Castellana Properties Socimi, S.A.
and subsidiaries

Report on limited review
Condensed consolidated interim financial statements
for the six-month period ended
September 30, 2022

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 condensed consolidated interim financial statements

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

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Castellana Properties Socimi, S.A (the Parent company) and its subsidiaries (the Group), which comprise the interim balance sheet as at 30 September 2022, and the interim income statement, interim statement of comprehensive income, interim statement of changes in equity, interim cash flow statement and related interim notes, all condensed and consolidated, for the seis-month period then ended. The Parent company's directors are responsible for preparation and presentation of these condensed consolidated interim 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 statements. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our 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 review is substantially less in scope than an audit 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.

Conclusion

Based on our review, that cannot be considered as an audit, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not 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 matter

We draw attention to note 2.1, in which it is mentioned that these condensed consolidated interim financial statements do not include all the information required in a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and therefore the accompanying condensed consolidated interim financial statements should be read together with the consolidated annual accounts of the Group for the year ended 31 March 2022. Our conclusion is not modified in respect of this matter. Our conclusion is not modified in respect of this matter.

Other matters

This report has been prepared at the request of the administrators of the parent Company in relation to the publication of the half-yearly financial report required by Circular 3/2020 of Spanish Stock Exchanges and Markets on Information to be provided by companies listed for trading in the BME Growth segment of BME MTF Equity.

PricewaterhouseCoopers Auditores, S.L.

Original in Spanish signed by
Rafael Pérez Guerra

16 November 2022

CASTELLANA PROPERTIES SOCIMI, S.A. AND SUBSIDIARIES

Condensed Consolidated Interim Financial Statements
for the six-month period ended
30 September 2022

Note

CASTELLANA PROPERTIES

CASTELLANA PROPERTIES SOCIMI, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AT 30 SEPTEMBER 2022
(Thousand euro)

		Thousand euro	
ASSETS	**Note**	**30 September 2022 (*)**	**31 March 2022**
Non-current assets			
Intangible assets		150	150
Property, plant and equipment		256	120
Investment property	6	1,011,644	1,000,840
Financial assets at fair value through other comprehensive income	7	93,041	89,879
Other non-current financial assets	7	6,543	6,395
		1,111,634	**1,097,384**
Current assets			
Trade receivables for sales and services	7	3,885	2,730
Trade receivables, related companies	7 and 13	-	148
Other accounts receivable from Public Administrations		497	351
Other current financial assets	7	662	920
Short-term prepayments and accrued income		1,292	1,590
Cash and cash equivalents	4	16,408	28,929
		22,744	**34,668**
Total assets		**1,134,378**	**1,132,052**

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

CASTELLANA PROPERTIES

CASTELLANA PROPERTIES SOCIMI, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AT 30 SEPTEMBER 2022
(Thousand euro)

		Thousand euro	
EQUITY AND LIABILITIES	**Note**	**30 September 2022 (*)**	**31 March 2022**
Equity			
Equity attributable to the owners of the parent company			
Share capital	8	98,771	98,771
Share premium	8	434,641	434,641
Legal reserve	9	8,030	5,376
Other reserves	9	10,894	10,008
Treasury shares	8	(360)	(357)
Retained earnings	9	43,769	24,683
Interim dividend		-	(6,000)
Other equity instruments	13	-	3,000
Profit/(loss) for the year	8	26,354	45,665
Measurement adjustments	9	(15,270)	(9,061)
		606,829	**606,726**
Liabilities			
Non-current liabilities			
Bank borrowings	10	486,968	487,160
Deferred tax liabilities		437	437
Other non-current financial liabilities	10	11,543	11,468
Other non-current liabilities	10 and 12	650	-
		499,598	**499,065**
Current liabilities			
Bank borrowings	10	3,440	1,719
Short-term payables to Group companies	10 and 13	10,117	10,035
Trade and other payables	10	7,174	9,531
Other current financial liabilities	10	1,795	1,807
Other liabilities	10	3,791	1,405
Other accounts payable to Public Administrations		1,634	1,764
		27,951	**26,261**
Total liabilities		**527,549**	**525,326**
Total equity and liabilities		**1,134,378**	**1,132,052**

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 OF SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2022
(Thousand euro)

		Thousand euro	
	Note	**Six-month period ended 30 September 2022 (*)**	**Six-month period ended 30 September 2021 (*)**
Provision of services		41,965	37,216
Staff costs		(2,876)	(2,516)
Other operating expenses		(13,050)	(11,849)
Fixed asset disposal costs		-	(159)
Other profit/(loss)		10	(18)
OPERATING PROFIT/(LOSS) BEFORE VALUATION OF INVESTMENT PROPERTY		**26,049**	**22,674**
Changes in fair value of investment property	6	7,268	927
OPERATING PROFIT/(LOSS)		**33,317**	**23,601**
Financial expenses	10	(6,963)	(6,641)
NET FINANCIAL INCOME/(EXPENSE)		**(6,963)**	**(6,641)**
PROFIT/(LOSS) BEFORE TAX			
Income tax		-	-
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY		**26,354**	**16,960**
EARNINGS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY			
Basic and diluted earnings per share	8	**0.27**	**0.20**

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 OF SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2022
(Thousand euro)

		Thousand euro	
	Note	**Six-month period ended 30 September 2022**	**Six-month period ended 30 September 2021**
Profit for the six-month period ended 30 September 2022	**15**	**26,354**	**16,960**
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
Investments in equity instruments		(6,209)	-
Other comprehensive income for the year, after tax		**(6,209)**	**613**
Total comprehensive income for the six-month period ended 30 September 2022		**20,145**	**17,573**

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 OF SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2022
(Thousand euro)

	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 1 APRIL 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 movements	-	(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**
Profit/(loss) for the period	-	-	-	-	-	-	28,705	-	-	(613)	28,092
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	(7,005)	(7,005)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**28,705**	**-**	**-**	**(7,618)**	**21,087**
Share capital increase	12,500	62,500	-	(100)	-	-	-	-	-	-	74,900
Dividend distribution	-	-	-	-	-	-	-	(6,000)	-	-	(6,000)
Treasury share transactions	-	-	-	3	(28)	-	-	-	-	-	(25)
Other changes	-	-	-		-	-	-	-	500	-	500
Total transactions with owners, recognised directly in equity	**12,500**	**62,500**	**-**	**(97)**	**(28)**	**-**	**-**	**(6,000)**	**500**	**-**	**69,375**
BALANCE AT 1 APRIL 2022	**98,771**	**434,641**	**5,376**	**10,008**	**(357)**	**24,683**	**45,665**	**(6,000)**	**3,000**	**(9,061)**	**606,726**
Profit/(loss) for the period	**-**	**-**	**-**	**-**	**-**	**-**	**26,354**	**-**	**-**		**26,354**
Other comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(6,209)**	**(6,209)**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**26,354**	**-**	**-**	**(6,209)**	**20,145**
Distribution of prior year profit/(loss)	-	-	2,654	886	-	19,125	(45,665)	23,000	-	-	-
Dividend payments	-	-	-	-	-	-	-	(17,000)	-	-	(17,000)
Treasury share transactions	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	(3)	(39)	-	-	(3,000)	-	(3,042)
Total transactions with owners, recognised directly in equity	**-**	**-**	**2,654**	**886**	**(3)**	**19,086**	**(45,665)**	**6,000**	**(3,000)**	**-**	**(20,042)**
BALANCE AT 30 SEPTEMBER 2022 (*)	**98,771**	**434,641**	**8,030**	**10,894**	**(360)**	**43,769**	**26,354**	**-**	**-**	**(15,270)**	**606,829**

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

CASTELLANA PROPERTIES

CASTELLANA PROPERTIES SOCIMI, S.A. AND SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT
OF SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2022
(Thousand euro)

	Note		Thousands of euros
	Note	**Six-month period ended 30 September 2022 (*)**	**Six-month period ended 30 September 2021 (*)**
A) CASH FLOW FROM OPERATING ACTIVITIES			
Pre-tax profit/(loss) for the year		**26,354**	**16,960**
Adjustments to profit/(loss)		**1,032**	**6,432**
Fixed asset depreciation		11	9
Changes in fair value of investment property	6	(7,268)	(927)
Change in provisions		1,326	550
Results from disposals		-	159
Financial expenses		6,963	6,641
Changes in working capital		**(4,505)**	**2,031**
Trade and other receivables	7	(1,580)	2,359
Other current assets		555	(782)
Trade and other payables	10	(2,100)	493
Other current liabilities		(1,307)	214
Other non-current assets and liabilities		(73)	(253)
Cash flows from operating activities		**22,881**	**25,423**
		-	
B) CASH FLOW FROM INVESTMENT ACTIVITIES		-	
Payments on investments		**(19,611)**	**(14,677)**
Intangible Assets		(2)	(1)
Property, plant and equipment		(145)	(15)
Investment property	6	(3,536)	(14,661)
Other financial assets		(15,928)	-
Collections on disvestment		**6,557**	**26,091**
Investment property		-	26,091
Other financial assets		6,557	-
Cash flow from investment activities		**(13,054)**	**11,414**
C) CASH FLOW FROM FINANCING ACTIVITIES			
Collections and payments from equity instruments		**(2)**	**26**
Issue of equity instruments	8	-	(1)
Acquisition of own equity instruments	8	(5)	(39)
Disposal of equity instruments		3	66
Collections and payments on financial liabilities	**10**	**(5,346)**	**(19,027)**
Receivables on financial borrowings		1,258	-
Interest paid		(6,201)	(5,474)
Debt repayment		(403)	(13,553)
Dividend payments and return on other equity instruments:		**(17,000)**	**-**
Dividends		(17,000)	-
Cash flow from financing activities		**(22,348)**	**(19,001)**
NET INCREASE/REDUCTION IN CASH AND CASH EQUIVALENTS		**(12,521)**	**17,836**
Cash and cash equivalents at the start of the financial year		**28,929**	**34,916**
Cash and cash equivalents at the end of the financial year		**16,408**	**52,751**

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
30 SEPTEMBER 2022
(Thousand euro)

1. ACTIVITIES AND GENERAL INFORMATION

Castellana Properties Socimi, S.A. (hereinafter, “”) 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 6 July 2022, the Castellana Properties Socimi, S.A. General Shareholders' Meeting approved the Individual and Consolidated Annual Accounts for the financial year ended 31 March 2022.

These condensed consolidated interim financial statements have been prepared by the Board of Directors of the Parent Company on 15 November 2022.

On 30 September 2022, Castellana Group’s EPRA NTA stood at €621,948 thousand (€6.30 per share), and on 31 March 2022 it stood at €615,637 thousand (€6.24 per share).

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 of 9 July 2021 on measures to prevent and combat tax fraud requires SOCIMIs to pay 15% tax on retained earnings as from financial years beginning on or after 1 January 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.

(Thousand euro)

b) Subsidiaries

As at 30 September 2022, Castellana Properties Socimi, S.A. is the parent company of a Group of companies 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
Castellana Green, S.L.U.	Glorieta Rubén Darío, no. 3 (Madrid)	Energy production	100%	25 January 2022

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, S.L.U. The contribution was 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 the Junction Parque Alameda, S.L.U. asset.

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

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

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

On 25 January 2022, the company “Datipa Servicios Empresariales, S.L” was acquired. This company was incorporated on 7 March 2018 with the corporate purpose of business consultancy and administration. On the purchase date, its corporate purpose was changed to energy production, and its name was changed to "Castellana Green, S.L.U.”.

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 2022 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 2022, 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.

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 2022:

- IAS 16 (Amendment) "Property, plant and equipment — proceeds before intended use".
- IAS 37 (Amendment) "Onerous contracts – cost of fulfilling a contract".
- IFRS 3 (Amendment) "Reference to the Conceptual Framework".
- Annual IFRS improvements. 2018 – 2020 Cycle:
    - IFRS 1 "First-time adoption of IFRS"
    - IFRS 9 "Financial instruments"

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 are not yet in force, but which may be adopted in advance:

- IFRS 17 "Insurance contracts".
- IFRS 17 (Amendment) "Initial application of IFRS 17 and IFRS 9 — Comparative information".
- IAS 1 (Amendment) "Disclosure 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".

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) "Sales or contributions of assets between an investor and its associate/joint venture".
- IAS 1 (Amendment) "Classifying liabilities as current or non-current".

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 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 2022 are presented together with information for the six-month period ended 30 September 2021, and the condensed interim consolidated balance sheet is presented together with information for the financial year ended 31 March 2022.

2.4 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 2022, the Group's working capital is negative in the amount of €5,207 thousand (working capital was positive in the amount of €8,407 thousand at 31 March 2022). This negative working capital is explained mainly by a loan of €10,000 thousand from the principal shareholder Vukile Property Fund Limited on 30 September. This loan is expected to be renewed upon maturity. In parallel, the Group has analysed several scenarios and is thus able to implement alternative cash management measures in order to meet short-term commitments.

At 30 September 2022, the Group has a reasonable cash position of €16,408 thousand and expects to end the year in a similar position. The leverage ratio (Note 4.2) stands at 44.38%, in line with the market. The Group’s cash flows amounted to €22,881 thousand during the six-month period ended 30 September 2022. The Parent Company continues to have the support of its main shareholder and, as indicated in Note 16, the latter has granted an additional loan of 18 million euros prior to the date of the Consolidated Condensed Interim Financial Statements preparation, which reaffirms its commitment and financial support to the Group. We should add that the Directors have considered the groups projected cash flows for a period of 12 months from the date of issue of these financial statements and have concluded that the group will be able to meet its financial obligations as the fall due. The projected cash flows have been based on operating budgets approved by the board. On this basis the Directors have continued to adopt the going concern basis in the preparation of these financial statements.

2.5 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 2022.

3. SIGNIFICANT CHANGES DURING THE CURRENT REPORTING PERIOD

There were no particularly relevant events during the six-month period ended 30 September 2022 reported in these condensed consolidated interim financial statements that could affect the information set out in these notes.

(Thousand euro)

4. FINANCIAL RISK MANAGEMENT

The Group's activities are exposed to various financial risks: market risk (interest rate and price 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 of the Parent Company. 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

i) Price risk

The Company is exposed to equity instrument price risk due to the investments held and carried in the balance sheet at fair value through other comprehensive income.

The Company invests in mature markets and companies showing low volatility and risk when managing price risk affecting equity investments.

The Company's equity investments are quoted on the Spanish continuous market.

Sensitivity analysis
The following table summarises the effect of an increase/decrease in the stock market index on the Group's profit after tax and equity for the year. This analysis assumes a 1% increase/decrease in the index with the other variables remaining constant and that all the Group's equity instruments would change in accordance with the historical correlation to the index:

	Thousand euro			
	Effect on profit after tax		Effect on equity components	
Index	**30/09/2022**	**31/03/2022**	**30/09/2022**	**31/03/2022**
Lar España Real Estate Socimi, S.A.	-	-	930	899

ii) Cash flow and fair value interest rate 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 2022, circa 4.46% (11.50% at 31 March 2022) of its financing was linked to a variable rate. The Group's borrowings at variable interest rates are denominated in euros. Fixed interest rates vary between 1.78% and 3.03% and variable interest rates vary between 2.40% and 2.45%.

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.

At 30 September 2022, had interest rates on euro borrowings been 1% higher/lower, the other variables remaining constant, finance expenses for the period would have been €291 thousand higher or €0 thousand lower (€1,796 thousand higher or €1,286 thousand lower at 31 March 2022), due primarily to higher/lower interest expense on variable-rate loans. 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.

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 of the Parent Company. 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.

(Thousand euro)

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

Description	Thousand euro	
	30/09/2022	**31/03/2022**
Current assets net of impairment provisions		
Trade and other receivables (Note 7)	3,885	2,878
Cash and cash equivalents	16,408	28,929
	20,293	**31,807**

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 (Note 10).

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

On 24 February 2022, Russia invaded Ukraine, sparking a war between the two countries in Ukraine. The campaign was preceded by a prolonged military build-up by Russia since early 2021 and by numerous Russian demands for security measures and legal prescriptions against Ukraine joining NATO. The duration of the conflict and the actual consequences for the global economy are still uncertain. Following a preliminary assessment of the Group's situation, the war is not expected to have a direct or material impact on the business and no consequences are therefore envisaged.

(Thousand euro)

However, in view of the potential effects of this geopolitical uncertainty and volatility on the global economy and on the prices of energy, transport, products and commodities, the Parent Company's directors and management have implemented detailed procedures to monitor, assess and mitigate risks and are constantly overseeing the status and consequences of the war so as to successfully overcome any possible impacts going forward.

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 2022 and 31 March 2022 were as follows:

Description	Thousand euro	
	30/09/2022	**31/03/2022**
Net borrowings (Note 10)	484,117	469,985
Equity	606,829	606,726
Leveraging	**44.38%**	**43.65%**

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 2022 and 31 March 2022 were 44%, 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).

(Thousand euro)

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 2022	Thousand euro			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Long-term financial investments				
Financial assets at fair value through other comprehensive income	93,041	-	-	**93,041**
Investment property	-	-	1,011,644	**1,011,644**
Total assets	**93,041**	**-**	**1,011,644**	**1,104,685**
Liabilities				
Long-term and short-term payables				
Total liabilities	**-**	**-**	**-**	**-**

31 March 2022	Thousand euro			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Long-term financial investments				
Financial assets at fair value through other comprehensive income	89,879	-	-	**89,879**
Investment property	-	-	1,000,840	**1,000,840**
Total assets	**89,879**	**-**	**1,000,840**	**1,090,719**
Liabilities				
Long-term payables				
Total liabilities	**-**	**-**	**-**	**-**

The fair value of financial instruments traded in active markets (such as exchange-traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

During the six-month period ending on 30 September 2022, 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 of the Parent Company, 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.

(Thousand euro)

Segment information for these activities is as follows:

Six-month period ended 30 September 2022

	Thousand euro		
Description	**Retail**	**Corporate**	**Total**
Provision of services	41,965	-	**41,965**
Changes in fair value of investment property	7,268	-	**7,268**
Staff costs	-	(2,876)	**(2,876)**
Other operating expenses	(11,850)	(1,200)	**(13,050)**
Other profit/(loss)	21	(11)	**10**
Operating profit/(loss)	**37,404**	**(4,087)**	**33,317**
Financial income	**-**		**-**
Financial expenses	(6,876)	(87)	**(6,963)**
Net financial income/(expense)	**(6,876)**	**(87)**	**(6,963)**
Profit/(loss) before tax	**30,528**	**(4,174)**	**26,354**
Income tax	-	-	-
Profit/(loss) for the period	**30,528**	**(4,174)**	**26,354**

Six-month period ended 30 September 2021

	Thousand euro			
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**

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.

(Thousand euro)

30 September 2022

	Thousand euro		
Description	**Retail**	**Corporate**	**Total**
Investment property	1,011,644	-	1,011,644
Investments in equity instruments	93,041	-	93,041
Other non-current assets	6,485	464	6,949
Non-current assets	**1,111,170**	**93,505**	**1,111,634**
Trade and other receivables	3,885	-	3,885
Other current assets	18,362	497	18,859
Current assets	**22,247**	**497**	**22,744**
Total assets	**1,133,417**	**961**	**1,134,378**
Bank borrowings	486,968	-	486,968
Other non-current liabilities	11,980	650	12,630
Non-current liabilities	**498,948**	**650**	**499,598**
Bank borrowings	3,440	-	3,440
Other current liabilities	9,423	15,088	24,511
Current liabilities	**12,863**	**15,088**	**27,951**
Total liabilities	**511,811**	**15,738**	**527,549**

31 March 2022

	Thousand euro		
Description	**Retail**	**Corporate**	**Total**
Investment property	1,000,840	-	1,000,840
Investments in equity instruments	89,879	-	89,879
Other non-current assets	6,395	270	6,665
Non-current assets	**1,097,114**	**90,149**	**1,097,384**
Trade and other receivables	2,730	148	2,878
Other current assets	31,345	445	31,790
Current assets	**34,075**	**593**	**34,668**
Total assets	**1,131,189**	**90,742**	**1,132,052**
Bank borrowings	487,160	-	487,160
Other non-current liabilities	11,905	-	11,905
Non-current liabilities	**499,065**	**-**	**499,065**
Bank borrowings	1,719	-	1,719
Other non-current liabilities	7,160	17,382	24,542
Current liabilities	**8,879**	**17,382**	**26,261**
Total liabilities	**507,944**	**17,382**	**525,326**

(Thousand euro)

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:

Balance at 31/03/2021	**987,160**
Acquisitions	2,640
Disposals	(26,250)
Capitalised subsequent disbursements	18,109
Purchase option impairment	(2,756)
Profit/(loss) net of adjustments at fair value	21,937
Balance at 31/03/2022	**1,000,840**
Capitalised subsequent disbursements	3,536
Profit/(loss) net of adjustments at fair value	7,268
Balance at 30/09/2022	**1,011,644**

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 31 March 2022, the Group acquired an office building attached to Los Arcos shopping centre for €1,440 thousand (owned by Morzal Property Iberia, S.L.U.), and two additional units within the Alameda Park complex for €1,200 thousand (owned by Junction Parque Alameda, S.L.U.). This office building will be incorporated into the shopping center.

At 31 March 2022, the Group's purchase option on the land next to the Los Arcos Shopping Centre was fully impaired in the amount of €2,756 thousand. The impairment loss was recognised under "Other operating profit/(loss)" in the consolidated income statement.

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 €1,011,644 thousand (€1,000,840 thousand at 31 March 2022), securing the Group's fulfilment of the terms and conditions of the financing obtained. At 30 September 2022, the nominal value of this financing amounted to €498,948 thousand (€498,093 thousand at 31 March 2022) (see Note 10).

(Thousand euro)

a) Income and expenses on investment property

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

Description	Thousand euro Six-month period ended 30 September 2022	Thousand euro Six-month period ended 30 September 2021
Rental income	**41,965**	**37,216**
Operating expenses related to investment properties that generate rental income	(11,850)	(10,429)
Operating expenses related to investment properties that do not generate rental income	-	-
	30,115	**26,787**

In the period between April 1, 2022 and September 30, 2022, the Group has not granted rent concessions to tenants for Covid-19 in addition to those already existing, so the rental income related to said period are not impacted in this sense (lower income of 1,093 thousand euros as of September 30, 2021). These rent concessions were charged to the Group's income statement as a "one-off", since the impact of the linearisation was not significant.

b) Operating leases

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

Description	Thousand euro 30/09/2022	Thousand euro 31/03/2022
Less than one year	58,897	55,038
Between one and two years	40,977	36,084
Between two and three years	27,658	26,672
Between three and four years	16,162	16,240
Between four and five years	10,405	10,620
More than five years	18,653	20,025
	172,752	**164,679**

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). The purchase option was provisioned in 2022.

(Thousand euro)

At 30 September 2022, the Group did not have any contractual obligations to acquire, build or develop investment properties, or to repair, maintain or insure them, besides those already reported in this Note.

e) Valuation process

The cost and fair value of investment property at 30 September 2022 and 31 March 2022 are detailed below:

	Thousand euro			
	30/09/2022		31/03/2022	
Description	**Cost**	**Fair value**	**Cost**	**Fair value**
Investment property	963,694	1,011,644	960,158	1,000,840
	963,694	**1,011,644**	**960,158**	**1,000,840**

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.

(Thousand euro)

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

30 September 2022	Thousand euro	
Exit Yield variance	**(0.25%)**	**0.25%**
Retail	17,360	(16,940)
Land	260	(240)
Theoretical profit/(loss)	**17,620**	**(17,180)**
31 March 2022		
Exit Yield variance	**(0.25%)**	**0.25%**
Retail	17,560	(17,200)
Land	180	(170)
Theoretical profit/(loss)	**17,740**	**(17,370)**

The yield and discount rate range applied is as follows:

30 September 2022	**Minimum**	**Maximum**
Exit Yield		
Retail	5.00%	6.90%
Discount rates		
Retail	7.75%	10.00%

31 March 2022	**Minimum**	**Maximum**
Exit Yield		
Retail	5.00%	6.90%
Discount rates		
Retail	7.25%	9.50%

(Thousand euro)

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:

	30/09/2022		31/03/2022	
	Assets	Net consolidated profit/(loss)	Assets	Net consolidated profit/(loss)
10% increase in market rents	66,180	66,180	67,630	67,630
10% decrease in market rents	(66,180)	(66,180)	(67,640)	(67,640)

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 2022, no transfers between levels occurred.

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. FINANCIAL ASSETS

As of 30 September 2022 and 31 March 2022, the breakdown of this heading is as follows:

	Thousand euro	
	30/09/2022	**31/03/2022**
Long-term financial assets:		
- Fair value through other comprehensive income	93,041	89,879
- Other financial assets (Amortised cost FA)	6,543	6,395
	99,584	**96,274**
Short-term financial assets (Amortised cost FA)		
- Trade receivables for sales and services	3,885	2,730
- Trade receivables, related companies (Note 13)	-	148
- Other financial assets	662	920
	4,547	**3,798**
	104,131	**1,072**

The investment held by the Grup on Lar Real Estate SOCIMI, S.A. is recorded under the entry "financial assets at fair value through other comprehensive income" (€4.325/share at September 30 2022).

(Thousand euro)

The Group has increased its stake to 25.70% at a cost of 15.930 thousand euros (March 31, 2022: 21.70%). Additionally, the Group has received during the period dividends in Lar Real Estate SOCIMI, S.A. amounting to €6,557 thousand that reduce the investment, since they correspond to results generated prior to the date of acquisition of the stake by the Group. The negative variation in the fair value of the investment in the period is 6,209 thousand euros (negative variation as of March 31, 2022: 9,061 thousand euros).

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 €1,548 thousand had matured at 30 September 2022 (€1,502 thousand at 31 March 2022), of which €1,017 thousand had been provisioned (€1,165 thousand at 31 March 2022) 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 €3,354 thousand yet to be invoiced to tenants (€2,393 thousand at 31 March 2022), mainly for variable rent accrued and not invoiced, and common area revenue not yet billed.

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	Thousand euro	
	30/09/2022	31/03/2022
Up to 3 months	443	299
Between 3 and 6 months	115	120
More than 6 months	990	1,083
	1,548	**1,502**

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	Thousand euro	
	30/09/2022	31/03/2022
Opening balance	**(1,165)**	**(1,506)**
Appropriation	(131)	(596)
Reversal	52	614
Application	227	323
Closing balance	**(1,017)**	**(1,165)**

(Thousand euro)

Maturity of financial assets as of September 30, 2022 and March 31, 2022:

30 September 2022	Thousand euro						
	Financial assets						
	Sept 2023	Sept 2024	Sept 2025	Sept 2026	Sept 2027	Subsequent years	Total
Fair value assets through other comprehensive income:							
- Financial assets at fair value through other comprehensive income	-	-	-	-	-	93,041	**93,041**
Financial assets - amortised cost:							
- Trade receivables for sales and services	3,885	-	-	-	-	-	**3,885**
- Other financial asset	662	659	816	405	480	4,183	**7,205**
	4.547	**659**	**816**	**405**	**480**	**97,224**	**104,131**

31 March 2022	Thousand euro						
	Financial assets						
	March 2023	March 2024	March 2025	March 2026	March 2027	Subsequent years	Total
Fair value assets through other comprehensive income:							
- Financial assets at fair value through other comprehensive income	-	-	-	-	-	89,879	**89,879**
Financial assets - amortised cost:							
- Trade receivables for sales and services	2,730	-	-	-	-	-	**2,730**
- Trade receivables, Group companies and associates	148	-	-	-	-	-	**148**
- Other financial asset	920	761	757	710	380	3,787	**7,315**
	3,798	**761**	**757**	**710**	**380**	**93,666**	**100,072**

(Thousand euro)

8. SHAREHOLDERS' FUNDS

a) Share capital

At 30 September 2022 and 31 March 2022, share capital stood at €98,771 thousand, consisting of 98,771,047 shares with a par value of €1 each, all in the same class, fully subscribed and paid up.

On 15 March 2022, the General Shareholders' Meeting agreed to increase share capital by capitalising the loan of €75,000 thousand granted by the sole shareholder Vukile Property Fund Limited on 20 January 2022 and issuing 12,500,000 new shares with a par value of €1 each (€12,500 thousand) and a share premium of €5 per share (€62,500 thousand).
All the shares issued were subscribed by the shareholder Vukile Property Fund Limited.

As at 30 September 2022 and 31 March 2022, 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:

	30/09/2022		31/03/2022	
	No. of shares	% Share	No. of shares	% Share
Vukile Properties Limited	88,454,419	89.56%	88,454,419	89.56%
Morze European Real Estate Ventures	9,833,333	9.96%	9,833,333	9.96%

As of 30 September 2022 and 31 March 2022, the breakdown of share capital is as follows:

Description	Thousand euro	
	30/09/22	31/03/22
Authorised capital	98,771	98,771
Unpaid share capital	-	-
	98,771	**98,771**

(Thousand euro)

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 (Note 9).

As of 30 September 2022 and 31 March 2022, the breakdown of share premium is as follows:

Description	Thousand euro	
	30/09/2022	31/03/2022
Share premium	434,641	434,641
	434,641	**434,641**

c) Treasury shares

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

Description	30/09/22		31/03/22	
	Number of treasury shares	Thousand euro	Number of treasury shares	Thousand euro
Opening balance	**57,847**	**357**	**58,173**	**355**
Additions/purchases	810	6	16,446	104
Decreases	(460)	(3)	(16,772)	(102)
Closing balance	**58,197**	**360**	**57,847**	**357**

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 2022 represented 0.06% of the Company's share capital (0.06% at 31 March 2022) and totalled 58,197 shares (57,847 at 31 March 2022). The average cost of the Company's treasury shares at 30 September 2022 and 31 March 2022 was €6 per share.

These shares are recognised as a reduction of €360 thousand in the value of the Company's shareholders' funds at 30 September 2022 (€357 thousand at 31 March 2022).

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 2022	Six-month period ended 30 September 2021
Net profit (thousands of euros)	26,354	16,960
Average number of shares issued (shares)	98,771,047	86,271,047
Average number of treasury shares held (shares)	58,262	55,964
Basic and diluted earnings per share (euros)	0.27	0.20

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 2022.

9. RESERVES AND RETAINED EARNINGS

At 30 September 2022, €8,030 thousand (€5,376 thousand at 31 March 2022) 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.

(Thousand euro)

Description	Thousand euro	
	30/09/2022	31/03/2022
Legal reserve	8,030	5,376
Other reserves	10,894	10,008
Measurement adjustments	(15,270)	(9,061)
Treasury shares	(360)	(357)
Total reserves	**3,294**	**5,966**
Retained earnings	115,094	73,008
Dividend distribution	(71,325)	(48,325)
Total retained earnings	**43,769**	**24,683**

Other reserves are unrestricted.

<u>Distribution of previous year profit/(loss)</u>

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 2022, which was approved by the General Shareholders' Meeting on 6 July 2022, was as follows:

Description	Thousand euro
Available for distribution	
Profit/(loss) for the year	26,540
	26,540
Application	
Legal reserve	2,654
Interim dividend	23,000
Voluntary reserves	886
	26,540

(Thousand euro)

10. FINANCIAL LIABILITIES

Description	Thousand euro	
	30/09/2022	31/03/2022
Long-term financial liabilities at amortized cost:		
Bank borrowings	486,968	487,160
Other financial liabilities	11,543	11,468
Other non-current liabilities	650	-
	499,161	**498,628**
Short-term financial liabilities at amortized cost:		
Bank borrowings	3,440	1,719
Short-term payables to Group companies (Note 13)	10,117	10,035
Trade and other payables	7,174	9,531
Other current financial liabilities	1,795	1,807
Other liabilities	3,791	1,405
	26,317	**24,497**
	525,478	**523,125**

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 three loans granted to the Group.

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

Description	Thousand euro	
	30/09/2022	
	Non-current	Current
September 2023	-	3,393
September 2024	4,423	-
September 2025	296,327	-
September 2026	4,423	-
September 2027	4,711	-
Subsequent years	185,671	-
	495,555	**3,393**

(Thousand euro)

Description	Thousand euro	
	31/03/2022	
	Non-current	Current
March 2023	-	1,691
March 2024	4,317	-
March 2025	4,423	-
March 2026	295,069	-
March 2027	4,423	-
Subsequent years	188,170	-
	496,402	**1,691**

The Group has included an amortised cost of €8,587 thousand (€9,242 thousand at 31 March 2022) on the balance sheet in respect of loan arrangement costs. At 30 September 2022, accrued unmatured interest amounted to €47 thousand (€29 thousand at 31 March 2022). Interest expense accrued during the period on bank borrowings totalled €5,895 thousand (€4,307 thousand at 30 September 2021). The other financial expenses recognised in the consolidated interim income statement relate to interest on the loans with its main shareholder and with financial expenses at amortised cost.

The loans are secured by a mortgage on certain properties whose market value at 30 September 2022 totalled €1,011,644 thousand (Note 6), €1,000,840 thousand at 31 March 2022. 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.

- RETAIL PARK PORTFOLIO AND HABANERAS SHOPPING CENTRE FINANCING

On 15 February 2022, the Group entered into a financing agreement with Aareal Bank to refinance the syndicated loan granted by Banco Santander and Caixabank for the purposes of funding the retail park portfolio. The new financing of €184,793 thousand includes the Habaneras shopping centre borrowings previously obtained from Aareal Bank and the borrowings of the Pinatar Fase II retail park. This loan matures in 2029.

(Thousand euro)

The loan is distributed among the Group companies as follows:

Company	Property	30/09/2022
Junction Parque Castellón S.L.U.	Ciudad del Transporte	3,442
Junction Parque Principado, S.L.U.	Parque Principados Retail Park	17,356
Castellana Parque Alcorcón, S.L.U.	Parque Oeste Retail Park	24,585
Junction Parque Huelva, S.L.U.	Marismas del Polvorín Retail Park	13,361
Junction Parque Motril, S.L.U.	Motril Retail Park	4,160
Junction Parque Granada, S.L.U.	Kinepolis Retail Park & Leisure Centre	23,155
Junction Parque Cáceres, S.L.U.	Mejostilla Retail Park	4,155
Junction Parque Mérida, S.L.U.	La Heredad Retail Park	9,655
Castellana Parque Villanueva, S.L.U.	La Serena Retail Park	7,717
Junction Parque Alameda, S.L.U.	Alameda Shopping Centre San Pedro Del Pinatar Retail Park	34,877
Junction Parque Habaneras, S.L.U.	Habaneras Shopping Centre	42,330
		184,793

The following loans were refinanced:

<u>Syndicated loan (Banco Santander and CaixaBank)</u>

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 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, with the banks CaixaBank and Banco Santander.

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.

(Thousand euro)

Following repayment, the face value of the loans was as follows:

Company	Property	Balance prior to refinancing
Junction Parque Castellón S.L.U.	Ciudad del Transporte	2,924
Junction Parque Principado, S.L.U.	Parque Principados Retail Park	13,593
Castellana Parque Alcorcón, S.L.U.	Parque Oeste Retail Park	21,377
Junction Parque Huelva, S.L.U.	Marismas del Polvorín Retail Park	12,466
Junction Parque Motril, S.L.U.	Motril Retail Park	3,594
Junction Parque Granada, S.L.U.	Kinepolis Retail Park & Leisure Centre	21,120
Junction Parque Cáceres, S.L.U.	Mejostilla Retail Park	3,856
Junction Parque Mérida, S.L.U.	La Heredad Retail Park	6,176
Castellana Parque Villanueva, S.L.U.	La Serena Retail Park	6,891
Junction Parque Alameda, S.L.U.	Alameda Shopping Centre San Pedro Del Pinatar Retail Park	48,565
		140,562

Habaneras Shopping Centre Financing (Aareal Bank)

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.

- SHOPPING CENTRE PORTFOLIO FINANCING

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 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” and their value-add projects, for a maximum of €47,490 thousand, maturing in 2025, €35,904 thousand of which had been drawn down at 30 September 2022 (€34,646 thousand at 31 March 2022).

- PUERTA EUROPA SHOPPING CENTRE FINANCING

On 31 July 2019, the parent company arranged a 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.

(Thousand euro)

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 2022, the Group had complied with all of these covenants.

Maturity of financial liabilities amortised cost as of September 30, 2022 and March 31, 2022:

30 September 2022

	Thousand euro						
	Financial liabilities						
	Sept 2023	Sept 2024	Sept 2025	Sept 2026	Sept 2027	Subsequent years	Total
Financial liabilities at amortized cost:							
-Bank borrowings	3,440	4,255	292,428	4,327	4,610	181,348	490,408
-Security deposits received	1,795	1,106	1,665	878	995	6,899	13,338
-Trade and other payables	7,174	-	-	-	-	-	7,174
-Payables to Group companies and associates	10,117	-	-	-	-	-	10,117
-Other liabilities	3,791	-	650	-	-	-	4,441
	26,317	**5,361**	**294,743**	**5,205**	**5,605**	**188,247**	**525,478**

31 March 2022

	Thousand euro						
	Financial liabilities						
	March 2023	March 2024	March 2025	March 2026	March 2027	Subsequent years	Total
Financial liabilities at amortized cost:							
-Bank borrowings	1,719	4,189	4,325	290,593	4,325	183,728	**488,879**
-Security deposits received	1,807	1,410	1,359	1,323	644	6,732	**13,275**
-Trade and other payables	9,531	-	-	-	-	-	**9,531**
-Payables to Group companies and associates	10,035	-	-	-	-	-	**10,035**
-Other liabilities	1,405	-	-	-	-	-	**1,405**
	24,497	**5,599**	**5,684**	**291,916**	**4,969**	**190,460**	**523,125**

11. PROVISIONS AND CONTINGENCIES

At 30 September 2022 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 (€107 thousand at 31 March 2022).

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 Parent Company.

(Thousand euro)

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 2022, remuneration accrued to the directors totalled €788 thousand (€745 thousand at 30 September 2021), of which executive directors received a total of €567 thousand (€524 thousand at 30 September 2021).

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 long-term incentives plan for the parent company's executive team (Note 2.18). The first calculation period comprised the period from 1 April 2019 to 31 March 2022. The second calculation period comprises the period from 1 April 2022 to 31 March 2025. At 30 September 2022, the parent company estimated a cost of €650 thousand for the six-month period from 1 April 2022 to 30 September 2022 (at 31 March 2022, the parent company estimated a cost of €3,000 thousand for the first calculation period).

13. RELATED-PARTY TRANSACTIONS AND BALANCES

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

Description	Thousand euro	
	Six-month period ended 30 September 2022	Six-month period ended 30 September 2021
Income		
Reinvoicing of costs (VUKILE PROPERTY FUND LIMITED)	318	-
Reinvoicing of costs (MORZE EUROPEAN REAL ESTATE VENTURES)	322	
	640	**-**
Expenses		
Interest (VUKILE PROPERTY FUND LIMITED)	(88)	(311)
	(88)	**(311)**

During the six-month period ended 30 September 2022, the Group recognised income of €640 thousand relating to the special tax stipulated in Article 9.2 of Law 11 of 26 October 2009 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% (€0 at 30 September 2021).

At 30 September 2022, interest expense in the amount of €88 thousand relates to a shareholder loan of €10,000 thousand, arranged with Vukile Property Fund Limited on 20 January 2022, which matures on 21 January 2023. The loan bears an annual interest rate of 1.75%.

At 30 September 2021, interest expense in the amount of €311 thousand related to a loan of €17,500 thousand, arranged with Vukile Property Fund Limited on 14 July 2020, which matured on 13 July 2022 (Note 16). This loan bore an annual interest rate of 3.5% and was fully repaid on 24 November 2021.

(Thousand euro)

As of 30 September 2022 and 31 March 2022, the breakdown of balances with related parties and Group companies is as follows:

Description	Thousand euro	
	30/09/2022	31/03/2022
Receivables (Note 7)		
Adam Lee Morze	-	42
Diversified Real Estate Assets Management, S.L. (DREAM)	-	2
Vukile Property Fund Limited	-	104
	-	**148**
Payables (Note 10)		
Vukile Property Fund Limited	10,117	10,035
	10,117	**10,035**

14. OTHER INFORMATION

The average number of employees during the six-month period ended 30 September 2022 and 30 September 2021, shown by professional grade, is as follows:

Description	Number of employees	
	30/09/2022	30/09/2021
Directors	6	6
University graduates or diploma holders	24	21
Administrative personnel and other	3	3
	33	**30**

15. INFORMATION REQUIREMENTS RESULTING FROM SOCIMI STATUS, LAW 11/2009, AS AMENDED BY LAW 16/2012 AND LAW 11/2021

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, and law 11/2021 of 9 July 2021

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.
- 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.
- Dividend charged to the share premium account in the amount of €6,196 thousand, approved by the Board of Directors on 11 November 2020.
- Interim dividend of €6,000 thousand for the financial year ended 31 March 2022, approved by the Board of Directors on 16 November 2021.
- Interim dividend of €17,000 thousand for the financial year ended 31 March 2022, approved by the Board of Directors on 25 May 2022.

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.

(Thousand euro)

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
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 San Pedro Del Pinatar Retail Park (Phases I and II)	Calle Luis Buñuel 6, 18197, Pulianas - Granada 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 Los Arcos Shopping Centre Bahía Sur Shopping Centre El Faro Shopping Centre	Paseo de Zorilla, Valladolid Avenida de Andalucia S/N, Seville Avenida Caño Herrera S/N, San Fernando, Cádiz Avenida de Elvas S/N, Badajoz

(Thousand euro)

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.

16. EVENTS AFTER THE REPORTING PERIOD

At the date of preparation of these Financial Statements, the Company's Board of Directors has approved a distribution to shareholders amounting to 11,300 thousand euros, that is, 0.1145 euros per share.

The forecast statement of treasury formulated by the Board of Directors is as follows:

Profit/(loss)	10,447
Legal reserve	(1,045)
Distributable profit	**9,402**
Interim dividend to be distributed	**7,000**
Share premium to be distributed	**4,300**
Total distribution to shareholders	**11,300**
Available cash	**19,500**

At the date of preparation of these Consolidated Condensed Interim Financial Statements, the Group has received financing from its main shareholder amounting to 18,000 thousand euros.

CASTELLANA PROPERTIES SOCIMI, S.A.

PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2022

Pursuant to the requirements of established in 3/2020 Circular of the Spanish Stock Exchanges and Markets on Information to be provided by companies listed for trading in the BME Growth segment of BME MTF Equity, on 15 November 2022 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 2022 and 30 September 2022, 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