

3 October 2024

CASTELLANA PROPERTIES SOCIMI, S.A. (hereinafter, the “**Company**” or “**Castellana**”), in accordance with article 226 of Act 6/2023, of 17 March, on Securities Markets and Investment Services (the “**LMVSI**”) and concurrent provisions, as well as in Circular 3/2020 of BME MFT Equity on information supplied by companies listed for trading in the BME Growth segment of BME MTF Equity, (hereinafter “**BME GROWTH**”), hereby discloses the following

INSIDE INFORMATION

1 Introduction

Shareholders are referred to the other relevant information published by Castellana on 23 July 2024 regarding the proposed voluntary cash tender offer (the “**Offer**”) for the shares of Lar España Real Estate Socimi S.A. (“**Lar España**”) to be made by the consortium formed between Hines European Real Estate Partners III SCSp and a vehicle controlled by Grupo Lar Inversiones Inmobiliarias, S.A. (together, the “**Consortium**”) at a price of EUR 8.10 per share (the “**Offer Price**”), which will be reduced by any distribution that Lar España may declare during the offer period, based on the offer announcement published by the Consortium on 12 July 2024 (the “**Offer Announcement**”).

Following a careful evaluation of its strategic alternatives, Castellana has negotiated an improved Offer Price of EUR 8.30 per share. Based on the improved Offer Price, Castellana has concluded an irrevocable undertaking (the “**Irrevocable Undertaking**”) with Helios RE, S.A. (“**Helios**” or the “**Offeror**”), a special purpose vehicle incorporated by the Consortium for purposes of executing the Offer, in terms of which Castellana will tender its 24,090,411 Lar España shares (the “**Subject Shares**”) into the Offer for an aggregate cash consideration of EUR 199,950,411.30 (the “**Disposal**”).

The Offer will be made by the Offeror within the regulatory framework provided for under Spanish takeover law. The Disposal proceeds are expected to be received by Castellana by the end of December 2024.

2 Rationale for the Disposal and use of Proceeds

The Disposal will allow Castellana to realise a significant return on the Lar España investment of c. EUR 70 million of capital gain and almost EUR 40 million corresponding to dividend distributions,. This presents an opportunity for Castellana to redeploy the proceeds into other strategically aligned and financially accretive opportunities with significantly lower operational and execution risk. Castellana remains committed to its growth strategy in Spain and the Iberian Peninsula, where it has established a significant presence and pipeline of opportunities.

Given the significant pipeline of opportunities, with a number under active consideration in both Spain and Portugal, Castellana intends to redeploy the Disposal proceeds in line with its expansion strategy in these key markets.

3 Salient terms of the Irrevocable Undertaking

3.1 Increase of the Offer Price

The Offeror undertakes to increase the Offer Price from the initial announced cash price of EUR 8.10 per share to EUR 8.30 per share, subject to the terms and conditions of the Offer, and take all necessary steps to formalise the increased Offer Price and proceed with the Offer.

If, for any reason, the Offer Price is further increased by the Offeror at any time in future, Castellana shall be entitled to receive such improved Offer Price upon its acceptance of the Offer.

3.2 Acceptance of the Offer

Castellana has undertaken to accept the Offer in respect of all the Subject Shares for the increased Offer Price of EUR 8.30 per share.

Castellana may not accept any third party offer in relation to the Subject Shares (even if such competing offer consideration is higher than the Offer Price, whether in the form of cash, shares or a combination of both) unless the Offer is withdrawn or not authorised by the Spanish Securities Market Commission (the “**Commission**”).

3.3 Amendments to the terms and conditions of the Offer

Subject to Spanish takeover law requirements, the Offeror is entitled to extend the acceptance period of the Offer or to modify the terms and conditions of the Offer (but not to reduce the Offer Price).

3.4 Withdrawal of the Offer

The Offeror may only withdraw the Offer once launched in the circumstances permitted under Spanish Takeover Law.

3.5 Voting rights attached to the Subject Shares

Castellana undertakes to exercise the voting rights attached to the Subject Shares against any Lar España shareholder resolutions which (if passed) will result in any condition in the Offer not being fulfilled or which will impede or frustrate the Offer. Castellana also undertakes not to vote the Subject Shares in favour of any Lar España shareholder resolution to issue securities, raise corporate financing, approve any M&A transaction or corporate restructuring, amend the articles of association or approve any transaction requiring shareholder approval.

3.6 Standstill commitments

Castellana has undertaken not to deal in Lar España shares pending disposal of the Subject Shares to the Offeror under the Offer.

3.7 Termination

The Irrevocable Undertaking shall terminate automatically if, inter alia, the Offer is not approved by the Commission on or before 31 December 2024.

3.8 Representations and warranties

The Irrevocable Undertaking contains reciprocal representations and warranties that are standard for a document of this nature.

4 Conditions precedent to the implementation of the Offer

The settlement of the Offer will be subject to the satisfaction of the conditions precedent, as disclosed by the Consortium in the Offer Announcement principally:

- authorisation by the Spanish merger control authority imposing no conditions on the economic concentration resulting from the Offer;
- the Offeror achieving a minimum level of acceptances in respect of Lar España shares representing at least 56.38% of the shares to which the Offer is made (i.e. all Lar España shares excluding those already attributable to the Consortium);
- Lar España's current portfolio of assets remaining unchanged;
- Lar España not having approved (before the Offer closes) certain amendments to its constitutional bylaws or having waived its qualification as a SOCIMI;
- Lar España not having agreed (before the Offer closes) to a merger, winding-up or assignment of its assets and liabilities; and
- no material changes in Lar España's net debt/cash position based on its latest publicly available quarterly report for the quarter ended 31 March 2024.

5 Financial information

The following financial metrics are attributable to Lar España for the six months ended 30 June 2024. The information has been extracted from Lar España's reviewed half year results published on 26 July 2024.

	EUR
EPRA net tangible assets per share	10.22
EPRA earnings per share (six months)	0.39
Dividend per share*	-

* *Although no interim dividend was declared, a final dividend of EUR 0.79 per share for the year ended 31 December 2023 was declared and paid in May 2024.*

In accordance with BME Growth Circular 3/2020, it is stated that the information communicated hereby has been prepared under the exclusive responsibility of the Company and its administrators. We remain at your complete disposal for any further clarification you may require.

Mr. Alfonso Brunet

Chief Executive Officer

Castellana Properties SOCIMI, S.A.