforementioned IDA and CCID can be consulted on the Company’s website (<http://www.castellanasocimi.es>), and on the BME Growth website ([https://www.bmegrowth.es/esp/Ficha/CASTELLANA\\_PROPERTIES\\_SOCIMI\\_S\\_A\\_ES0105360004.aspx](https://www.bmegrowth.es/esp/Ficha/CASTELLANA_PROPERTIES_SOCIMI_S_A_ES0105360004.aspx)), where you can also find financial information, Privileged Information and Other Relevant Information that has been published in relation to the Company.

In accordance with the contents of Circular 3/2020, all public documents that have been submitted to the Market since the listing of Castellana Properties SOCIMI, S.A.’s securities can be found on both those websites.

**2.3 Financial information. Reference to the most recent accounts published by the issuing entity, whether these are audited annual accounts or interim financial statements.**

Under the terms of Circular 3/2020, on 31 May 2022 the Company published its stand-alone and consolidated annual accounts to 31 March 2022, together with the corresponding auditors’ reports issued by PriceWaterhouseCoopers Auditores, S.L. (hereinafter, “PwC”), attached to this CCID as Appendix I, not having presented qualified, unfavorable or denied opinions.

**2.4 Information on significant trends in the issuer’s production, sales and costs figures between the last regular information submitted to the Market and the date of the Capital Increase Document. Description of any significant changes to the issuer's financial position during the period, or a statement that there have been no such changes. In addition, a description of the planned financing for the issuer's activity.**

The production, sales and costs, as well as the financial position of Castellana at the date of publication of the DAR are in line with the publication of the audited financial information for the year ended March 31, 2022.

The drawdown of 1.3 million euros is planned during the months of July and August 2022 corresponding to Tranches B + C included in the Capex policy financed by Banco Aareal Bank. This drawdown would complete the total amounts corresponding to the tranches mentioned above.

From the drawdown of this amount, a fixed interest rate will be applied, resulting from adding the applicable margin of 1.45% to the reference interest rate considered as a determined percentage rate EURSFIXA. With this drawdown, the amount available for section B + C of this Capex policy ends, which in total amounted to 17,404 thousand euros.

## **2.5 Quantitative forecasts or estimates of future income and costs.**

The Company has not published any quantitative forecasts or estimates of future income and costs.

## **2.6 Report on working capital.**

At a meeting held on 26 May 2022, the Company's Board of Directors reported that, after completing the necessary due diligence analysis, the Company had sufficient working capital ("**Working Capital**") to engage in its business activities during the 12 months following the publication date of this Capital Increase Document.

## **2.7 Risk factors.**

Current risk factors do not differ substantially from those that were included in the July 2018 IDA, the January 2019 CCID, the July 2019 CCID and the November 2019 CCID. These risks are not the only ones the Company faces.

In addition to all the information contained in this present Capital Increase Document, account should be taken, prior to adopting any decision to invest in the Company's shares, of the risks described in all documents listed above. If they were to materialise, these risks could adversely affect the Issuer's business, trading figures and prospects or its financial, economic or equity position.

In addition, it could be the case that future risks that are currently unknown or not considered relevant could have an effect on the Issuer's business, trading figures and prospects or its financial, economic or equity position.

The most relevant risks factors are as follows:

### *The current influence of Vukile Property Fund Limited*

Taking this present capital increase into account, the Company is 89.56% controlled by Vukile, a South African REIT listed on the Johannesburg Stock Exchange (JSE) and the Namibia Stock Exchange, whose interests may differ from those of potential new shareholders that will have a minority shareholding, which will mean that they will not be significantly able to influence the adoption of resolutions at the General Shareholders' Meeting or the appointment of members of the Board of Directors.

#### *Debt levels and risk of interest rate rises*

As of 31 March 2022, the Company and its subsidiaries (hereinafter, the “**Group**”) held a debt with credit institutions in the amount of €488,879 thousand which is accruing interest at both variable and fixed rates. This debt has been taken out partially to finance acquisitions of new real estate assets, through the grant of mortgage guarantees. There is also an obligation to comply with a series of covenants every year, as set out in section 2.12.1 of the IDA. On 31 March 2022, the Net Loan-to-Value ratio on the Group’s nominal net debt was 43.65%.

In the event that the cash flows generated by the income received from the real estate portfolio are insufficient to meet the payment of the existing financial debt, this shortfall would negatively affect Castellana’s financial situation, trading figures or valuation.

#### *Risk of mortgage foreclosure against Company’s real estate assets*

As of the date of this capital increase document, all the real estate assets owned by the Group are mortgaged in favour of the financial institutions that have granted loans. If the Group were to default on its contractual obligations for those loans, these financial institutions could enforce their guarantees, which means that they could take over ownership of the mortgaged real estate assets.

#### *Russia-Ukraine conflict and current economic situation*

At the date of the DAR, all of the Company’s assets are located in Spain, and the Company expects that in the future its acquisitions will be made in Spain.

The current geopolitical situation and the design of the energy and productive structure of the member countries of the European community have shown the dependence on third countries for the supply of fuels on the one hand and the vulnerability of the supply chain. In the current situation, the increase in energy and transport costs, together with the slowdown in production and logistics during the harshest months of the pandemic, have led to the breakdown of stocks in all production stages, which have not been able to satisfy the replenishment after the restrictions causing a general increase in prices that have led us to levels of inflation unknown in this century.

The uncertainty could affect the Spanish economy and, consequently, economic growth in the regions in which the Company intends to be present, which could have an impact on, among others, the activity, financial situation, operating results or prospects of the society.

#### *Risk linked to geographic concentration*

As of the date of this Informative Document, the assets that the Company owns are in Spain and represent 100% of the total value of its property portfolio. Therefore, in the event of specific urban changes in the country or due to particular economic conditions that arise in Spain, the financial situation, results or valuation of the Company could be affected.

### *Concentration in one type of asset*

The Company has a portfolio of assets which is made up of 63% retail parks and 37% shopping malls. Therefore, if changes were to occur in these sectors (economic conditions, technology, competition, etc.) they would not affect all the assets held by the Company, and therefore, possible impacts on the financial situation, results or valuation of the Company, would be mitigated by this diversification.

In general, it should be noted that the Directors and Management of the Group carry out constant supervision of the risks, in order to successfully deal with the eventual impacts, both financial and non-financial, that may occur. However, it does not expect any significant impact from these risks.

## **3 INFORMATION RELATING TO THE SHARE CAPITAL INCREASE**

### **3.1 Number of newly issued shares whose admission for trading is requested and their par value. Reference to the company agreements adopted in order to implement the share capital increase. Information on the share capital figure following the share capital increase in the event that the issue is fully subscribed. In cases involving a share capital increase charged to non-cash contributions (including share capital increases by the capitalisation of loans), a brief description of the contribution, including a reference to the existence of valuation reports and details of where they can be found.**

The Company's share capital prior to the share capital increase forming the subject of this Capital Increase Document amounted to €86,271,047, represented by 86,271,047 shares, each with a par value of €1.00.

As indicated in section 2.1 of this Capital Increase Document, at an Extraordinary General Shareholders' Meeting held on 15 March 2022, the Company's shareholders approved a share capital increase through the capitalisation of loans in a par amount of €12,500,000, and to this end 12,500,000 new shares have been issued, each with a par value of €1 and a share premium of €5. This resolution was publicly recorded on 16 March 2022, in the presence of Madrid Notary Public Rocío Rodríguez Martín, deed reference number 1,402, and it is entered at Madrid Mercantile Registry in Volume 37816, Book 0, Sheet 122, Sheet M 602735, Entry No. 43, dated 25 April 2022. The new shares all belong to the same category and series as the shares that are currently in circulation, and they are represented by entry in a register of named shareholders.

The new shares will afford the same voting and financial rights as the shares that are currently in circulation from the date on which the capital increase is approved by the General Shareholders' Meeting, and confer on their holders from the date of their registration in the register kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (hereinafter, "Iberclear") and its Participating Institutions.



### Share capital resulting from the capital increase

Following the non-cash capital increase described herein, the Company's share capital amounts to €98,771,047, represented by 98,771,047 shares, each with a par value of €1. All the shares afford the same financial and voting rights.

As mentioned in section 2.1 of this Capital Increase Document, pursuant to Article 301 of the Spanish Companies Act, on 9 February 2022 the Board of Directors issued a report on the nature and characteristics of the loans to be capitalised (a copy of which is attached hereto as Appendix II) and, on 11 February 2022, PwC issued the special report confirming the data relating to the said loans, acting in its capacity as the Company's auditor (a copy of this certificate is also attached hereto as Appendix III). Both the report by the Board of Directors and the certificate issued by the Company's auditor in compliance with the regulations that apply to the capitalisation of debt were made available to shareholders at the Company's registered office and on its corporate website, as well as on the BME Growth website, together with the notice convening the Extraordinary General Shareholders' Meeting at which the Share Capital Increase was agreed and the resolutions adopted at that meeting.

### Admission for trading

The Company will request that the new shares resulting from this share capital increase by means of a capitalisation of loans be admitted for trading on BME Growth within the shortest possible time following publication of this Condensed Capital Increase Document.

### **3.2 Description of the start date and the period for subscribing the newly issued shares with details, where applicable, of any preferential, additional and discretionary subscription periods, along with an indication of the provisions in place for an incomplete subscription of the share capital increase.**

Bearing in mind that the way in which this share capital increase is to be paid up is by means of a non-cash contribution through the capitalisation of loans, recognition of the pre-emptive subscription right afforded under Article 304.2 of the Spanish Companies Act does not apply, and the Non-Cash Share Capital Increase has been subscribed and paid up in its entirety by the Company's principal shareholder, Vukile.

### **3.3 To the extent that the issuing entity is aware, information relating to the intention of the principal shareholders or members of the Board of Directors to subscribe to the share capital increase.**

The share capital increase has been subscribed in its entirety by the Company's principle shareholder, Vukile, since it is the holder of the loan that has been capitalised by this share capital increase.

As of the date of this Capital Increase Document, the Company's shareholder structure following the share capital increase by capitalisation of loans is as follows:

<b>Direct shareholders</b>	<b>Prior to share capital increase</b>	<b>New shares</b>	<b>After share capital increase</b>	<b>% Shareholding</b>
Vukile Property Fund Limited	75,954,419	12,500,000	88,454,419	89.56%
Morze European Real Estate Ventures	9,833,333	0	9,833,333	9.96%
The Bank Of New York Mellon	181,311	0	181,311	0.18%
Brown Brothers Harriman Luxembourg S.A.	89,408	0	89,408	0.09%
Non-controlling interests	154,745	0	154,745	0.16%
Treasury shares	57,831	0	57,831	0.05%
<b>TOTAL</b>	<b>86,271,047</b>	<b>12,500,000</b>	<b>98,771,047</b>	

**3.4 Main characteristics of the newly issued shares and the rights that they afford, with a description of their category and the dates on which they will come into effect. Update, in the event that these rights are different from those described in the Information Document for Admission or, where applicable, the most recent Complete Capital Increase Document.**

The legal rules that apply to the Company's newly issued shares are those set out in Spanish law, specifically the provisions contained in the Spanish Capital Companies Act, the provisions of Royal Legislative Decree 4 of 23 October 2015, which approved the Consolidated Text of the Spanish Securities Market Act, and the provisions of Royal Legislative Decree 21 of 29 December 2017, on urgent measures to bring Spanish law into line with the EU regulations on stock market-related issues, along with their respective implementing regulations, as applicable.

The shares are registered shares that are represented by share certificates, and they have been entered in the relevant accounting records kept by Iberclear, with registered office at Plaza de la Lealtad 1, Madrid, and by its authorised participating bodies. The share price is listed in euros.

All of the shares, including the new shares issued for the purposes of this capital increase, are ordinary shares and will afford the same voting and financial rights as the shares that are currently in circulation following execution of the public deed recording a share capital increase, from the date of its entry in the register kept by Iberclear and its Participating Institutions. Specifically, the holders of the new shares will have the right to receive any amounts on account against dividends and supplementary dividend payments that are paid, where applicable, from the date on which the share capital increase is declared subscribed and paid up.

**3.5 Where applicable, description of any statutory condition on the unrestricted transfer of the newly issued shares that is compatible with trading in the BME Growth segment.**

The shares issued in this share capital increase may be freely transferred and are not subject to any restrictions or conditions of any kind.

**4 OTHER RELEVANT INFORMATION**

Not applicable.

**5 REGISTERED ADVISOR AND OTHER EXPERTS OR ADVISORS**

**5.1 Information relating to the Registered Advisor, including possible relationships and links with the issuer.**

On 2 November 2017 the Company engaged Renta 4 Corporate, S.A. as its registered advisor, thus complying with the requirement set out in MAB Circular 2/2018 of 24 July 2018, now replaced by the current BME Growth Circular 1/2020 of 30 July, which requires the engagement of a registered advisor while completing the process for listing on BME Growth and the maintenance of their engagement while the Company is listed on the said market.

As a consequence of its appointment, from the aforementioned date Renta 4 Corporate, S.A. has been assisting the Company in its compliance with the list of obligations by which it is bound as a result of Circular 4/2020.

Renta 4 Corporate, S.A. was authorised as a Registered Advisor by the Market's Board of Directors on 2 June 2008, as required under BME Growth Circular 4/2020, and it was among the first thirteen registered advisors approved by the said market organisation.

Renta 4 Corporate, S.A. is a Renta 4 Banco, S.A. company that was incorporated for an indefinite time with the name Renta 4 Terrasa, S.A. in a public deed executed on 16 May 2001. It is currently entered at Madrid Mercantile Registry in Volume 21,918, Sheet 11, Section B, Page M-390614, with Tax Code A62585849 and with registered office at Paseo de la Habana 74, Madrid. Its company name was changed to Renta 4 Planificación Empresarial, S.A. on 21 June 2005, and this was changed to the name by which it is currently known on 1 June 2007.

In performing its duties as Registered Advisor, Renta 4 Corporate, S.A. acts at all times in accordance with the standards set out in its Internal Code of Conduct.

Furthermore, Renta 4 Banco, S.A., which belongs to the same corporate Group as Renta 4 Corporate, S.A., acts as an Agent and Liquidity Supplier.

The Company, Renta 4 Corporate, S.A. and Renta 4 Banco, S.A., hereby declare that there is no relationship or link between them other than the one formed by the appointment of the Registered Advisor, Agent and Liquidity Provider mentioned above.

**5.2 In the event that the Capital Increase Document includes any statement or report issued by third parties in their capacity as experts, this must be stated, with details of their name, professional address, qualifications and, where applicable, any significant interest that the third party in question may have with the issuing entity.**

Pursuant to Article 301 of Royal Legislative Decree 1 of 2 July 2010, which approved the consolidated text of the Spanish Companies Act (hereinafter, the “**Spanish Companies Act**”), on 9 February 2022 the Board of Directors issued a report on the nature and characteristics of the loans to be capitalised (a copy of which is attached hereto as Appendix II) and, on 11 February 2022, PriceWaterhouseCoopers Auditores, S.L., with professional address at Paseo de la Castellana 259 B, 28046 Madrid, issued the relevant certificate, in its capacity as the Company’s auditor, in which it confirmed that, having checked the Company’s accounts, it found that the data provided by the directors on the loans to be capitalised were accurate (a copy of the said certificate is also attached hereto as Appendix III).

**5.3 Information relating to other advisors that have collaborated in the process for the admission of the newly issued shares for trading on the Market.**

In addition to the advisors mentioned in other sections of this Condensed Capital Increase Document, the following organisations have provided Castellana with advisory services relating to the admission of the shares resulting from this share capital increase for trading on the BME Growth.

- Ashurst L.L.P. Spanish Branch, with Tax Code N0066146B and with registered office at Alcalá 44, Madrid, has provided legal advisory services.

**APPENDIX I      Audit Report and Consolidated Annual Accounts and Stand-alone audit  
Report and Annual Accounts for the year ended 31 March 2022 of Castellana Properties  
SOCIMI, S.A.**

**APPENDIX II      Report by the Board of Directors of Castellana Properties SOCIMI, S.A.  
relating to the proposed share capital increase charged to non-cash contributions**

**APPENDIX III Report by PricewaterhouseCoopers Auditores, S.L., in its capacity as the Company's auditor, relating to the proposed share capital increase charged to non-cash contributions**