



# CORPORATE PRESENTATION

JUNE 2021



**BME Growth**



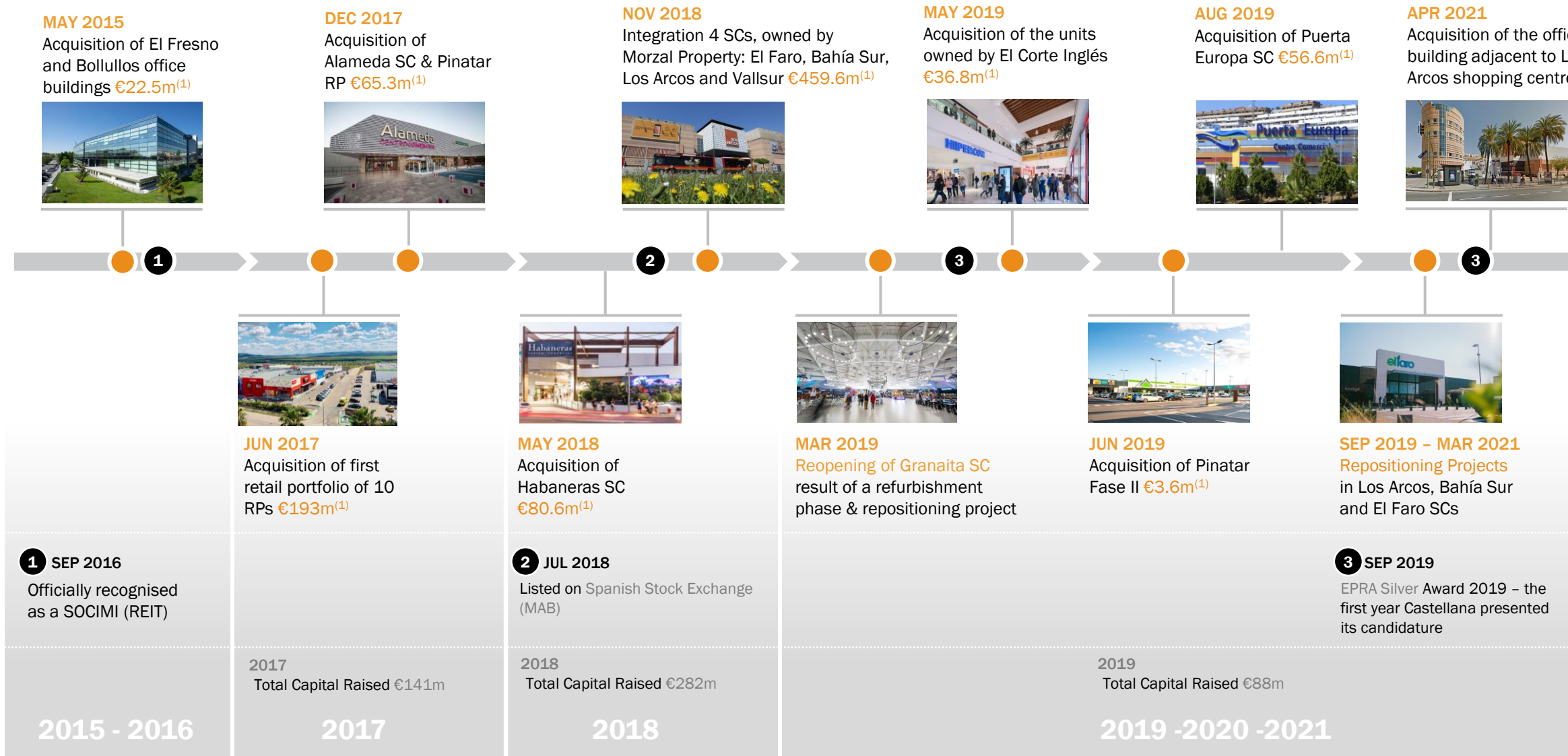
# CONTENTS

- COMPANY OVERVIEW
- STRATEGY
- OUR RESPONSE TO COVID-19
- COMPANY STANCE
- VALUE CREATION
- ESG
- ANNEX I – COVID - 19
- ANNEX II – PORTFOLIO IN DETAIL
- ANNEX III – TOP 10 ASSETS BY GAV

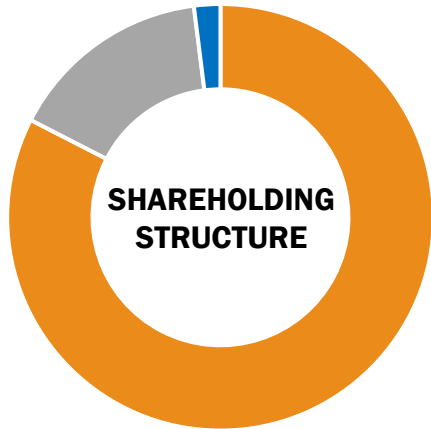


Castellana Properties is a leading income-focused, customer-oriented and specialist retail SOCIMI (REIT) centred on investment, active management and value-enhancing repositioning of retail assets in Spain





(1) Transaction costs not included



- **82.54 %**  
VUKILE PROPERTY FUND LIMITED
- **15.46 %**  
MORZE EUROPEAN REAL ESTATE VENTURES
- **2.00 %**  
OTHERS

 **OPERATIONAL**

**18**  
ASSETS

**367,015 sqm**  
GLA

**98.3 %**  
OCCUPANCY

**13.4 years**  
WAULT

**95.2 %**  
RENT  
COLLECTION

**95 %**  
COVID-19  
NEGOTIATIONS  
CLOSED

 **CORPORATE**

**€987m**  
GAV

**(1.6 %)**  
FY2021  
COVID-19 VALUE  
EFFECT<sup>(1)</sup>

**(4.0 %)**  
ACCUMULATED  
COVID-19 VALUE  
EFFECT<sup>(2)</sup>

**€501m**  
EPRA NAV

**5.81 €/share**  
EPRA NAV

(1) Versus March 2020 valuation of investment properties €1.003b

(2) Considering total Covid-19 effect versus September 2019 valuation of investment properties €1.028b



> WELL DIVERSIFIED ACROSS SPAIN



- |                            |                          |
|----------------------------|--------------------------|
| 1 El Faro                  | 10 Marismas de Polvorín  |
| 2 Bahía Sur                | 11 Alcobendas Building   |
| 3 Los Arcos                | 12 La Heredad            |
| 4 Granaita                 | 13 La Serena             |
| 5 Vallsur                  | 14 Pinatar Park          |
| 6 Habaneras                | 15 Motril Retail Park    |
| 7 Puerta Europa            | 16 Mejostilla            |
| 8 Parque Oeste de Alcorcón | 17 Ciudad del Transporte |
| 9 Parque Principado        | 18 Bollullos Building    |

COMPANY OVERVIEW  
**OUR VALUES**



**PASSION FOR  
WHAT WE DO**



**MAKE A DIFFERENCE  
AS A TEAM**



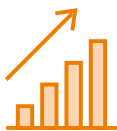
**ACT WITH INTEGRITY  
& TRANSPARENCY**



**COMMITTED TO  
OUR CLIENTS**



**CUSTOMER-CENTRIC  
APPROACH**



**SUSTAINABLE  
GROWTH**



**PROACTIVE & COMMITTED  
TO INNOVATION**



**VALUE OUR  
RELATIONSHIPS**

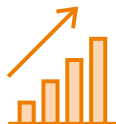


## TAKING A STEP FORWARD IN RETAIL



## SPECIALISTS IN RETAIL

- Specialists in the Spanish retail sector, with 16 retail properties valued at c.€987m
- Management team formed by expert professionals, boasting an average of over 20 years experience
- Supported by its anchor shareholder which also brings a tried and tested track record in retail



## BUILDING ROBUST AND HEALTHY GROWTH

- Driving up returns via healthy, sustainable and robust growth
- Among the fastest growing Socimis in recent years, now one of the leading funds in the market
- Selective capex & development policy to ensure income growth



## COMMITTED TO DELIVERING THE HIGHEST STANDARDS

- Committed to generating maximum ROI for its shareholders
- Boasting strong corporate governance with a highly experienced Board of Directors
- Integrity and transparency as core values



## HIGH QUALITY PORTFOLIO

- Market experts, carefully handpicking the properties that are in line with the company strategy
- Dominant assets in catchment areas of c. 150,000 people or more
- Highly diversified portfolio in terms of property type, regions, categories and tenants, offering a low level of portfolio risk



## ACTIVE MANAGEMENT

- A unique and effective management style with an in-house team actively managing its entire portfolio
- Investing in its properties to add long term value
- Highly dynamic and efficient team, able to quickly adapt when it comes to decision-making
- Strong operational focus, committed to integrating assets with local communities, anticipating customers' needs and supporting tenants



## AT THE CUTTING-EDGE OF NEW TRENDS

- Actively spearheading new trends at its shopping centres
  - Omnichannel retailing
  - F&B and leisure experiences
  - Active technology management
- Creating our own innovation programme, iCAST, to adapt shopping centres to emerging consumer needs



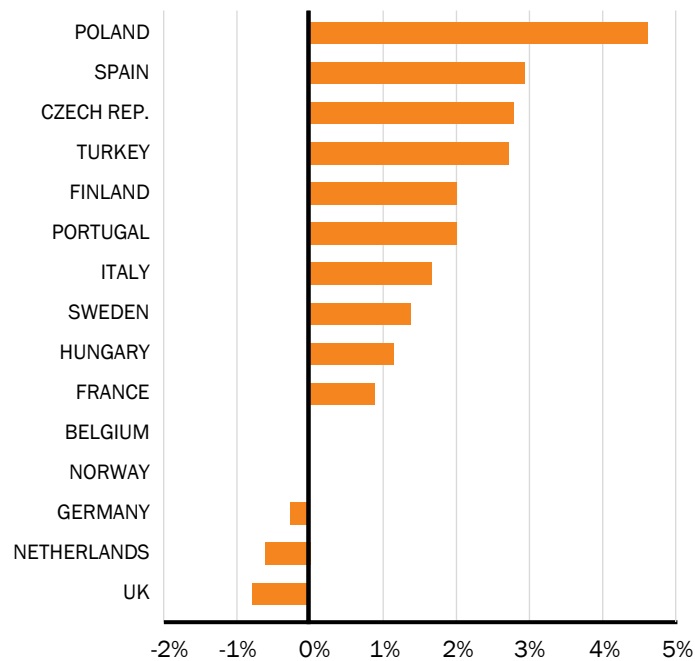
## INCOME FOCUS

- Incentivised to achieve FFO growth
- Stable Net Operating Income (NOI) with upside potential
- Competitive dividend yield as a focal point

**RENT GROWTH FORECAST 2021-2025**

- Rent’s growth of physical stores in the shopping centre segment in Spain for the next four years is approximately 3%, with Spain being the second country that will have the most growth

Prime Retail Rent Growth Forecast by Market 2021-2025



**ONLINE MARKET SHARE BY COUNTRY 2020**

- In Spain, online purchases **still represent only 8,7%** of total retail sales, only 3.7 percentage points vs pre-covid rates and e-commerce penetration forecast in 2025 keeps low rates, under 10%

**TOURISM**

- Spain was the world’s second most visited country in 2019 and is expected to continue this trend post pandemic
- In 2019, Spain welcomed a record number of foreign tourist visitors for the seventh consecutive year
- The country’s total tourist expenditure reached nearly €92.2 billion in 2019 – marking yet another new record

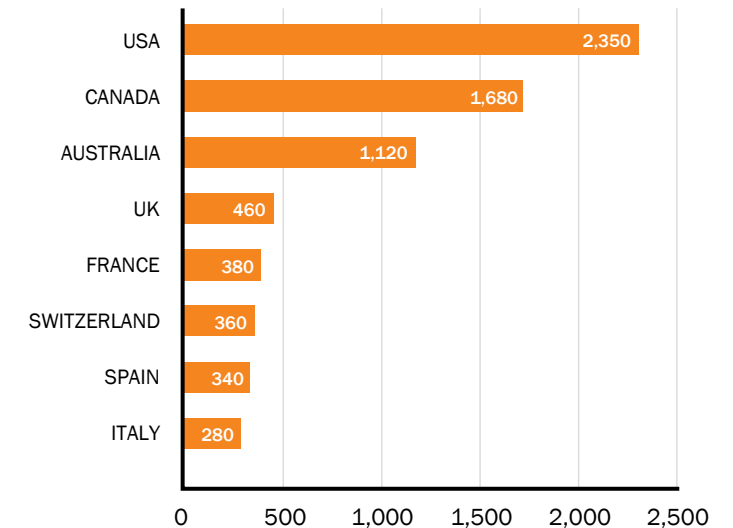
**CONSUMER TRENDS**

- Compared to their European counterparts, Spanish consumers spend the highest percentage of their budgets on eating out and going to bars and restaurants – doing so more than once a week.
- Spain has a predominantly warm Mediterranean climate, registering more than 3,000 hours of sun per year.

**SHOPPING CENTRE DENSITY**

- Spain remains “undermalled” vs developed markets, with an average shopping centre density lower than the average for most European countries and 7 times lower than the US or 5 times lower than Canada

Spain Remains “Undermalled” vs Developed Markets  
 Retail Space (sqm) per 1,000 inhabitants; 2018



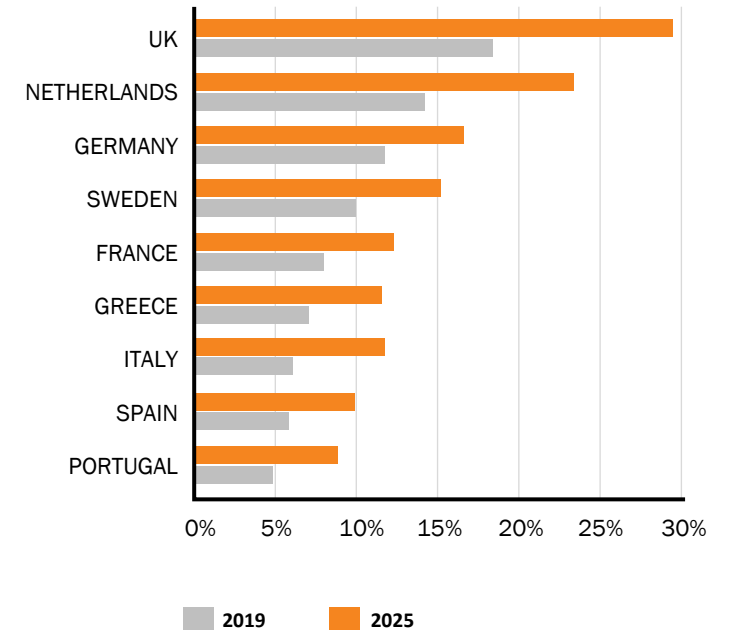
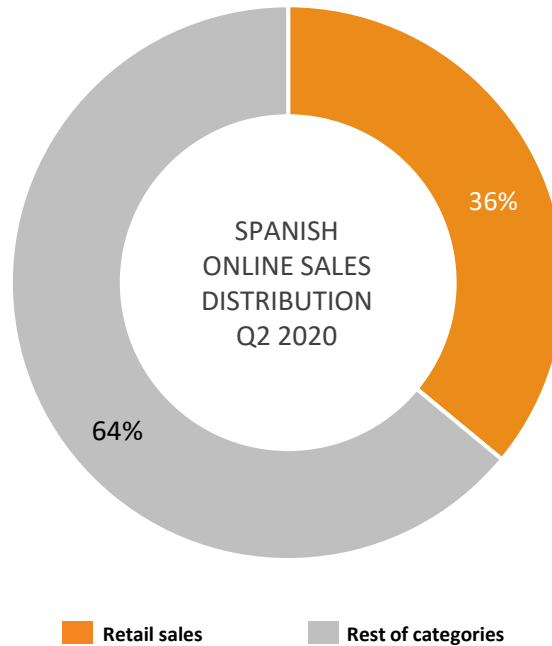
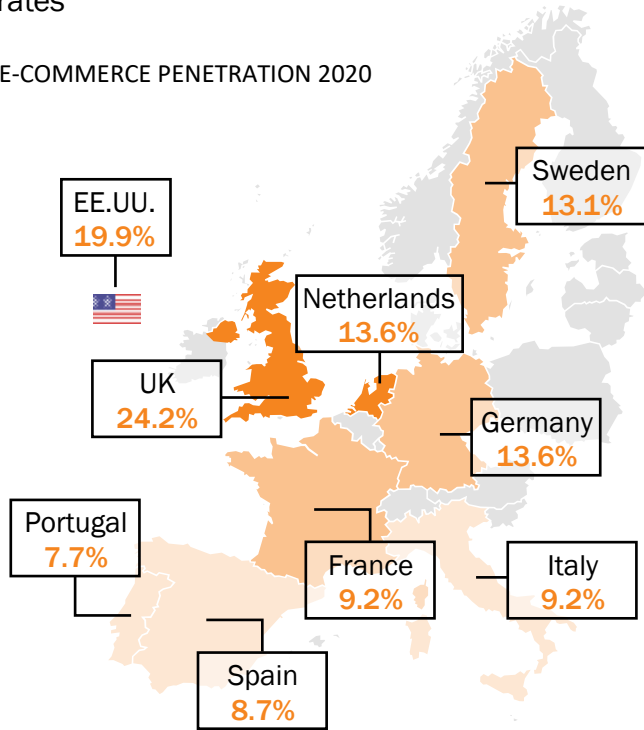
## SPANISH E-COMMERCE PENETRATION STAYS LOW DESPITE THE PANDEMIC, WITH ONLY 36% OF TOTAL ONLINE TRANSACTIONS COMPRISING RETAIL SALES

In Spain, online purchases still represent only 8,7% of total retail sales, only 3.7 percentage points vs pre-covid rates

From total online transactions, only 36% corresponds to retail categories.

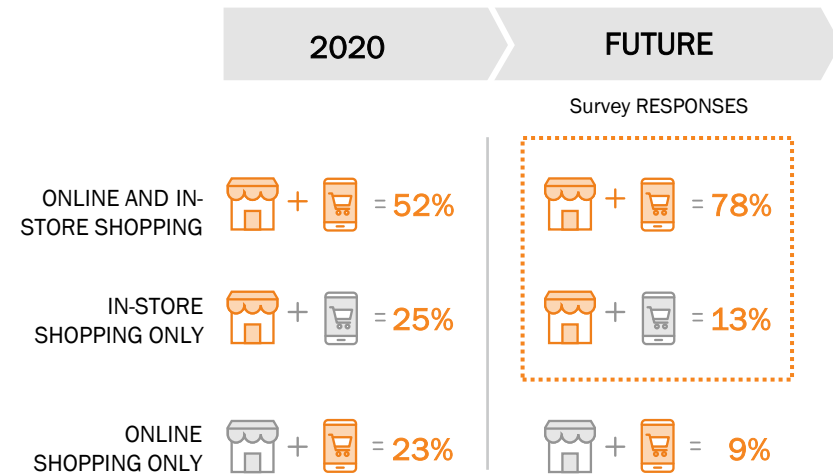
E-commerce penetration forecast for Spain in 2025 keeps low rates, under 10%

E-COMMERCE PENETRATION 2020

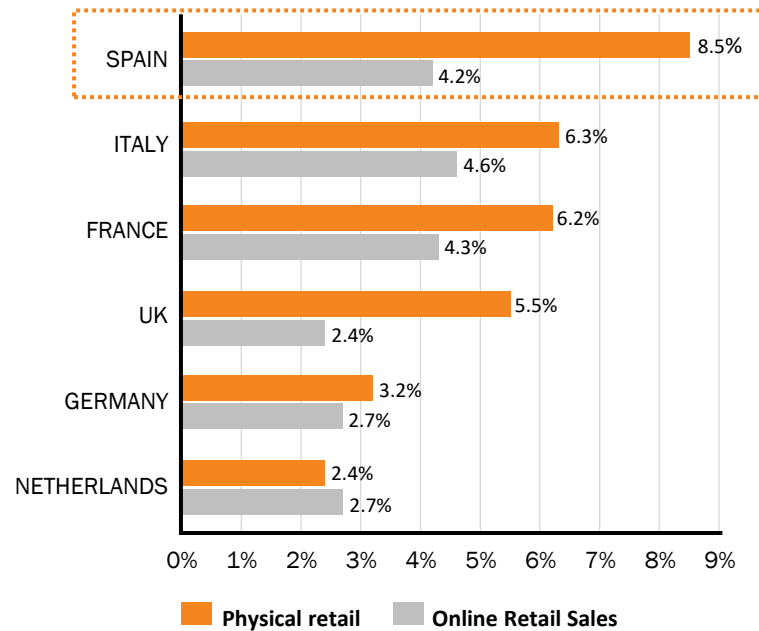


## PHYSICAL SALES WILL GROW C. 8.5% OVER THE NEXT FIVE YEARS, WITH CONSUMERS DESIRING A RETURN TO STORES

91% of consumers say they will shop in physical stores once the pandemic is over. **Brick and mortar stores will bounce back stronger**

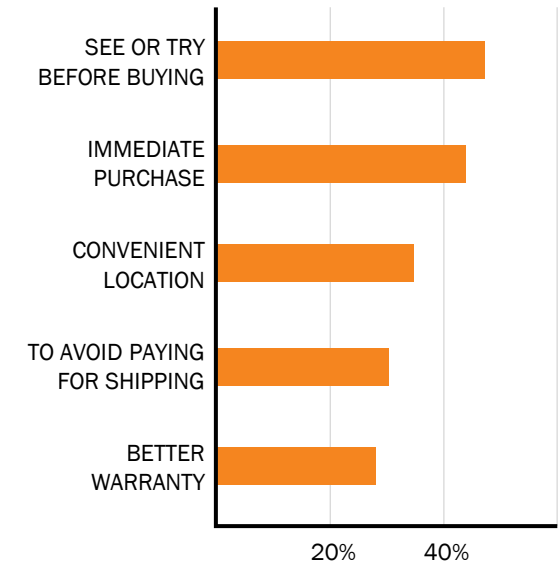


Non-food spending growth to **outperform online retail sales over the next five years**



Physical and online sales growth forecast '20 - '25

46% of connected consumers want to try before they buy.



Top 5 In-store Shopping Motivations, 2020

## “PHYSICAL SPACE” REMAINS CRITICAL IN OMNI-CHANNEL STRATEGY AND 60% OF OUR RETAILERS PLAN TO INVEST IN PHYSICAL STORES



COMMITTED TO  
PHYSICAL STORES

**60%**

plan to invest in improving  
their physical store



OMNICHANNEL  
STRATEGY

**72%**

plan to invest in the  
omnichannel of their stores



PHYSICAL STORES  
PREFERENCE

**84%**

believe their customers prefer  
physical stores vs online shopping



FOCUS ON  
BOPIS SYSTEM

**64%**

are planning to develop  
BOPIS system



LOW PROFITABILITY  
E-COMMERCE

**72%**

Have seen their online billing  
increased but not the benefits



HIGH LEVEL OF SATISFACTION  
WITH CASTELLANA

**96%**

Value as good, very good or excellent  
the support measures implemented  
by Castellana for their tenants



## ACTION PLAN HIGHLIGHTS OVER PAST 12 MONTHS – APRIL 2020 to MARCH 2021



### BUSINESS IS ROBUST

- **Healthy treasury position** with large buffer for cash management
- **Headline GRI base income growth of 5% versus FY2020** displaying the **strength and resilience** of the business
- **Total support from shareholders**
- Legal review of lease agreements was undertaken where contracts with tenants were found to be robust. **Over 94% of tenants are national and international tenants better placed to ride out the pandemic**



### STRONG TENANT & INDUSTRY RELATIONSHIPS

- **Total one-off rental discounts for FY2021 of €18 millions to ensure the viability of tenants long-run.** Affected tenants have paid service charges in full throughout the pandemic
- Castellana has negotiated these discounts in exchange for more favourable lease terms including **longer lease terms, break option waivers and more frequent sales reporting**
- **Through the tenants support Castellana has made a positive impact in those areas and communities** where the centres are located, becoming a key pillar within the economic and social recovery



### PARTNERING WITH DEBT PROVIDERS

- **Covenants compliance intact as at 31 March 2021.**
- **Refinancing agreement with the Syndicated Banks completed**
- **We continue to foster excellent relationships with our financing partners**

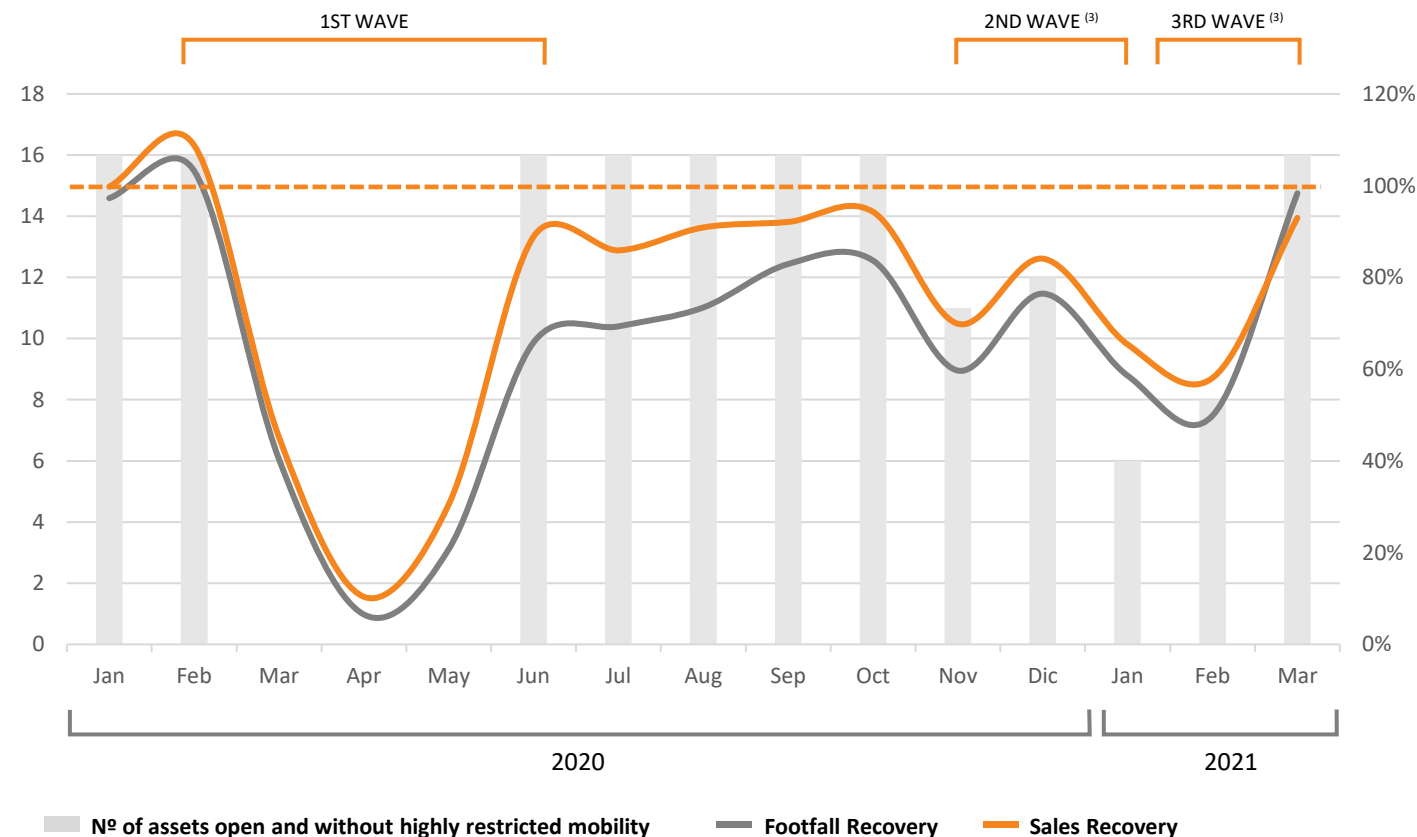


### VALUATION ASSUMPTIONS

- **Valuations as 31 March 2021 still reflecting the effect of the Covid-19:**
  - Potential turnover rents and mall income also impacted
  - Discount rates (IRRs) adjusted to reflect market sentiment
  - Lower market rental growth rates
  - CPI adjusted to the latest available data

## STRONG REBOUND IN FOOTFALL AND SALES AS SOON AS CUSTOMERS ARE ABLE TO RETURN - LARGE RETAIL PARK EXPOSURE CONTRIBUTING TO SALES OUTPERFORMANCE

### FOOTFALL & SALES RECOVERY



- **Larger basket sizes** contributing to good sales performance and higher conversion rates despite lower footfall than previous year
- Retail park sales are **above pre-covid levels**. Retail parks comprise **42% of Castellana's portfolio by GLA**
- Despite restrictions imposed on shopping malls since November, **footfall has recovered to 80% of pre-covid levels over Christmas period**
- In March, footfall and sales recover to **74% and 81% vs 2019, respectively**

(1) Footfall Data includes the following shopping centres: El Faro, Bahía Sur, Los Arcos, Vallsur, Habaneras, Puerta Europa and Granaita Retail Park. There are no counters in the rest of the retail park assets. Granaita Retail Park counts only cars so we have estimated 2 people on average per car.

(2) Sales data includes all retail assets.

**AGREEMENTS ON TRACK WITH 95% OF ADDENDUMS CLOSED OR UNDER ADVANCED NEGOTIATIONS...**

- Agreements negotiated on a case-by-case basis by Castellana in-house Asset Management team specialised in Spanish retail property
- Providing personalised solutions to each tenant
- Flexible payments terms agreed with tenants, May and June invoicing has been deferred to September and October respectively in order to achieve the optimal collection rate
- Discounts negotiated in exchange for more favourable leases including longer lease terms, break option waivers and online sales reporting
- Agreements do not allow for any service charge relief
- Significant market share of retail property along with a high-quality portfolio in Spain allows team to negotiate preferential terms with retailers
- The size of the portfolio allows for economies of scale and synergies at corporate level in the form of cost savings, cross-selling and income enhancements
- Tenant agreements for FY2022 will be done on a case-by-case basis linked to sales performance over an historic 6-months period with minimal discounts to be granted

**... LEADING TO STRENGTHENED TENANT RELATIONSHIPS STABILISING AND IMPROVING OF ALL RETAIL KEY RATIOS AND LEASE MATURITIES SINCE MARCH 2020**

**WAULT<sup>(1)</sup> BY RENT**

Increased by  
**5.6%**

from 10.6 years  
to 11.2

**WAULT<sup>(1)</sup> BY GLA**

Stabilised at over  
**13.6 years**

**OCCUPANCY**

Stabilised at over  
**98.2%**

**EXPIRY PROFILE  
BY RENT**

Increased by  
**10%**

>75% of contracts have  
maturities beyond March 2025

**BREAK PROFILE  
BY RENT**

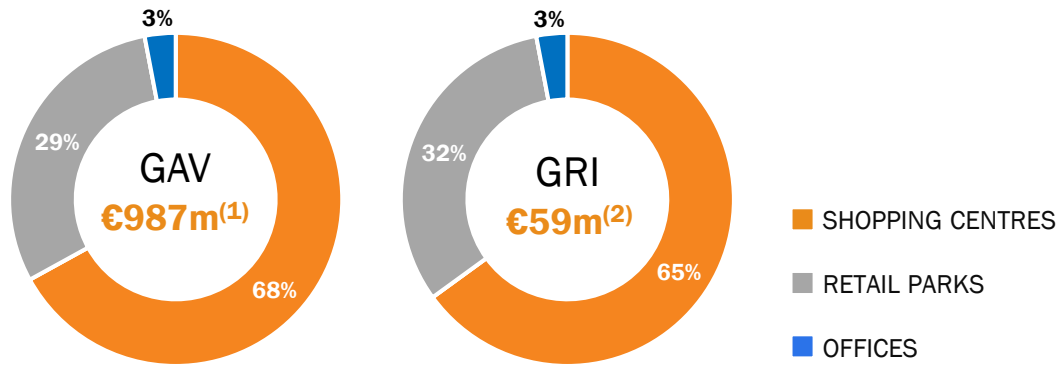
Increased by  
**12%**

>24% of contracts have  
maturities beyond March 2025

(1) Calculated to expiry of lease excluding break options and including only retail portfolio

## HIGHLY DIVERSIFIED RETAIL MIX LEADING TO SUSTAINABLE, HIGH QUALITY AND LOW RISK INCOME STREAMS

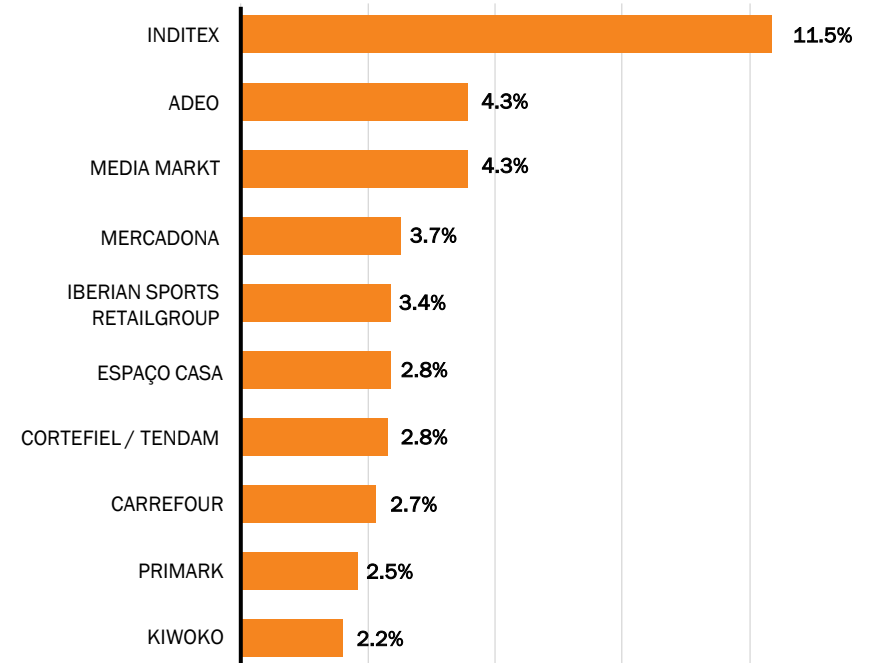
### BREAKDOWN BY GAV AND GRI



### RETAIL PORTFOLIO: FAST FACTS

<b>16</b> ASSETS	<b>350,271 sqm</b> GLA	<b>13.6 years<sup>(3)</sup></b> WAULT	<b>98.2%</b> OCCUPANCY
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### TOP 10 TENANT GROUPS BY RENT 31 MARCH 2021



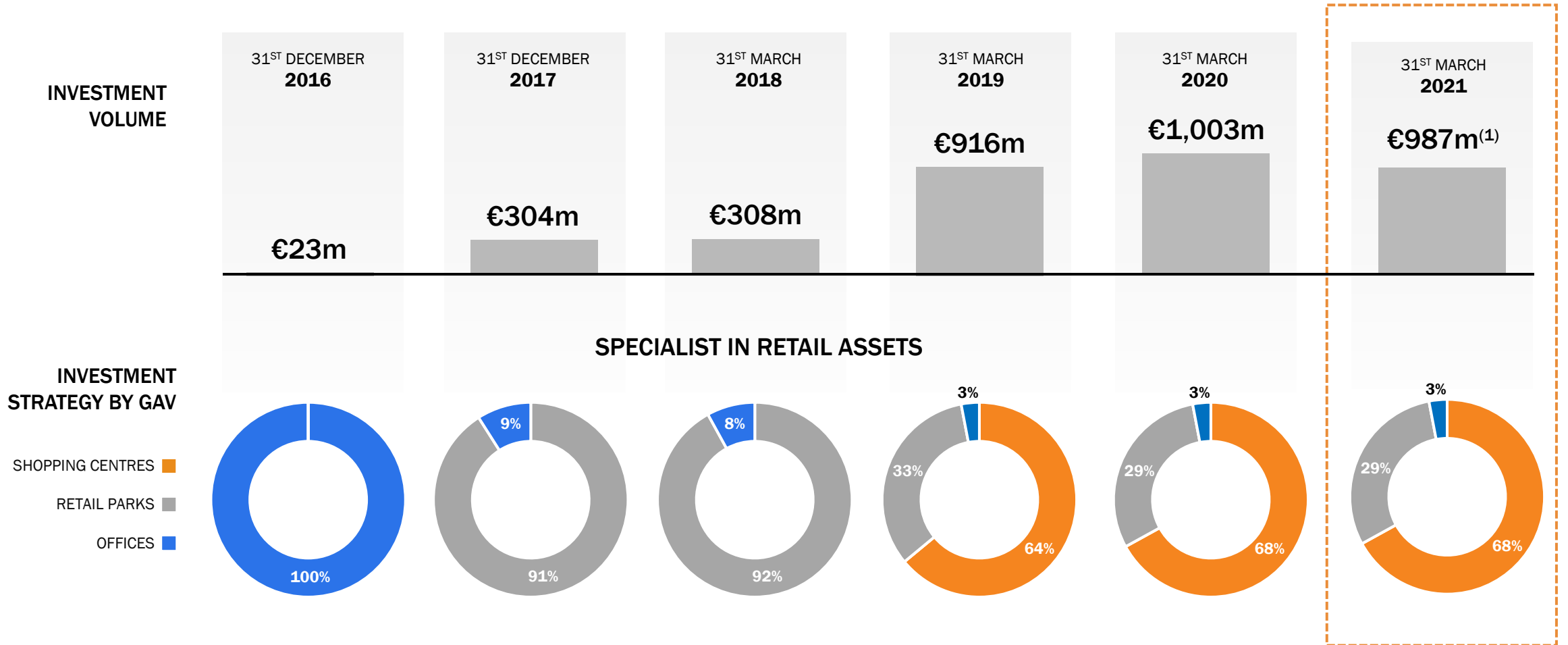
↑  
**TOP 10 TENANTS**  
40%  
**OF RETAIL BASE RENT**  
↓

(1) GAV at 31 March 2021

(2) Data at FY2021 (12 months of FY2021 from April 2020 to March 2021) Excluding one-off rental discounts agreed with tenants amounting to €18.8m

(3) WAULT is to expiry of lease excluding break options

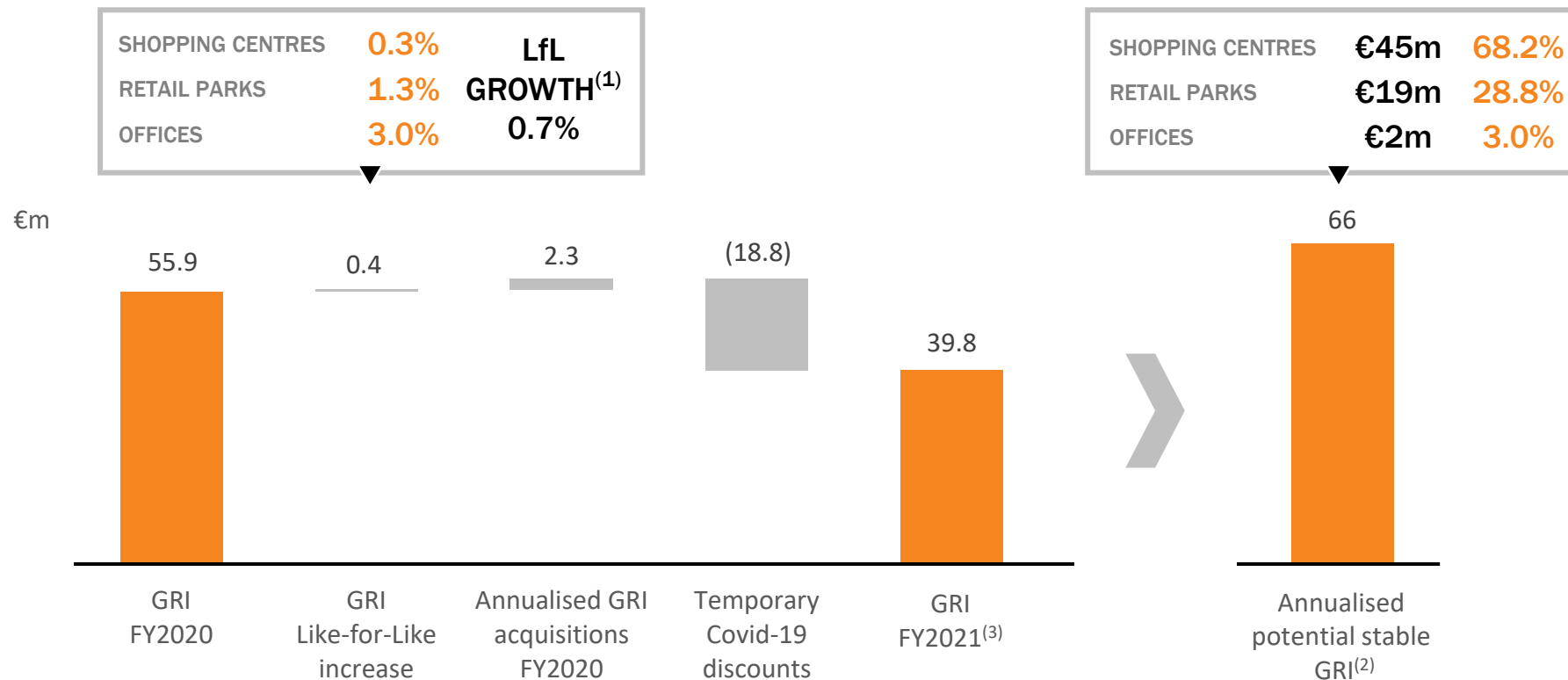
ACCRETIVE ACQUISITIONS AND REVALUATION WITH A **PORTFOLIO VALUE OF €987m**



(1) Fair value impact due to Covid-19 reflected within 31 March 2021 valuations

**TEMPORARY COVID-19 AGREEMENTS REACHED TO SUPPORT OUR TENANTS  
 NOT INCLUDING ANY SERVICE CHARGE RELIEF**

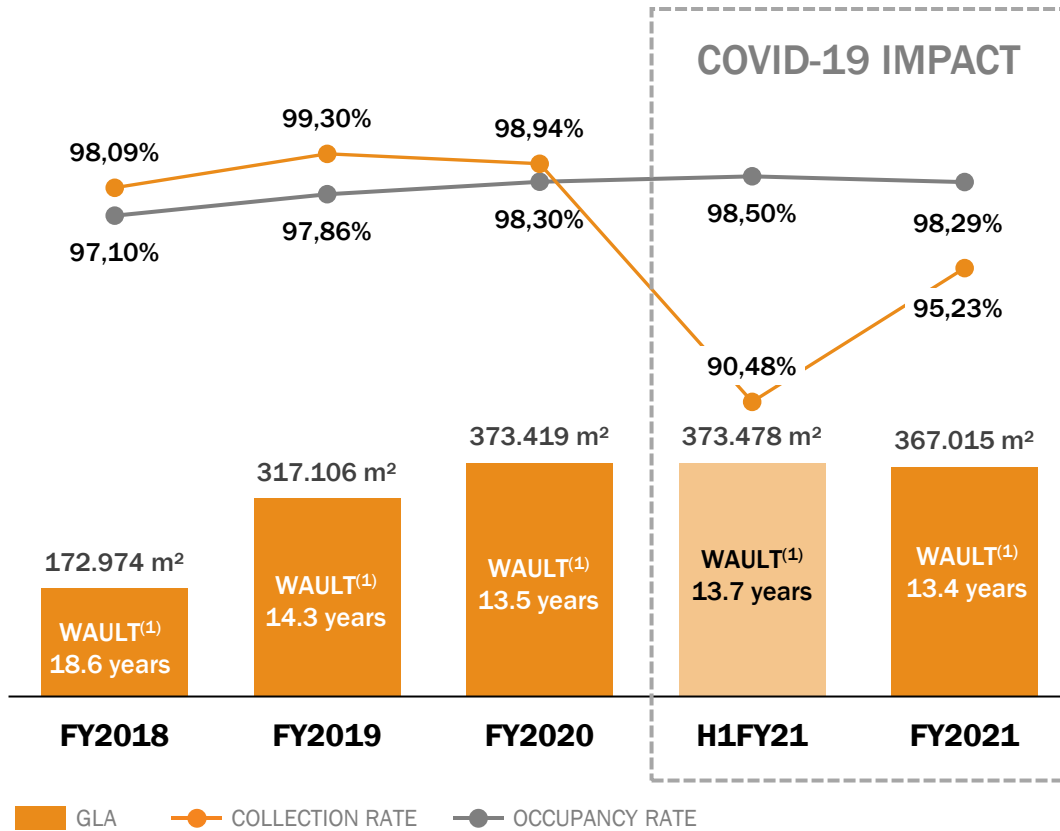
**POTENTIAL PORTFOLIO GRI ANNUALISED OVER €66m**



(1) Calculated considering same portfolio and same period for FY2020 and FY2021 excluding annualized rents  
 (2) Annualized GRI considering new units acquired during FY2020 and under Repositioning Project  
 (3) GRI Including (€18.8m) Covid-19 discounts



**STRONG LEASING ACTIVITY WITH POSITIVE TRENDS RESULTING IN A HEALTHY PORTFOLIO CONTINELY FOCUSED ON ASSET MANAGEMENT WITH HIGH OCCUPANCY AND STRONG COLLECTION RATES DESPITE THE COVID-19**



**OCCUPANCY ALMOST FULLY LET**

Occupancy rate over 98% since inception and consistently improved in each period. Covid-19 rental discounts for FY2021 have ensured the viability of tenants long-run.

**RENT COLLECTION STABILIZED DESPITE COVID-19**

Rent collection stabilized at over 90%, tenants have paid service charges in full during FY2021.

**SOLID WAULT**

Maintaining WAULT stable at over 13 years, Castellana has negotiated Covid-19 rental discounts in exchange for more favourable leases including longer lease terms and break options.

■ GLA    ● COLLECTION RATE    ● OCCUPANCY RATE

(1) Calculation is to expiry of lease excluding break options



VALUE CREATION  
**REPOSITIONING PROJECT**

Value-added redevelopment projects in LOS ARCOS, BAHÍA SUR and EL FARO, have strengthened the existing offerings and dominance of the centres through the addition of new and exciting retailers, the creation of pedestrianised open space, and the introduction of attractive fashion, food and beverage and leisure operators in the centres.



**€3.86m**  
ADDITIONAL NOI  
CREATED



**51**  
NEW BRANDS



**37,896 sqm**  
GLA AFFECTED



**92.8%**  
SIGNED AND  
COMMITTED CONTRACTS



SOLIDIFYING THE LEADING POSITION OF LOS ARCOS, ENSURING THE BEST LEISURE AND FOOD AREA



BEFORE



AFTER

TOTAL INVESTMENT

€15.6M

DEADLINE

Q4 2022

ADDITIONAL NOI

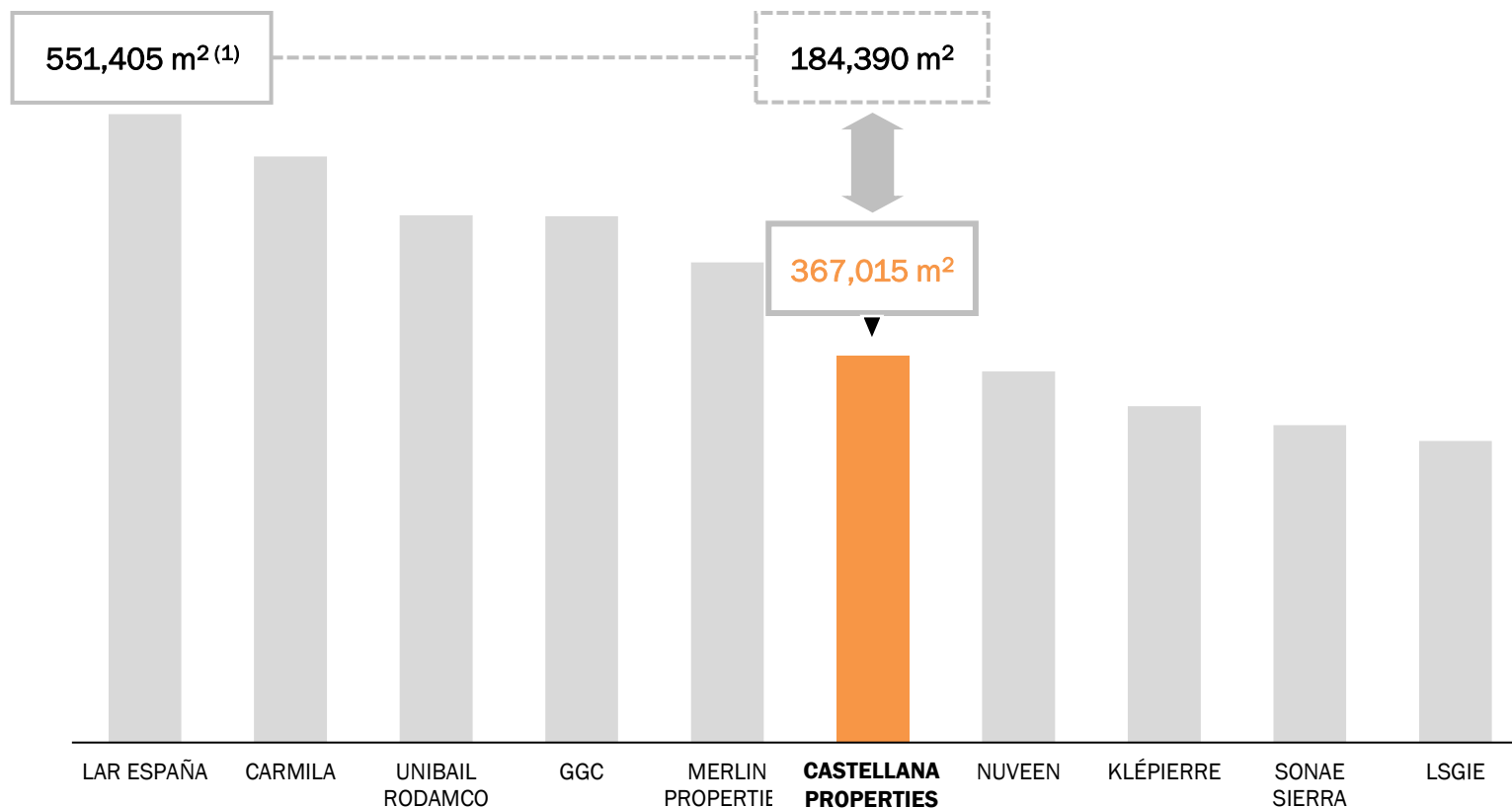
€1M

After the acquisition of a four-storey office building adjacent to Los Arcos, comprising over 4,600 sqm GLA, Castellana Properties plans to transform and upgrade this space to consolidate its position as the go-to shopping destination in Seville by increasing the quality of the asset.

This plan will bring the addition of a new leisure and dining area at Los Arcos with 12 new brands and the renovation of the facade at the main entrance.

## WHERE ARE WE? – TOP 10 RETAIL PLAYERS BY OWNED GLA

A FURTHER 130,000m<sup>2</sup> ACQUISITION WOULD PLACE CASTELLANA IN THE TOP 3



## FINANCIAL DEBT POSITION

€ million	31/03/2021	30/09/2020	31/03/2020	30/09/2019
Gross Asset Value (GAV)	987.2	993.8	1,003.5	1,028.4
Gross Debt <sup>(1)</sup>	520.2	511.3	493.8	493.8
Cash	33.5	42.1	49.1	52.8
Net Debt <sup>(1)</sup>	490.5	472.7	448.4	441.0

## METRICS

Gross LTV <sup>(2)</sup>	52.70%	51.45%	49.21%	48.02%
Net LTV <sup>(3)</sup>	49.69%	47.56%	44.68%	42.88%
Hedging debt	88.39%	89.98%	89.98%	89.98%
All-in cost <sup>(4)</sup>	2.39%	2.43%	2.47%	2.46%
Average maturity	4 years	4 years	5 years	5 years

## STRESS TEST

<b>Gross ICR</b>	<b>2.72 times</b>	<b>2.27 times</b>	<b>4.75 times</b>	<b>5.29 times</b>
Transactional ICR Covenant Level	1.15 times	1.15 times	1.15 times	1.15 times
ICR stress level margin (%)	45.90%	37.42%	63.08%	72.15%
ICR stress level amount (€m)	15.28	10.96	34.73	39.20
<b>Gross LTV<sup>(5)</sup></b>	<b>50.92%</b>	<b>49.69%</b>	<b>49.21%</b>	<b>48.02%</b>
Transactional LTV Covenant Level	65.00%	65.00%	65.00%	65.00%
LTV stress level margin (%)	21.66%	23.56%	24.29%	26.12%
LTV stress level amount (€m)	213.80	234.10	243.75	268.66

(1) Nominal debt includes €17.5m debt with related parties from 30 September 2020

(2) Gross LTV calculated considering Nominal Debt excluding MTM of Derivatives

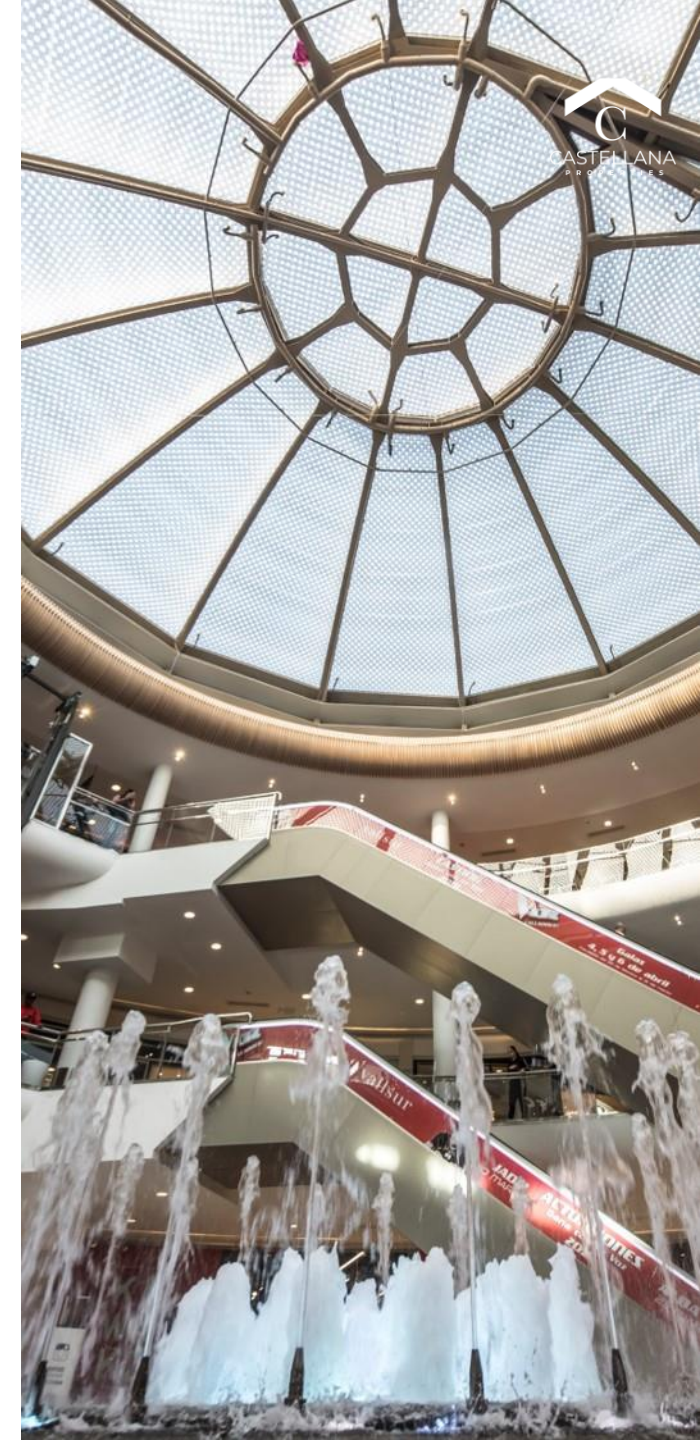
(3) Net LTV calculated considering Nominal Debt excluding MTM of Derivatives and excluding restricted Cash

(4) Considering all interest, commissions &amp; fees, IRS and all the financing transaction costs

(5) Excluding €17.5m debt with related parties



AAERIAL BANK	33.8%
ALLIANZ	31.0%
CAIXABANK	16.1%
SANTANDER	14.5%
LIBERBANK	3.0%
B. PICHINCHA	1.6%



**HIGHLY-QUALIFIED, DEDICATED INTERNAL TEAM WITH EXPERT RETAIL KNOWLEDGE**

**CORPORATE VALUE ADD**

- 1** Highly-qualified staff dedicated full time to Castellana with expert knowledge of the sector
- 2** Strong bottom-up operational approach with a core focus on active asset management
- 3** Optimising and sharing of processes and resources via synergies and cost reduction
- 4** Incentivised exclusively to grow FFO to align with shareholders
- 5** Agile decision-making and consistently implementing relevant strategic goals
- 6** Simplicity and transparency via responsible asset management and corporate governance



## MANAGEMENT TEAM – KEY SENIOR EXECUTIVES



### Alfonso Brunet

CEO & EXECUTIVE DIRECTOR

Real Estate expert with more than 22 years of experience in the industry, from retail and offices to industrial & logistics. Alfonso holds a Bachelor's Degree in Business Administration specialising in Finance from Boston University. For the last 14 years he has worked in the retail Real Estate industry heading up a variety of projects, including Country Head at Pradera, a Private Equity Retail Fund



### Debora Santamaría, MRICs

CFO & EXECUTIVE DIRECTOR

Senior financial expert with more than 19 years of experience in finance, mainly in auditing and consulting. Before joining Castellana, she worked as a Financial Director in another Spanish Socimi for 4 years. She holds a degree in Business Administration and is a Member of the Official Registry of Accounting Auditors (ROAC) and the Royal Institution of Chartered Surveyors (RICS)



### Julio García

CHIEF OPERATIONS OFFICER

Senior expert with over 29 years of experience in the retail and shopping centre industry. Julio holds a Degree in Business Administration from the University of Cadiz. He joined Castellana Properties after 17 years at Pradera where he held a similar position and before that he spent 5 years working in Shopping Centre Management at Carrefour Property



### Pedro Díaz

CHIEF DEVELOPMENT OFFICER

Expert architect specialising in the retail and shopping centre property industry with more than 30 years of experience. Pedro holds a Degree in Building Engineering from Madrid's Polytechnic University and is responsible for the company's development area. Before joining Castellana Properties in 2017, Pedro worked for various multinationals, such as Carrefour and Pradera Fund, where his roles included developing and managing technical aspects of the asset portfolio



### Cristina Macarrón

CHIEF MARKETING OFFICER

Cristina holds a Bachelor's Degree in Business Administration from the University of Zaragoza and has worked in the marketing industry for more than 12 years. Before joining Castellana, Cristina worked in various international companies, including Unibail-Rodamco-Westfield where she spent 7 years. She began her career as a Marketing Manager at Los Arcos SC and after the SC's rebranding, she moved to its HQ as Digital&Loyalty and Communication Manager, managing all the company's corporate communication in Spain



### Omar Khan

CHIEF INVESTMENT OFFICER

Real estate investment expert with over 12 years of experience in the areas of deal-making, transaction structuring, due diligence, valuations and asset management. Omar holds an MSc in Real Estate Finance and Investment from the University of Reading and is a professional associated valuer. Before joining Castellana Properties he was part of the Vukile investment team. Prior to that, he spent time at Investec Bank and the Public Investment Corporation (PIC)



■ **Laurence Rapp**  
CHAIRMAN OF BOD AND CHAIRMAN OF REMCO

■ **Alfonso Brunet**  
CEO & EXECUTIVE DIRECTOR

■ **Michael John Potts**  
NON-EXECUTIVE INDEPENDENT  
DIRECTOR

■ **Nigel George Payne**  
NON-EXECUTIVE DIRECTOR

■ **Guillermo Massó**  
NON-EXECUTIVE INDEPENDENT  
DIRECTOR & CHAIRMAN ARC

■ **Débora Santamaría**  
CFO & EXECUTIVE DIRECTOR

■ **Jorge Morán** ■ ■  
NON-EXECUTIVE INDEPENDENT  
DIRECTOR

■ **Adam Lee Morze**  
NON-EXECUTIVE DIRECTOR

■ **Laurence Cohen**  
NON-EXECUTIVE DIRECTOR

■ **Javier Hernández Galante**  
NON-DIRECTOR SECRETARY

■ REMUNERATION COMMITTEE

■ AUDIT AND RISK COMMITTEE



## CREATING OUR OWN INNOVATION PROGRAMME TO ADAPT SHOPPING CENTRES TO EMERGING CONSUMER NEEDS AND EXCEL AS TRULY OMNICHANNEL SPACES

- iCAST has been designed to lead the way in innovation, create added value, spearhead transformation throughout the company, support and nurture talent, promote digital skills, cultivate agility and drive positive change in Castellana Properties and across the retail sector
- 100% of staff involved in innovation
- Seven-step plan designed to foster actionable projects that respond to new consumer habits and retailer needs in the short to medium term
- Castellana Properties enlisted branding and innovation firm TOTEM Branding to help with iCast's design, launch and development and to lead on branding.
- The first round of projects will be focused on customer analytics, digital innovation, security, retailer needs and logistics.



**PRIORITISING THE FOLLOWING PROJECTS**



CUSTOMER ANALYTICS



DIGITAL INNOVATION



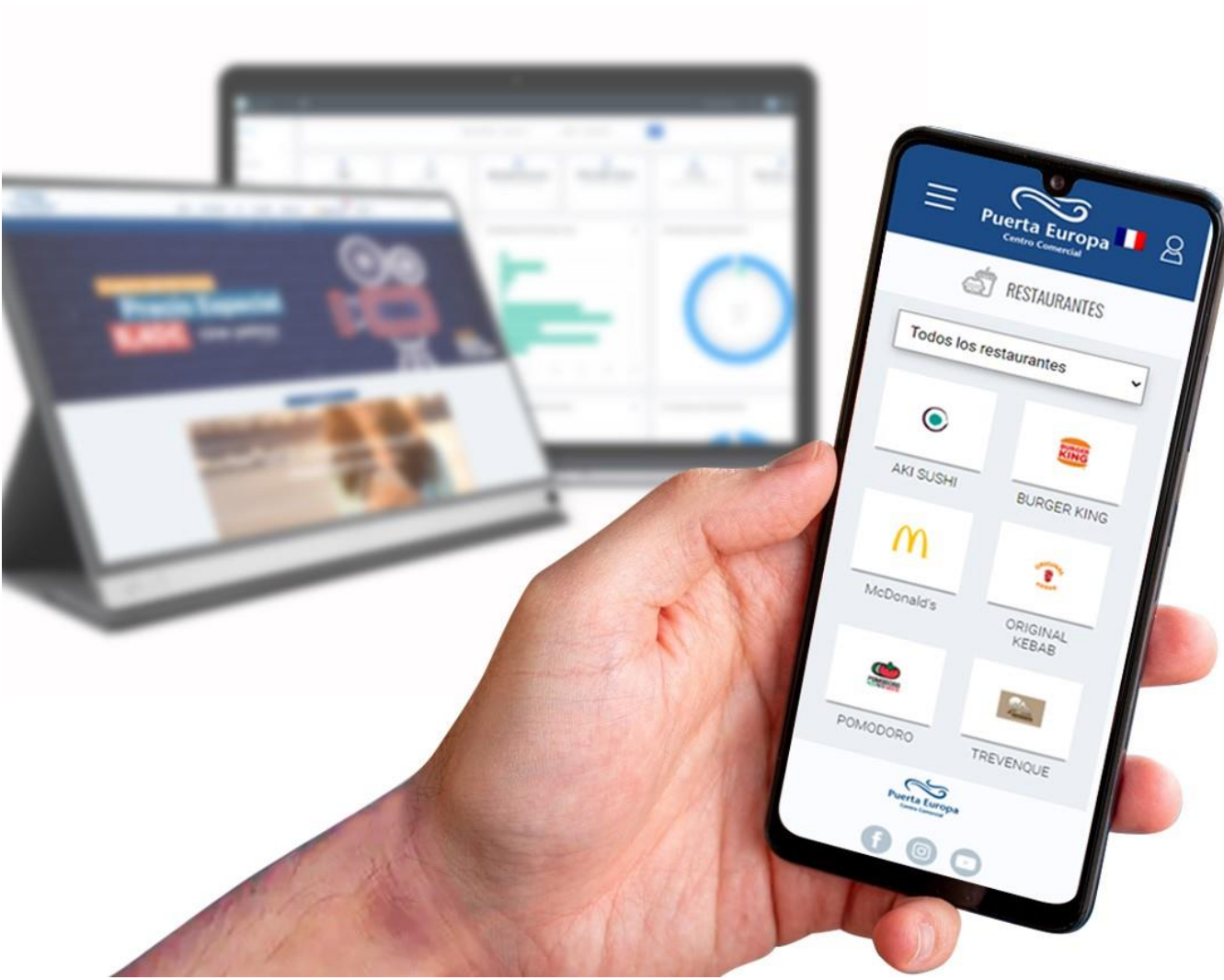
SECURITY



LOGISTICS



## STRENGTHENING THE PORTFOLIO WITH A POWERFUL AND UNIFIED DIGITAL CUSTOMER JOURNEY



**New website, app and loyalty program** in each Shopping Centre focusing on **customer centricity**



**A single platform** for digital channels with powerful, versatile and innovative solutions.



**The portfolio is being prepared for the future** through innovation initiatives



**Cost savings**, taking advantage of economies of scale.




## > ORDER YOUR FOOD THROUGH SHOPPING CENTRE'S APP AND WE DELIVER YOU AT HOME!

- Castellana has launched the first food marketplace in a shopping centre in Spain. We aim to implement a comprehensive solution to offer our customers the possibility to order their food at any time, 7 days a week, combining different restaurants on the same ticket
- New partnership with Paack to deliver food orders from our shopping centres to our customer's houses
- Fully integrated in Shopping Centre's app, and fully track order in real time



Customers choose their favorite food through SC's app




paack   
Our logistic partner receives the order



Store deliveries as an omnichannel strategy



paack   
Up to 10km/radio max



Customer receives food order at home



## CASTELLANA PROPERTIES IS DEVELOPING ITS ESG STRATEGIC PLAN 2021-2024 IT IS BEING PREPARED WITH THE SUPPORT OF EY.



We improve our buildings to reduce our carbon footprint and combat climate change.

### ENVIRONMENTAL

#### PORTFOLIO ENERGY AUDITS

Conduct energy efficient audits for 100% of shopping centres and for two of our retail parks.

#### RENEWAL OF BREEAM CERTIFICATION

Renewal of BREEAM IN USE Certification for 100% shopping centres and new certification for the rest of the shopping centres and for two of our retail parks.



#### INCREASE OF RENEWABLE ENERGY PRODUCTION

Six assets already have renewable energy production from solar PV panels.



We are committed to working together with the communities in which we operate.

### SOCIAL

#### COMMITTED TO OUR COMMUNITIES' ECONOMY AND SAFETY

During April and May 2020, a 100% Rental discounts was provided to our retailers, thus we supported local employment and its long-term resilience. In addition, more than 200 measures were implemented on each asset to ensure the highest protection against COVID-19.

#### GREAT PLACE TO WORK CERTIFICATION

Castellana Properties has been officially recognized as a Great Place to Work. We has reached up to 87% in the trust index, four points higher than the average Best Workplaces index in 2020.



#### SOCIAL INITIATIVES AT OUR PROPERTIES

In FY2021, we have donated more than €100k from its charity fund affected by Covid-19. We have also invested more than €87k in cash and in-kind contributions to social initiatives. We are performing a cyberbullying campaign for all shopping centres.

#### TENANTS SATISFACTION

For our shopping centres, Castellana Properties carried out satisfaction surveys for all tenants



We adopt the highest standards of governance in our company and in the relation with all our stakeholders

### GOVERNANCE

#### HEALTH AND SAFETY PRIORITY FOR THE BOARD

During the pandemic, Castellana has promoted teleworking with no reported cases among employees.

#### EPRA

Castellana Properties has been granted the EPRA Silver Award – Financial Reporting.



#### INDEPENDENT ASSET VALUATION

Castellana conducted best practices in asset valuation during the COVID-19 pandemic. On a six-monthly basis, Colliers issues an asset valuation certificate.

#### TAXES AND FISCAL TRANSPARENCY

Castellana complies with tax regulations, reports and audits its annual accounts, and publishes sufficiently detailed information on taxes and profits.

# ANNEXES



## SHARP CONTRACTION WITH REBOUND EXPECTED IN 2021



### ECONOMY

- While Spain's GDP registered a positive rebound in Q3 2020 (+16.7% vs. Q2 2020), outlook for the full year suggests a -13% drop in GDP for 2020. The expected rebound in 2021 will take GDP growth to +7.9%. However, GDP will still be 3.9% below its pre-covid level.
- As opposed to 2009 Financial Crisis, market consensus expects an expansionary macroeconomic policy, keeping interest rates low, while public debt will be placed comfortably on the debt markets.
- Regarding fiscal policy, markets expect an increase in spending in line with the European recovery plan ("Next Generation EU") of EUR140 billion potentially available to Spain if the Government meets with ongoing requirements and reforms.



### EMPLOYMENT

- Unemployment rate for 3Q 2020 stood at 16.26% from the previous 15.33%.
- People in ERTE (Temporary Employment Regulation Files), whose condition has been extended until January 31st, amounted to 728,909 people as of September 30th.
- Still well below the peak of 26% reached in 2012.



### CONFIDENCE

- While confidence indicators had picked up during the summer, Spain's consumer confidence declined by -0.4 points from the previous month to 49.5 in September 2020.
- As the "second wave" progresses, we can expect increased household savings to the detriment of consumption, a consequence of lower expectations on the labor market and consumer confidence.



### RETAIL AND TOURISM

- In September, Spain's retail sales fell -3.3% vs. September 2019, following an -2.9% drop in August. Sales went down further for non-food products (-3.1% vs. -1.7% in August), while those of food fell less (-2.7% vs. -2.9% in August). Meanwhile, sales of household equipment jumped +12.5%, faster than an +8.2% gain in the prior month.
- After the state of alarm in April and May, tourism activity has slowly recovered but has remained low and away from normality. Thus, in July the number of international tourists was 2.5 million, compared to 9.8 million in the same month last year (-74%).

## CUSTOMERS TRUST IN OUR ASSETS AND RETURN TO OUR MALLS AS SOON AS RESTRICTIONS ARE LIFTED

We continuously adapt our malls to continue to create exciting leisure activities....



New booking system through the app



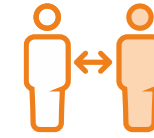
Extra security & staff to enforce regulations



Use of interior spaces when common areas were not enabled



Digital access to the events to reduce number of touchpoints



Adherence to social distancing while queuing



Hydroalcoholic dispensers at every touchpoint (Hands-free)



CONTINUOUSLY LAUNCHING EXCITING AND IMPACTFUL EVENTS ACCROSS THE PORTFOLIO TO DRIVE TENANT'S SALES, AS WELL AS FOSTERING BROADER COMMUNITY BENEFITS

SUPERTHINGS PORTFOLIO ROADSHOW



**+20%**  
FOOTFALL DURING  
THE EVENT



**9K**  
NEW MEMBERS  
IN THE LP



**+15%**  
RESTAURANTS  
SALES DURING  
THE EVENT

CHRISTMAS PORTFOLIO CAMPAIGN



**11,6K**  
PARTICIPANTS



**€386k**  
INCENTIVE SALES



**35,9€**  
AVERAGE TICKET



**5,2K**  
NEW MEMBERS  
IN THE LP

## PORTFOLIO DETAIL AT 31 MARCH 2021

	PROPERTY DESCRIPTION	ACQUISITION DATE	GLA (m <sup>2</sup> )	PARKING SPACES	MARKET VALUE	OCCUPANCY (%)
1	El Faro	31/07/2018	40,318	2,840	159,430	98.17%
2	Bahía Sur	31/07/2018	35,333	2,818	140,770	98.65%
3	Los Arcos	31/07/2018	26,680	1,800	135,910	95.18%
4	Vallsur	31/07/2018	35,212	1,870	87,170	97.20%
5	Habaneras	09/05/2018	25,021	802	83,750	97.52%
6	Puerta Europa	31/07/2019	29,783	1,958	65,010	99.32%
<b>SHOPPING CENTRES</b>			<b>192,347</b>	<b>12,088</b>	<b>672,040</b>	<b>97.78%</b>
7	Granaita	05/12/2017	54,807	3,316	105,680	96.28%
8	Parque Oeste	29/06/2017	13,604	723	48,960	100.00%
9	Parque Principado	29/06/2017	16,090	403	34,600	100.00%
10	Marismas del Polvorín	29/06/2017	18,220	623	26,670	100.00%
11	La Heredad	29/06/2017	13,447	400	19,060	100.00%
12	La Serena	29/06/2017	12,405	614	15,330	100.00%
13	Pinatar Park	05/12/2017	13,261	367	15,080	100.00%
14	Mejostilla	29/06/2017	7,281	225	8,230	100.00%
15	Motril Retail Park	29/06/2017	5,559	285	8,400	100.00%
16	Ciudad del Transporte	29/06/2017	3,250	734	6,860	100.00%
<b>RETAIL PARKS</b>			<b>157,923</b>	<b>7,690</b>	<b>288,870</b>	<b>98.71%</b>
17	Alcobendas Building	30/05/2016	11,046	113	20,440	100.00%
18	Bollullos Building	30/05/2016	5,698	174	5,810	100.00%
<b>OFFICES</b>			<b>16,744</b>	<b>287</b>	<b>26,250</b>	<b>100.00%</b>
<b>TOTAL PORTFOLIO</b>			<b>367,015</b>	<b>20,065</b>	<b>987,160</b>	<b>98.29%</b>



## TOP 10 ASSETS BY GAV AT 31 MARCH 2021 1/2

## TOP 10 ASSETS

EL FARO



BAHÍA SUR



LOS ARCOS

GRANAITA <sup>(1)</sup>

VALLSUR



GAV	€159.4m	€140.8m	€135.9m	€105.7m	€87.2m
Province	Badajoz	Cádiz	Seville	Granada	Valladolid
Catchment Area (Inhabitants)	517,491	674,250	1,499,884	628,002	477,746
Gross Lettable Area	40 318m <sup>2</sup>	35 333m <sup>2</sup>	29 680m <sup>2</sup>	54 807m <sup>2</sup>	35 212m <sup>2</sup>
Monthly Rental	€19/m <sup>2</sup>	€22/m <sup>2</sup>	€24/m <sup>2</sup>	€10/m <sup>2</sup>	€15/m <sup>2</sup>
Sector	Shopping Centre	Shopping Centre	Shopping Centre	Retail Park	Shopping Centre
Major Tenants	Primark, Media Markt, Yelmo Cines	Primark, Zara, Yelmo Cines	Mercadona, Media Markt, Zara	Decathlon, Mercadona, Media Markt	Carrefour, Yelmo Cines, H&M
WALE	9.9 years	11.2 years	12.8 years	12.5 years	16.2 years
Vacancy	1,8%	1.4%	4.8%	3.7%	2.8%

(1) Granaita is the integration of the former Kinopolis Retail Park, Kinopolis Leisure Centre and Alameda City Store into one asset

## TOP 10 ASSETS BY GAV AT 31 MARCH 2021 2/2

## TOP 10 ASSETS

HABANERAS



PUERTA EUROPA

PARQUE OESTE <sup>(1)</sup>

PARQUE PRINCIPADO



MARISMAS DEL POLVORÍN



<b>GAV</b>	<b>€83.8m</b>	<b>€65.0m</b>	<b>€49.0m</b>	<b>€34.6m</b>	<b>€26.7m</b>
<b>Province</b>	Alicante	Cádiz	Madrid	Oviedo	Huelva
<b>Catchment Area (Inhabitants)</b>	531,670	311,110	5,856,325	866,511	318,213
<b>Gross Lettable Area</b>	25 021m <sup>2</sup>	29 783m <sup>2</sup>	13 604m <sup>2</sup>	16 090m <sup>2</sup>	18 220m <sup>2</sup>
<b>Monthly Rental</b>	€18/m <sup>2</sup>	€15/m <sup>2</sup>	€17/m <sup>2</sup>	€10/m <sup>2</sup>	€8/m <sup>2</sup>
<b>Sector</b>	Shopping Centre	Shopping Centre	Retail Park	Retail Park	Retail Park
<b>Major Tenants</b>	Leroy Merlin, Zara, Forum Sport, Dealz	Primark, Yelmo Cines, Mercadona	Media Markt, Kiwoko, ALDI	Bricomart, Conforama, Intersport	Media Markt, Mercadona, Low Fit
<b>WALE</b>	7.8 years	10.9 years	20.3 years	10.3 years	20.7 years
<b>Vacancy</b>	2.5%	0.7%	Fully let	Fully let	Fully let

(1) Parque Oeste comprises two adjacent properties that were acquired in two separate companies, but has been treated as a single combined property for reporting purposes

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Rubén Darío, 3  
28010 Madrid

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(+34) 91 426 86 86  
[www.castellanaproperties.es](http://www.castellanaproperties.es)