Castellana Properties Socimi, S.A.

Independent auditor's report of the annual accounts for the year-ended March 31, 2024
Management report

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.

Independent auditor's report on the annual accounts

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

Opinion

We have audited the annual accounts of Castellana Properties Socimi, S.A. (the Company), which comprise the balance sheet as at 31 March 2024, and the income statement, statement of changes in equity, cash flow statement and related notes for the year then ended.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of the Company as at 31 March 2024, as well as its financial performance and cash flows for the year then ended, in accordance with the applicable financial reporting framework (as identified in note 2.a of the notes to the annual accounts), and in particular, with the accounting principles and criteria included therein.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the annual accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, in our professional judgment, were considered to be the most significant risks of material misstatement in our audit of the annual accounts of the current period. These risks were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these risks.

Most relevant aspects of the audit	How our audit addressed the most relevant aspects of the audit
Valuation of investments in group companies	
The company maintains investments in group companies amounting to 422,606 thousand euros, as detailed in Note 8 of the annual accounts. Investments in group companies are valued at cost less, if applicable, the accumulated amount of impairment losses. An impairment loss is recognized for the excess of the carrying amount of the asset over its recoverable amount, which is understood as the fair value of the asset less the selling costs or its value in use, whichever is higher, as mentioned in Note 3.5. As of March 31, 2024, the Company has recognized an impairment of 3,628 thousand euros (note 8). Unless there is better evidence of the recoverable amount, the net equity of the investee entity, adjusted for any implicit gains existing at the valuation date, is considered. The result of the procedures performed has reasonably allowed us to achieve the audit objetive for which these procedures were designed.	We have conducted an understanding of the methodology used by the Company to conclude that the carrying value of investments in group companies is recoverable. We have obtained the financial statements of the investee entities and the amounts of the identified tacit capital gains. The tacit capital gains correspond to the difference between the fair value realized by the independent expert and the book value of the real estate investments of said investees. We have compared the difference between the book value and the recoverable value of said investments in group companies, verifying the correct recording of the impairment. Additionally, we have assessed the sufficiency of the information disclosed in the annual accounts. The result of the procedures performed has reasonably allowed us to achieve the audit objective for which these procedures were designed.

Other information: Management report

Other information comprises only the management report for the 2024 financial year, the formulation of which is the responsibility of the Company's directors and does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not cover the management report. Our responsibility regarding the management report, in accordance with legislation governing the audit practice, is to evaluate and report on the consistency between the management report and the annual accounts as a result of our knowledge of the entity obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of the management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described in the previous paragraph, the information contained in the management report is consistent with that contained in the annual accounts for the 2024 financial year, and its content and presentation are in accordance with the applicable regulations.

Responsibility of the directors for the annual accounts

The directors are responsible for the preparation of the accompanying annual accounts, such that they fairly present the equity, financial position and financial performance of the Company, in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as the aforementioned directors determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with legislation governing the audit practice in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the entity's directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the significant risks communicated with the entity's directors, we determine those risks that were of most significance in the audit of the annual accounts of the current period and are, therefore, considered to be the most significant risks.

We describe these risks in our auditor’s report unless law or regulation precludes public disclosure about the matter.

PricewaterhouseCoopers Auditores, S.L. (S0242)

Original signed by

Rafael Pérez Guerra (20738)

22 May 2024

CASTELLANA PROPERTIES SOCIMI, S.A.

Annual Accounts for the year ended on 31 March 2024 and Management Report for 2024

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Management Report

CASTELLANA PROPERTIES SOCIMI, S.A.

BALANCE SHEET

(Thousand euro)

ASSETS	Note	Thousand euro	
		31 March 2024	31 March 2023
Assets			
Non-current assets			
Intangible assets		71	16
Property, plant and equipment	5	101	103
Investment property	6	56,773	57,280
Long-term equity investments in Group companies and associates	8	422,606	431,293
Long-term equity investments	7	173,684	105,949
Other non-current financial assets	7 and 9	721	858
		653,956	**595,499**
Current assets			
Trade and other receivables		**2,627**	**2,149**
Trade receivables for sales and services	7 and 9	293	348
Trade receivables, Group companies and associates	7, 9 and 19	2,283	1,799
Other amounts receivable from Public Administrations	14	51	2
Short-term financial assets	7, 9 and 19	**6,188**	**18,653**
Short-term prepayments and accrued income		**54**	**100**
Cash and cash equivalents	10	**17,443**	**5,949**
		26,312	**26,851**
Total assets		**680,268**	**622,350**

The accompanying Notes 1 to 22 form an integral part of the Annual Accounts at 31 March 2024.

CASTELLANA PROPERTIES SOCIMI, S.A.

BALANCE SHEET

(Thousand euro)

EQUITY AND LIABILITIES	Note	Thousand euro	
		31 March 2024	31 March 2023
Equity			
Shareholders' funds			
Share capital	11	101,152	101,152
Share premium	11	423,864	442,960
Legal reserve	12	9,578	8,030
Other reserves	12	10,933	10,943
Treasury shares	12	(333)	(343)
Other equity instruments	18	-	-
Profit/(loss) for the year	12	8,480	15,478
Interim dividend	12	(5,000)	(7,000)
Measurement adjustments	7	59,460	7,405
		608,134	**578,625**
Liabilities			
Non-current liabilities			
Long-term bank borrowings	7 and 13	22,886	20,213
Other non-current financial liabilities	7 and 13	3,902	2,621
		26,788	**22,834**
Current liabilities			
Short-term bank borrowings	7 and 13	**2,417**	**1,150**
Other short-term financial liabilities		**343**	**201**
Short-term payables to Group companies and associates	7, 13 and 19	**37,413**	**13,182**
Trade and other payables		**5,173**	**6,358**
Sundry and other payables	7 and 13	2,567	2,305
Other liabilities	7 and 13	1,951	3,835
Other accounts payable to Public Administrations	14	655	218
		45,346	**20,891**
Total liabilities		**72,134**	**43,725**
Total equity and liabilities		**680,268**	**622,350**

The accompanying Notes 1 to 22 form an integral part of the Annual Accounts at 31 March 2024.

CASTELLANA PROPERTIES SOCIMI, S.A.

INCOME STATEMENT

(Thousand euro)

	Note	Thousand euro	
		Financial year ended on 31 March 2024	**Financial year ended on 31 March 2023**
Continuing operations			
Revenue		**27,916**	**25,874**
Provision of services	15	16,886	15,738
Income from equity instruments, Group companies	15	11,030	10,136
Staff costs	15	**(6,211)**	**(5,817)**
Other operating expenses	15	**(6,411)**	**(5,879)**
Fixed asset depreciation	5 and 6	**(1,096)**	**(815)**
Impairment of long-term shareholdings in Group companies	8 and 15	**(3,628)**	**-**
OPERATING PROFIT/(LOSS)		**10,570**	**13,363**
Financial income	16	**275**	**3,229**
Financial income from ownership interests in other companies		-	3,229
Financial income from other financial instruments		275	-
Financial expenses	16	**(2,365)**	**(1,114)**
NET FINANCIAL INCOME/(EXPENSE)		**(2,090)**	**2,115**
PROFIT/(LOSS) BEFORE TAX		**8,480**	**15,478**
Income tax	14	-	-
PROFIT/(LOSS) FOR THE YEAR		**8,480**	**15,478**

The accompanying Notes 1 to 22 form an integral part of the Annual Accounts at 31 March 2024.

CASTELLANA PROPERTIES SOCIMI, S.A.

STATEMENT OF CHANGES IN EQUITY

A) STATEMENT OF RECOGNISED INCOME AND EXPENSES

(Thousand euro)

	Note	Thousand euro	
		Financial year ended on 31 March 2024	**Financial year ended on 31 March 2023**
Profit for the year	15	**8,480**	**15,478**
Other comprehensive income		-	-
Items that may be reclassified to profit/(loss)		-	-
Items that will not be reclassified to profit/(loss)	7	52,055	16,466
Other comprehensive income for the year, after tax		-	-
Total comprehensive income for the year		**60,535**	**31,944**

The accompanying Notes 1 to 22 form an integral part of the Annual Accounts at 31 March 2024.

CASTELLANA PROPERTIES SOCIMI, S.A.

STATEMENT OF CHANGES IN EQUITY

B) TOTAL STATEMENT OF CHANGES IN EQUITY

(Thousand euro)

Description	Authorised capital (Note 11)	Share premium (Note 11)	Legal and bylaw reserve (Note 12)	Other reserves (Note 12)	Treasury shares (Note 11)	Profit/(loss) for the year (Note 12)	Interim dividend (Note 12)	Other equity instruments (Note 18)	Measurement adjustments (Note 7)	TOTAL
BALANCE AT 31 MARCH 2022	**98,771**	**434,641**	**5,377**	**10,007**	**(357)**	**26,540**	**(6,000)**	**3,000**	**(9,061)**	**562,918**
Total comprehensive income for the financial year	-	-	-	-	-	15,478	-	-	-	**15,478**
Distribution of prior year profit/(loss)	-		2,654	886	-	(26,540)	23,000	-	-	**-**
Share capital increase	2,381	12,619	-	-	-	-	-	-	-	**15,000**
Dividend distribution	-	(4,300)	-	-	-	-	(24,000)	-	-	**(28,300)**
Treasury share transactions	-	-	-	3	14	-	-	-	-	**17**
Other movements	-	-	(1)	47	-	-	-	(3,000)	16,466	**13,512**
BALANCE AT 31 MARCH 2023	**101,152**	**442,960**	**8,030**	**10,943**	**(343)**	**15,478**	**(7,000)**	**-**	**7,405**	**578,625**
Total comprehensive income for the financial year	-	-	-	-	-	8,480	-	-	-	**8,480**
Distribution of prior year profit/(loss)	-	-	1,548	-	-	(15,478)	13,930	-	-	**-**
Share capital increase	-	-	-	(11)	-	-	-	-	-	**(11)**
Dividend distribution	-	(19,096)	-	-	-	-	(11,930)	-	-	**(31,026)**
Treasury share transactions	-	-	-	1	10	-	-	-	-	**11**
Other movements	-	-	-	-	-	-	-	-	52,055	**52,055**
BALANCE AT 31 MARCH 2024	**101,152**	**423,864**	**9,578**	**10,933**	**(333)**	**8,480**	**(5,000)**	**-**	**59,460**	**608,134**

The accompanying Notes 1 to 22 form an integral part of the Annual Accounts at 31 March 2024.

CASTELLANA PROPERTIES SOCIMI, S.A.

CASH FLOW STATEMENT

(Thousand euro)

	Note	Financial year ended on 31 March 2024	Financial year ended on 31 March 2023
			Thousand euro
A) CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the year before tax	12	**8.479**	**15.478**
Adjustments to profit/(loss)		**(1.685)**	**(7.915)**
Fixed asset depreciation	5 and 6	1.095	815
Impairment adjustments	16	3.628	-
Change in provisions		2.530	3.509
Financial incomes	8 and 16	(273)	(3.229)
Financial expenses	16	2.365	1.114
Income from investments in subsidiaries		(11.030)	(10.124)
Changes in working capital		**(4.483)**	**(6.149)**
Trade and other receivables	7 and 9	(293)	(420)
Other current assets	7 and 9	(117)	148
Trade and other payables	13	699	(321)
Other current liabilities		(3.158)	(2.836)
Other non-current assets and liabilities		76	(1.812)
Interest paid		(1.963)	(908)
Interest collections		273	-
Other cash flows from operating activities		**9.409**	**7.606**
Dividend collections		9.409	7.606
Cash flows from operating activities		**11.720**	**9.020**
B) CASH FLOWS FROM INVESTING ACTIVITIES			
Payments on investments		**(16.921)**	**(17.045)**
Group companies, associates and business units		(500)	-
Intangible assets	5 and 6	(61)	(2)
Property, plant and equipment	5 and 6	(15)	(21)
Investment property	6	(565)	(1.094)
Other financial assets	7	(15.780)	(15.928)
Collections from divestments and dividends		**19.908**	**18.180**
Group companies, associates and business units	8	7.001	11.623
Other financial assets	6	12.907	6.557
Cash flows from investing activities		**2.987**	**1.135**
C) CASH FLOWS FROM FINANCING ACTIVITIES			
Collections and payments on equity instruments		**-**	**15.014**
Issuance of equity instruments		(10)	15.000
Acquisition of own equity instruments	11	(1)	(35)
Disposal of equity instruments	11	11	49
Collections and payments, financial liability instruments		**27.812**	**2.002**
Receivables on financial borrowings	13	4.962	-
Receipts of payables to related companies		37.000	18.000
Debt amortization		(1.150)	(978)
Payments to related companies	19	(13.000)	(15.000)
Other borrowings	12	-	(20)
Dividend payments and return on other equity instruments:		**(31.026)**	**(28.300)**
Dividends		(31.026)	(28.300)
Cashflows from financing activities		**(3.214)**	**(11.284)**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**11.493**	**(1.129)**
Cash and cash equivalents at the start of the year		**5.949**	**7.078**
Cash and cash equivalents at the year end		**17.443**	**5.949**

The accompanying Notes 1 to 22 form an integral part of the Consolidated Annual Accounts at 31 March 2024.

CASTELLANA PROPERTIES SOCIMI, S.A.

NOTES TO THE ANNUAL ACCOUNTS

(Thousand euro)

1. ACTIVITIES AND GENERAL INFORMATION

Castellana Properties Socimi, S.A. (hereinafter, the Company) was incorporated 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, 28010 – No. 3, 1º dcha, 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 the parent company of a Group of subsidiaries in the terms detailed in Article 42 of the Spanish Commercial Code. Pursuant to the requirements for listing on the BME Growth, the company has prepared separate Consolidated Annual Accounts.

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 2023, the Castellana Properties Socimi, S.A. General Shareholders' Meeting approved the Individual and Consolidated Annual Accounts for the period ended 31 March 2023.

Castellana Properties SOCIMI, S.A. is the parent company of the Castellana Group. The Consolidated Annual Accounts are filed at the Madrid Company Registry. The Company's directors prepared these Annual Accounts and the Consolidated Group Annual Accounts on 21 May 2024. They will be submitted for approval by the Shareholders' Meeting, where they are expected to be approved with no amendments.

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 of BME MTF Equity (formerly the Spanish Alternative Stock Exchange (MAB)) since 25 July 2018, within the BME Growth segment of BME MTF Equity.

2. BASIS OF PRESENTATION

a) True and fair view

For the periods shown in these Annual Accounts, the directors have prepared the Annual Accounts in accordance with current Spanish Company Law and the Spanish Chart of Accounts approved by Royal Decree 1514/2007 and its amendments. The latest amendments were brought in by Royal Decree 1/2021 of 12 January, which is in force in financial years beginning on or after 1 January 2021, so as to present fairly the Company's equity, financial situation and results.

The figures in these Annual Accounts are presented in thousands of euros, the euro being the Company's presentation and functional currency.

The Annual Accounts have been drawn up on a historical cost basis.

b) Critical measurement issues and estimates of uncertainty

The preparation of these Annual Accounts requires the Company's directors to make judgements, estimates and assumptions that affect the application of the accounting policies and the balances of assets, liabilities, income and expenses. Actual results may differ from estimates.

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

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

Fair value of investment property

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

The best evidence of the fair value of investment property in an active market is the price of similar assets. The Company determines fair value using a range of reasonable values. When making such judgements, the Company uses a series of sources, including:

i. Current prices in an active marketplace of different kinds of properties in varying states of repair and different locations, adjusted to reflect differences with respect to the Company's own assets.

ii. Recent prices paid for properties in other, less active marketplaces, adjusted to reflect changes in economic conditions since the transaction date.

iii. Discounted cash flows based on estimates resulting from the terms and conditions contained in current lease agreements and, where possible, evidence of the market prices of similar properties in the same location, through the use of discount rates that reflect the uncertainty of time.

Useful life of investment property

The Company management establishes the estimated useful life of its investment property, along with the corresponding charges for depreciation. The useful life of a real estate investment is estimated on the basis of the period in which each of the elements included under this heading will generate financial profits. At the close of each year, the Company reviews the useful life of its investment property, and if its estimates differ from the estimates made in the past, the effects of this change are entered prospectively from the financial year in which the change is made.

Income tax

The Company applies the system provided by Law 11 of 26 October 2009 on Spanish Real Estate Investment Trusts (SOCIMIs) which, in practice, means that the Company is subject to a Corporate Income Tax rate of 0%, provided certain requirements are met (Note 1). The amendment to Law 11/2021 brings in a 15% tax on profits not distributed through dividends.

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

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

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

Financial assets at fair value through equity

The Company holds long-term equity investments in companies listed in liquid secondary markets, carried as financial assets through equity, so as to obtain financial returns.

Company management regularly analyses and assesses market data, forecasts and the investments held with the aim of minimising price risks affecting these securities, which could lead to the impairment of the investments.

The best evidence of the fair value of these financial assets through equity is the quoted price of the securities in the asset's primary market, which is understood to be the market having the largest volume or activity.

2.1. Distribution of dividends and compulsory payment of dividends

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

The Company falls into the special category of SOCIMI (Spanish Real Estate Investment Trust Status) and is thus governed by the special tax rules laid down in Law 11 of 26 October 2009, as amended by Law 16 of 27 December 2012 on SOCIMIs. Law 11 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, unless they have already been taxed at the general rate or the income is in the reinvestment period explained in letter "b" below.

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

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

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

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

The dividend must be paid within one month of the distribution resolution.

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

2.2. Comparability

The information contained in these Annual Accounts for the financial year ended on 31 March 2024 is presented, for comparative purposes, together with the information relating to the financial year ended on 31 March 2023.

2.3. Going concern basis

These Annual Accounts have been drawn up on a going concern basis, assuming that the Company will realise its assets and settle its commitments in the ordinary course of business.

At 31 March 2024, the Company's working capital is negative in the amount of €19,034 thousand, mainly due to a loan of €37,000 thousand from the principal shareholder Vukile Property Fund Limited (working capital was positive in the amount of €5,960 at 31 March 2023). The Company has financial support from its main shareholder in order to meet its obligations in the short term.

2.4. Grouping of items

The items in these Annual Accounts are grouped in order to facilitate the understanding of the balance sheet and income statement, any necessary analyses being provided in the relevant Notes to the accounts.

2.5. Non-mandatory accounting principles

Where an accounting principle is compulsory and has a significant effect on the preparation of the Annual Accounts, there is no instance in which it has not been applied.

3. ACCOUNTING POLICIES

3.1. Intangible assets

Computer software

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

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

3.2. Property, plant and equipment

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

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

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

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

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

When the carrying amount of a fixed asset is higher than its estimated recoverable value, the carrying amount is immediately written down to recoverable value (Note 3.4).

3.3. Investment property

Investment property includes a shopping centre owned by the Company that is held to obtain long-term rental income and is not occupied by the Company. Investment property is valued at cost of acquisition less accumulated depreciation and any impairment losses.

Investment property is depreciated using the straight-line method, based on the number of years of useful life estimated in each case:

Description	Depreciation rate (%)
Buildings	1%
Plant	3%

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

The criteria used to recognise impairment losses on these assets and, where applicable, the recovery of any impairment losses recognised in prior years are described in Note 3.4.

3.4. Impairment losses on non-financial assets

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

3.5. Financial assets

a) Financial assets at amortised cost

This category includes financial assets, including those traded on an organised market, in which the Company invests in order to receive cash flows when the contract is performed and the contractual conditions of the financial asset give rise, on specific dates, to cash flows that consist only of receipts of principal and interest on the outstanding amount of principal.

Contractual cash flows that are only receipts of principal and interest on the outstanding principal are inherent in an arrangement that has the nature of an ordinary or common loan, regardless of whether or not the agreed interest rate is zero or below market.

This category includes trade and non-trade receivables:

a) Trade receivables: financial assets arising from the sale of goods or provision of services in business transactions completed on deferred payment terms; and

b) Non-trade receivables: financial assets that are not equity instruments or derivatives, do not arise from commercial transactions, give rise to receipts in determined or determinable amounts and derive from loans or credit granted by the entity.

Initial measurement

The financial assets in this category will initially be measured at fair value, which, unless there is evidence to the contrary, will be the transaction price, this will be equivalent to the fair value of the consideration delivered, plus directly attributable transaction costs.

Nonetheless, trade receivables maturing in one year or less which do not have an explicit contractual interest rate, receivables from employees, dividends receivable and payments due on equity instruments, the amount of which is expected to be received in the short term, are measured at nominal value, to the extent that the effect of not discounting cash flows is deemed immaterial.

Subsequent measurement

Financial assets included in this category will be measured at amortised cost. Interest accrued will be taken to the income statement using the effective interest method.

However, receivables falling due in one year or less which, as explained in the preceding paragraph, are initially carried at nominal value, continue to be measured at that amount unless they are impaired.

When the contractual cash flows of a financial asset change due to the issuer's financial difficulties, the Company will analyse whether an impairment loss must be recognised.

Value impairment

Measurement adjustments are made at the year-end at least and whenever there is objective evidence that a financial asset, or a group of financial assets with similar risk characteristics measured collectively, is impaired as a result of one or more events that occurred after initial recognition, reducing or delaying the estimated future cash flows, which may be explained by the debtor's insolvency.

Generally speaking, the impairment loss on these financial assets is the difference between their carrying amount and the present value of future cash flows, including, where applicable, those arising from the enforcement of collateral and personal guarantees, as estimated, and discounted at the effective interest rate calculated at the time of initial recognition. For financial assets at variable interest rates, the effective interest rate at the closing date of the annual accounts will be used in accordance with contractual conditions.

Impairment losses, and reversals when the amount of the impairment loss decreases as a result of a subsequent event, are recognised as expense or income, respectively, in the income statement. The reversal of impairment is limited to the carrying amount of the asset that would have been recognised at the date of reversal had no impairment loss been recognised.

b) Financial assets at fair value through equity

This category includes financial assets the contractual conditions of which give rise, on specific dates, to cash flows that consist only of receipts of principal and interest on the outstanding amount of principal, and which are not held for trading or carried as "Financial assets at amortised cost". This category also includes equity investments for which the "Financial assets at fair value through equity" irrevocable classification option has been exercised.

Initial measurement

Financial assets included in this category are initially measured at fair value which, in general, is the transaction price, that is the fair value of the consideration paid plus directly attributable transaction costs, including the amount of any pre-emptive subscription and similar rights that may have been acquired.

Subsequent measurement

Financial assets included in this category are measured at fair value without deducting any transaction costs that may be incurred on the sale of the assets. Changes in fair value are reflected directly in equity until the financial asset is written off the balance sheet or becomes impaired at which time the amount recognised is taken to the income statement.

However, impairment adjustments and losses or gains due to exchange differences in monetary financial assets denominated in a foreign currency are recognised in the income statement.

Interest calculated using the effective interest method and dividends accrued are also taken to the income statement.

When value must be allocated to these assets due to being written off or for any other reason, the weighted average cost method is applied by homogeneous group.

In the exceptional event that an equity instrument's fair value is no longer reliable, prior adjustments recognised directly in equity will be afforded the same treatment as impairment adjustments made to financial assets at cost.

In the event of the sale of preferential subscription and similar rights or where they are segregated in order to be exercised, the cost of the rights reduces the carrying amount of the respective assets. This amount reflects the fair value or cost of the rights, which is consistent with the value of the associated financial assets.

Value impairment

At the year-end at least, measurement adjustments are made whenever there is objective evidence that a financial asset or a group of financial assets in this category, with similar risk characteristics measured collectively, has become impaired as a result of one or more events that occurred after initial recognition, leading to:

a) In the case of debt instruments acquired, a reduction or delay in estimated future cash flows be due to debtor insolvency; or

b) In the case of investments in equity instruments, the non-recoverability of the asset's carrying amount due to a protracted or significant fall in its fair value. Considering that, in general, the instrument is impaired following a fall in its quoted price for one and a half years or of 40%, without recovering value, notwithstanding the fact that it may be necessary to recognise an impairment loss before that period has elapsed or before the price has fallen by that percentage.

The impairment adjustment to these financial assets is the difference between cost or amortised cost less any impairment adjustment previously recognised in the income statement and fair value at the measurement date.

Accumulated losses recognised in equity on the decrease in fair value, provided that there is objective evidence of impairment of the relevant asset, are recognised in the income statement.

Fair value increases in subsequent years are credited to the income statement for the year in order to reverse the measurement adjustment made in prior years. Fair value increases in equity instruments are an exception and are recognised directly in equity.

c) Financial assets at cost

In any case, this measurement category includes the following:

a) Equity investments in Group companies, jointly-controlled entities and associates.
b) Other investments in equity instruments the fair value of which cannot be determined by reference to a quoted price on an active market for an identical instrument, or cannot be reliably estimated, and derivatives for which these investments serve as underlying assets.
c) Hybrid financial assets whose fair value cannot be reliably estimated, unless amortised cost accounting requirements are met.
d) Contributions made as a result of a joint venture or similar arrangement.
e) Participating loans accruing contingent interest, either because a fixed or variable interest rate is agreed and made conditional on the achievement of a milestone by the borrower entity (for example, the obtainment of profits), or because it is calculated exclusively by reference to the said entity's business performance.
f) Any other financial asset that must initially be included in the fair value through profit or loss portfolio where a reliable estimate of fair value cannot be obtained.

Initial measurement

The investments included in this category are initially measured at cost, which is equal to the fair value of the consideration paid plus directly attributable transaction costs, the latter not being included in the cost of investments in Group companies.

However, in the cases where the investment predates classification as a Group company, jointly-controlled entity or associate, the cost of that investment is the carrying amount that it should have immediately prior to such classification.

The initial value includes the amount of preferential subscription rights and similar rights acquired.

Subsequent measurement

The equity instruments included in this category are measured at cost less any cumulative impairment adjustments.

When value must be allocated to these assets due to being written off or for any other reason, the weighted average cost method is applied by homogeneous group, which is understood to mean a group of instruments carrying the same rights.

In the event of the sale of preferential subscription and similar rights or where they are segregated in order to be exercised, the cost of the rights reduces the carrying amount of the respective assets.

Contributions made under a joint venture or similar arrangement will be carried at cost increased or reduced by the profit or loss, respectively, pertaining to the entity as a non-managing venturer, and less any cumulative impairment adjustments.

Value impairment

At the year-end at least, the necessary measurement adjustments are made, provided that there is objective evidence that the investment's carrying amount will not be recoverable.

The amount of the value correction is the difference in its book value and the recoverable amount, the latter being understood to mean the higher of either its fair value minus sale costs or the current value of future cash flows resulting from the investment, which in relation to equity instruments, is calculated either as an estimate of the cash flows expected as a consequence of the distribution of dividends by the company in which the holding is held and the disposal or write-down in the accounts of this holding, or as an estimate of the share in cash flows that are expected to be generated by the company in which the holding is held, both from its ordinary business activities and from the sale or write-down of the company.

3.6. Financial liabilities

Financial liabilities are included in one of the following categories for measurement purposes:

a) Financial liabilities at amortised cost

Generally speaking, this category includes trade and non-trade payables.

a) Trade payables: financial liabilities arising from the purchase of goods and services in business transactions completed on deferred payment terms; and

b) Non-trade payables: financial liabilities that are not derivatives and do not arise from commercial transactions but from loans or credit received by the entity.

Participating loans that have the features of an ordinary or common loan are also included in this category, regardless of the agreed interest rate (zero or below market).

Initial measurement

The financial liabilities in this category are initially measured at fair value, which is the transaction price, this being the fair value of the consideration received, adjusted for directly attributable transaction costs.

However, trade payables falling due in less than one year that do not have a contractual interest rate, and share capital called up by third parties, the amount of which is expected to be paid in the short term, are measured at nominal value when the effect of not discounting cash flows is immaterial.

Subsequent measurement

Financial liabilities included in this category are measured at amortised cost. Interest accrued is taken to the income statement using the effective interest method.

However, payables maturing in less than one year which, are initially carried at nominal value, continue to be measured at that amount.

3.7. Offsetting financial instruments

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

3.8. Cash and cash equivalents

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

3.9. Share capital

Share capital is made up of ordinary shares.

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

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

3.10. Current and deferred income tax

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

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

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

With effect in tax periods beginning on or after 1 January 2021, the Company will be subject to a special 15% tax on the portion of retained earnings deriving from income not already taxed at the general corporate income tax rate or in the reinvestment period regulated by Article 6.1.b) of this Law.

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

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

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

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

3.11. Leases

When the Company is the lessee - Operating lease

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

When the Company is the lessor

Properties let out under operating leases are included in investment property on the balance sheet. Income earned from the leasing of property is recognised on a straight-line basis over the lease term (Note 3.14).

3.12. Long-term incentive plans

According to the Spanish Alternative Stock Market (now referred to as BME Growth) admission prospectus, executive directors' remuneration may include long-term incentive plans consisting of shares or stock options, or cash-settled share-based remuneration.

The General Shareholders' Meeting held on 15 September 2020 approved a share-based long-term incentive plan. This plan will be in effect for nine years and the right to receive shares as an incentive will accrue when the conditions set out in the plan are met for each calculation period. The first cycle comprised the period from 1 April 2019 to 31 March 2022 and the second cycle comprises the period from 1 April 2022 to 31 March 2025. Both incentive plans will be settled in cash.

3.13. Provisions and contingent liabilities

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

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

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

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

3.14. Revenue recognition

Revenues are recognised when control of the goods or services is transferred to customers. At that time, revenue is recognised in the amount of consideration to which the Company is expected to be entitled in exchange for the transfer of committed goods and services under contracts with customers, as well as other revenue not derived from contracts with customers forming part of the Company's ordinary business activities. The amount recognised is determined by deducting any discounts, returns, price reductions, incentives or rights granted to customers, as well as value added tax and other directly related taxes that must be charged, from the amount of the consideration for the transfer of the goods or services committed with customers or other revenue relating to the Company's ordinary activities.

In cases in which the price set in contracts with customers includes a variable consideration, the price to be recognised includes the best estimate of the variable consideration, provided it is highly likely that there will be no significant reversal of the amount of revenue recognised when the uncertainty associated with the variable consideration is subsequently resolved. The Company's estimates are based on historical information, taking into account customer type, transaction type and specific terms.

Provision of services

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

Interest income

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

Income and expenses arising from equity interests in other companies

The Company's core business is the holding of equity interests in other companies, in addition to the letting of properties owned.

The dividends obtained from its equity interests and other business income will form part of revenue, together with profits from the disposal of investments. The remaining income and expenses associated with this business activity are carried in operating profit/(loss) in the income statement.

3.15. Related-party transactions

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

4. RISK MANAGEMENT

The Company's activities are exposed to various financial risks: market risk (interest rate risk), credit risk and liquidity risk. The Company'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 Company's Finance Department, which identifies, evaluates and hedges financial risks in accordance with the policies approved by the Board of Directors. The Board provides policies for overall risk management and policies covering specific areas such as interest rate risk, liquidity risk, the use of derivatives and non-derivatives and investing cash surpluses.

When all requirements are met and provided it is material, hedge accounting is used to eliminate the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in the recognition of interest expense at a fixed interest rate for the variable-rate loans hedged and inventories at a fixed exchange rate for the purchases hedged.

This note explains the Company's exposure to financial risks and how these risks could affect future financial returns. Qualitative and quantitative information will be provided for each type of risk.

Risk	Risk exposure arises from	Measurement	Risk management
Market risk - price of securities	Equity investments	Sensitivity analysis	Invest in companies showing low volatility and risk
Market risk – interest rates	Long-term financial debt at variable rates	Sensitivity analysis	Interest rate swaps
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, debt investments and contract assets	Ageing analysis Credit rating	Diversification of bank deposits, credit limits and letters of credit Debt investment guides
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Availability of committed credit lines and credit facilities

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 equity.

The Group 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 Company'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 Company's equity instruments would change in accordance with the historical correlation to the index:

	Thousand euro			
	Effect on profit after tax		Effect on other equity components	
Index	2024	2023	2024	2023
Lar España Real Estate Socimi, S.A.	-	-	1,737	1,059

(ii) Cash flow and fair value interest rate risk

The Company's interest rate risk relates to borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. At 31 March 2024, 100% of its financing was linked to a variable rate (100% at 31 March 2023). The Company's borrowings at variable interest rates are denominated in euros. The variable interest rate is referenced to Euribor and will only apply when the Euribor rate is positive.

At 31 March 2024, had interest rates on euro borrowings been 1% higher/lower, the other variables remaining constant, financial expenses for the year would have been €251 thousand higher or €251 thousand lower (€209 thousand higher or €141 thousand lower at 31 March 2023), 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.

Considering the current situation of the real estate sector, and to minimize the impact that market risk may cause, the Company has established specific measures to minimize said impact on its financial situation. The application of these measures is subordinated to the results of the sensitivity analyzes that the Company carries out on a recurring basis. These analyzes consider:

• Economic environment in which it carries out its activity: design of different economic scenarios modifying the key variables that may affect the Company (interest rates, market rents, % occupancy of real estate investments, etc.).

• Time frame in which the evaluation is being carried out: the time horizon of the analysis and its possible deviations will be considered.

Castellana Properties is exposed to market risk due to possible vacancies of properties or downward renegotiations of lease contracts when rental contracts expire. This risk would directly negatively affect the valuation of the Company's assets. However, market risk is mitigated by the customer acquisition and selection policies and the mandatory lease compliance terms that are negotiated with them, as well as by the guarantees that the Company maintains associated with the lease contracts. This is why, as of March 31, 2024, the average occupancy of the assets owned by the Company is 98.9%, with an average pending lease period of 10.4 years (weighted by gross rents).

b) Credit risk

The Company is not exposed to significant levels of credit risk, this being the impact that the non-payment of receivables could have on its income statement. The Company has policies in place to ensure that both sales and lettings are made to clients with an appropriate credit history.

c) Liquidity risk

Cash flow forecasts are made by the Company's Finance Department. This department monitors the Company'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 Company does not breach its financial obligations. These forecasts take account of the Company's financing plans, ratio compliance, fulfilment of internal objectives and, where applicable, any regulatory or legal requirements (Note 10).

The maturity dates set for the Company’s financial asset and liability instruments at 31 March 2024 and 31 March 2023 are shown in Note 7.

On the balance sheet date, the Company records cash totalling €17,443 thousand (€5,949 thousand at 31 March 2023).

At 31 March 2024, the Company's working capital is negative in the amount of €19,034 thousand, mainly due to a loan of €37,000 thousand from the principal shareholder Vukile Property Fund Limited (working capital was positive in the amount of €5,960 at 31 March 2023).

The Company has financial support from its main shareholder in order to meet its obligations in the short term.

d) Tax risk

As mentioned in Note 1, the parent company has applied the special tax scheme for Spanish Listed Real Estate Investment Trusts (SOCIMIs). Pursuant to the contents of Article 6 of Law 11 of 26 October 2009, as amended by the SOCIMI Law 16 of 27 December 2012, companies that have applied this scheme are required to distribute the profits they obtain over the course of the year to their shareholders in the form of dividends, after fulfilling the relevant corporate obligations. Distribution must be approved within the six months following the year end and paid within one month of the date of the distribution resolution (see Note 10).

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.

5. PROPERTY, PLANT AND EQUIPMENT

The entry for Property, plant and equipment at 31 March 2024 and 31 March 2023 and movements in that category break down as follows:

Description	Thousand euro
Carrying amount at 31/03/2022	**96**
Acquisitions	21
Depreciation charge	(14)
Balance at 31/03/2023	**103**
Cost	160
Accumulated depreciation	(57)
Carrying amount at 31/03/2023	**103**
Acquisitions	24
Disposals	(33)
Disposal of depreciation	24
Depreciation charge	(17)
Balance at 31/03/2024	**101**
Cost	151
Accumulated depreciation	(50)
Carrying amount at 31/03/2024	**101**

Additions during both financial years relate to furnishings, data-processing equipment and electronic equipment installed in the Company's offices at its registered address.

During 2024 and 2023, no impairment adjustments were made or reversed in respect of any property, plant and equipment element.

At 31 March 2024 and 31 March 2023, none of the Company's property, plant and equipment items had been fully depreciated.

6. INVESTMENT PROPERTY

Investment property includes a shopping centre owned by the Company that is held to obtain long-term rental income and is not occupied by the Company.

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

Description	Thousand euro				
	Land	Buildings	Plant	Plant in course of construction	Total
Carrying amount at 31/03/2022	**4,931**	**39,828**	**12,223**	**-**	**56,982**
Acquisitions	-	470	369	255	**1,094**
Disposals	-	-	-	-	**-**
Depreciation charge	-	(410)	(386)	-	**(796)**
Balance at 31/03/2023	**4,931**	**39,888**	**12,206**	**255**	**57,280**
Cost	4,931	41,377	13,596	255	**60,159**
Accumulated depreciation	-	(1,489)	(1,390)	-	**(2,879)**
Carrying amount at 31/03/2023	**4,931**	**39,888**	**12,206**	**255**	**57,280**
Acquisitions	-	330	227	8	**565**
Disposals	-	-	(18)	-	**(18)**
Disposal of depreciation	-	-	18	-	**18**
Depreciation charge	-	(412)	(397)	(263)	**(1,072)**
Balance at 31/03/2024	**4,931**	**39,806**	**12,036**	**-**	**56,773**
Cost	4,931	41,707	13,805	263	**60,724**
Accumulated depreciation	-	(1,901)	(1,769)	(263)	**(3,933)**
Carrying amount at 31/03/2024	**4,931**	**39,806**	**12,036**	**-**	**56,773**

The following is a detailed breakdown of the investment property held by the Company:

- Puerta Europa Shopping Centre, located at A7, km 106, in Algeciras (Cádiz). This property was acquired by the Company on 31 July 2019. The property comprises a total constructed area of 41,302 sqm and a gross lettable area of 29,783 sqm, including terraces and storage areas. The Company recognises these properties in its balance sheet at a gross value of €4,931 thousand for land, €41,707 thousand for buildings and €13,805 thousand for plant. The whole property acquired is let to several tenants.

- Assets in course of construction valued at €255 thousand, recognised by the Company at year-end 2023, are fully reclassified at 31 March 2024.

A number of guarantees were given to purchase the Puerta Europa shopping centre. At 31 March 2024, the nominal value of this financing amounted to €25,599 thousand (€21,678 thousand at 31 March 2023).

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	
	2024	2023
Rental income (Note 15)	8,661	8,130
Operating expenses related to investment properties that generate rental income (Note 15)	(2,968)	(2,814)
	5,693	**5,316**

b) Operating leases

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

Description	31/03/2024	31/03/2023
Less than one year	5,061	6,574
Between one and two years	2,756	2,989
Between two and three years	2,067	1,634
Between three and four years	1,649	1,076
Between four and five years	1,207	688
More than five years	2,109	2,258
	14,849	**15,219**

c) Insurance

The Company 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) Losses due to impairment

As of 31 March 2024 and 31 March 2023 the Company had no impairments.

e) Obligations

At the year end, the Company 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.

7. ANALYSIS OF FINANCIAL INSTRUMENTS

7.1. Analysis by category

The carrying amount of each category of financial instruments laid down in the standards on the recognition and measurement of financial instruments, excluding equity investments in Group companies, jointly-controlled entities and associates (Note 8), is as follows:

Long-term and short-term financial assets

	Thousand euro					
	Long-term financial assets					
	Equity instruments		Loans, derivatives and other		Total	
	2024	2023	2024	2023	2024	2023
Financial assets at amortised cost (Note 9)	-	-	721	858	**721**	**858**
Financial assets at cost (Note 8)	422,606	431,293	-	-	**422,606**	**431,293**
Assets at fair value through equity	173,684	105,949	-	-	**173,684**	**105,949**
Total	**596,290**	**537,242**	**721**	**858**	**597,011**	**538,100**

	Thousand euro					
	Short-term financial assets					
	Equity instruments		Loans, derivatives and other		Total	
	2024	2023	2024	2023	2024	2023
Financial assets at amortised cost (Note 9)	-	-	8,764	20,802	**8,764**	**20,802**
Total	**-**	**-**	**8,764**	**20,802**	**8,764**	**20,802**

The heading "Assets at fair value through equity" reflects the Company's investment in Lar Real Estate SOCIMI, S.A. (€7.22 per share at 31 March 2024 and €4.93 per share at 31 March 2023). The movement is the following:

	Amount
Fair value at 31 March 2022	**89,879**
Additions	15,930
Disposals	(90)
Less investment	(16,236)
Change in fair value	16,466
Fair value at 31 March 2023	**105,949**
Additions	15,680
Disposals	-
Less investment	-
Change in fair value	52,055
Fair value at 31 March 2024	**173,684**

The Company increased its ownership interest up to 28.74% at a cost of €15,468 thousand plus their corresponding acquisition costs (31 March 2023: 25.70%). The investment's fair value rose by €52,055 thousand during the period (€16,466 thousand at 31 March 2023).

Long-term and short-term financial liabilities

	Thousand euro					
	Long-term financial liabilities					
	Bank borrowings		Derivatives, Other		Total	
	2024	2023	2024	2023	2024	2023
Financial liabilities at amortised cost or at cost (Note 15)	22,886	20,213	3,902	2,621	**26,788**	**22,834**
Total	22,886	20,213	3,902	2,621	**26,788**	**22,834**

	Thousand euro					
	Short-term financial liabilities					
	Bank borrowings		Derivatives, Other		Total	
	2024	2023	2024	2023	2024	2023
Financial liabilities at amortised cost or at cost (Note 15)	2,417	1,150	42,274	19,523	**44,691**	**20,673**
Total	2,417	1,150	42,274	19,523	**44,691**	**20,673**

7.2. Analysis by maturity date

Financial instruments with specific or determinable maturities are set out below by year of maturity at 31 March 2024:

	Thousand euro						
	Financial assets						
	March 2025	March 2026	March 2027	March 2028	March 2029	Subsequent years	Total
Financial investments							
Investments in Group companies	-	-	-	-	-	422,606	**422,606**
Equity instruments	-	-	-	-	-	173,684	**173,684**
Security deposits furnished	222	70	59	40	83	469	**943**
Dividend receivable from Group companies	5,855	-	-	-	-	-	**5,855**
Loans and receivables							
Trade receivables for sales and services	293	-	-	-	-	-	**293**
Trade receivables, Group companies and associates	2,283	-	-	-	-	-	**2,283**
Other financial assets	111	-	-	-	-	-	**111**
	8,764	**70**	**59**	**40**	**83**	**596,759**	**605,775**

	Financial liabilities						
	March 2025	March 2026	March 2027	March 2028	March 2029	Subsequent years	Total
Payables							
Security deposits received	343	193	126	95	218	671	**1,646**
Bank borrowings	2,417	3,598	2,432	1,987	2,270	12,599	**25,303**
Payables to Group companies and associates	37,413	-	-	-	-	-	**37,413**
Other non-current financial liabilities	-	2,599	-	-	-	-	**2,599**
Trade and other payables							
Sundry payables	2,567	-	-	-	-	-	**2,567**
Payables, Group companies and associates	-	-	-	-	-	-	**-**
Other liabilities	1,951	-	-	-	-	-	**1,951**
	44,691	**6,390**	**2,558**	**2,082**	**2,488**	**13,270**	**71,479**

The entry “Other current financial assets” includes the amounts deposited with the competent organisations in each Autonomous Region.

8. LONG-TERM INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES

The following table shows a breakdown of long-term investments in Group companies and associates at 31 March 2024 and 2023:

31 March 2024		Thousand euro										
Company name	Holding percentage	Gross carrying amount of the shareholding	Provision for impairment of shareholdings	Net carrying amount of the shareholding	Share capital	Share premium	Reserves	Shareholder contributions	Merger reserves	Profit/(loss) for the year	Interim dividend	Investee's shareholders' funds
JUNCTION PARQUE CASTELLÓN, S.L.U.	100%	3,372	-	**3,372**	3	-	88	1,425	-	242	(242)	**1,516**
JUNCTION PARQUE PRINCIPADO, S.L.U.	100%	12,861	-	**12,861**	3	-	754	1,929	-	1,249	(1,249)	**2,686**
CASTELLANA PARQUE ALCORCON, S.L.U.	100%	26,700	(1,972)	**24,728**	300	6,326	829	635	18,816	(2,178)	-	**24,728**
JUNCTION PARQUE HUELVA, S.L.U.	100%	12,658	-	**12,658**	3	-	917	7,437	-	863	(863)	**8,357**
JUNCTION PARQUE MOTRIL, S.L.U.	100%	3,866	-	**3,866**	3	-	119	2,153	-	379	(379)	**2,275**
JUNCTION PARQUE GRANADA, S.L.U.	100%	23,541	(1,656)	**21,885**	3	-	805	13,610	-	964	(964)	**14,418**
JUNCTION PARQUE CÁCERES, S.L.U.	100%	4,231	-	**4,231**	3	-	155	2,139	-	290	(290)	**2,297**
JUNCTION PARQUE MÉRIDA, S.L.U.	100%	8,063	-	**8,063**	3	-	511	166	-	807	(807)	**680**
CASTELLANA PARQUE VILLANUEVA, S.L.U.	100%	6,733	-	**6,733**	3	-	87	97	3,153	667	(667)	**3,340**
JUNCTION PARQUE ALAMEDA, S.L.U.	100%	41,943	-	**41,943**	3	-	526	41,225	-	1,042	(1,042)	**41,754**
JUNCTION PARQUE HABANERAS, S.L.U.	100%	41,729	-	**41,729**	3	-	667	41,711	-	2,272	(2,272)	**42,381**
MORZAL PROPERTY IBERIA S.L.U.	100%	240,151	-	**240,151**	39,000	188,000	4,034	2,138	-	2,507	(2,255)	**233,424**
CASTELLANA INNOVACION, S.L.U.	100%	184	-	**184**	3	-	(1)	180	-	-	-	**182**
CASTELLANA GREEN, S.L.U.	50%	202	-	**202**	403	-	-	-	-	(1)	-	**402**
		426,234	**(3,628)**	**422,606**	**39,736**	**194,326**	**9,491**	**114,845**	**21,969**	**9,103**	**(11,030)**	**378,440**

31 March 2023		Thousand euro								
Company name	Holding percentage	Gross carrying amount of the shareholding	Share capital	Share premium	Reserves	Shareholder contributions	Merger reserves	Profit/(loss) for the year	Interim dividend	Investee's shareholders' funds
JUNCTION PARQUE CASTELLÓN, S.L.U.	100%	3,297	3	-	88	1,350	-	201	(201)	**1,441**
JUNCTION PARQUE PRINCIPADO, S.L.U.	100%	12,492	3	-	754	1,560	-	1,510	(1,510)	**2,317**
CASTELLANA PARQUE ALCORCON, S.L.U.	100%	26,612	300	6,326	829	547	18,816	949	(949)	**26,818**
JUNCTION PARQUE HUELVA, S.L.U.	100%	12,658	3	-	917	7,437	-	829	(829)	**8,357**
JUNCTION PARQUE MOTRIL, S.L.U.	100%	3,866	3	-	118	2,153	-	322	(322)	**2,274**
JUNCTION PARQUE GRANADA, S.L.U.	100%	22,839	3	-	805	12,908	-	902	(902)	**13,716**
JUNCTION PARQUE CÁCERES, S.L.U.	100%	3,831	3	-	155	1,739	-	297	(297)	**1,897**
JUNCTION PARQUE MÉRIDA, S.L.U.	100%	8,063	3	-	511	166	-	722	(722)	**680**
CASTELLANA PARQUE VILLANUEVA, S.L.U.	100%	6,733	3	-	87	97	3,153	635	(635)	**3,340**
JUNCTION PARQUE ALAMEDA, S.L.U.	100%	41,836	3	-	524	41,119	-	1,837	(1,837)	**41,646**
JUNCTION PARQUE HABANERAS, S.L.U.	100%	41,729	3	-	667	41,711	-	1,872	(1,872)	**42,381**
MORZAL PROPERTY IBERIA S.L.U.	100%	247,151	39,000	195,000	4,589	2,138	-	(555)	-	**240,172**
CASTELLANA INNOVACION, S.L.U.	100%	183	3	-	-	180	-	(1)	-	**182**
CASTELLANA GREEN, S.L.U.	100%	3	3	-	-	-	-	(1)	-	**2**
		431,293	**39,336**	**201,326**	**10,044**	**113,105**	**21,969**	**9,519**	**(10,076)**	**385,223**

During the financial year ended 31 March 2024, €3,628 thousand in impairment losses were recognised for shareholdings in Group companies (€0 thousand during the financial year ended 31 March 2023). No impairment loss was recognised for some of the Group's subsidiaries due to underlying gains causing the value of their equity to exceed the Company's shareholding.

On 17 January 2024, the Company sold 50% of its shareholding in the company Castellana Green, S.L.U. to Sunbird Solar Internacional (Cyprus) Limited. Subsequently, on 26 March 2024, it made a shareholder contribution of €200 thousand to support the subsidiary's business development.

None of the Group companies in which the Company has a shareholding is listed on the stock market.

9. FINANCIAL ASSETS AT AMORTISED COST

As of 31 March 2024 and 31 March 2023, the breakdown of this heading is as follows:

Description	Thousand euro	
	31/03/2024	31/03/2023
Long-term loans and receivables (Note 7):		
Other financial assets	721	858
	721	**858**
Short-term loans and receivables (Note 7):		
Trade receivables for sales and services	293	348
Trade receivables, Group companies and associates	2,283	1,799
Other financial assets	6,188	18,653
	8,764	**20,800**
	9,485	**21,658**

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 financial assets" includes the amounts deposited with the competent organisations in each Autonomous Region.

Other short-term financial assets primarily include the short-term security deposits received and the dividends receivable from other companies and its subsidiaries (Note 19).

Of the total short-term loans and receivables, at 31 March 2024, trade receivables had matured to the value of €107 thousand (€128 thousand at 31 March 2023), of which €32 thousand had been provisioned (€37 thousand at 31 March 2023) in accordance with the evaluation relating to trade receivables carried out by the Company.

At the balance sheet date, trade receivables include the amount of €218 thousand yet to be invoiced (€257 thousand at 31 March 2023), consisting mainly of variable rent accrued and not invoiced by the Puerta Europa shopping centre.

All the amounts reported in this section are past due and unprovisioned, which the Company 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	
	31/03/2024	31/03/2023
Up to 3 months	36	54
Between 3 and 6 months	-	41
More than 6 months	71	33
	107	**128**

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 financial assets at amortized cost are as follows:

Description	Thousand euro	
	31/03/2024	31/03/2023
Opening balance	**(37)**	**(134)**
Appropriation	(8)	(19)
Reversal	9	23
Application	4	93
Closing balance	**(32)**	**(37)**

10. CASH AND CASH EQUIVALENTS

As of 31 March 2024 and 31 March 2023, the breakdown of this heading is as follows:

Description	Thousand euro	
	31/03/2024	31/03/2023
Cash and cash equivalents		
Current accounts	17,443	5,949
	17,443	**5,949**

At 31 March 2024, there were restrictions on the availability of a total of €273 thousand (€264 thousand at 31 March 2023).

Current accounts accrue a market interest rate (Note 16).

11. SHAREHOLDERS' FUNDS

a) Share capital and share premium

On 31 March 2024, share capital stood at €101,152 thousand (€101,152 thousand at 31 March 2023), consisting of 101,151,999 shares with a par value of €1 each, all in the same class, fully subscribed and paid up.

On 16 January 2023, the General Shareholders' Meeting agreed to increase share capital by capitalizing the loans of €10,000 thousand and €5,000 thousand granted by the sole shareholder Vukile Property Fund Limited on 20 January 2022 and 25 October 2022, respectively, for a total amount of €15,000 thousand, issuing 2,380,952 new shares with a par value of €1 each (€2,381 thousand) and a share premium of €5.3 per share (€12,619 thousand).

All the shares issued were fully subscribed by the shareholder Vukile Property Fund Limited.

As at 31 March 2024, the shareholder with more than a 3% stake in the Company is Vukile Properties Limited (Vukile Properties Limited and Morze European Real Estate Ventures at 31 March 2023).

The breakdown is as follows:

	31/03/2024		31/03/2023	
	No. of shares	% Shareholding	No. of shares	% Shareholding
Vukile Property Fund Limited	100,668,704	99.52%	90,835,371	89.80%
Morze European Real Estate Ventures	-	-	9,833,333	9.72%

On 10 May 2023, Vukile Property Fund Limited, a company listed on the Johannesburg Stock Exchange (South Africa), which held 89.80% of Castellana Properties SOCIMI, S.A.'s share capital at 31 March 2023, acquired €9.8 million in shares from Morze European Real Estate Ventures (MEREV) to own 99.52% of the Company.

As of 31 March 2024 and 31 March 2023, the breakdown of share capital is as follows:

Description	Thousand euro	
	31/03/2024	31/03/2023
Authorized capital	101,152	101,152
Share premium	423,864	442,960
	525,016	**544,112**

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

b) Treasury shares

Movements in 2024 and 2023 were as follows:

Description	2024		2023	
	Number of treasury shares	Thousand euro	Number of treasury shares	Thousand euro
Opening balance	**55,315**	**343**	**55,315**	**343**
Additions/purchases	77	1	5,028	35
Decreases	(1,682)	(11)	(7,560)	(49)
Closing balance	**53,710**	**333**	**55,315**	**343**

The General Shareholders' Meeting of the Company resolved on the date 15 September 2020 hereof to authorize, for a period of 5 years, the derivative acquisition of shares of Castellana Properties Socimi, S.A. by the Company itself, pursuant to the provisions of Articles 146 and concordant articles of the Capital Companies Act, complying with the requirements and limitations established in the legislation in force at any given time, all in the following terms: (i) the acquisitions may be made directly by the Company or indirectly through companies of its Group, and the same may be formalized, on one or more occasions, by means of purchase and sale, exchange or any other legal transaction valid in Law. Acquisitions may also be made through an intermediary who acquires the shares on behalf of the Company by virtue of a liquidity agreement entered into between the Company and the intermediary; (ii) the par value of the shares to be acquired, added, if applicable, to those already owned, directly or indirectly, shall not exceed the maximum percentage legally permitted at any time; and (iii) the acquisition price per share shall not exceed the market price on the date of acquisition; (iv) the acquisition price per share shall not exceed the market price on the date of acquisition.

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 and is of indefinite duration.

The Company's treasury shares held at 31 March 2024 represented 0.05% of the Company’s share capital (0.05% at 31 March 2023) and totalled 53,710 shares (55,315 at 31 March 2023). The average cost of the Company’s treasury shares at 31 March 2024 and 31 March 2023 was €6.21 per share.

These shares are recognised as a reduction of €333 thousand in the value of the Company's shareholders' funds at 31 March 2024 (€343 thousand at 31 March 2023).

The 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 Company and its subsidiaries, must not exceed 10% of share capital.

12. RESERVES AND PROFIT/(LOSS) FOR THE YEAR

At 31 March 2024, €9,578 thousand (€8,030 thousand at 31 March 2023) corresponded to the legal reserve. This reserve has been set aside under the terms of Article 274 of the Spanish Companies Act, which establishes that companies must in all cases allocate an amount equal to 10% of their profits for the year to this reserve, until the total reaches at least 20% of the share capital figure. It cannot be distributed, and if it is used to offset losses when the other available reserves are not sufficient for this purpose, it must be replenished with future profits.

Description	Thousand euro	
	31/03/2024	31/03/2023
Legal reserve	9,578	8,030
Other reserves	10,933	10,943
Treasury shares	(333)	(343)
Total reserves	**20,178**	**18,630**

Other reserves are unrestricted.

Distribution of profit/(loss)

The proposed distribution of the Company's results at 31 March 2024 to be submitted to the General Shareholders' Meeting is as follows:

Description	Thousand euro
Available for distribution	
Profit/(loss) for the year	8,480
Share premium	20,777
	29,257
Application	
Legal reserve	848
Interim dividend 14 November 2023	5,000
Interim dividend 21 May 2024	2,632
Distribution charged to the share premium account	20,777
	29,257

Interim dividend distribution

On 14 November 2023, Castellana's Board of Directors agreed to pay out an interim dividend of €5,000 thousand for the financial year ended 31 March 2024, equating to €0.05 per share, and to distribute €2,000 thousand or €0.02 per share from the share premium account, payment having been made on 30 November 2023.

The forecast cash flow statement prepared by the Board of Directors is as follows:

Description	Thousand euro
Profit/(loss) at 30 September 2023	5,798
Legal reserve	(580)
Distributable profit	**5,218**
Interim dividend 14 November 2023	5,000
Distribution charged to the share premium account	2,000
Total distribution to shareholders	**7,000**
Available cash	**10,900**

Distribution of prior year profit/(loss)

The proposed distribution of the profit/(loss) and reserves of the Company for the financial year ended on 31 March 2023, which was approved by the General Shareholders' Meeting on 6 July 2023, was as follows:

Description	Thousand euro
Profit/(loss)	15,478
Share premium	17,096
	32,574
Application	
Legal reserve	1,548
Interim dividend 15 November 2022	7,000
Interim dividend 24 May 2023	6,930
Distribution charged to the share premium account	17,096
	32,574

13. FINANCIAL LIABILITIES

Financial liabilities at amortised cost

Liabilities at amortised cost include:

Description	Thousand euro	
	31/03/2024	31/03/2023
Long-term creditors and payables (Note 7):		
Bank borrowings	22,886	20,213
Other financial liabilities	3,902	2,621
	26,788	**22,834**
Short-term creditors and payables (Note 7):		
Bank borrowings	2,417	1,150
Other financial liabilities	343	201
Payables to Group companies and associates	37,413	13,182
Sundry and other payables	2,567	2,305
Other liabilities	1,951	3,835
	44,691	**20,673**
	71,479	**43,507**

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 and payables to Group companies and associates are carried 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.

The amount pending payment under the long-term incentive plan is also carried under other financial liabilities. Likewise, the Executive team has received 1,457 thousand euros derived from the first period of said plan, which were pending payment as of March 31, 2023 within the "Other liabilities" heading within current liabilities.

Trade and other payables primarily include balances payable and provisions relating to property management.

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

Bank borrowings

This balance sheet heading relates to the loans obtained by the Company on 31 July 2019 from the financial institutions Banco Pichincha España (€8,000 thousand) and Liberbank (€15,000 thousand), both falling due on 30 June 2031 and bearing annual interest at a rate of 2.05%.

On 20 July 2023, the parent company arranged a loan of €5,000 thousand from Banco Santander, maturing in 2026. This loan is not subject to compliance with financial ratios.

The Company has included an amortised cost of €296 thousand (€315 thousand at 31 March 2023) on the balance sheet in respect of loan arrangement costs. Interest expenses accrued during the period totalled €1,520 thousand (€752 thousand at 31 March 2023).

The Company acts as guarantor of the three loans received by the Castellana Group.

A senior loan of €256,000 thousand arranged on 27 September 2018 and a CAPEX facility of €47,490 thousand obtained on 24 September 2019, in relation to the Group company Morzal Properties Iberia, S.L.U., both granted by Aareal Bank, and a loan of €184,793 thousand arranged on 15 February 2022 with Aareal Bank to fund the retail parks and the company Junction Parque Habaneras, S.L.U.

These loans are subject to compliance with certain covenants, which is standard practice in the sector in which the Company operates, the ratio being calculated every six months. As of 31 March 2024, the Group had complied with all of these covenants (as of 31 March 2023 the Group had also complied with all of these covenants).

The maturities of the nominal amounts carried in "Long-term and short-term bank borrowings" are as follows:

Description	Thousand euro			
	31/03/2024		31/03/2023	
	Non-current	Current	Non-current	Current
March 2024	-	-	-	1,150
March 2025	-	2,417	1,150	-
March 2026	3,649	-	1,150	-
March 2027	2,455	-	1,150	-
March 2028	2,013		2,013	-
March 2029	2,300		2,300	-
Subsequent years	12,765	-	12,765	-
	23,182	**2,417**	**20,528**	**1,150**

Payables to Group companies and associates

On 20 January 2022, the Company arranged two shareholder loans with its principal shareholder, Vukile Property Fund Limited, for €75,000 thousand and €10,000 thousand, maturing on 4 February 2022 and 28 November 2022, respectively. These loans bore an annual interest rate of 3.50% and 1.75% respectively.

On 15 March 2022, the General Shareholders' Meeting approved a loan capitalisation in the amount of €75,000 thousand. The capital increase to capitalise loans comprised capital of €12,500 thousand and a share premium of €62,500 thousand. Prior to capitalisation, during the year ended 31 March 2022 interest of €394 thousand accrued on the loan and was paid in full.

On 16 January 2023, the General Shareholders' Meeting approved a loan capitalisation in the amount of €10,000 thousand. The capital increase to capitalise loans comprised capital of €1,587 thousand and a share premium of €8,413 thousand. Prior to capitalisation, interest of €140 thousand accrued on the loan and was paid in full during the year ended 31 March 2023 (€35 thousand in interest accrued during the financial year ended 31 March 2022).

On 14 January 2022, the Company arranged two new loans with its principal shareholder for €13,000 thousand and €5,000 thousand, maturing on 14 November 2023 and 28 November 2022, respectively. Both loans initially accrued interest of 3.5%, but the interest rate on the first loan was changed to 5% on 1 March 2023. At 31 March 2023, these loans have accrued interest of €191 thousand and €31 thousand respectively.

On 16 January 2023, the General Shareholders' Meeting approved a loan capitalisation in the amount of €5,000 thousand. The capital increase to capitalise loans comprised capital of €794 thousand and a share premium of €4,206 thousand.

Prior to amortization, interest of €410 thousand accrued on the loan of €13,000 thousand and was paid in full during the year ended 31 March 2024 (€191 thousand in interest accrued during the financial year ended 31 March 2023).

On 15 November 2023 and 14 March 2024, the Company arranged two new loans with its principal shareholder for €17,000 thousand and €20,000 thousand, maturing on 16 November 2024 and 15 March 2025, respectively. The first loan initially accrued interest of 6%, but the interest rate was changed to 5.75% on 15 March 2024. The second loan was arranged with an interest rate of 5.75%. At 31 March 2024, these loans have accrued interest of €381 thousand and €54 thousand respectively.

At the issuance date of the annual accounts, this balance sheet heading includes the loan received from the Company's parent company at 31 March 2024.

Description	Thousand euro			
	31/03/2024		31/03/2023	
	Non-current	Current	Non-current	Current
March 2024	-	-	-	13,182
March 2025	-	37,413	-	-
March 2026	-	-	-	-
March 2027	-	-	-	-
March 2028	-	-	-	-
Subsequent years	-	-	-	-
	-	**37,413**	**-**	**13,182**

Information on the average supplier payment period

The following table shows a breakdown of the payments that are due for commercial operations completed during the year and that remained pending on the date on which the balance sheet was closed, with reference to the maximum payment period provided for under Law 15/2010 and subsequently amended by Law 31/2014:

Description	Days	Days
	31/03/2024	31/03/2023
Average supplier payment period	37	40
Ratio of transactions settled	37	40
Ratio of transactions not yet settled	20	32

Description	Thousand euro	Thousand euro
	31/03/2024	31/03/2023
Total payments settled	7,103	8,592
Total outstanding payments	13	114

Under the new legislation set forth in Article 9 of Law 18/2022 of 28 September, the following information is also required:

Number (units)	31/03/2024	31/03/2023
Invoices settled before the end of the legal maximum supplier payment period	758	787
Percentage of total supplier invoices	80%	79%

Volume (thousand euro)	31/03/2024	31/03/2023
Invoices settled before the end of the legal maximum supplier payment period	5,993	7,315
Percentage of total supplier invoices	84%	85%

14. INCOME TAX AND TAX SITUATION

As of 31 March 2024 and 31 March 2023, the breakdown of taxes refundable and payable is as follows:

Description	Thousand euro	
	31/03/2024	31/03/2023
Receivables		
CIT refundable	51	2
	51	**2**
Payables		
VAT payable	487	74
PIT payable	111	94
Social security contributions	57	50
	655	**218**

The reconciliation of net income and expenses for the year with the income tax base is as follows:

	Thousand euro					
	Income statement			Income and expenses attributed directly to equity		
	Increases	Decreases	Total	Increases	Decreases	Total
Net income/(expense) for the year	**8,480**	**-**	**8,480**	42,995	(11)	**42,984**
Corporate income tax	-	-	-	-	-	-
Permanent differences	608	-	608	-	-	-
Temporary differences	4,928	-	4,928	-	-	-
Tax base (taxable income)	**14,016**	**-**	**14,016**	**42,995**	**(11)**	**42,984**

Pursuant to Law 11 of 26 October 2009, as amended by Law 16 of 27 December 2012 on SOCIMIs, current corporate income tax is calculated by applying a tax rate of 0% to taxable income.

Financial years pending verification and inspection processes

Under current law, taxes cannot be understood to have been effectively settled until the tax authorities have reviewed the tax returns filed or until the four-year time-bar period has elapsed.

The income tax rate payable by SOCIMIs is set at 0%. However, when the dividends that the SOCIMI distributes to its shareholders with a percentage shareholding of more than 5% are tax-exempt or taxed at a rate of lower than 10%, the SOCIMI will be subject to a special tax of 19% on the amount of the dividend paid to the shareholders in question, which will be classified as income tax payable. Where it applies, this special tax must be paid by the SOCIMI within two months following the date on which the dividend is paid out.

15. INCOME AND EXPENSES

a) Revenue

Revenue from the Company's ordinary business activities is set out below:

Description	Thousand euro	
	2024	2023
Rental income (Note 6)	6,231	5,802
Reinvoicing of costs to tenants (Note 6)	2,430	2,328
Income from services to Group companies (Note 19)	8,225	7,428
Reinvoicing of costs to Group companies (Note 19)	-	180
Income from equity instruments, Group companies (Note 19)	11,030	10,136
	27,916	**25,874**

b) Staff costs

This income statement heading breaks down as follows:

Description	Thousand euro	
	2024	2023
Wages, salaries and similar remuneration	(5,606)	(5,307)
Social security	(605)	(510)
	(6,211)	**(5,817)**

Staff costs include the amount of €1,300 thousand relating to the long-term incentive plan (Note 18) (€1,300 thousand in 2023).

The average number of employees during the period by professional category was as follows:

Description	Number of employees	
	2024	2023
Directors	6	6
University graduates or diploma holders	25	24
Administrative personnel and other	3	3
	34	**33**

In addition, at 31 March 2024 and 31 March 2023, the gender breakdown of the headcount was as follows:

2024

Description	Number of employees		
	Men	Women	Total
Directors	4	2	**6**
University graduates or diploma holders	12	13	**25**
Administrative personnel and other	-	3	**3**
	16	**18**	**34**

2023

Description	Number of employees		
	Men	Women	Total
Directors	4	2	**6**
University graduates or diploma holders	11	13	**24**
Administrative personnel and other	-	3	**3**
	15	**18**	**33**

Of the Directors of the Company, two are directors. The Company had no employees with a disability rating of 33% or more (or the local equivalent) at 31 March 2024 or 31 March 2023.

c) Other operating expenses

This income statement heading breaks down as follows:

Description	Thousand euro	
	2024	2023
External services attributable directly to real estate assets	(2,968)	(2,815)
Other external services	(3,443)	(3,064)
	(6,411)	**(5,879)**

d) Impairment of long-term shareholdings in Group companies

During the financial year ended 31 March 2024, €3,628 thousand in impairment losses were recognised for shareholdings in Group companies (€0 thousand during the financial year ended 31 March 2023). No impairment loss was recognised for some of the Group's subsidiaries due to underlying gains causing the value of their equity to exceed the Company's shareholding.

16. NET FINANCIAL INCOME/(EXPENSE)

The breakdown of this heading by category during 2024 and 2023 is as follows:

Description	Thousand euro	
	2024	2023
Financial income		
Financial income from ownership interests in other companies	-	3,229
Financial income from other financial instruments (Note 10)	275	-
Financial expenses		
Interest on bank borrowings	(1,520)	(752)
Interest on payables to Group companies and associates (Note 19)	(845)	(362)
	(2,090)	**2,115**

Financial income from ownership interests in other companies relates to the dividends received from the Company's interest in Lar España Real Estate Socimi, SA. At 31 March 2024, this amounted to €0 thousand (€3,229 thousand at 31 March 2023) (Note 7).

Interest on bank borrowings relates to the financing received to purchase Puerta Europa Shopping Centre on 31 July 2019.

Interest on payables to Group companies correspond to the loans that the Company maintains with its main shareholder Vukile Property Fund Limited (Note 13).

17. PROVISIONS AND CONTINGENCIES

As of 31 March 2024 and 31 March 2023 the Company had no provisions or contingent liabilities.

18. COMPANY DIRECTORS' REMUNERATION, SHAREHOLDINGS AND BALANCES

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

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

Likewise, directors must disclose any direct or indirect shareholdings 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 2024, remuneration accrued to the directors amounts to €1,629 thousand (€1,545 thousand at 31 March 2023), of which executive directors received a total of €1,177 thousand (€1,136 thousand at 31 March 2023).

During the 2024 financial year, the Parent Company has paid the amount of €54 thousand in premiums for civil liability insurance (€57 thousand as of 31 March 2023) that cover the members of the Parent Company's Board of Directors by the exercise of his position.

The non-executive members of the Board of Directors of the Parent Company have not received shares or share options during the annual years ended 31 March 2024 and 31 March 2023, nor have they exercised options, nor do they have options pending to be exercised.

The Company 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 Company's executive team (Note 3.12). 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 31 March 2024, the Company estimated a cost of €2,600 thousand (€1,300 thousand at 31 March 2023).

19. TRANSACTIONS AND BALANCES WITH GROUP COMPANIES AND RELATED PARTIES

During 2024 and the year ended on 31 March 2023, the breakdown of related-party transactions is as follows:

2024

	Thousand euro			
Description	**Financial income from holdings in Group company equity instruments**	**Income from reinvoicing of costs to Group companies**	**Income from services to Group companies**	**Costs for interest accrued**
JUNCTION PARQUE CASTELLÓN, S.L.U.	242	-	53	-
JUNCTION PARQUE PRINCIPADO, S.L.U.	1,249	-	299	-
CASTELLANA PARQUE ALCORCON, S.L.U.	-	-	355	-
JUNCTION PARQUE HUELVA, S.L.U.	863	-	213	-
JUNCTION PARQUE MOTRIL, S.L.U.	379	-	75	-
JUNCTION PARQUE GRANADA, S.L.U.	964	-	447	-
JUNCTION PARQUE CÁCERES, S.L.U.	290	-	68	-
JUNCTION PARQUE MÉRIDA, S.L.U.	807	-	162	-
CASTELLANA PARQUE VILLANUEVA, S.L.U.	667	-	135	-
JUNCTION PARQUE ALAMEDA, S.L.U.	1,042	-	498	-
JUNCTION PARQUE HABANERAS, S.L.U.	2,272	-	825	-
MORZAL PROPERTY IBERIA S.L.U.	2,255	-	5,095	-
CASTELLANA INNOVACION, S.L.U.	-	-	-	-
CASTELLANA GREEN, S.L.U.	-	-	-	-
VUKILE PROPERTY FUND LIMITED	-	471	-	(845)
MORZE EUROPEAN REAL ESTATE VENTURES	-	132	-	-
	11,030	**603**	**8,225**	**(845)**

2023

Description	Thousand euro			
	Financial income from holdings in Group company equity instruments	Income from reinvoicing of costs to Group companies	Income from services to Group companies	Costs for interest accrued
JUNCTION PARQUE CASTELLÓN, S.L.U.	201	1	56	-
JUNCTION PARQUE PRINCIPADO, S.L.U.	1,510	5	295	-
CASTELLANA PARQUE ALCORCON, S.L.U.	949	7	338	-
JUNCTION PARQUE HUELVA, S.L.U.	829	4	197	-
JUNCTION PARQUE MOTRIL, S.L.U.	322	1	733	-
JUNCTION PARQUE GRANADA, S.L.U.	902	18	64	-
JUNCTION PARQUE CÁCERES, S.L.U.	297	1	341	-
JUNCTION PARQUE MÉRIDA, S.L.U.	782	3	67	-
CASTELLANA PARQUE VILLANUEVA, S.L.U.	635	2	151	-
JUNCTION PARQUE ALAMEDA, S.L.U.	1,837	48	125	-
JUNCTION PARQUE HABANERAS, S.L.U.	1,872	12	551	-
MORZAL PROPERTY IBERIA S.L.U.	-	78	4,510	-
CASTELLANA INNOVACION, S.L.U.	-	-	-	-
CASTELLANA GREEN, S.L.U.	-	-	-	-
VUKILE PROPERTY FUND LIMITED	-	318	-	(362)
MORZE EUROPEAN REAL ESTATE VENTURES	-	322	-	-
	10,136	**820**	**7,428**	**(362)**

As of 31 March 2024 and 31 March 2023, the breakdown of balances with related parties is as follows:

31 March 2024

Description	Thousand euro			
	Dividends receivable	Trade receivables for sales and services	Long-term payables to Group and related companies	Interest pending payment
JUNCTION PARQUE CASTELLÓN, S.L.U.	167	14	-	-
JUNCTION PARQUE PRINCIPADO, S.L.U.	928	73	-	-
CASTELLANA PARQUE ALCORCON, S.L.U.	-	92	-	-
JUNCTION PARQUE HUELVA, S.L.U.	643	54	-	-
JUNCTION PARQUE MOTRIL, S.L.U.	229	19	-	-
JUNCTION PARQUE GRANADA, S.L.U.	664	93	-	-
JUNCTION PARQUE CÁCERES, S.L.U.	190	17	-	-
JUNCTION PARQUE MÉRIDA, S.L.U.	557	41	-	-
CASTELLANA PARQUE VILLANUEVA, S.L.U.	467	34	-	-
JUNCTION PARQUE ALAMEDA, S.L.U.	382	146	-	-
JUNCTION PARQUE HABANERAS, S.L.U.	1,572	213	-	-
MORZAL PROPERTY IBERIA S.L.U.	56	1,487	-	-
CASTELLANA INNOVACION, S.L.U.	-	-	-	-
CASTELLANA GREEN, S.L.U.	-	-	-	-
VUKILE PROPERTY FUND LIMITED	-	-	(37,000)	(413)
	5,855	**2,283**	**(37,000)**	**(413)**

31 March 2023

Description	Thousand euro			
	Dividends receivable	Trade receivables for sales and services	Long-term payables to Group and related companies	Interest pending payment
JUNCTION PARQUE CASTELLÓN, S.L.U.	141	12	-	-
JUNCTION PARQUE PRINCIPADO, S.L.U.	840	57	-	-
CASTELLANA PARQUE ALCORCON, S.L.U.	539	78	-	-
JUNCTION PARQUE HUELVA, S.L.U.	479	44	-	-
JUNCTION PARQUE MOTRIL, S.L.U.	202	14	-	-
JUNCTION PARQUE GRANADA, S.L.U.	402	78	-	-
JUNCTION PARQUE CÁCERES, S.L.U.	197	15	-	-
JUNCTION PARQUE MÉRIDA, S.L.U.	362	33	-	-
CASTELLANA PARQUE VILLANUEVA, S.L.U.	335	27	-	-
JUNCTION PARQUE ALAMEDA, S.L.U.	1,107	119	-	-
JUNCTION PARQUE HABANERAS, S.L.U.	1,072	188	-	-
MORZAL PROPERTY IBERIA S.L.U.	-	1,134	-	-
VUKILE PROPERTY FUND LIMITED	-	-	(13,000)	(182)
	5,676	**1,799**	**(13,000)**	**(182)**

20. 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 this Law.

Not applicable.

b) Reserves from financial years in which the tax scheme set out in this law was applied, distinguishing the portion arising from income subject to 0%, 15% or 19% tax from any income subject to tax at the general rate.

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

c) Dividends distributed against profits each year in which the tax rules contained in this Law were 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 (Note 12).

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.
- Dividend charged to the share premium account in the amount of €733 thousand, 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.
- Interim dividend of €3,898 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.
- Interim dividend of €7,000 thousand for the financial year ended 31 March 2023, approved by the Board of Directors on 15 November 2022.
- Dividend charged to the share premium account in the amount of €4,300 thousand, approved by the Board of Directors on 15 November 2022.
- Interim dividend of €6,930 thousand for the financial year ended 31 March 2023, approved by the Board of Directors on 24 May 2023.
- Dividend charged to the share premium account in the amount of €17,096 thousand, approved by the Board of Directors on 24 May 2023.
- Interim dividend of €5,000 thousand for the financial year ended 31 March 2024, approved by the Board of Directors on 14 November 2024.
- Dividend charged to the share premium account in the amount of €2,000 thousand, approved by the Board of Directors on 14 November 2024.

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.

Property	Location	Date acquired
Puerta Europa Shopping Centre	A7, km 106, in Algeciras, Cádiz	31 July 2019

The parent company has also held an interest in the company Lar Real Estate SOCIMI, S.A. since 26 January 2022 (Note 7).

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, Castellón 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 Serena Retail Park (Phases I and II)	Carretera Don Benito, S/N, Villanueva de la Serena, Badajoz
Junction Parque Alameda, S.L.U.	5 December 2017	lameda Shopping Centre San Pedro Del Pinatar Retail Park	Calle Luis Buñuel 6, 18197, Pulianas - Granada UA-1 Local Level Plan (*Plan Parcial*) "Área 3e", Block P-9, San Pedro del Pintar (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 Zorrilla, Valladolid Avenida de Andalucía S/N, Seville Avenida Caño Herrera S/N, San Fernando, Cádiz Avenida de Elvas S/N, Badajoz

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

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

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

- Voluntary reserves amounting to €886 thousand recognised during the financial year ended 31 March 2022 and not distributed or used to offset losses.

21. AUDIT FEES

Fees accrued to PricewaterhouseCoopers Auditores, S.L. and its network firms during the financial years ended 31 March 2024 and 2023 are as follows:

	Thousand euro	
	2024	**2023**
Audit services	**93**	**88**
Other audit services (*)	**35**	**77**
Other assurance services provided by the auditor as required by other legislation	-	13
Other assurance services provided by the auditor and not required by other legislation	35	30
Other services provided by other firms of the auditor's network	-	34
	128	**165**

*There are no tax services

22. EVENTS AFTER THE REPORTING PERIOD

On 24 May 2024, the Company Board of Directors agreed to pay out a shareholder distribution in the amount of €21,409 thousand, i.e. €0.2118 per share.

The following table details the provisional cash flow forecast that the Board of Directors prepared:

Description	**Thousand euro**
Profit/(loss)	8,480
Legal reserve	(848)
Interim dividend previously paid out	(5,000)
Dividend charged to profits (Note 12)	**2,632**
Distribution charged to the share premium account	**18,777**
Total distribution to shareholders	**21,409**
Available cash	**39,360**

- The Shareholders' Meeting of Lar Real Estate SOCIMI S.A. On April 25, 2024 approved the distribution of a dividend for which the Company will receive €19,000 thousand.

CASTELLANA PROPERTIES SOCIMI, S.A.

MANAGEMENT REPORT FOR
THE YEAR ENDED 31 MARCH 2024

1. ORGANISATIONAL STRUCTURE AND FUNCTIONING

Castellana Properties Socimi, S.A. (Castellana Properties) 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.

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).

On 25 July 2018, Castellana Properties listed 100% of its shares on the BME Growth (former Spanish Alternative Stock Exchange (MAB). On 31 March 2024, share capital stood at €101,152 thousand (€101,152 thousand at 31 March 2023), consisting of 101,151,999 shares with a par value of €1 each, all in the same class, fully subscribed and paid up.

As of March 31, 2024, the shareholder that owns more than 3% of the Share Capital of the Company is Vukile Property Fund Limited. As of March 31, 2023, the shareholders holding more than 3% of the Share Capital of the Company were Vukile Property Fund Limited and Morze European Real Estate Ventures.

Castellana Properties focuses its business strategy on investment in high-quality rental assets with strong growth potential. In just five years, the market value of this investment has risen from €308 million at 31 March 2018 to €1,027 million at 31 March 2024.

Castellana Properties' Board of Directors conducts its business in accordance with the rules of good corporate governance set out primarily in the Company's Articles of Association, the General Shareholders' Meeting Regulations and the Board of Directors' Regulations.

The Board of Directors is the body that is responsible for overseeing and controlling the Company's business, with jurisdiction over matters such as the adoption of the Company's general policies and strategies, corporate governance and corporate social responsibility, and risk management and monitoring. It is at all times responsible for compliance with the requirements necessary to maintain the Company's status as a SOCIMI.

The Board of Directors has two committees, an Audit and Control Committee and an Appointments and Remuneration Committee, whose essential purpose is to provide the Board of Directors with support in the performance of its duties relating to the supervision and control of the Company's day-to-day business.

2. BUSINESS PERFORMANCE AND PROFIT/(LOSS)

Since its first acquisition in 2016, the Company has completed several transactions for the acquisition of real estate assets which have led to retained earnings that, on 31 March 2024, stood at €75 million on a consolidated basis.

"Revenue" from letting the acquired properties reached €89,378 thousand at 31 March 2024 (€82,807 thousand at 31 March 2023).

During the financial year ended 31 March 2024, operating profit/(loss) excluding the value of investment property stood at €55,122 thousand as compared to €49,327 thousand for the financial year ended 31 March 2023.

The market value of the Company's assets at 31 March 2024 stood at €1,026,880 thousand, equating to a 8.28% increase on the purchase price and a y-o-y increase of 1.44%.

3. EPRA INFORMATION

The Company has been a member of the EPRA Association since 2019. The ratios defined in EPRA's recommended best practices are as follows:

EPRA indicators

	31/03/2024	31/03/2023
EPRA earnings	33.945	47.598
EPRA earnings per share	0,34	0,48
Adjusted EPRA earnings	50.311	46.778
Adjusted EPRA earnings per share	0,50	0,47
EPRA NRV	716.525	674.943
EPRA NRV per share	7,09	6,68
EPRA NTA	687.038	645.901
EPRA NTA per share	6,80	6,39
EPRA NDV	680.933	635.517
EPRA NDV per share	6,74	6,29
EPRA Net Initial Yield (NIY)	6,58%	5,96%
EPRA "Topped-up" NIY	6,94%	6,35%
EPRA Vacancy Ratio	2,16%	1,73%
EPRA Cost Ratio (Including vacancy cost)	22,67%	21,79%
EPRA Cost Ratio (Excluding vacancy cost)	21,42%	20,81%
EPRA Cost Ratio adjusted by the Company (including vacancy cost)	21,23%	20,41%
EPRA Cost Ratio adjusted by the Company (excluding vacancy cost)	19,98%	19,43%
EPRA LTV	42,65%	42,93%
EPRA LTV incl. real estate asset transfer tax (ITAI)	41,63%	41,85%

3.1 EPRA earnings and EPRA earnings per share

	31/03/2024	31/03/2023
Earnings per IFRS	**22.435**	**46.548**
Adjustments to calculate EPRA, exclude:		
(i) Changes in value of investment property	11.510	1.050
(ii) Negative differences on consolidation		-
EPRA earnings	**33.945**	**47.598**
Average number of shares (excluding treasury shares)	101.097.690	99.196.894
EPRA earnings per share	**0,34**	**0,48**
Company-specific adjustments	16.366	(820)
Adjusted EPRA earnings	**50.311**	**46.778**
Average number of shares (excluding treasury shares)	101.097.690	99.196.894
Adjusted EPRA earnings per share	**0,50**	**0,47**

In fiscal year 2024, the specific adjustment refers mainly to the LAR dividend for the year ended December 31, 2023 in the amount of 17,077 thousand euros and (711) thousand euros of non-recurring items.

3.2 EPRA NRV, EPRA NTA and EPRA NDV

	31/03/2024		
	Net Reinstatement Value (NRV)	Net Tangible Assets (NTA)	Net Disposal Assets (NDV)
Equity attributable to shareholders	**687.241**	**687.241**	**687.241**
Include/Exclude:			
(i) Hybrid instruments	-	-	-
Diluted NAV	**687.241**	**687.241**	**687.241**
Include:			
ii.a) Restatement of investment property (when recognised using the cost method of accounting)	-	-	-
ii.b) Restatement of investment property being refurbished (when recognised using the cost method)	-	-	-
ii.c) Restatement of other non-recurring investments	-	-	-
iii) Restatement of leases when recognised as finance leases	-	-	-
iv) Restatement of available-for-sale assets	-	-	-
Diluted NAV at market value	**687.241**	**687.241**	**687.241**
Exclude:			
v) Deferred taxes related to the restatement of real estate assets	-	-	
(i) Fair value of financial instruments	-	-	
(vi) Goodwill resulting from deferred taxes	-	-	-
(vii.a) Goodwill carried in the balance sheet		-	-
(vii.a) Intangibles carried in the balance sheet		(203)	
Include:			
viii) Market value of fixed-interest debt			(6.308)
ix) Restatement of intangibles to market value			
x) Transfer tax	29.284	-	
EPRA NAV	**716.525**	**687.038**	**680.933**
EPRA NAV per share (in euros)	**7,09**	**6,80**	**6,74**

	31/03/2023		
	Net Reinstatement Value (NRV)	Net Tangible Assets (NTA)	Net Disposal Assets (NDV)
Equity attributable to shareholders	**643.776**	**643.776**	**643.776**
Include/Exclude:			
(i) Hybrid instruments	-	-	-
Diluted NAV	**643.776**	**643.776**	**643.776**
Include:			
ii.a) Restatement of investment property (when recognised using the cost method of accounting)	-	-	-
ii.b) Restatement of investment property being refurbished (when recognised using the cost method)	-	-	-
ii.c) Restatement of other non-recurring investments	-	-	-
iii) Restatement of leases when recognised as finance leases	-	-	-
iv) Restatement of available-for-sale assets	-	-	-
Diluted NAV at market value	**643.776**	**643.776**	**643.776**
Exclude:			
v) Deferred taxes related to the restatement of real estate assets	-	-	
(i) Fair value of financial instruments	2.273	2.273	
(vi) Goodwill resulting from deferred taxes	-	-	-
(vii.a) Goodwill carried in the balance sheet		-	-
(vii.a) Intangibles carried in the balance sheet		(148)	
Include:			
viii) Market value of fixed-interest debt			(8.259)
ix) Restatement of intangibles to market value			
x) Transfer tax	28.894	-	
EPRA NAV	**674.943**	**645.901**	**635.517**
EPRA NAV per share (in euros)	**6,68**	**6,39**	**6,29**

The value of EPRA NTA per share as of March 31, 2024 is €6.80/share, it has increased compared to the previous year mainly due to the increase in the value of the portfolio and the increase in the participation of LAR and its valuation.

3.3 EPRA NIY and EPRA "Topped-up" NIY

	31/03/2024	31/03/2023
Investment property	1.026.880	1.012.275
Fewer projects under construction	(39.740)	(11.575)
Investment property completed	**987.140**	**1.000.700**
Estimated real estate asset transaction costs	28.269	28.669
Total property portfolio value (B)	**1.015.409**	**1.029.369**
Annual return on real estate investments	70.456	64.710
Operating costs associated with non-recoverable assets	(3.600)	(3.341)
Annualised net rent (A)	**66.856**	**61.369**
Temporary rent concessions or rent-free periods	3.620	3.993
Maximum net return on real estate investments ©	**70.476**	**65.362**
EPRA NIY (A/B)	**6,58%**	**5,96%**
EPRA "topped-up" NIY (C/B)	**6,94%**	**6,35%**

3.4 EPRA Vacancy rate

	31/03/2024	31/03/2023
ERV of available spaces	1.473	1.132
Total ERV	68.043	65.401
EPRA Vacancy Rate (*)	**2,16%**	**1,73%**

(*) We have not taken into consideration the ERV of warehouses, or the areas of the projects under construction.

The EPRA Vacancy ratio calculation reflects the percentage of market rent for vacant operational floor space in relation to the total market rental value of the entire operational portfolio.

The vacancy rate value at 31/03/2024 stood at 2.16%, having increased on the previous year, due essentially to the first floor of Vallsur Asset which is being reconfigured and the units related in the assets of Parque Oeste, Granaita Leisure Centre and Arcos.

3.5 EPRA Cost Ratio

	31/03/2024	31/03/2023
Administrative and corporate costs	10.375	9.494
Non-recoverable operating costs	5.705	4.382
EPRA Costs (including direct vacancy costs)	**16.080**	**13.876**
Vacancy cost	(889)	(623)
EPRA Costs (excluding direct vacancy costs)	**15.191**	**13.253**
Gross rental income	**70.922**	**63.684**
EPRA Cost Ratio (including direct vacancy costs)	**22,67%**	**21,79%**
EPRA Cost Ratio (excluding direct vacancy costs)	**21,42%**	**20,81%**

EPRA Cost Ratio recurring

	31/03/2024	31/03/2023
Administrative and corporate costs recurring	9.352	8.616
Non-recoverable operating costs	5.705	4.382
EPRA Costs (including direct vacancy costs)	**15.058**	**12.998**
Vacancy cost	(889)	(623)
EPRA Costs (excluding direct vacancy costs)	**14.169**	**12.375**
Gross rental income	**70.922**	**63.684**
EPRA Cost Ratio (including direct vacancy costs)	**21,23%**	**20,41%**
EPRA Cost Ratio (excluding direct vacancy costs)	**19,98%**	**19,43%**

Administrative and corporate costs

Staff costs and structural costs not attributable to the assets have been included.

The Company has capitalised the amount of €918 thousand, mainly comprising capitalisable costs incurred in projects under development.

Recurrent Administrative and corporate costs

For this heading, those expenses that are not recurring are being excluded.

Non-recoverable operating costs

Operating expenses that cannot be passed on to the recurring tenants and bad debt provisions have been included.

Vacancy cost

It relates to the cost directly attributable to vacant retail units in the portfolio.

Gross rental income

Recurring rental income and temporary rent concessions given to tenants.

EPRA Cost Ratio variation

In this fiscal year, corporate and operating expenses have increased by a total of 2,204 thousand euros. Mainly due to the increase in salaries and wages due to an increase in staff, the increase in costs in corporate professional fees and operating expenses not passed on to tenants. Even so, the EPRA Cost Ratio as of March 31, 2024 has only experienced a slight increase as gross income has increased by 7 thousand euros, which represents 11% compared to the previous year.

3.6 EPRA loan to value

	31/03/2024	31/03/2023
Includes:		
Bank borrowings	494.505	497.661
Net payables	14.659	333
Liabilities with Group companies	37.413	13.182
Excludes:		
Cash and cash equivalents	(34.500)	(31.044)
Net debt (a)	**512.077**	**480.132**
Includes:		
Investment property at market value	987.140	1.000.700
Properties under development	39.740	11.575
Intangible assets	203	148
Financial assets	173.684	105.949
Total value of assets (b)	**1.200.767**	**1.118.372**
Real estate asset transfer tax (ITAI)	29.284	28.894
Total value of assets incl. real estate asset transfer tax (ITAI) (c)	**1.230.051**	**1.147.266**
EPRA LTV (a/b)	**42,65%**	**42,93%**
EPRA LTV incl. real estate asset transfer tax (ITAI) (a/c)	**41,63%**	**41,85%**

Bank borrowings

This line reflects the loans arranged by the Company with different credit institutions and accrued unmatured interest (note 13 of this annual accounts).

Net payables

This includes €14,659 thousand reflecting the net amount of payables (trade payables, other financial liabilities, other amounts payable to public administrations) and receivables (trade receivables, other financial assets and other amounts receivable from public administrations).

Liabilities with Group companies

This relates to the two loans from the majority shareholder Vukile Property Fund Limited.

Cash and cash equivalents

This heading relates to the Company's unrestricted cash resources.

Financial assets

This heading reflects the Company's ownership interest in Lar España Real Estate Socimi, S.A.

The EPRA LTV as of March 31, 2024 has been slightly reduced compared to the previous year due to: the significant improvement in the market value of the asset portfolio at 14,605 thousand euros and the increase in the participation of LAR and its valuation of 67,735 thousand euros. This has been offset by the increase in net debt due to the variation in net accounts payable for an amount of 14,326 thousand euros (in fiscal year 2023 this heading included a dividend receivable from LAR for an amount of 12,907 thousand of euros), to the increase in the loan with its majority shareholder for 24,231 thousand euros.

3.7 EPRA Like-for-like rental growth

	Total
Net rental income 31.03.2023	**61.816**
Like for like increase in rents	5.746
Non-recoverable like-for-like property expenses	(391)
Other income	466
Net rental income 31.03.2024	**67.637**

	Total
Valuation 31.03.2023	**1.012.275**
Like for like	(11.510)
CAPEX investment	16.706
Acquisitions	9.409
Sales	-
Completed and operational projects	-
Valuation 31.03.2024	**1.026.880**

All assets of Castellana Properties's Group are located in Spain.

The Like for Like growth about net rental income is 9,42% and about valuation 1,44%.

3.8 EPRA Capital expenditure breakdown

The Capex invested in 2024 and 2023 by property type and concept is as follows:

	31/03/2024	31/03/2023
	Total (Retail)	Total (Retail)
Acquisitions	**9.409**	**3.589**
Projects under construction	**7.230**	**1.004**
Asset investment	**9.476**	**7.892**
Increase in lettable area	-	-
No increase in lettable area	5.828	3.551
Tenant incentives	3.648	4.341
Other capitalised expenses	-	-
Capitalised financial expenses	-	-
Total Capex	**26.115**	**12.485**
Conversion of provision into cash	**-**	**-**
Total cash outflow due to Capex	**26.115**	**12.485**

The Castellana Group has no joint venture arrangements. All our assets are located in Spain.

All costs associated with the acquisition, renovation and increase in value of the asset are capitalized.

Acquisitions

In fiscal year 2024, the Group acquired a unit close to El Faro shopping centre for €9,390 thousand (including acquisition costs) In addition, costs incurred in previous acquisitions were capitalized in the amount of €19 thousand.

Projects under construction

In the 2024 financial year, the construction costs relating to the office building next to Los Arcos Shopping Centre, first floor reconfiguration of Vallsur, new property of El Faro and the Faro plots have been included.

Investment in assets – Increase in lettable area

We did not make any CapEx investments entailing an increase of at least 10% in lettable retail floor space in each asset.

Investment in assets – No increase in lettable area

This relates to the Capex investment made in our assets through renovation work. These investments have not amounted to an increase of more than 10% of the lettable area at any of the assets.

Tenant incentives

It refers to the Capex investment to fit out retail units, including contributions made to tenants.

4. PERFORMANCE OF THE COMPANY'S SHARES

The Company has listed its shares on the BME Growth (Former Spanish Alternative Stock Exchange (MAB)) since 25 July 2018. The shares were listed at €6.00 per share, closing at €6.60 per share on 31 March 2024 (€6.60 per share on 31 March 2023).

5. TREASURY SHARES

Movements in 2024 and 2023 were as follows:

Description	2024		2023	
	Number of treasury shares	Thousand euro	Number of treasury shares	Thousand euro
Opening balance	**55,315**	**343**	**55,315**	**343**
Additions/purchases	77	1	5,028	35
Decreases	(1,682)	(11)	(7,560)	(49)
Closing balance	**53,710**	**333**	**55,315**	**343**

The General Shareholders' Meeting of the Company resolved on the date 15 September 2020 hereof to authorize, for a period of 5 years, the derivative acquisition of shares of Castellana Properties Socimi, S.A. by the Company itself, pursuant to the provisions of Articles 146 and concordant articles of the Capital Companies Act, complying with the requirements and limitations established in the legislation in force at any given time, all in the following terms: (i) the acquisitions may be made directly by the Company or indirectly through companies of its Group, and the same may be formalized, on one or more occasions, by means of purchase and sale, exchange or any other legal transaction valid in Law. Acquisitions may also be made through an intermediary who acquires the shares on behalf of the Company by virtue of a liquidity agreement entered into between the Company and the intermediary; (ii) the par value of the shares to be acquired, added, if applicable, to those already owned, directly or indirectly, shall not exceed the maximum percentage legally permitted at any time; and (iii) the acquisition price per share shall not exceed the market price on the date of acquisition; (iv) the acquisition price per share shall not exceed the market price on the date of acquisition.

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 and is of indefinite duration.

The Company's treasury shares held at 31 March 2024 represented 0.05% of the Company's share capital (0.05% at 31 March 2023) and totalled 53,710 shares (55,315 at 31 March 2023). The average cost of the Company's treasury shares at 31 March 2024 and 31 March 2023 was €6.21 per share.

These shares are recognised as a reduction of €333 thousand in the value of the Company's shareholders' funds at 31 March 2024 (€343 thousand at 31 March 2023).

The 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 Company and its subsidiaries, must not exceed 10% of share capital.

6. DIVIDEND POLICY

SOCIMIs are governed by the special tax rules laid down in Law 11 of 26 October 2009, as amended by Law 16 of 27 December 2012 on SOCIMIs (Spanish Real Estate Investment Trusts). 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, unless they have already been taxed at the general rate or the income is in the reinvestment period explained in letter "b" below.

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

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

b) At least 50% of the profits earned from the transfer of the property, shares or ownership interests referred to in Article 2.1. of the Law, where this occurs after the deadlines referred to in Article 3.3 of the Law have expired, when the property, shares or interests are used to pursue the Company's primary corporate purpose. The remainder of these profits must be reinvested in other property or investments related to the pursuit of this corporate purpose within three years of the transfer date.

Otherwise, the profits must be distributed in full together with any profits for in the year in which the reinvestment period expires. If the items in which the reinvestment has been made are transferred prior to the end of the holding period, profits must be distributed in full, together, where applicable, with the part of the profits attributable to the years in which the Company was not subject to the special tax scheme provided for in the aforementioned Law.

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

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

The Company is required to allocate 10% of its profits for the year to the legal reserve until the balance held in this reserve amounts to 20% of its share capital. The balance of this reserve is not available for distribution to the shareholders until it exceeds the 20% limit. The Articles of Association of these companies may not establish any restricted reserve other than the foregoing.

Prior-year profit/(loss) distribution

The distribution of the profit/(loss) and reserves for the financial year ended on 31 March 2023, which was approved by the General Shareholders' Meeting on 6 July 2023, was as follows:

Description	Thousand euro
Profit/(loss)	15,478
Share premium	17,096
	32,574
Application	
Legal reserve	1,548
Interim dividend 15 November 2022	7,000
Interim dividend 24 May 2023	6,930
Distribution charged to the share premium account	17,096
	32,574

Distribution of profit/(loss)

The proposed distribution of the Company's results at 31 March 2024 to be submitted to the General Shareholders' Meeting is as follows:

Description	Thousand euro
Available for distribution	
Profit/(loss) for the year	8,479
Share premium	20,777
	29,256
Application	
Legal reserve	848
Interim dividend 14 November 2023	5,000
Interim dividend 21 May 2024	2,631
Distribution charged to the share premium account	20,777
	29,256

Interim dividend distribution

On 14 November 2023, Castellana's Board of Directors agreed to pay out an interim dividend of €5,000 thousand for the financial year ended 31 March 2024, equating to €0.05 per share, and to distribute €2,000 thousand or €0.02 per share from the share premium account, payment having been made on 30 November 2023.

7. RISK MANAGEMENT

Castellana Properties has a risk monitoring system in place that covers its operations and suitably matches its risk profile. Risk management policies are monitored by the Board of Directors.

The main risk to the Company's objectives concerns compliance with the necessary legislative requirements to ensure it retains its SOCIMI status.

The risk control system also includes the management of financial risk. The policies applied in order to hedge against each type of risk are detailed in the accompanying Notes to the accounts.

Note 4 gives details of the Company's risk management activities.

8. AVERAGE SUPPLIER PAYMENT PERIOD

The following table shows a breakdown of the payments that are due for commercial operations completed during the year and that remained pending on the date on which the balance sheet was closed, with reference to the maximum payment period provided for under Law 15/2010 and subsequently amended by Law 31/2014:

Description	Days	Days
	31/03/2024	31/03/2023
Average supplier payment period	37	40
Ratio of transactions settled	37	40
Ratio of transactions not yet settled	20	32

Description	Thousand euro	Thousand euro
	31/03/2024	31/03/2023
Total payments settled	7,103	8,592
Total outstanding payments	13	114

Under the new legislation set forth in Article 9 of Law 18/2022 of 28 September, the following information is also required:

Number (units)	31/03/2024	31/03/2023
Invoices settled before the end of the legal maximum supplier payment period	758	787
Percentage of total supplier invoices	80%	79%

Volume (thousand euro)	31/03/2024	31/03/2023
Invoices settled before the end of the legal maximum supplier payment period	5,993	7,315
Percentage of total supplier invoices	84%	85%

9. THE TEAM

The team of professionals who make up Castellana Properties is one of the Company's main strengths. Since its incorporation, the Company has selected the necessary personnel to develop its strategy and achieve its objectives.

Castellana Properties is a self-managed real estate investment group whose management team forms an integral part of its organisational structure.

This internal team works exclusively for the Company and its shareholders on a full-time basis. The team comprises specialist professionals with extensive experience, a recognised track record in the real estate sector and a deep understanding of the market. This expert group of professionals is able to undertake highly complex investment operations over short periods of time and complete all aspects of the value creation process.

The Company is overseen by a Board of Directors, the Directors combine skills in the real estate, financial and legal sectors, there are three independent Directors. The Board is advised by an Appointments and Remuneration Committee and an Audit and Control Committee that oversee compliance with the investment and profitability requirements established by the Company.

10. MAJOR EVENTS OCCURRING AFTER THE REPORTING PERIOD

Note 22 of the Notes to these accounts details the events that have occurred between the year end and the authorisation for issue of these Annual Accounts.

11. THE COMPANY'S PROSPECTS

In the following year the Company will continue to pursue its investment strategy, which focuses on retail properties in Spain.

The Company will also continue to actively manage its properties, focusing on improving leases expiring in 2024-2025, as well as maintaining the good occupancy levels.

CASTELLANA PROPERTIES SOCIMI, S.A.

PREPARATION OF THE ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 MARCH 2024

Pursuant to the requirements set out in Article 253 of the Spanish Companies Act and Article 37 of the Spanish Commercial Code, on 22 May 2024 the members of the Board of Directors of the Company Castellana Properties Socimi, S.A. prepared the following Annual Accounts and the Management Report for the financial year ending on 31 March 2024, which comprise the attached 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	Guillermo Massó Board Member
Debora Santamaría Board Member	Laurence Cohen Board Member
Lucy Charlotte Lilley Board Member	