



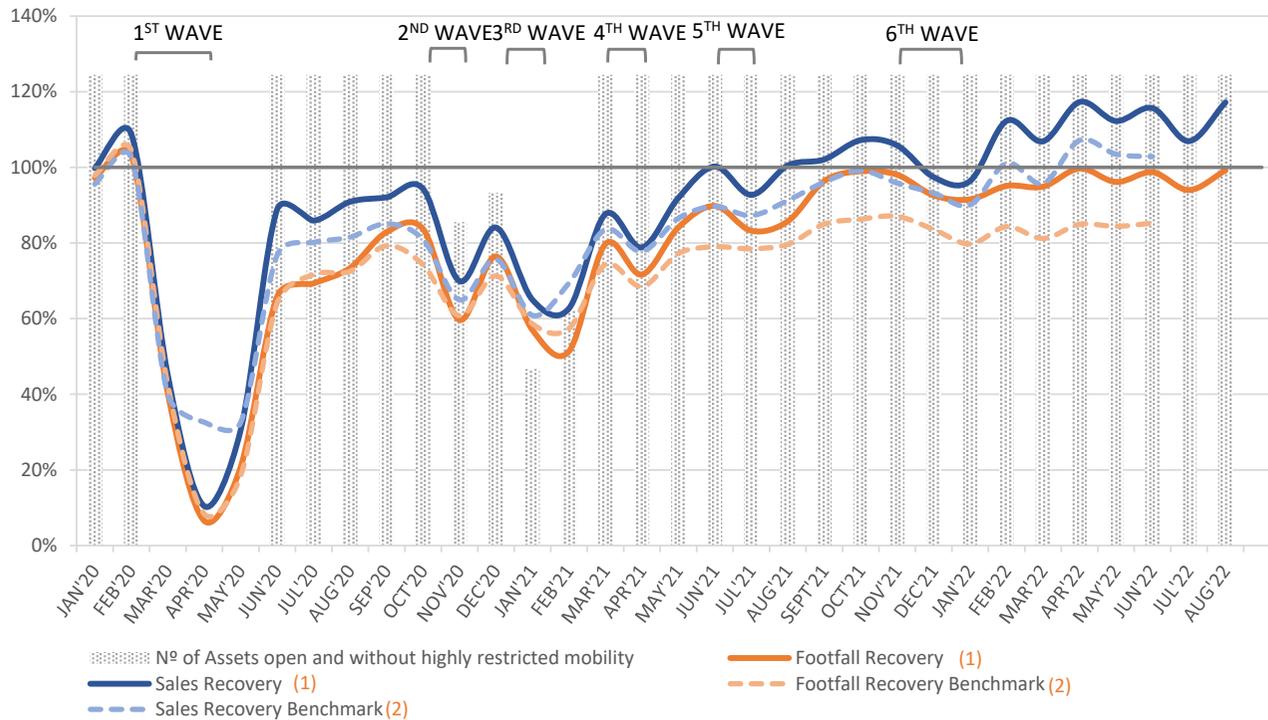
H1 FY2023
APRIL 2022 - SEPTEMBER 2022

**PRE-CLOSE
PRESENTATION**

FOOTFALL AND SALES INDEX



OUR ACTIVE ASSET MANAGEMENT INITIATIVES ARE REFLECTED IN THE POSITIVE PERFORMANCE VS THE BENCHMARK



✓ **Footfall:** during the 1st half of the year has varied by asset, but remained close to or above 2019. **Portfolio is at 96.6% YTD (Year To Date) in August 2022 versus August 2019**

✓ El Faro (113.6% YTD AUG'22 vs 2019) and Bahia Sur (109.5% YTD AUG'22 vs 2019) continue improving positively and are above 2019 levels. Puerta Europa (97.4% YTD AUG'22 vs 2019) and Habaneras (97.3% YTD AUG'22 vs 2019) are already very close to 2019 levels

✓ **Sales:** has performed above 2019 since February 2022. Following a similar trend to footfall. As at August 2022 the **portfolio sales are at 111.1% YTD vs 2019**

✓ Fashion & Accessories (97.6% YTD AUG'22 vs 2019) and F&B (100.3% YTD AUG'22 vs 2019) are performing well. DIY (Leroy Merlin & Bricomart) and Pets (Kiwoco and Tienda Animal) continue to perform better than the rest

✓ FY23 YTD both Fashion & Accessories and F&B are outperforming 2019 levels (April-August 2022 vs April-August 2019)

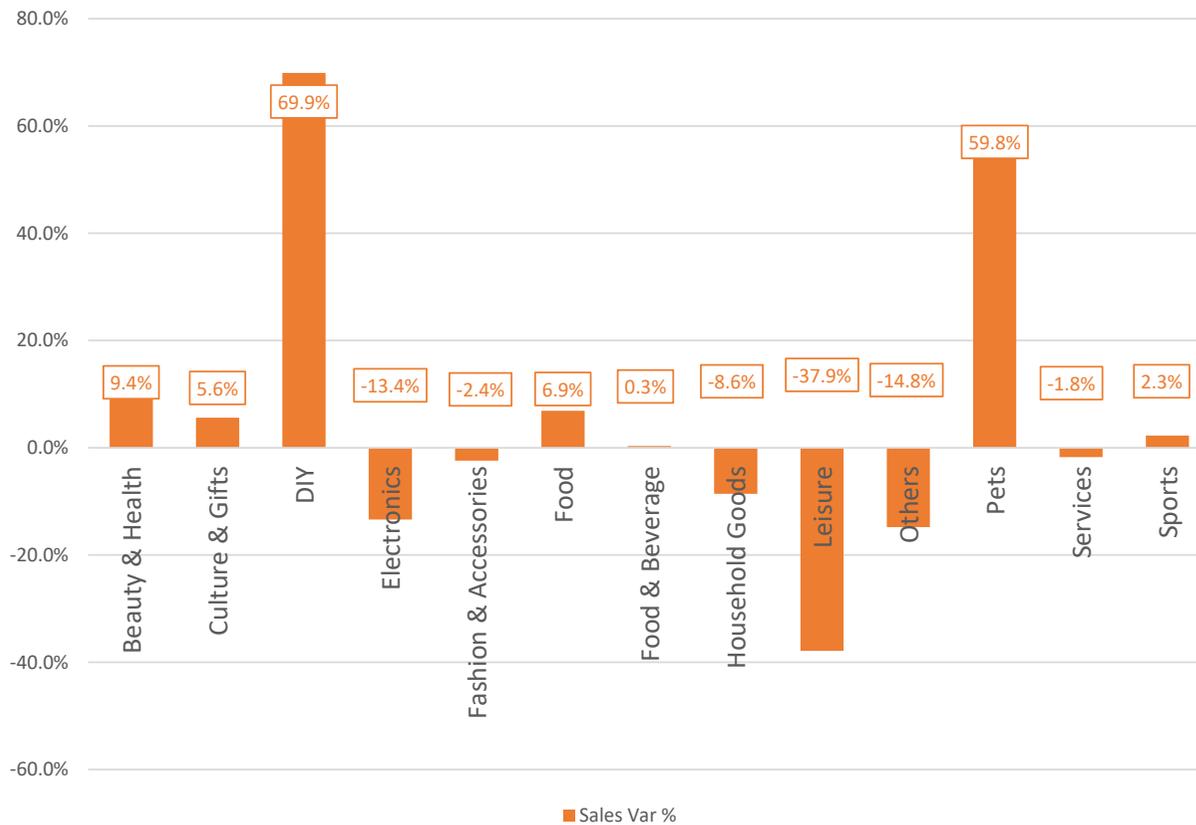
(1) Footfall Data includes the following shopping centres: El Faro, Bahía Sur, Los Arcos, Vallsur, Habaneras, Puerta Europa and Granaita Retail Park. There are no counters in the rest of the retail park assets. Granaita Retail Park counts only cars, so we have estimated 2 people on average per car. Sales data includes all retail assets. Footfall & Sales numbers in 2021 and 2020 are compared with same period in 2019

(2) Benchmark: AECC data .

SALES DETAIL

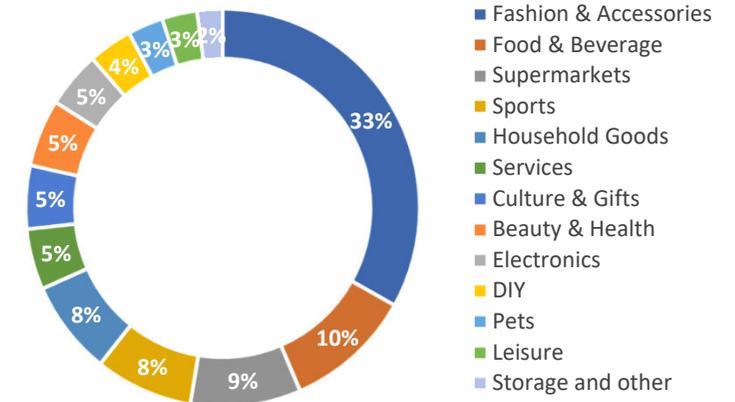


SALES YTD AUG'22 VS YTD AUG'19



- / Total YTD AUG'22 portfolio variation vs YTD AUG'19: **+11.1%**
- / **DIY** (Leroy Merlin and Bricomart) and **Pets** (Kiwoko and Tienda Animal) account for 27% of total sales (YTD AUG'22)
- / More than **50%** of the retail categories are performing better than the same period in 2019
- / **Strong performance by Fashion & Accessories and F&B** which are close to 2019 figures
- / Retail Parks (+23% YTD AUG'22 vs YTD AUG'19) continue to trade better than Shopping Centres (+6.4%)

Portfolio weight % by rent



OPERATING ACTIVITY

OCCUPANCY RATE 98.4%⁽²⁾ KEEPING UP THE PACE IN CLOSING NEW AGREEMENTS AND RENEWALS



96
LEASES SIGNED



€4.1m
NEW RENT SIGNED

48
RENEWALS

48
NEW CONTRACTS

€2.3m
RENEWALS

€1.8m
NEW CONTRACTS



16,249 sqm
GLA SIGNED



3.22%
AV. RENT INCREASE⁽¹⁾

6,403 sqm
RENEWALS

9,846 sqm
NEW CONTRACTS

0.43%
RENEWALS⁽³⁾

8.80%
NEW CONTRACTS

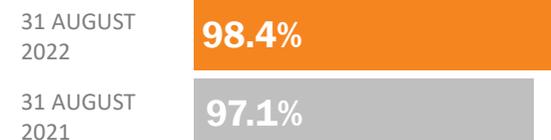
(1) Considering operations with existing passing rent as renewals, relocations and replacements

(2) Period reported from 1st April 2022 to 31st August 2022

(3) Excludes CPI increases which will be applied on Indexation date mainly in the month of January 23 (CPI expected at c. 10% at current forecasts)

KEY KPI'S YTD 31st August 2022

OCCUPANCY



RENT ARREARS



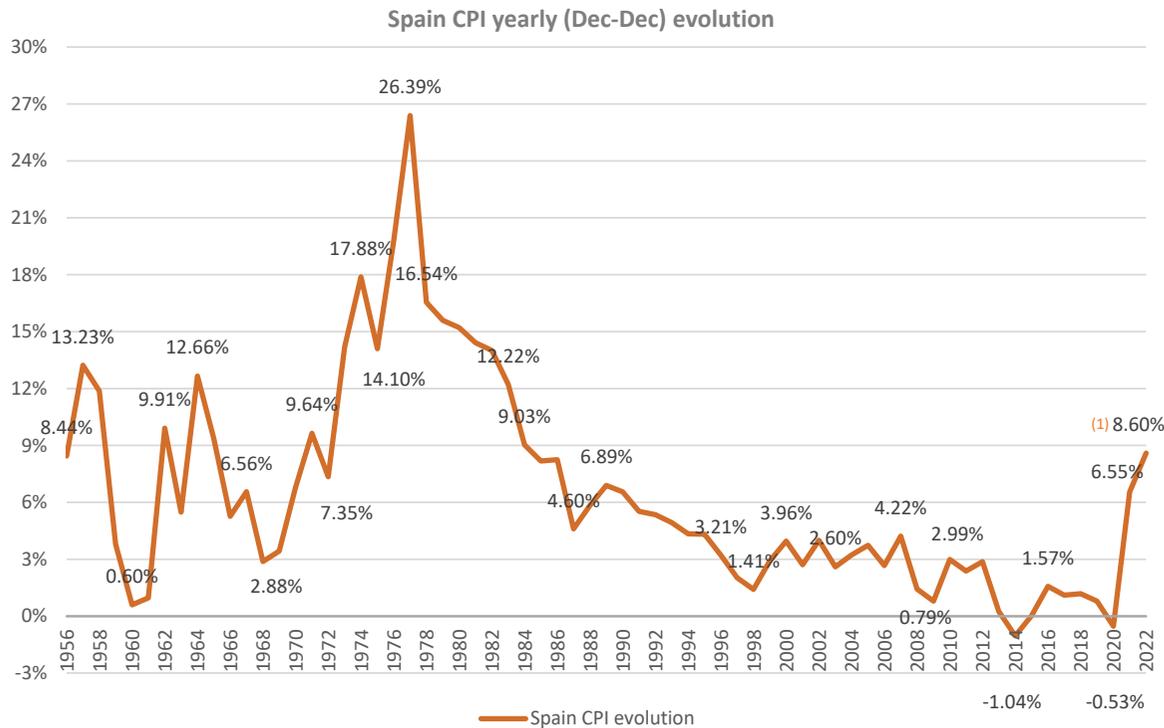
RENT COLLECTION



CPI INDEXATION ENVIRONMENT



ALL CASTELLANA LEASES ARE INDEXED TO CPI YOY VARIATION IN EVERY ANNIVERSARY OF THE LEASE



(1) FUNCAS estimation for CPI variation Dec 2022 - Dec 2021

- / CPI in Spain is currently at its highest level seen since 1984
- / As per Castellana’s existing lease agreements, the landlord is entitled to increase rental by CPI for close to 100% of the leases. Some tenants have a cap of between 2% and 3%, however this makes up only 2.6% of total portfolio rent
- / In the first half of the financial year, we have already indexed some leases by CPI. A few Retail Park contracts (13) were completed and rent increased by an average of 9% without major any obstacles. The Shopping Centres will index in January 2023. A large part of the portfolio (El Faro, Bahía Sur, Los Arcos, Vallsur) references CPI in September (YoY variation) which is estimated to be 10.1%
- / Inflation presents a challenge to Europe in the short term despite the measures already taken by the ECB in raising rates to 1.25% (levels not seen since 2011). On the supply side, rising production costs are being reflected in the prices of almost all goods, which implies reduced consumer demand yet to be seen in Spain. Continuing gas supply challenges in Europe remain a driver of inflation
- / **Nevertheless, Castellana continues to pass on the vast majority of CPI increases to its tenants, due to the quality of its assets, the extraordinary relationship and the value of its portfolio platform to retailers**
- / Furthermore, **28%** of Castellana’s portfolio is exposed to **non-discretionary goods and services** including Groceries, DIY, Services, Pets etc.
- / The composition of Castellana’s retail tenants are **94% International and National tenants** who are more able to withstand inflationary impacts. **Effort rates** are still **at low levels** that allow room for tenants to increase rents

TRADING ENVIRONMENT

- ✓ The Castellana portfolio continues to exhibit a strong trading performance, with **high occupancy**, minimal arrears, **demand for space from retailers** and robust footfall and sales across all assets
- ✓ **Leading brands remain eager to expand** despite anticipated slowdown. Large retailers like Kiabi, Alvaro Moreno and PEPCO, are demanding more space for new concepts in our shopping centres. Given the low vacancy in our portfolio we are currently using the opportunity to evaluate possible replacements to improve tenant covenants and add value
- ✓ On the ground, we still see customers filling restaurants, and seeking good quality family entertainment options on the weekends which demonstrates our belief that retail centres have become **full service destinations offering a combination of shopping, lifestyle and entertainment**
- ✓ We have witnessed a very good reception and performance in all the promotions delivered in our centres. Bahia Sound concerts, itinerant Circus spectacles or fashion ateliers are good examples of how footfall and sales are promoted in our centres. These promotions and marketing actions provided an average footfall increment of c.20% during the days of the events, to which we add the subsequent increment in dwell time, loyalty and engagement of customers to the centre



INVESTMENT IN LAR ESPAÑA

- ✓ Lar España continues to perform well as a financial investment
- ✓ Key property metrics reported by the company in H1 2022 point to a strong recovery in trading similar to what we see in our own portfolio
- ✓ We strongly believe the current share price does not reflect the strength of the retail recovery and the quality of the business and provides an attractive buying opportunity
- ✓ We remain long term shareholders of Lar España
 - ✓ Initial shareholding of 21.7% acquired at €5.35/share
 - ✓ Subsequent shares acquired at average price of €4.77/share
 - ✓ Current shareholding 25.52% at an average price of €5.26/share



CASTELLANA PROPERTIES RECOGNITION



- / Castellana Properties consolidates its leading market position at Europe's most prestigious real estate awards
- / The company obtained the **top award** in both the category recognising accuracy and transparency in financial reporting (**BPR**) and in the sustainability best practices category (**sBPR**)
- / Castellana also received a **special mention** for being one of the Socimis in Europe to see its scores improve the most compared to last year
- / Certified for a second year running as a **Great Place to Work in 2022** by the consultancy firm Great Place to Work®. The Company achieved a score that was 21 points above the threshold required for entering the ranking, making it the **highest-scoring real estate company in Spain**. The company obtained a trust index result of 91%, 4 points higher than in the previous edition and topping the sector average by 16 points



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