



CASTELLANA  
PROPERTIES

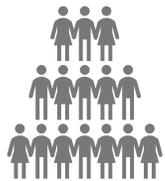
**FY22 H1**

**PRE-CLOSE  
PRESENTATION**



## GDP OUTLOOK

- > In Q2 2021, **Spanish GDP increased by 2.8% vs. Q1 2021 and increased by 19.8% vs. Q2 2020.**
- > The Spain GDP growth outlook for 2021 has recently been **revised upwards from 5.5% to 6.5%.**
- > This is mainly due to **increased consumption** attributed to faster than expected vaccination roll-out, pent-up demand from a high level of **household savings, expected to be c.€60bn** by Q42021, and the **NextGenerationEU Plan** which aims to distribute 70% of total available funds by the end of 2022 and the remaining 30% by 2023
- > GDP is expected to recover to 2019 levels by 2022
- > **Inflation reached 3.3% in August (YoY)** due to increased consumption levels and significant increases in energy-related price levels and commodities. Analyst **consensus estimates that 2021 will close with an annual inflation rate of 3.4%**



## LABOR MARKET

- > Unemployment is expected to stabilise back to 2019 levels of just over 14.2% by 2022. **As at July 2021, unemployment rate reached c. 14% vs. 16% in July 2020**
- > **In Q2 2021, total unemployment dropped by c. 100k workers to 3.5 million people**
- > There was a **reduction** in furloughed workers (ERTE) in Q2 2021 **from 4% of enrolled workers to c. 3%**
- > ERTE program has been extended to the end of September 2021



## TOURISM

- > Spain received **4.4 million international tourists in July 2021, up 78% from 2020**, and **9.8 million** for the year to the end of July 2021, however this is still only c. 55% of the levels seen in 2019
- > Spain regional governments and the tourism sector are attempting to extend its high season into September and October to increase visitor levels

# UPDATE ON COVID-19 IN SPAIN

SPAIN ACHIEVED THE TARGET OF VACCINATING AT LEAST 70% OF THE POPULATION BY THE END OF AUGUST 2021

## VACCINATION PROGRAMME

Fully Vaccinated  
**73%**  
of population

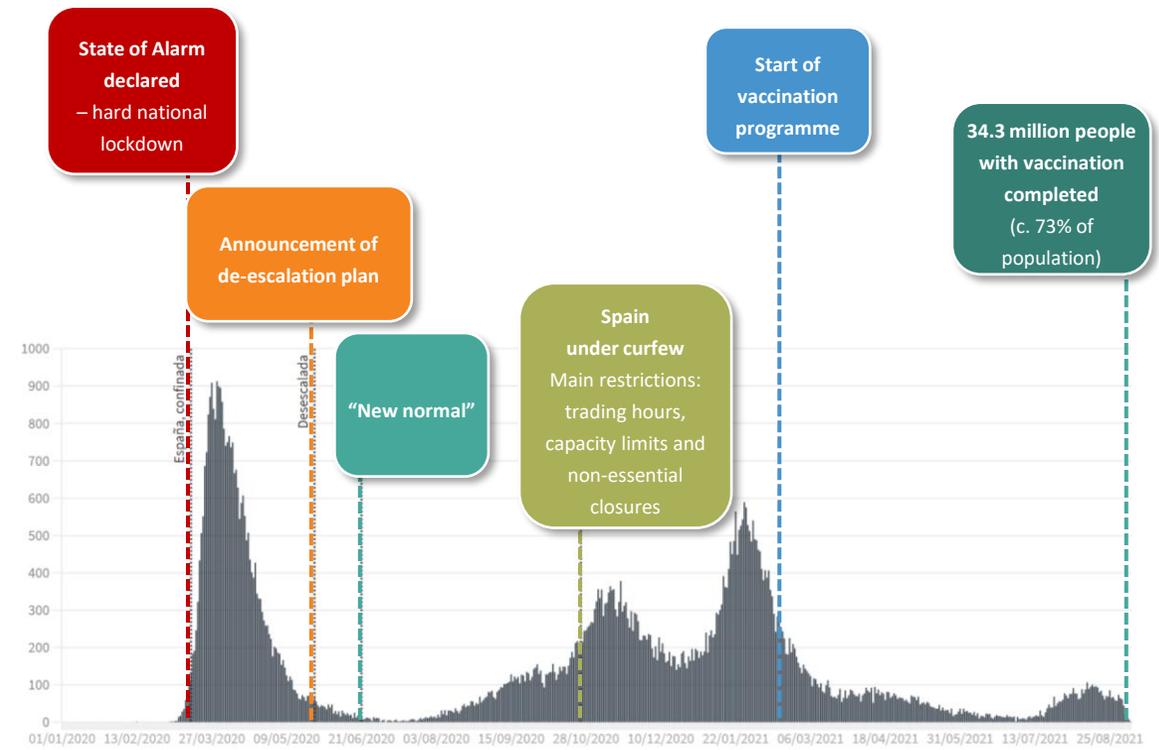
At least 1 shot  
**78%**  
of population

- > **Vaccination campaign enjoys a high acceptance rate by the Spanish population, ranking 3<sup>rd</sup> in Europe in the level of population fully vaccinated.** According to the Spanish Ministry of Health, c. 90% of the population trusts the positive effects of being vaccinated
- > **Elderly and other vulnerable people have already been vaccinated,** significantly reducing deaths and pressure in ICU beds. 100% of people >80 years of age, 99% between 70-79 and 98% of people between 60-69 years of age have been fully vaccinated
- > **At the current vaccination rate, 90% of the population will be vaccinated by October 2021**

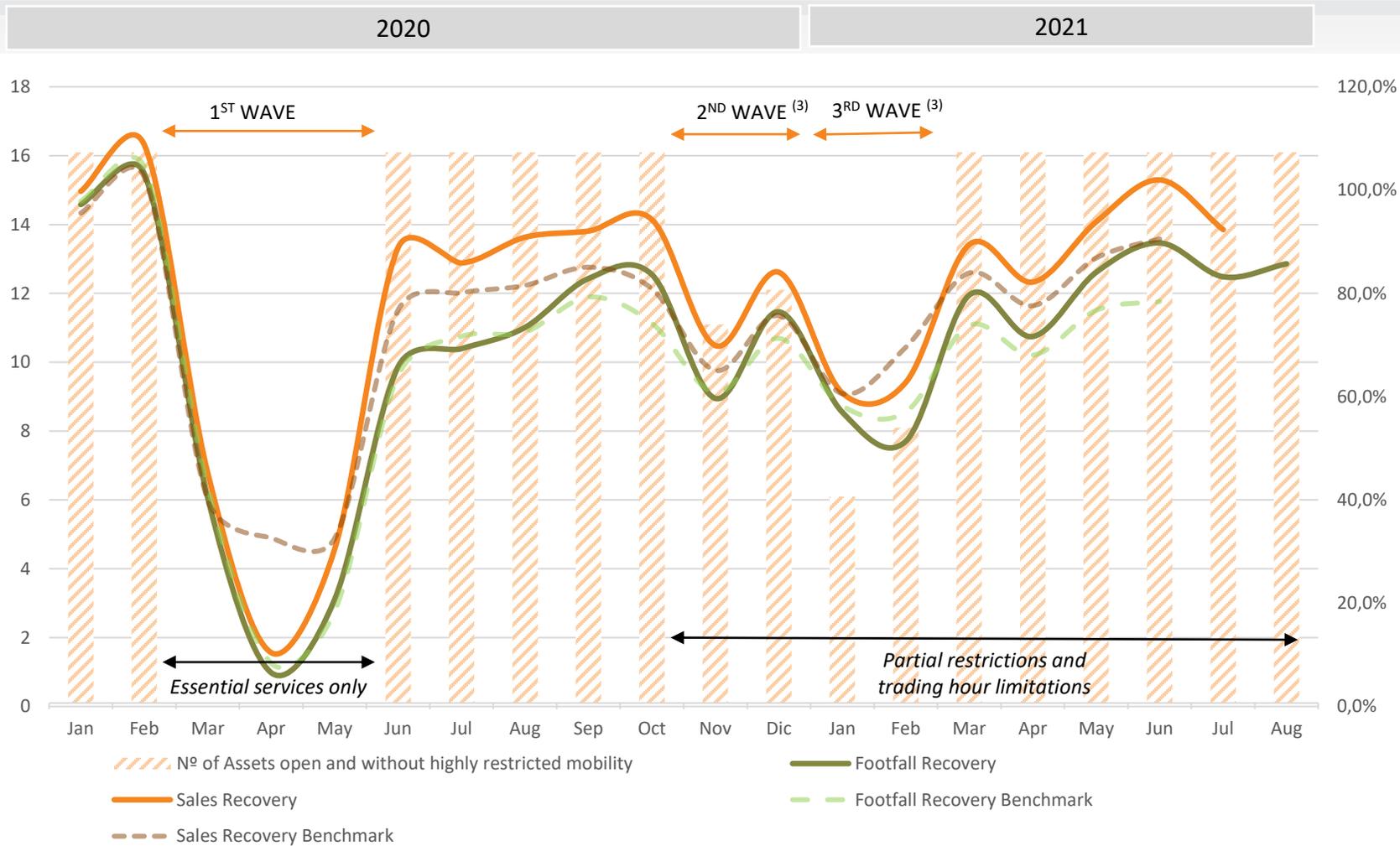
## KEY INDICATORS

- > Accumulated incidence in last 14 days reached 160 cases per 100,000 people yet deaths remain low compared to previous waves
- > **Pressure on ICU beds remains at c. 15%, which is considered a medium risk.** Currently, there are c. 1,300 COVID-related patients at hospitals
- > Total number of accumulated cases: c. 5 million confirmed
- > Total deaths: c. 85k confirmed by Ministry of Health

## FOLLOWING THE WAVES



# FOOTFALL & SALES



- > Sales continue to strengthen and have surpassed 100% of 2019 levels in June 2021. Larger basket sizes and higher conversion rates continue to drive sales
- > Retail park sales are already above 2019 levels. Retail parks comprise 45.1% of Castellana’s portfolio by GLA
- > Footfall recovered up to 85.7% of 2019 levels in August 2021, the highest level since March 2020. Over the past 18 months the pandemic waves have affected the performance of the portfolio, however strong growth was evident once restrictions were relaxed

(1) Footfall Data includes the following shopping centres: El Faro, Bahía Sur, Los Arcos, Vallsur, Habaneras, Puerta Europa and Granaíta Leisure & Retail Park. There are no counters in the rest of the retail park assets Granaíta only counts cars, so we have estimated an average of 2 people per car. Monthly information: evolution of month in 2020 and 2021 vs the same month in 2019

(2) Sales Data includes all retail assets. Monthly information: evolution of month in 2020 and 2021 vs the same month in 2019

(3) Regional restrictions during 2<sup>o</sup> and 3<sup>o</sup> wave: town perimeter closures, trading hours capped, curfews, non-essentials retails closures...). Regional restrictions during 4<sup>th</sup> and 5<sup>th</sup> waves: Trading hours and capacity capped

# OPERATING ACTIVITY

OCCUPANCY RATE 97%<sup>(2)</sup> CONTINUOUSLY CLOSING AGREEMENTS AND OPENING NEW STORES DURING THE PANDEMIC DUE TO THE STRENGTH OF OUR TENANT RELATIONSHIPS AND RETAIL EXPERTISE



**86**  
LEASES SIGNED

**28**  
RENEWALS

**58**  
NEW CONTRACTS



**18,170 sqm**  
GLA SIGNED

**2,824 sqm**  
RENEWALS

**15,346 sqm**  
NEW CONTRACTS



**€4.3m**  
NEW RENT SIGNED

**€1.2m**  
RENEWALS

**€3.1m**  
NEW CONTRACTS



**1.76%**  
AV. RENT INCREASE<sup>(1)</sup>

**2.34%**  
RENEWALS

**1.38%**  
NEW CONTRACTS

## KEY KPI'S YTD 31st August 2021

### PORTFOLIO ALMOST FULLY LET

31 AUGUST  
2021

**97.0%**

31 MARCH  
2021

**98.3%**

### RENT ARREARS UNDER 5% DESPITE PANDEMIC

31 AUGUST  
2021

**4.9%**

31 MARCH  
2021

**4.8%**

### RENT COLLECTION ABOVE 95%

31 AUGUST  
2021

**95.1%**

31 MARCH  
2021

**95.2%**

(1) Considering operations with passing rent as renewals, relocations and replacements

(2) Period reported from 1<sup>st</sup> April 2021 to 31<sup>st</sup> August 2021

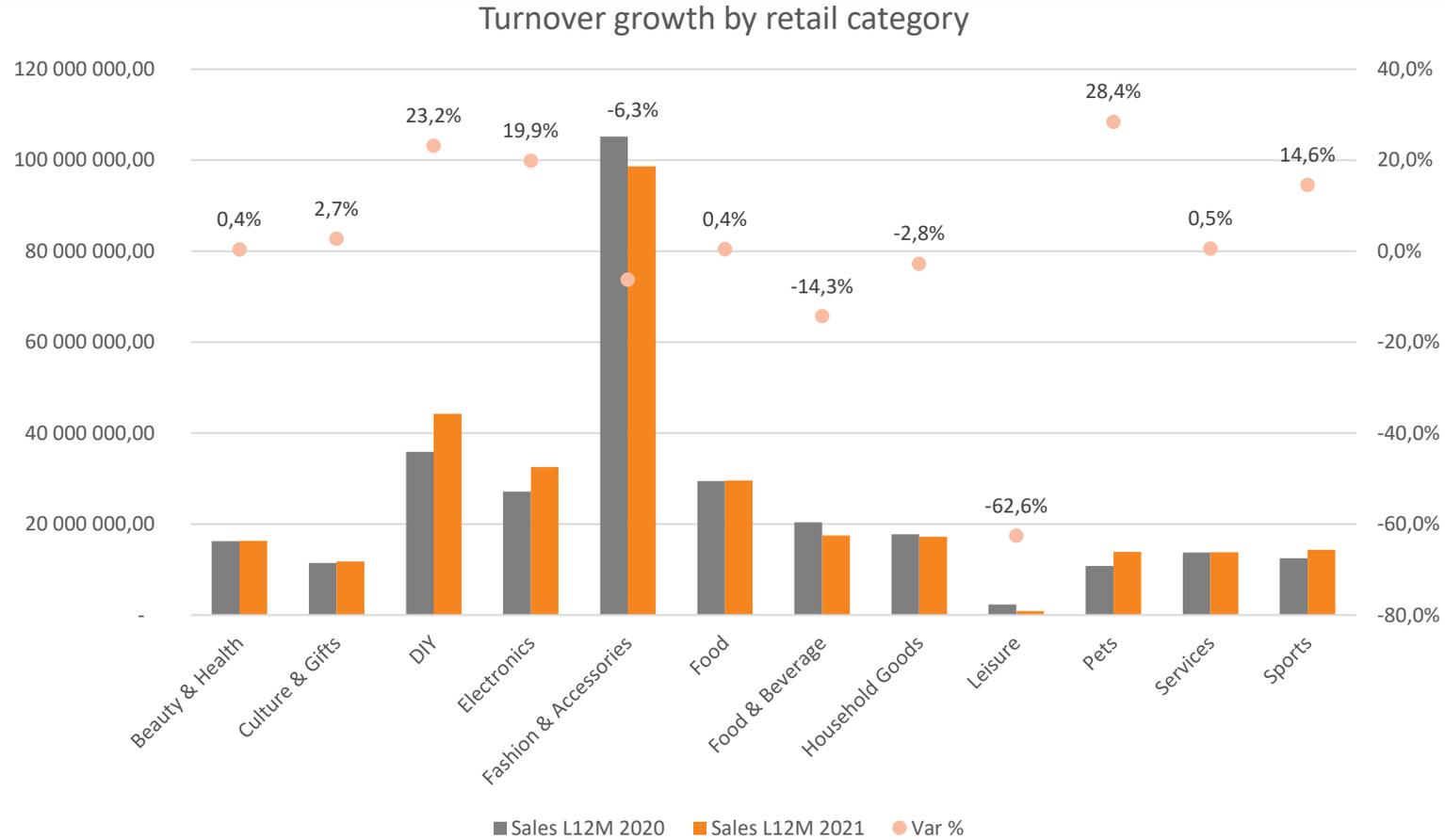
# TRADING ENVIROMENT

- > Sales & Footfall continue to improve with portfolio effort rates in line with industry benchmarks
- > Larger retailers like Inditex, JYSK, Primark, Kiwoko, Pepco, IKEA (with a 3,000sqm concept), Kiabi, Media Markt (500-700sqm “Smart” format), are currently expanding their portfolios and continue to demand new space, opening new stores across the country
- > Restaurants and Leisure, two of the most affected sectors during the pandemic, are recovering sales levels. Some retailers like Popeye’s, Fitzgerald, KFC, Papa John’s, are resuming their expansion projects
- > Castellana has continued to create interesting and exciting events in our Shopping Centres over summer which has improved awareness and grown footfall



# RETAIL CATEGORY PERFORMANCE

**+2.5% OVERALL PORTFOLIO SALES GROWTH FOR THE PERIOD 1 AUGUST 2020 TO 31 JULY 2021**



- > 2021 sales are approaching 2019 levels month by month. We have been above 90% of 2019 sales in the last three months, exceeding it in June
- > DIY, Electronics and Pets continue to be the best performing categories
- > Leisure and Food & Beverage continue to be the most affected by restrictions