

CORPORATE PRESENTATION

NOV 2020



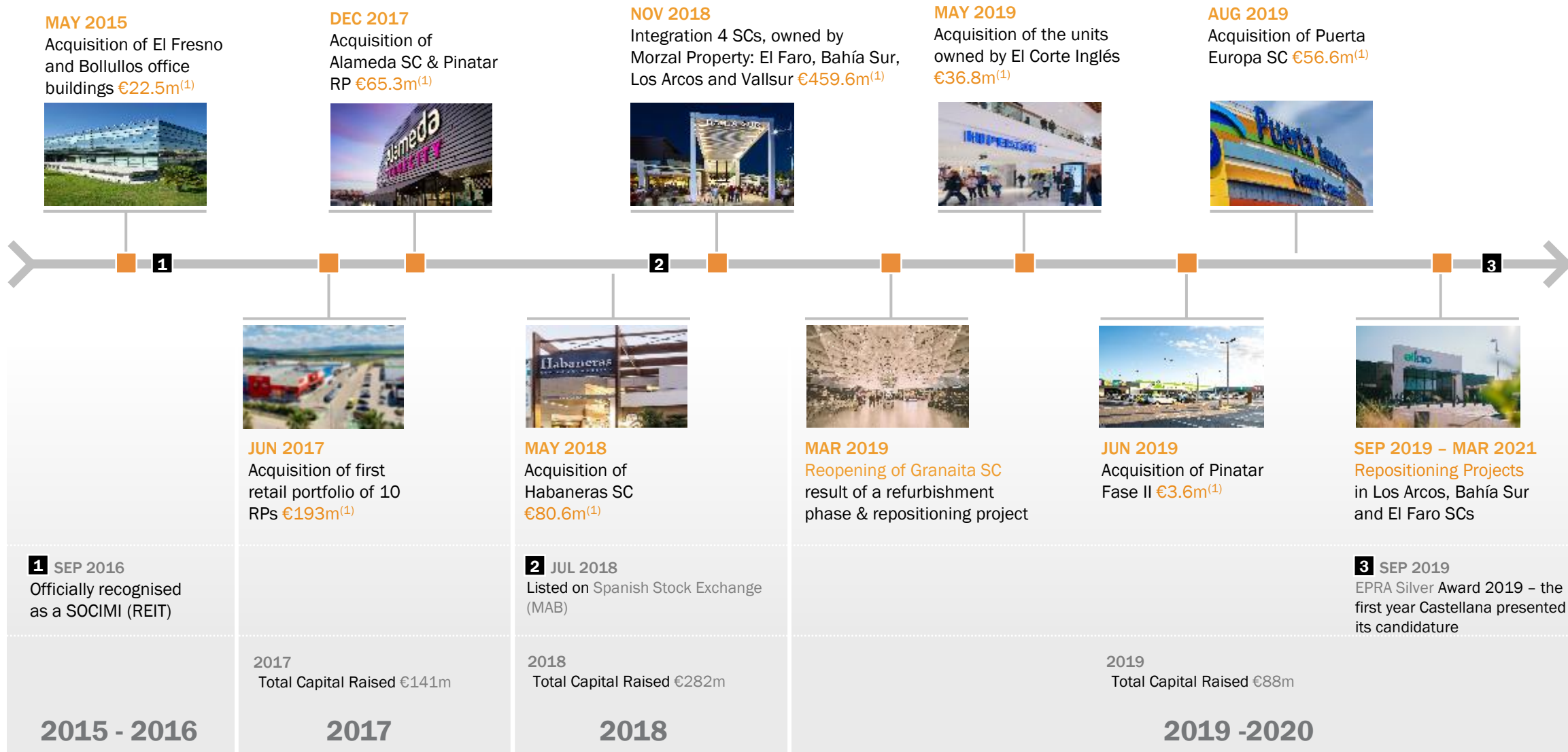
- COMPANY OVERVIEW
- STRATEGY
- OUR RESPONSE TO COVID-19
- COMPANY STANCE
- VALUE CREATION
- ESG
- ANNEX I – COVID - 19
- ANNEX II – PORTFOLIO IN DETAIL
- ANNEX III – TOP 10 ASSETS BY GAV





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





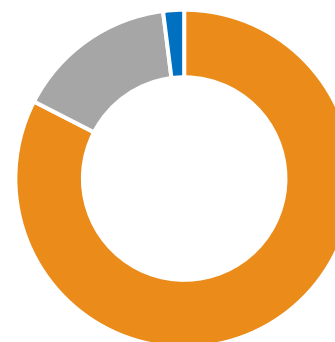
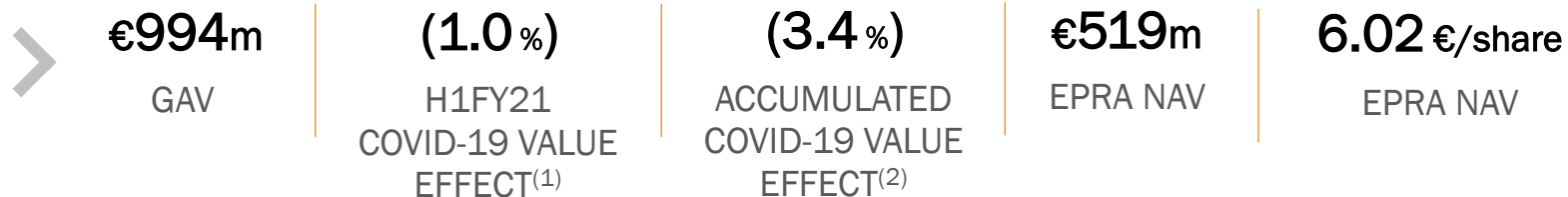
(1) Transaction costs not included



OPERATIONAL




CORPORATE



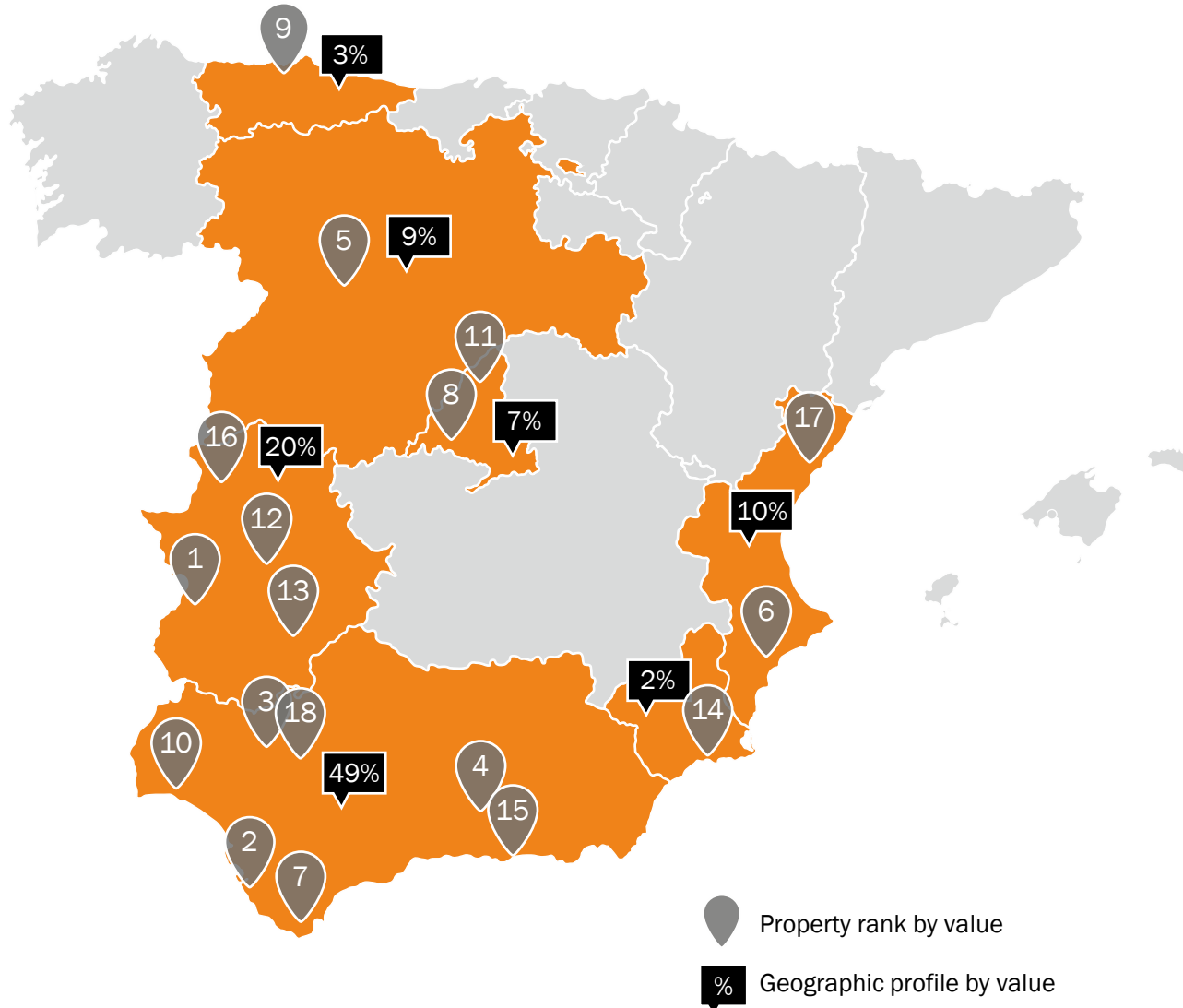
SHAREHOLDING STRUCTURE

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

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

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

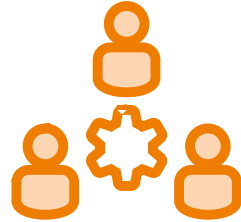
WELL DIVERSIFIED ACROSS SPAIN



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



**PASSION FOR
WHAT WE DO**



**MAKE A DIFFERENCE
AS A TEAM**



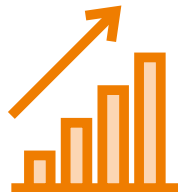
**ACT WITH INTEGRITY
& TRANSPARENCY**



**CUSTOMER-
CENTRIC
APPROACH**



**COMMITTED TO
OUR CLIENTS**



**SUSTAINABLE
GROWTH**



**PROACTIVE &
COMMITTED TO
INNOVATION**

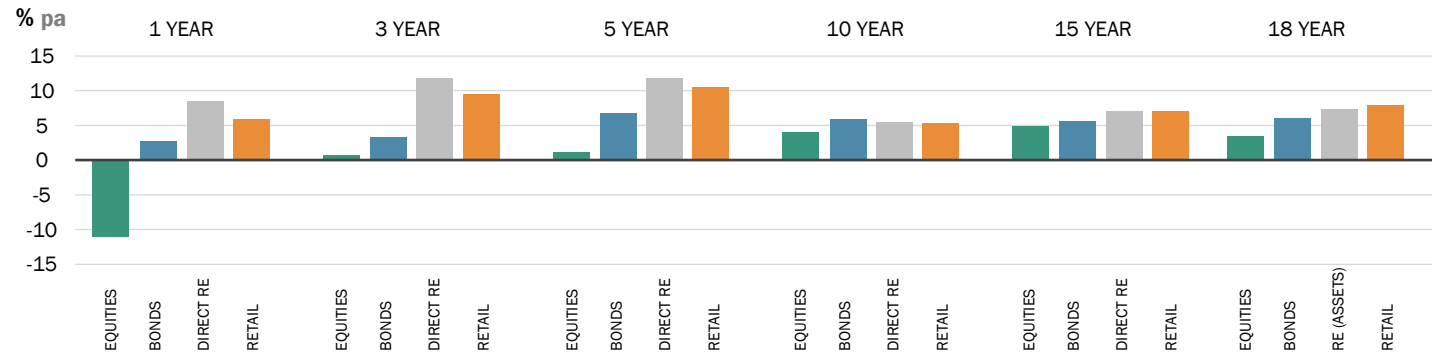


**VALUE OUR
RELATIONSHIPS**

RETAIL AND DIRECT REAL ESTATE OUTPERFORMING OTHER ASSET CLASSES.
THEY ARE TWICE AS PROFITABLE AS OTHER CATEGORIES OVER AN 18-YEAR PERIOD

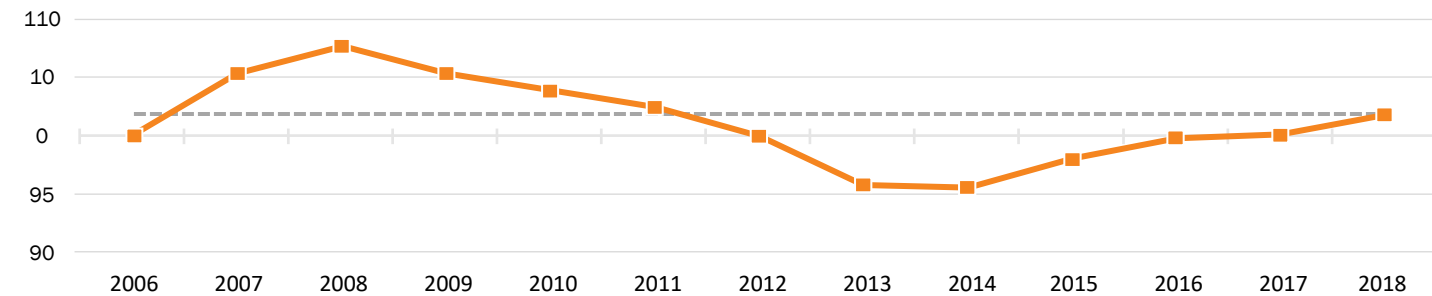
THE WORLD OF RETAIL IS CHANGING, BUT SHOPPING CENTRES WILL CONTINUE TO PLAY A CENTRAL ROLE IN URBAN AND SUBURBAN COMMUNITIES

COMPARATIVE GLOBAL PERFORMANCE ACROSS ASSET CLASS



Spain multi-asset class performance as at 31 December 2018
Source: JP Morgan (bonds), MSCI (equities, direct real estate, including Retail Sector)

MARKET RENTAL VALUE GROWTH INDEX



Source: MSCI (Global Intel)

82.2%

of people buy in at least one sector of a Shopping Centre on a regular basis (+4% vs. last year)

AliExpress HAWKERS

Online retailers such as Hawkers and AliExpress are opening stores in shopping centres

+1.6%

Sales growth at Castellana Properties shopping centres during 2019

+91%

91% of consumers say they will shop in physical stores once the pandemic is over

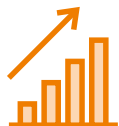
Source: Hamilton Study presented AECC 2019. Castellana Properties shopping centre sales YTD Dec 2019 excluding SCs currently undergoing construction/renovation works . Ecommerce 2020 study done by Elogia

TAKING A STEP FORWARD IN RETAIL



SPECIALISTS IN RETAIL

- Specialists in the Spanish retail sector, with 16 retail properties valued at c.€1bn
- 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

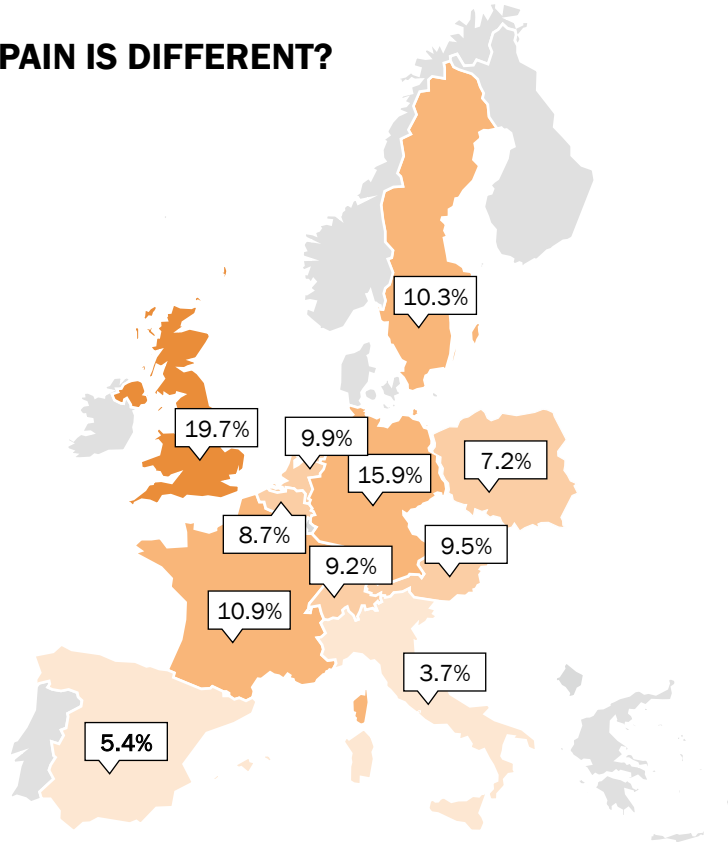
- Actively spearheading new trends at its shopping centres
 - Omnichannel retailing
 - F&B and leisure experiences
 - Active technology management
- Creating our own innovation programme, iCAST, to adapt shopping centres to emerging consumer needs



INCOME FOCUS

- Incentivised to achieve FFO growth
- Stable Net Operating Income (NOI) with upside potential
- Competitive dividend yield as a focal point
- Distribution of more than 80% of FFO

WHY SPAIN IS DIFFERENT?



ONLINE MARKET SHARE BY COUNTRY 2019

- In Spain, online purchases still represent only 5% of total retail sales, considerably lower than in other European countries (15%)

TOURISM




- Spain was the world's second most visited country in 2019 and is expected to continue this trend post pandemic
- Last year, 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

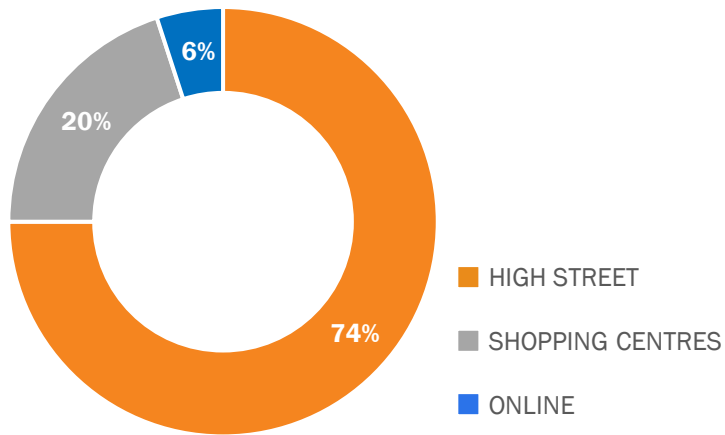
- The average shopping centre density in Spain is considerably lower than the average for most European countries and 6 times lower than the US

	1,600 sqm/ 1,000 inhab.
	293 sqm/ 1,000 inhab
	288 sqm/ 1,000 inhab



ONLINE SHOPPING COMPLIMENTS PHYSICAL RETAIL TO PROVIDE SHOPPERS WITH A SEAMLESS EXPERIENCE ACROSS ALL RETAIL TOUCHPOINTS. BOTH PHYSICAL AND DIGITAL RETAILERS ARE INCREASINGLY WORKING TOWARDS CREATING AN ONMICHANNEL STRUCTURE THAT COMBINES BOTH ONLINE AND OFFLINE CHANNELS

TOTAL SPAIN RETAIL SALES 2019



E-commerce represents just 6% of total sales

OMNICHANNEL

- > **42%** of the products bought in physical stores are influenced by prior online browsing
- > **12%** of products purchased online are picked up in physical stores

RETAILERS ARE ONCE AGAIN PROMOTING PHYSICAL STORES BECAUSE...

PHYSICAL STORES INCREASINGLY ACT AS A PLATFORM FOR SHOWCASING PRODUCTS

- > **29%** of products purchased online are bought after visiting a physical store
- > **25%** of customers who collect an online order in store buy something else during their visit

OFFLINE SHOPPING IS MORE PROFITABLE

- > Retailers lose approx. **3-8 pts** of margin when the purchase is not done on the store

PHYSICAL PRESENCE ELEVATES A BRAND'S PRESTIGE AND CONSUMER TRUST

- > Online sales increase **12%** when a physical store is opened in any given area

THE SHOPPING EXPERIENCE HAS BECOME THE MOST IMPORTANT DIFFERENTIATING FACTOR FOR RETAIL COMPANIES

- > Flagships stores play a key role in a company's strategy

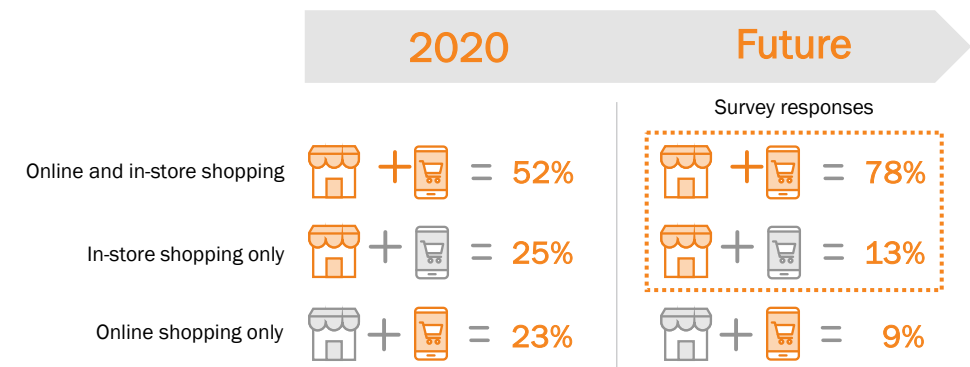
WHAT HAPPENED DURING LOCKDOWN?

- The number of **digital consumers grew by 1% over the last year**
- **Omnichannel retail continues to go from strength to strength in the last months** → The proportion of consumers who shop both in-store and online is up **from 70% to 78%**
- **Shopping experience** →
 - *18% of consumers* who shop online do not return, citing various reasons, including delivery times, a lack of interest in other products, prices, poor return policies or a lack of trust. In summary, a poor experience.
 - *Up to 78% of online consumers* have abandoned their cart at some point and left without buying. They attribute this to needing time to think it over, discovering hidden costs, confusing and misleading prices, a lack of information about the product, inadequate payment methods, a slow-loading site, and errors on the webpage, among other reasons.



WHAT DOES THE FUTURE HOLD?

- **A return to pre-COVID shopping habits.** 75% of consumers say they will return to the same level of online shopping as before lockdown, with some even saying they will use it even less.
- 91% of consumers say they will shop in physical stores once the pandemic is over. **Brick and mortar stores will bounce back stronger**



- **Consumers increasingly value safety measures and contactless options when they shop in-store.** Over 60% of consumers said they want retailers to adopt safety measures in-store, while 46% would like to see an increase in contactless payment options.
- Retailers that display a sense of purpose and show a firm commitment to sustainability will be rewarded with greater consumer engagement. In these critical times of crisis, **consumers are looking to corporations to step up and shoulder their responsibility to communities and society at large.**

ACTION PLAN HIGHLIGHTS OVER PAST 6 MONTHS – APRIL to SEPTEMBER 2020


**BUSINESS IS
ROBUST**

- Extensive **scenario modelling** undertaken to understand the impacts of the business over the next 12 – 24 months
- **Legal review of lease agreements** was positive in terms of current leases in place – 93% of retail tenants are national and international players that are better placed to ride out the pandemic
- **Healthy treasury position** with large buffer for cash management
- **Total support from shareholders**


**STRONG TENANT
& INDUSTRY
RELATIONSHIPS**

- **100% Temporary rental discounts for April and May already granted**
- **Additional smaller temporary discounts for the rest of the year currently under negotiation (82% of contract addendums already concluded)**– Affected tenants have **paid service charges in full during lockdown and beyond**
- Castellana is negotiating these discounts in exchange for more favourable leases including **longer lease terms, break option waivers and sales reporting**
- **Through online tenant support Castellana has influenced positively in those areas and communities where the centres are located, becoming a key pillar for the economic and social recovery**


**PARTNERING WITH
DEBT PROVIDERS**

- Extensive communication with banks to confirm **Castellana’s strong balance sheet cash position**
- **Covenants compliance at 30 September 2020**, in addition Banks have agreed to **waive covenants** until 1 April 2021.
- Banks agreed to a deferral of **amortization** on capex loan (€3.3m)
- Castellana will **continue to service interest** payments as normal

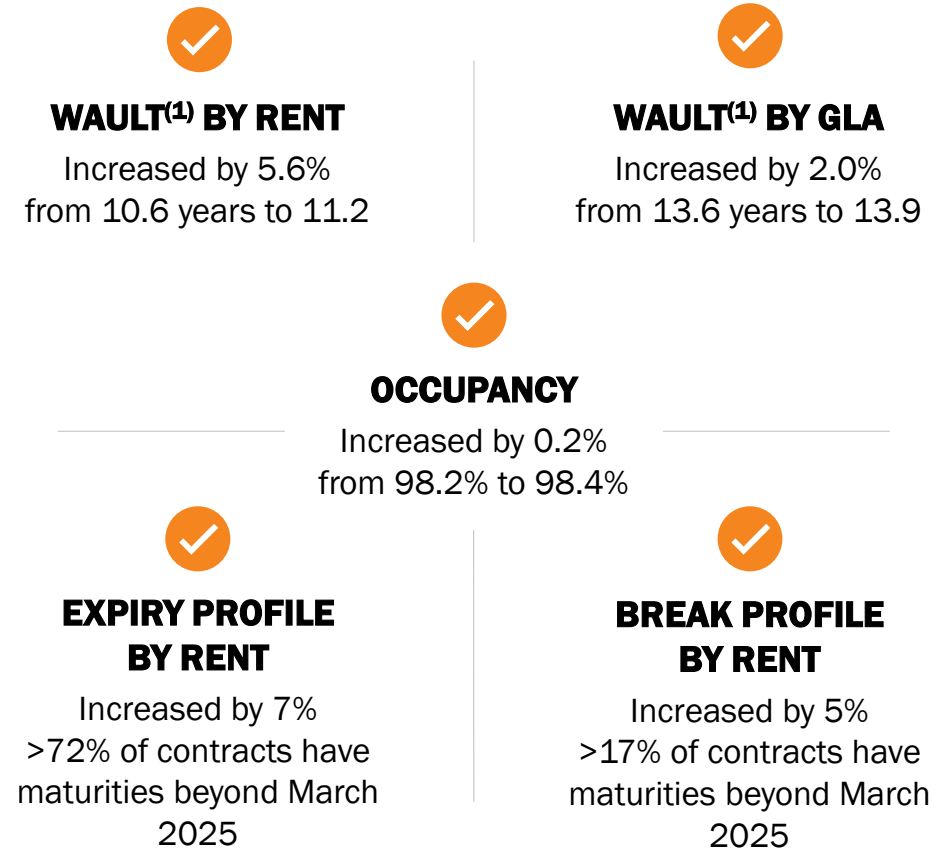

**VALUATION
ASSUMPTIONS**

- **Independent valuation as 30 September 2020 reflects the effect of the Covid-19** applied as follows:
 - Potential turnover rents and mall income reduced
 - Discount rates (IRRs) adjusted to reflect market sentiment
 - Lower market CPI and rental growth rates

AGREEMENTS ON TRACK WITH 90% 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 personalized solutions to each tenant
- Flexible payments terms agreed with tenants, May and June invoicing have 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

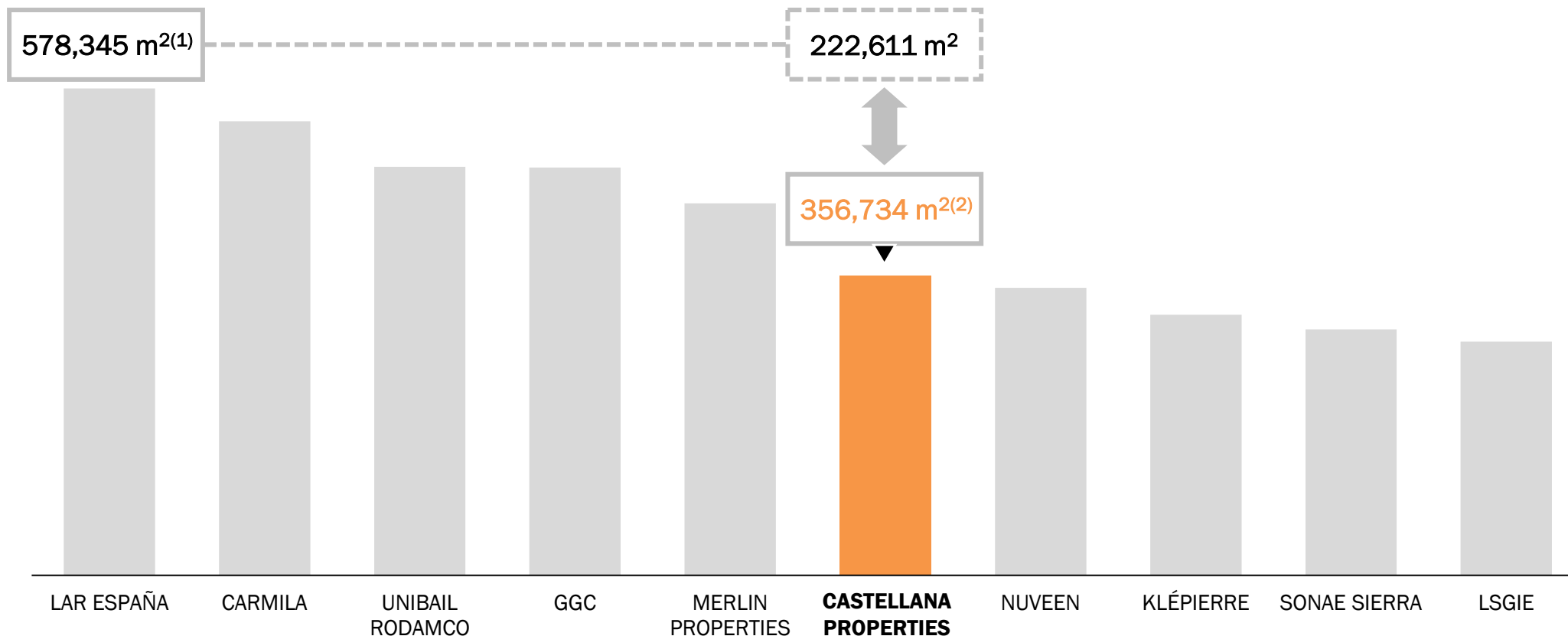
... LEADING TO STRENGTHENED TENANT RELATIONSHIPS AND IMPROVEMENT OF ALL RETAIL KEY RATIOS AND LEASE MATURITIES SINCE MARCH 2020



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

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

A FURTHER 130,000m² ACQUISITION WOULD PLACE CASTELLANA IN THE TOP 3



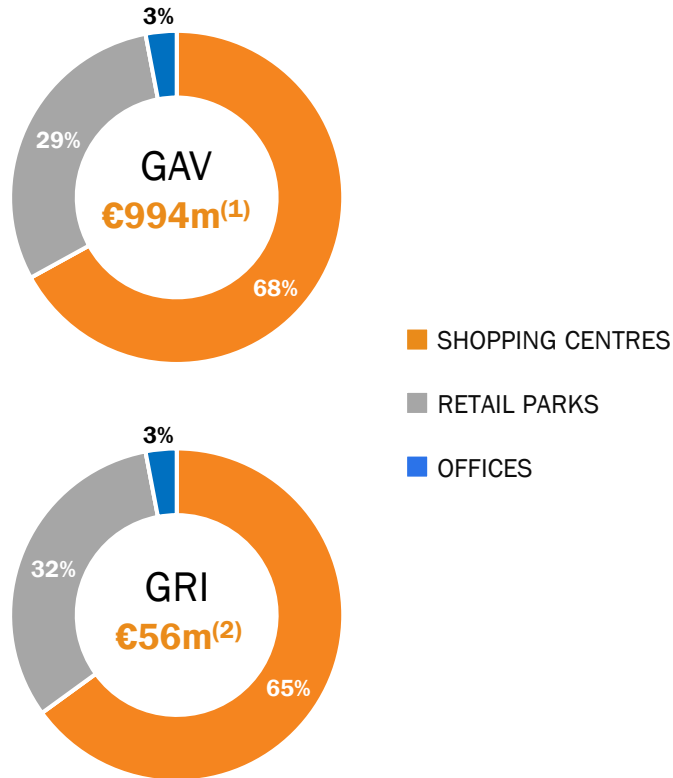
Source: CBRE Ranking Property of Shopping Centers and Parks in Spain at June 2020

(1) Updated Lar España Results Presentation 9M2020

(2) Updated Castellana Properties Results Presentation H1FY21

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

BREAKDOWN BY GAV AND GRI



RETAIL PORTFOLIO: FAST FACTS

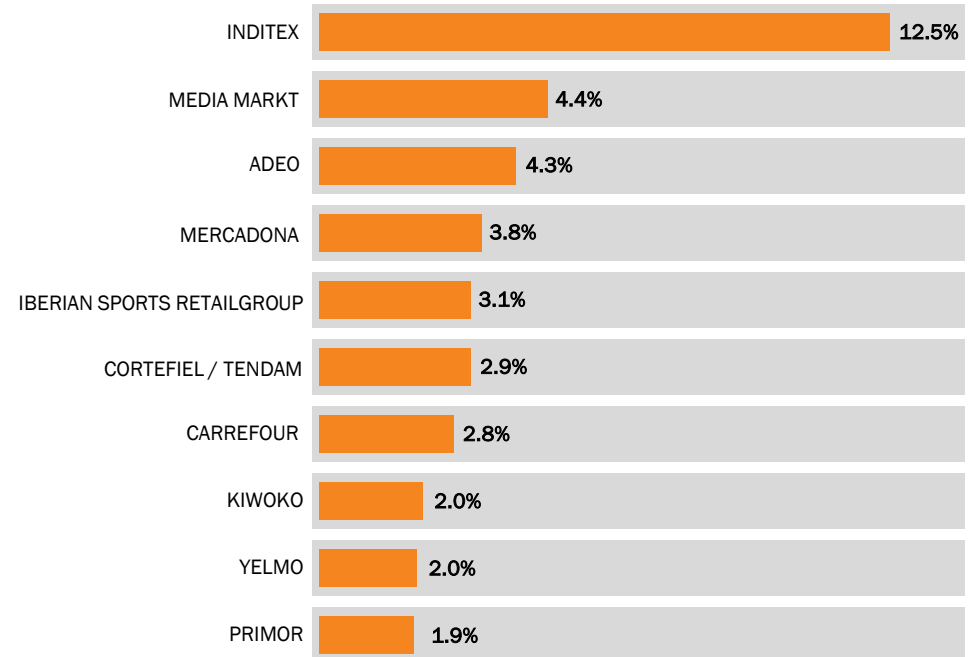
16
 ASSETS

356,734 sqm
 GLA

13.9 years⁽³⁾
 WAULT

98.4%
 OCCUPANCY

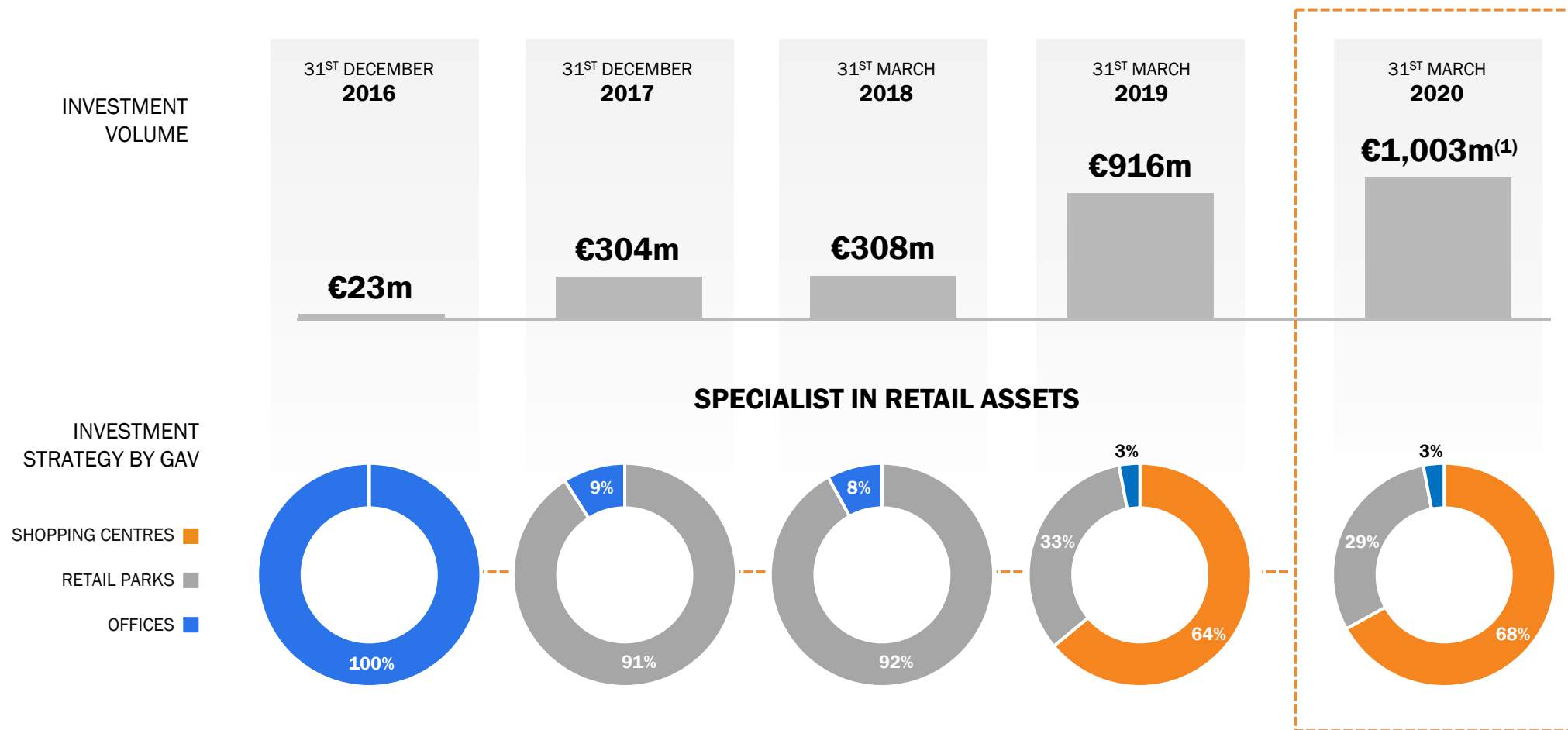
TOP 10 TENANT GROUPS BY RENT 30 SEPTEMBER 2020



TOP 10 TENANTS
40%
 OF RETAIL
 BASE RENT

(1) GAV at 30 September 2020
 (2) Data at FY2020 (12 months of FY2020 from April 2019 to March 2020)
 (3) WAULT is to expiry of lease excluding break options

ACCRETIVE ACQUISITIONS AND REVALUATION TOOK **PORTFOLIO VALUE OVER THE €1BN MARK**



(1) Fair value impact due to Covid-19 reflected within 31 March 2020 valuations

HIGHLY-QUALIFIED, DEDICATED INTERNAL TEAM WITH EXPERT RETAIL KNOWLEDGE**INTEGRATED FUNCTIONS & OPERATIVE VALUE ADD****ASSET MANAGEMENT**

- Lease management via active negotiation to keep occupancy levels high and ensure growth in long-term rents
- Strong retail commercial mix and optimisation of new brands & trends
- Tried and tested track record and strong long-term relationships with retailers
- High rent collection rates maintained by ensuring low levels of arrears

DEVELOPMENT

- Targeted and transformative capex in projects that will provide value-add and enhanced income growth
- Full control of projects ensuring they do not overrun and deadlines are met
- Strong long-term suppliers relationships and in-depth market knowledge

INVESTMENTS

- Sound organic acquisitions at attractive pricing levels ensuring predictable and steady dividend growth
- Strategic acquisitions, properties that are dominant in their catchments areas, with potential for increasing NOI and value upliftment

ACCOUNTING & FINANCE

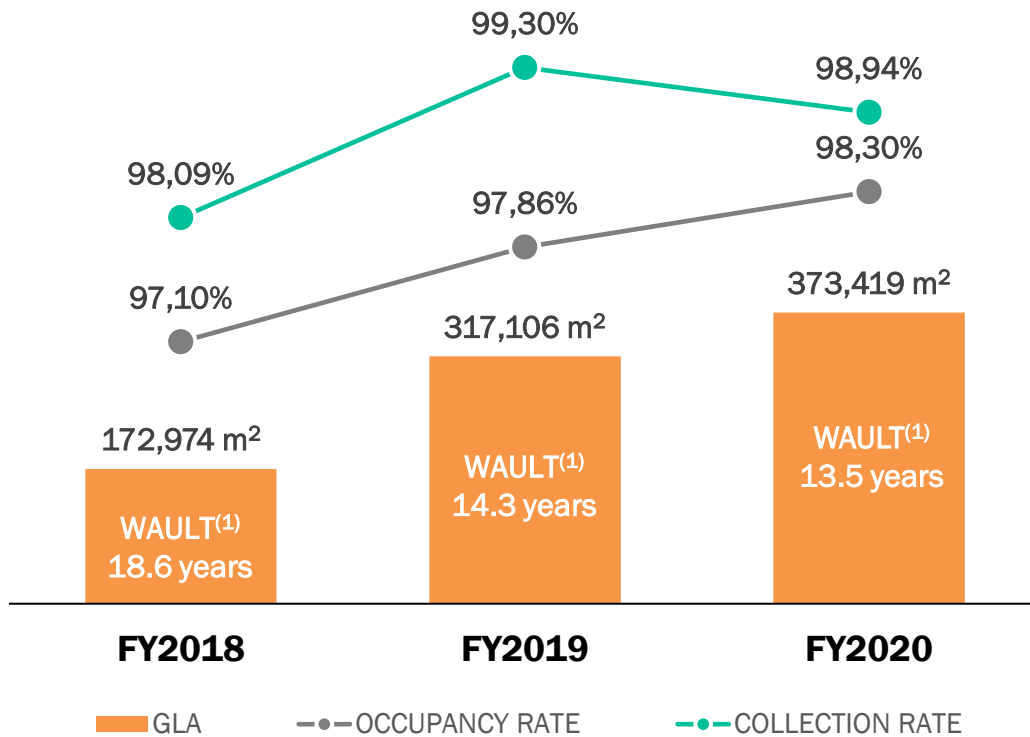
- Robust business with strict management of actual vs. budget and monitoring focused on dividend forecast
- Extensive scenario modelling undertaken to understand the impacts on the business
- Large buffer to ensure healthy cash position
- Capex project monitoring based on ROI performance
- Regular and comprehensive financial reports to ensure a proactive approach from Management

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**

LEASING ACTIVITY

STRONG LEASING ACTIVITY WITH POSITIVE TRENDS RESULTING IN A HEALTHY PORTFOLIO
CONTINELY FOCUSED ON ASSET MANAGEMENT WITH HIGH OCCUPANCY AND STRONG COLLECTION RATES



OCCUPANCY ALMOST FULLY LET

Occupancy rate over 98% since inception and consistently improved in each period

RENT COLLECTION STABILIZED

Rent collection kept at over 98% at all times, reaching c.99% in FY2020

SOLID WAULT

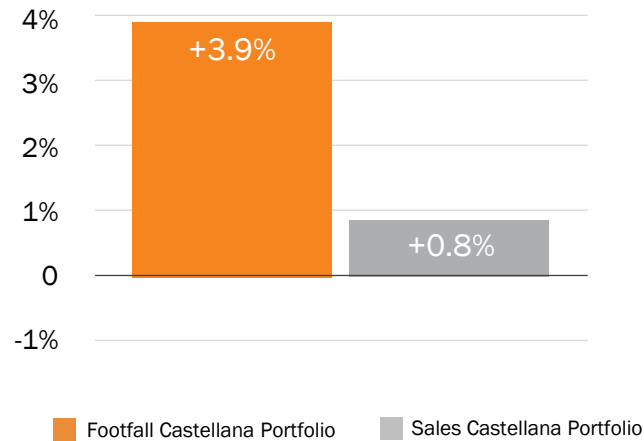
WAULT stable at over 13.5 years



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

CASTELLANA PORTFOLIO CONTINUES TO GROW AND OUTPERFORM IN 2019

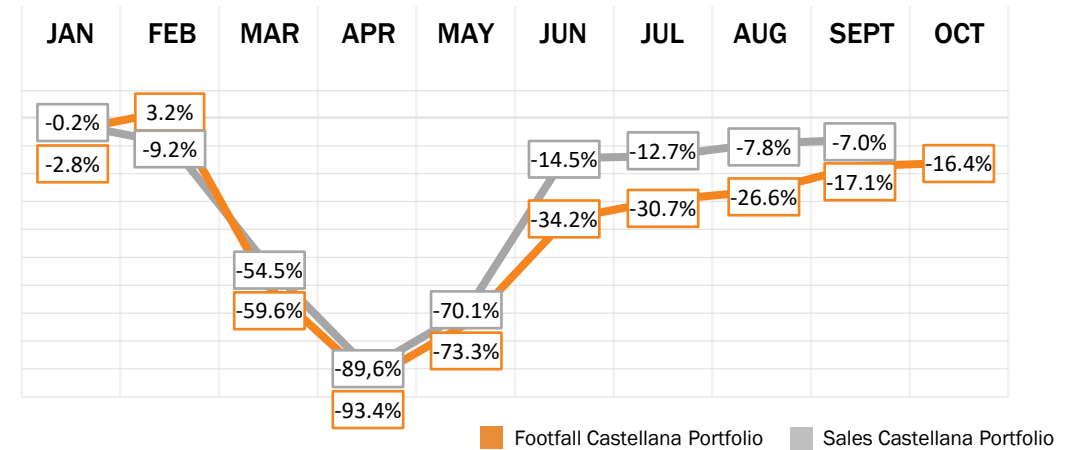
YTD FOOTFALL & SALES ⁽¹⁾
JAN - DEC 2019



- Strong positive footfall trend across the portfolio (+3.9% YTD 2019) vs. national footfall index (-1.9%). The portfolio ended 2019 with positive sales growth (+0.8%), in line with the national sales index.
- Excluding Los Arcos and Bahía Sur, which are currently undergoing repositioning, shopping centre footfall broke above +10%.
- Granaita Retail Park, which reopened in March 2019 after Castellana Properties invested €5.5 M in its renovation and consolidation, closed the year with 10.1% growth in footfall.

THE UNDERLYING STRENGTH OF THE PORTFOLIO ALLOWS IT TO WITHSTAND THIS UNPRECEDENTED PERIOD

MONTHLY FOOTFALL & SALES ⁽¹⁾
JAN-OCT 2020 ⁽²⁾



- Castellana has seen footfall and sales continually improve since the reopening of the economy on 21 June. In October, shopping centre footfall reached 84% vs the same month in the prior year, while sales grew even faster, bouncing back to 93% of last year's figure in September.
- The trend observed in recent months has continued and the **average basket spend has increased**. Consumer behavior has changed to a more focused visit
- While further restrictions have been imposed during October 2020, our customers consider our centres to be one of the **safest places** to visit.

⁽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 only counts cars, so we have estimated an average of 2 people per car. Sales Data includes all Castellana's portfolio retail assets. Monthly information: evolution of month in 2020 vs the same month in 2019

⁽²⁾ Monthly information: evolution of month in 2020 vs the same month in 2019

COMPANY STANCE / FINANCE KPI's
FINANCIAL DEBT POSITION

€ million	30/09/2020	31/03/2020	30/09/2019	31/03/2019
Gross Asset Value (GAV)	993.84	1,003.49	1,028.40	916.47
Gross Debt	511.33 ⁽¹⁾	493.83	493.83	450.35
Cash	42.10	49.06	52.80	29.39
Net Debt	472.67	448.35	441.03	420.96

METRICS

Gross LTV ⁽²⁾	51.45%	49.21%	48.02%	49.14%
Net LTV ⁽³⁾	47.56%	44.68%	42.88%	45.93%
Hedging debt	89.98%	89.98%	89.98%	98.66%
All-in cost ⁽⁴⁾	2.43%	2.47%	2.46%	2.24%
Average maturity	4 years	5 years	5 years	6 years

STRESS TEST

Gross ICR	2.27 times	4.75 times	5.29 times	5.18 times
Transactional ICR Covenant Level	1.15 times	1.15 times	1.15 times	1.15 times
ICR stress level margin (%)	37.42%	63.08%	72.15%	71.60%
ICR stress level amount (€m)	10.96	34.73	39.20	26.37
Gross LTV	49.69%	49.21%	48.02%	49.14%
Transactional LTV Covenant Level	60.00%	60.00%	60.00%	60.00%
LTV stress level margin (%)	14.25%	17.98%	19.97%	18.10%
LTV stress level amount (€m)	141.62	180.44	197.75	165.89

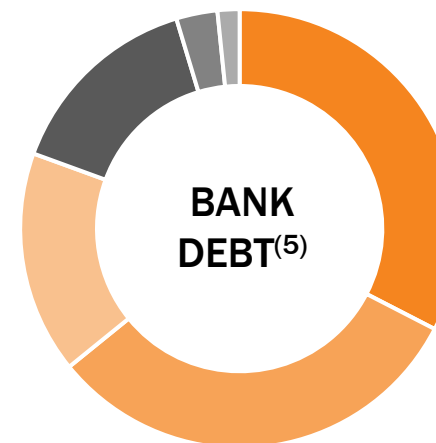
(1) Nominal debt includes €17.5m debt with related parties

(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 & fees, IRS and all the financing transaction costs

(5) Information at 30 September 2020



- AAREAL BANK 32.6%
- ALLIANZ BANK 31.6%
- CAIXABANK 16.4%
- SANTANDER 14.8%
- LIBERBANK 3.0%
- B. PICHINCHA 1.6%



**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)

GRI FY2020 BREAKDOWN

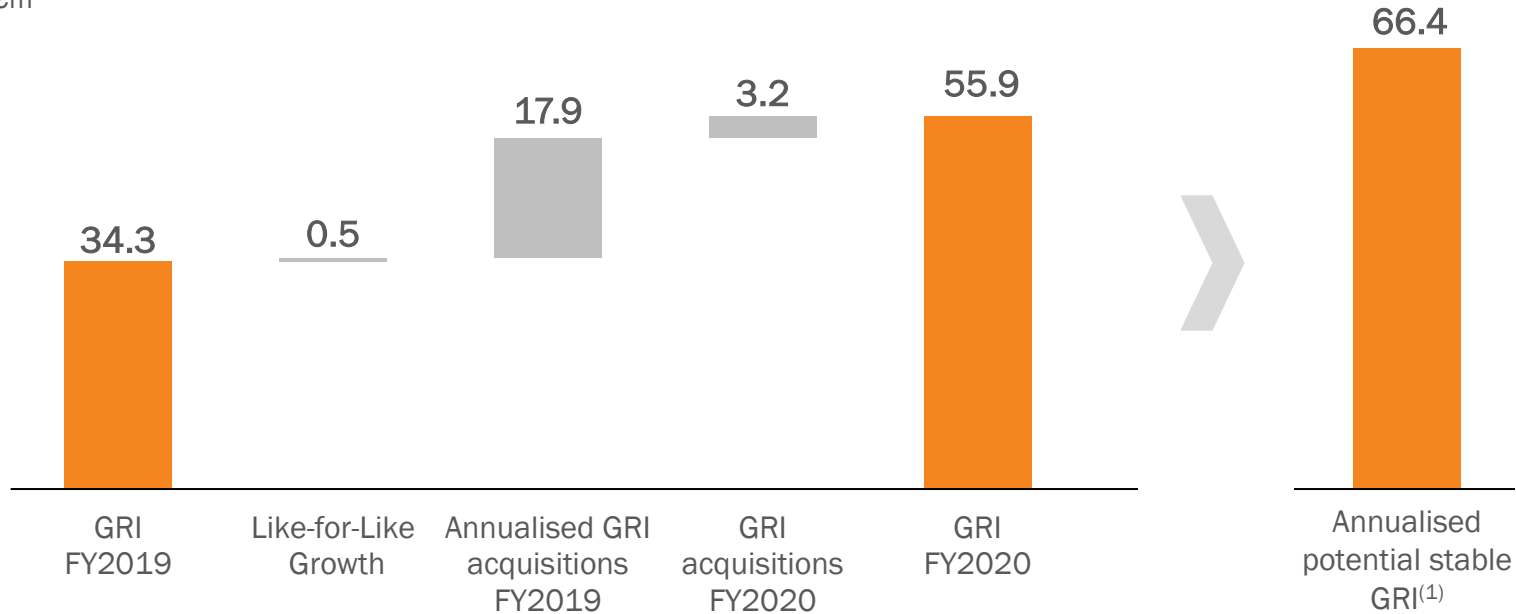
Like-for-Like Growth of 2.78%

Potential Portfolio GRI Annualised over €66m

RETAIL PARKS	+2.75%	LfL GROWTH ⁽²⁾
OFFICES	+3.00%	+2.78%

€m

SHOPPING CENTRES	€45.5m	68.5%
RETAIL PARKS	€18.9m	28.4%
OFFICES	€2.0m	3.1%



(1) Annualised GRI considering new units acquired during FY2020 and under Repositioning Project

(2) Calculated considering same portfolio and same period for FY2019 and FY2020 excluding annualised rents



CREATING A CASTELLANA 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
- 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



GRANAITA, THE LARGEST RETAIL AND LEISURE PARK IN GRANADA, REOPENED ITS DOORS AT THE END OF MARCH 2019.



The new park is the result of merging the former Kinépolis retail park and Alameda SC. Now, Granaita offers a wide range of food, leisure, fashion and F&B options to the region of Granada.

KEY ACHIEVEMENTS:

- **Interior upgrades** – providing the centre with better lighting and a more modern look and feel
- **A unique and powerful brand** to improve the retail offering and customer experience
- New outdoor units designed for enjoying the **outdoor terraces**
- Customised high visibility indoor & outdoor **children’s playground**
- **New green areas**



€5.5M
invested



Occupation rate increased from **48.4% to 98.2%**



+598k
Increase in NOI



+15% footfall
since reopening



ROI 10.8%



New Key Retailers
to boost traffic

(1) YTD Data from April to December 2019

ASSET SNAPSHOT

- In July 2019, Castellana acquired Puerta Europa, a shopping centre in Algeciras.
- Puerta Europa was bought from Värde Partners and has provided significant value-add to Castellana.
- A dominant centre in Algeciras that offers stable and growing NOI with significant value-add opportunities, the centre fits well with Castellana's investment strategy.
- The centre offers below-market rents with strong sales levels, thereby presenting opportunities for NOI growth in the medium to long term.
- Valuation of the asset has improved by €7.9m (14%) since acquisition



ASSET STRATEGY

- Strategically increasing ERV's of existing tenants to take advantage of low effort rates.
- Improve tenant mix by replacing underperforming tenants with stronger brands at higher ERV's.
- Improve the F&B and leisure offering.
- Enhance marketing initiatives to boost footfall.
- Improve internal and external façade in the long term.

KEY DEVELOPMENTS SINCE ACQUISITION

- **New Tenant Openings:** Mango, McDonalds, Pandora, Primor, JVZ, Original Kebap, Distroller, Café Pirata and Okay Café.
- **Image Revamps:** Stradivarius, Mayoral, OTS and Decimas.
- **Relocations:** Mary Paz and Belros.

ASSET HIGHLIGHTS 31 DECEMBER 2019

ASSET HIGHLIGHTS 30 SEPTEMBER 2020

+37%
INCREASE
IN GROSS SALES

+24%
INCREASE IN FOOTFALL
FROM 3.9M TO 4.8M

99.0%
OCCUPATION RATE
FROM 97% TO 99%

+14%
GROWTH IN GAV FROM
EUR57M TO EUR65M

DIVERSIFIED TENANT MIX

FASHION

ZARA lefties

FOOD & BEVERAGE



LEISURE



SPORTS

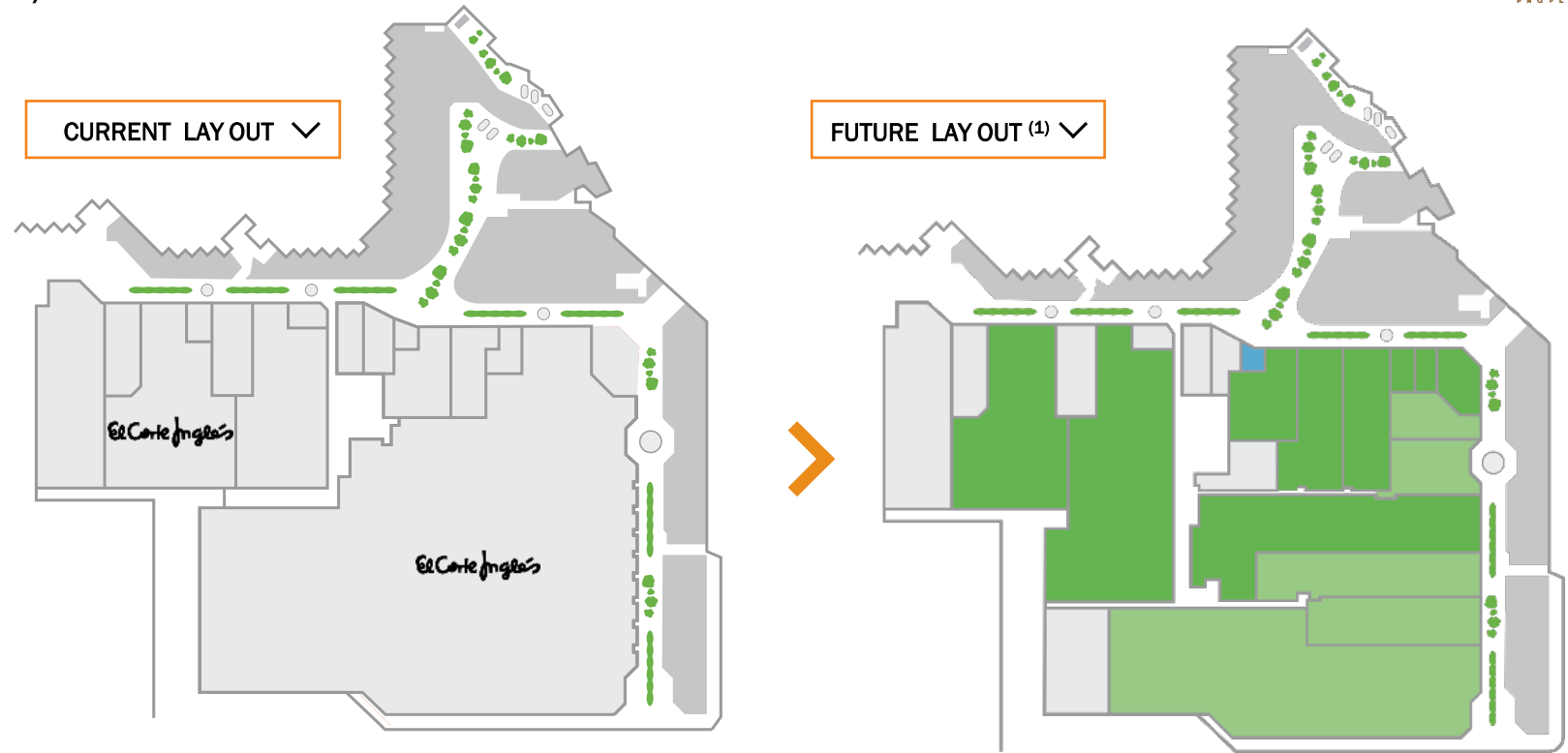


KEY METRICS 30 SEPTEMBER 2020

GLA	29,792
Catchment	311,110
Average Rent (EUR/sqm)	14.44
Purchase Date	31-JUL-2019



ACQUISITION OF EL CORTE INGLES UNIT TO REINFORCE THE DOMINANCE OF THE CENTRE, BRINGING NEW AND EXCITING TENANTS TO THE CADIZ REGION



■ Unit signed ■ Unit committed. Advanced negotiations ■ Unit under negotiation

RETURN METRICS

Acquisition Cost €19.5m
 Capex Budget €17.8m
 Additional NOI created €2.25m

17
NEW BRANDS

19,327 sqm
GLA AFFECTED

94.8 %
OF GLA SIGNED
AND COMMITTED



NEW BRANDS

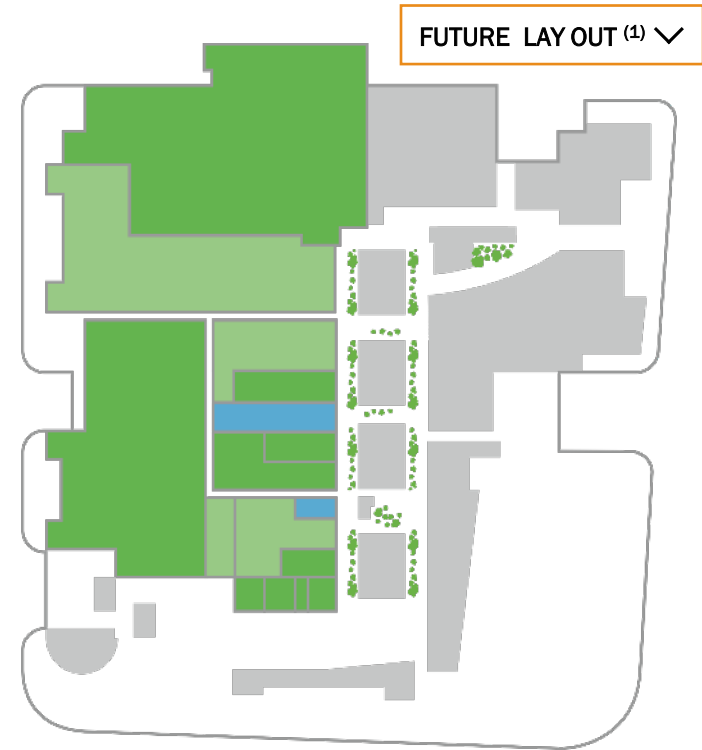
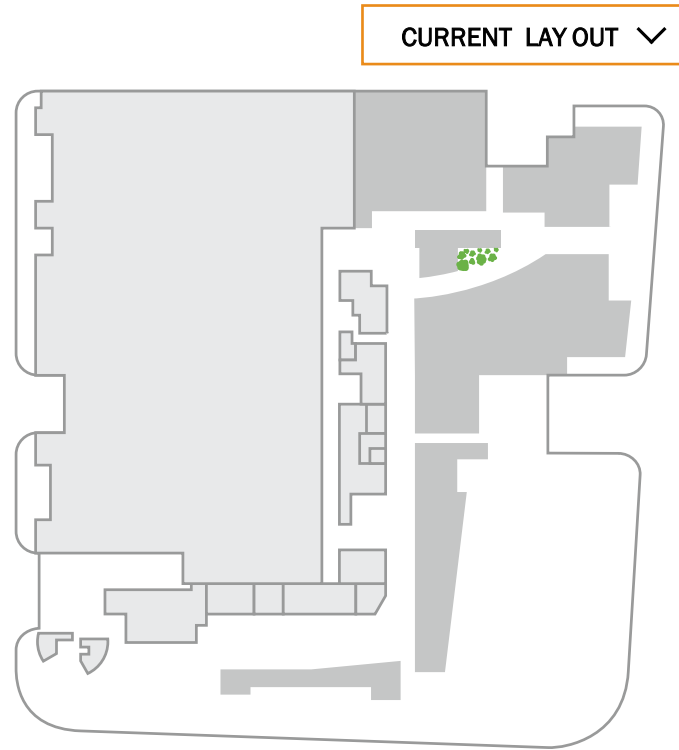
(1) Coloured areas refer to units affected by the project



- 6 new stores have opened at Bahia Sur SC due to the refurbishment project.
- The new Zara flagship that opened in Bahia Sur in September 2020 comprises more than 3,700 sqm.
 - It has an omnichannel focus with dedicated areas for online orders, where customers can pick up their order using QR codes and use a VIP fitting room to test the product.
 - There are also self-checkout counters, where customers can pay or return the garments themselves.
 - Zara has also introduced a new “sustainable shopping experience” integrating new technologies that reduce energy consumption by 20%, water usage by half and promotes recycling thanks to a dedicated area for recycling cardboard from online packaging



ACQUISITION OF HIPERCOR UNIT
ENABLING IMPROVED TENANT MIX
ALONG WITH STREET LEVEL
RECONFIGURATION



■ Unit signed ■ Unit committed. Advanced negotiations ■ Unit under negotiation

RETURN METRICS

Acquisition Cost €17.3m
Capex Budget €6.3m
Additional NOI created €1.36m

16
NEW BRANDS

11,242 sqm
GLA AFFECTED

84.0 %
OF GLA SIGNED
AND COMMITTED



NEW BRANDS

(1) Coloured areas refer to units affected by the project

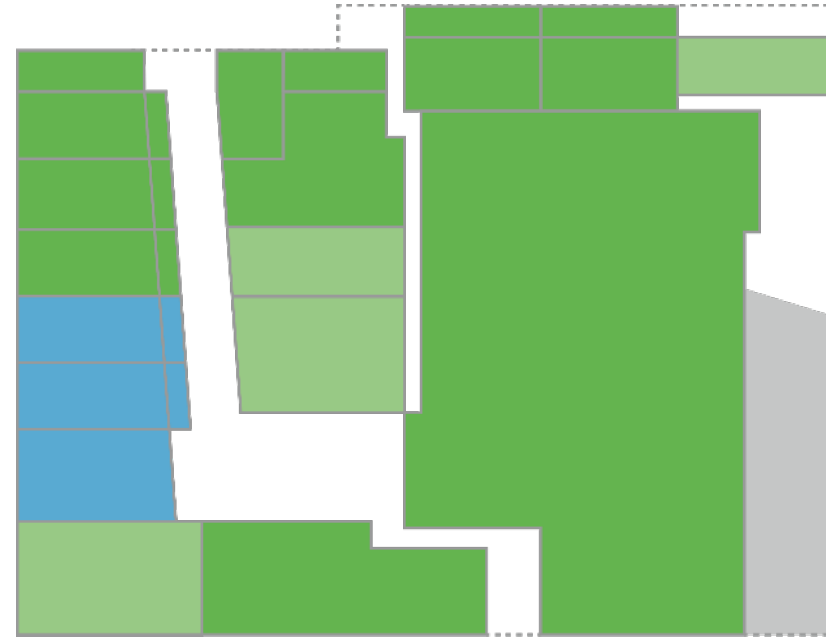


- There have been 8 new openings at Los Arcos SC due to the refurbishment project, starting in mid-July with the opening of Mercadona, the outright leader in groceries. Etam, Movistar, Decimas, Soloptical, Kiko... and others, have also reopened new stores offering an enhanced experience to our customers.
- An extensive communication campaign was rolled-out in Seville to launch the Mercadona opening and was very well received by customers, far exceeding expectations.



UNLOCKING VALUE BY TRANSFORMING FORMER DIY BOX INTO ATTRACTIVE LEISURE AND F&B PLAZA

FUTURE LAY OUT ⁽¹⁾ ✓



■ Unit signed ■ Unit committed. Advanced negotiations ■ Unit under negotiation

RETURN METRICS

Capex Budget €4.5m

Additional NOI created €0.25k

16
NEW BRANDS

7,398 sqm
GLA AFFECTED

92.0 %
OF GLA SIGNED
AND COMMITTED



NEW BRANDS

(1) Coloured areas refer to units affected by the project

BURGER KING

OCT
02



YELMO CINES

OPENING DATE FIRST
WEEK DECEMBER



This Yelmo Premium cinema will open in December and will be the only premium cinema in the region. There will also be new leisure activities including kids bowling and video games that will provide our customers with added value and complement the restaurant offering coming into this new space.

FOSTER HOLLYWOOD

OPENING DATE FIRST
WEEK DECEMBER



CASTELLANA PROPERTIES IS CREATING AN AMBITIOUS ESG (ENVIRONMENT, SOCIAL AND GOVERNANCE) STRATEGY AND ASPIRES TO BECOME A LEADING LIGHT IN THE SECTOR, CREATING STRONGER RELATIONSHIPS WITH CUSTOMERS AND COMMUNITIES

OUR ESG APPROACH



ENVIRONMENTAL

- We support making all the improvements in our buildings that can help reduce our carbon footprint and combat climate change. We support sustainable cities, championing initiatives to reduce consumption, and encourage the circular-economy and green areas.
- **Examples:** Implementation of LED lights, waste management, consumption savings and more



SOCIAL

- We are committed to the communities in which we operate and work hand-in-hand with local authorities and stakeholders to grow together. We want to create the most people-centric centre in our industry
- **Example:** charitable initiatives in our SCs, employee diversity and training programs, and more

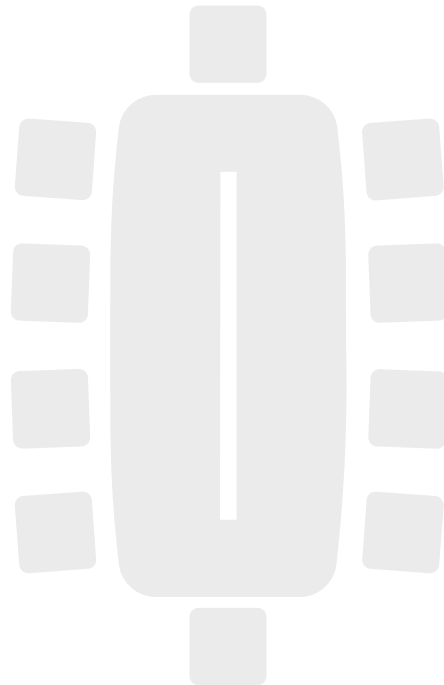


GOVERNANCE

- We adopt the highest standards of governance across all our projects and have a best-in-class and experienced BoD
- Committed to the highest level of honesty, transparency and integrity
- **Example:** implementation of international REIT best practices, ready to be in the Spanish continuous market...



■ **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



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

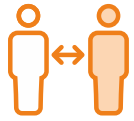
- While confidence indicators had picked up during the summer, Spain's consumer confidence declined by -0.4 points from the previous month to 49.5 in September 2020.
- As the "second wave" progresses, we can expect increased household savings to the detriment of consumption, a consequence of lower expectations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

IMPLEMENTING GOVERNMENT RECOMMENDED MEASURES AND ENSURING THE SAFEST SPACES POSSIBLE FOR OUR CUSTOMERS...



- Adherence to social distancing while queuing, one-way system...



- Cleaning and hygiene standards are fully adhered to in all common areas



- Hydroalcoholic dispensers at every touchpoint (contactless)



- Specific signage and extra notifications on rules and recommendations



- Providing face masks to customers if necessary



- Extra security & staff to enforce regulations



Protocols are particularly implemented at key interaction points. In total, an average of 18 key locations have been detected in each shopping centre and **more than 200 health and hygiene measures have been implemented at each property** to ensure the safety of both staff and customers

...OVER THE PAST FEW MONTHS WE HAVE CREATED EXCITING LEISURE ACTIVITIES

BAHÍA SUR



Second Edition of **Bahía En Vivo! Festival at Bahía Sur SC**. Included three core activities: drive-in cinema, concerts, and outdoor seating facilities, in a safe COVID-free environment, creating one of Cadiz's most innovative and unique entertainment offerings.

LOS ARCOS



An extensive PR campaign was launched at **Los Arcos (Seville)** and in the surrounding neighbourhoods to publicise the **Mercadona opening**, followed by an **exhibition inspired by the Museum of Ice Cream in New York**, as well as a programme of summer activities.

GRANAITA



New **outdoor space at Granaita retail park** to extend the outdoor terraces from our F&B area, together with local music concerts every Friday.

VALLSUR



Vallsur SC provided customers with **music concerts** on Sundays, as well as cinema promotions, to drive and bolster the F&B area, creating a unique and special environment with all hygiene measures in place.

EL FARO



Extensive **promotion to reward customer purchases** at **El Faro** shopping centre, with on-the-spot prizes to win and a spectacular American Fair styled stage

PUERTA EUROPA



Strong **communication campaign** covering the surrounding catchment area to champion the commercial mix at **Puerta Europa SC** and inform everyone on the hygiene measures implemented

AT CASTELLANA PROPERTIES, WE SUPPORT OUR TENANTS TO ENSURE A CLOSE RELATIONSHIP WITH THEM, FINDING SOLUTIONS THAT BENEFIT BOTH PARTIES IN THE LONG-TERM

SUPPORT PROVIDED TO OUR TENANTS



- **Individualised rental discounts and flexible agreements** with the majority of our tenants



- **Flexible opening hours** to optimise resources



- **More terrace space** for F&B tenants and creation of new open-air areas where feasible



- **Launching special promotions** for the tenants most affected by COVID-19 to help drive their sales



- **Delivery service** (Bahía Sur pilot) to improve our retailers' dining sales



“Castellana Properties is, without a doubt, a very good working partner and we expect to continue to work together for many years to come”

“We are very grateful for all the measures and help provided by Castellana and their local teams. It really helped us weather the situation”



“We have felt their support since the beginning of the pandemic and Castellana has been one of our most proactive and collaborative landlords. We really appreciate their help”

“Castellana understood our situation perfectly and worked with us to find solutions for both parties”



“We have 2 cinemas with Castellana and have felt their wholehearted support in both cases. We look forward to opening the next two in El Faro and Bahía Sur shortly”

PORTFOLIO DETAIL AT 30 SEPTEMBER 2020

Nº	PROPERTY DESCRIPTION	ACQUISITION DATE	GLA (m ²)	PARKING SPACES	MARKET VALUE	OCCUPANCY (%)
1	El Faro	31/07/2018	43,593	2,840	158,990	97.46%
2	Bahía Sur	31/07/2018	36,432	2,818	137,910	98.54%
3	Los Arcos	31/07/2018	29,696	1,800	137,200	93.49%
4	Vallsur	31/07/2018	35,212	1,870	90,720	97.07%
5	Habaneras	09/05/2018	24,166	802	84,820	98.27%
6	Puerta Europa	31/07/2019	29,792	1,958	64,720	98.95%
SHOPPING CENTRES			198,891	12,088	674,360	97.38%
7	Granaita	05/12/2017	54,571	3,316	109,060	98.81%
8	Parque Oeste	29/06/2017	13,604	723	49,520	100.00%
9	Parque Principado	29/06/2017	16,246	403	33,500	100.00%
10	Marismas del Polvorín	29/06/2017	18,220	623	27,010	100.00%
11	La Heredad	29/06/2017	13,447	400	19,330	100.00%
12	La Serena	29/06/2017	12,405	614	15,460	100.00%
13	Pinatar Park	05/12/2017	13,261	367	15,150	100.00%
14	Mejostilla	29/06/2017	7,281	225	8,480	100.00%
15	Motril Retail Park	29/06/2017	5,559	285	8,500	100.00%
16	Ciudad del Transporte	29/06/2017	3,249	734	6,990	100.00%
RETAIL PARKS			157,843	7,690	293,000	99.59%
17	Alcobendas Building	30/05/2016	11,046	113	20,710	100.00%
18	Bollullos Building	30/05/2016	5,698	174	5,770	100.00%
OFFICES			16,744	287	26,480	100.00%
TOTAL PORTFOLIO			373 478	20,065	993,840	98.50%

ANNEX II
TOP 10 ASSETS BY GAV AT 30 SEPTEMBER 2020 1/2

EL FARO



BAHÍA SUR



LOS ARCOS



GRANAITA (I)



VALLSUR



GAV	€159.0m	€137.9m	€137.2m	€109.1m	€90.7m
Province	Badajoz	Cádiz	Seville	Granada	Valladolid
Catchment Area (Inhabitants)	517,491	674,250	1,499,884	628,002	477,746
Gross Lettable Area	43 593m ²	36 432m ²	29 696m ²	54 571m ²	35 212m ²
Monthly Rental	€19/m ²	€25/m ²	€27/m ²	€10/m ²	€15/m ²
Sector	Shopping Centre	Shopping Centre	Shopping Centre	Retail Park	Shopping Centre
Major Tenants	Primark, Zara, Media Markt, Yelmo	Zara, Lefties, Yelmo, Stradivarius	Toys 'R' Us, Mercadona, Zara, Kiabi	Decathlon, Mercadona, Aki Bricolaje	Carrefour, Primor, Yelmo Cines, H&M
WALE	9.7 years	10.1 years	14.2 years	12.9 years	16.3 years
Vacancy	2.5%	1.5%	6.5%	1.2%	2.9%

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

ANNEX II
TOP 10 ASSETS BY GAV AT 30 SEPTEMBER 2020 2/2

HABANERAS



PUERTA EUROPA



PARQUE OESTE ⁽¹⁾



PARQUE PRINCIPADO



MARISMAS DEL POLVORÍN



GAV	€84.8m	€64.7m	€49.5m	€33.5m	€27.0m
Province	Alicante	Cádiz	Madrid	Oviedo	Huelva
Catchment Area (Inhabitants)	531,670	311,110	5,856,325	866,511	318,213
Gross Lettable Area	24 166m ²	29 792m ²	13 604m ²	16 246m ²	18 220m ²
Monthly Rental	€19/m ²	€14/m ²	€16/m ²	€10/m ²	€8/m ²
Sector	Shopping Centre	Shopping Centre	Retail Park	Retail Park	Retail Park
Major Tenants	Leroy Merlin, Zara, Forum Sport	Primark, Yelmo Cines, Mercadona	Media Markt, Kiwoko, Worten	Bricomart, Conforama, Intersport	Media Markt, Mercadona, Low Fit
WALE	7.9 years	11.2 years	19.5 years	11.5 years	21.0 years
Vacancy	1.7%	1.1%	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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