

ABBREVIATED CAPITAL INCREASE DOCUMENT FOR THE ALTERNATIVE
EXCHANGE MARKET, REAL ESTATE INVESTMENT TRUST SEGMENT
("AEM-REIT")

CASTELLANA PROPERTIES SOCIMI, S.A.

NOVEMBER 2019

This Abbreviated Capital Increase Document has been drafted in accordance with the model provided in Schedule II of AEM Circular 4/2018, on the requirements and procedures applicable to capital increases in companies whose shares are listed for trading on the Alternative Exchange Market (the "**Market**" or the "**AEM**") and it has been prepared on the occasion of the listing of the new shares from the capital increase on the AEM-REIT.

The investors of companies traded on the AEM-REIT must be aware that they assume a risk greater than the one of investing in companies listed on the Securities Markets. Investment in companies listed on the AEM-REIT should receive advice from an independent professional.

Shareholders and investors are recommended to carefully read this Abbreviated Enlargement Document in full before making any investment decisions on newly issued shares.

Neither the Governing Body of the Alternative Equities Market nor the Spanish National Securities Market Commission (CNMV) has approved or conducted any type of verifications or checks regarding the contents of this Abbreviated Capital Increase Document (the "**Capital Increase Document**").

Renta 4 Corporate, S.A., with registered address at Paseo de la Habana 74, Madrid, and holder of tax identification number A-62585849, duly registered at the Madrid Mercantile Registry in volume 21,918, page 11, section B, sheet M-390614, as an AEM Registered Adviser, acting as such on behalf of the Company, which has applied for admission to listing on the AEM of its newly issued shares from its capital increase, for the purposes envisaged in sections A and B of AEM Circular 16/2016 on Registered Advisers,

DECLARES

One. That it has worked with and helped Castellana Properties SOCIMI, S.A. (“**Castellana**”, the “**Company**”, or the “**Issuer**”) to prepare this Abbreviated Capital Increase Document required under AEM Circular 4/2018 on the requirements and procedures applicable to capital increases in companies whose shares are listed for trading on the Alternative Exchange Market.

Two. That it has reviewed the information that the Issuer has gathered and published.

Three. That the Abbreviated Capital Increase Document complies with the applicable laws and regulations and meets the applicable requirements for content, precision and quality without omitting any relevant information or misleading investors.

CONTENTS

<u>1.</u>	<u>INCORPORATION BY REFERENCE OF THE COMPANY'S INFORMATIVE MARKET ENTRY DOCUMENT</u>	1
1.1.	<u>Informative Market Entry Document</u>	1
1.2.	<u>Person or persons that will have the status of director, responsible for information contained in the Capital Increase Document. A declaration from them that, to the best of their knowledge, it is in accordance with the facts and there are no relevant omissions</u>	1
1.3.	<u>Full identification of the Issuer</u>	2
<u>2.</u>	<u>UPDATE TO THE INFORMATION IN THE INFORMATIVE MARKET ENTRY DOCUMENT</u>	4
2.1	<u>Purpose of the capital increase</u>	4
2.2	<u>Public information available</u>	7
2.3	<u>Financial reporting</u>	7
2.4	<u>Information on significant trends related to the issuer's production, sales and costs from the time of the most recent interim reporting, made available to the Market since the date of the Capital Increase Document</u>	8
2.5	<u>Quantitative forecasts or estimates of future income and costs. Information with respect to level of compliance</u>	8
2.6	<u>Declaration on working capital</u>	9
2.7	<u>Risk factors</u>	9
<u>3</u>	<u>INFORMATION REGARDING THE CAPITAL INCREASE</u>	10
3.1	<u>Number of shares requested for listing and their par value. Reference to the corporate resolutions passed to formalise the capital increase. Information on the share capital level after the capital increase</u>	10
3.2	<u>Description of the start date and term for subscribing the newly issued shares, with details (if applicable) of preferential, additional and discretionary subscription periods, and indicating the forecast for incomplete subscription of the capital increase</u>	11
3.3	<u>Intention of the primary shareholders and the board members to participate in the capital increase</u>	11
3.4	<u>Main characteristics of the newly issued shares and their included rights, describing their types and the dates they will take effect</u>	12

3.5	<u>If any, a description of any restrictions or conditions on the free transfer of shares compatible with trading on the AEM-REITs</u>	12
4	<u>OTHER INFORMATION OF INTEREST</u>	13
5	<u>REGISTERED ADVISER AND OTHER EXPERTS OR ADVISERS</u>	17
5.1	<u>Information regarding the Registered Advisor, including possible relationships and connections with the Issuer</u>	13
5.2	<u>Statements or third-party expert opinions including any qualifications and, where appropriate, any relevant interests held by the third party in the Issuer</u>	14
5.3	<u>Information regarding other advisers that have collaborated in the process of listing the newly issued shares on the AEM</u>	14
<u>APPENDIX I</u>	<u>Castellana Board Director’s report</u>	15
<u>APPENDIX II</u>	<u>Independent Expert Report related to the Castellana Properties SOCIMI, S.A. capital increase</u>	16
<u>APPENDIX III</u>	<u>Consolidated Financial Statement and Auditor’s Report of Castellana Properties SOCIMI, S.A. for the period ended 31 March 2019</u>	17
<u>APPENDIX IV</u>	<u>Consolidated Interim Six-Months Period Financial Statements joint to Auditor’s Report of Castellana Properties SOCIMI, S.A. for the period ended 30 September 2019</u>	18

1 INCORPORATION BY REFERENCE OF THE COMPANY'S INFORMATIVE MARKET ENTRY DOCUMENT

1.1 Informative Market Entry Document

Upon the listing of its shares on the AEM-REIT on 25 July 2018, Castellana Properties SOCIMI, S.A. (“**Castellana**”, the “**Company**”, or the “**Issuer**”) prepared the corresponding Informative Market Entry Document (the “**DIIM**”) in accordance with the model provided in AEM Circular 9/2017, which was replaced by Circular 2/2018, on the requirements and procedures applicable to including or excluding shares for trading on the Alternative Exchange Market that are issued by Growth Companies and by Real Estate Investment Trusts (REITs).

This DIIM can be viewed at the Company's website (<http://www.castellanasocimi.es>), and on the AEM's website https://www.bolsasymercados.es/mab/documentos/Otros/2018/07/05360_Folleto_20180720.pdf.

Additionally, Castellana prepared because of the non-monetary share capital increase in January 2019, and because of the monetary share capital increase in July 2019, the correspondent Abbreviated Capital Increase Document to the Market (onwards “**DAR January 2019**” and “**DAR July 2019**” respectively).

This DAR can be viewed at the Company's website (<http://www.castellanasocimi.es>), and on the AEM's website https://www.bolsasymercados.es/mab/documentos/Otros/2019/01/05360_Folleto_20190124.pdf, where also it can be found the financial information and the significant information announcements published related to the Company and its business.

1.2 Person or persons that will have the status of director, responsible for information contained in the Capital Increase Document. A declaration from them that, to the best of their knowledge, it is in accordance with the facts and there are no relevant omissions

Alfonso Brunet Morales-Arce, on behalf of the Company and as the chairman of its board of directors, in exercise of the express powers granted to him by the board of directors in its meeting of 13 November 2019, assumes responsibility for the contents of this Abbreviated Capital Increase Document (“**DAR**”), the format of which is in accordance with the model provided in Schedule II of AEM Circular 4/2018, on the requirements and procedures applicable to capital increases in companies whose shares are listed for trading on the Alternative Exchange Market.

Alfonso Brunet Morales-Arce, as the person responsible for this Abbreviated Capital Increase Document, declares that the information contained herein, to the best of his knowledge, is in accordance with reality and does not incur in any relevant omissions.

1.3 Full identification of the Issuer

Castellana Properties SOCIMI, S.A. is a limited real estate investment trust (REIT) with registered address in Madrid at Glorieta de Rubén Darío, número 3, 1ª planta derecha, 28010 Madrid, and tax identification number A-87293015.

Castellana is the parent company of a group of 14 subsidiary companies participated at 100% by the Company. The purpose of these companies is the management of its correspondent real estate assets. All subsidiary companies are under the REIT regime.

It was incorporated for an open-ended period under the name of “Vinemont Investment, S.A.”, with registered address at calle Ayala, número 66, Madrid, through a deed notarised on 19 May 2015 in the presence of the Notary Public of Madrid, Francisco Javier Piera Rodríguez, under his record number 1717. It is registered in the Madrid Mercantile Register, in Volume 33483, Book 0, Page 61, Section 8, Sheet M 602735, Entry 1 dated 25 May 2015.

On 25 November 2015, the sole shareholder of the Company made the decision to change the Company’s registered office to Calle Alcalá, 61, 3ª planta, 28014, Madrid. It also amended article 2 of the Company’s Articles of Association (on the Company’s corporate purpose) and it approved an amended text of the Articles of Association, adding the new Articles 4 *bis* and 13, to include the requirements for applying for inclusion under the special tax regime for REITs (real estate investment trusts), applicable as of 1 January 2016. These resolutions were formalised in a public deed executed on 25 November 2015 before Madrid Notary Public José Luis Martínez-Gil Vich, under his record number 2,774. This was registered in the Madrid Mercantile Register on 10 December 2015, in Volume 33,483, Book 0, Page 64, Section 8, Sheet M 602735, Entry 4.

Then, to adapt the Articles of Association to the special tax regime for REITs, the Company amended article 35 (Allocation of Profits/Losses) on 27 May 2016, in addition to changing its corporate name to its current name, “Castellana Properties SOCIMI, S.A.”, in a deed executed on 30 May 2016 before Notary Public of Madrid Ignacio Martínez Plaza under number 1,563 of his protocol. This was registered in the Madrid Mercantile Register on 4 August 2016 Volume 33,483, Book 0, Page 69, Section 8, Sheet M 602735, Entry 5.

Castellana’s corporate purpose is indicated in article 2 of its Articles of Association (the “**Articles of Association**”), the wording of which as of the date of this Informational Document, in accordance with Spanish Law 11/2009, of 26 October (the “**Spanish REIT Act**”), is as follows:

“ARTICLE 2. Corporate Purpose –

The Company’s main corporate purpose is the performance of the following activities, whether in Spain or abroad:

- (a) *the acquisition and development of urban real estate assets for lease or restoration of buildings as defined in Spanish Law 37/1992, of 28 December, on Value-Added Tax [Ley 37/1992, del Impuesto sobre el Valor Añadido];*
- (b) *The ownership of holdings in the share capital of listed real estate investment trusts (REITs) or other non-resident entities in Spain with the same corporate purpose, which are subject to a regime similar to that established for REITs in relation to the obligatory profit distribution policy stipulated by law or the Articles of Association;*
- (c) *the shares in the capital of other resident or non-resident entities in Spain, the main corporate purpose of which is the acquisition of urban properties earmarked for lease, that are subject to the regime established for REITs in relation to the obligatory profit distribution policy stipulated by law or the Articles of Association and that meet the investment requirements referred to in article 3 of Spanish Law 11/2009, of 26 October, regulating REITs (the “Spanish REIT Act”);*
- (d) *the ownership of shares or equity interests in collective real estate investment undertakings governed by Spanish Law 35/2003, of 4 November, on collective investment undertakings [Ley 35/2003, de 4 de noviembre, de Instituciones de Inversión Colectiva], or any law that may replace it in the future.*

Joint to the economic activity stemming from the main corporate purpose, the Company may carry out other supplementary activities, understood as those activities that jointly represent less than 20% of the Company’s income in each tax reporting period, or those that could be considered supplementary pursuant to the applicable law at any given time. These may include the following:

- (a) *In general, the subscription, derivative acquisition, holding, use, administration, or disposal of transferable securities and corporate shares, except for those activities subject to special legislation; and*
- (b) *Managing and administering values representing the equity of non-resident Spanish companies by means of the corresponding organisation of material and personal resources, in accordance with article 107 of Spanish Law 27/2014, of 27 November, on Corporation Tax [Ley 27/2014, del Impuesto sobre Sociedades] and its implementing regulations.*

The activities that make up the corporate purpose may be pursued by the Company, in full or in part, indirectly, through ownership of shares or equity interests in companies with a similar or identical purpose.

The direct exercise and, where appropriate, indirect exercise, of all those activities reserved through special legislation are hereby excluded. If legal provisions require a professional title or administrative authorisation or entry in public registries for the exercise of any of the activities

included in the corporate purpose, these activities may not be initiated until the necessary administrative requirements have been fulfilled.”

2 UPDATE TO THE INFORMATION IN THE INFORMATIVE MARKET ENTRY DOCUMENT

2.1 Purpose of the capital increase

Introduction

The Extraordinary General Shareholders' Meeting held on 17 September 2019 agreed to increase the share capital by €7,485,029 through the issue of 7,485,029 ordinary shares. The new shares will be issued at their par value of €1 plus an issue premium of €5.68 per share, resulting in an issue price of €6.68 per share. The cost of the share capital increase will amount to a total of €50,000,000, of which €7,485,029 corresponds to share capital and €42,514,971 corresponds to an issue premium.

Purpose of the capital increase

The share capital increase carried out through the offsetting of credits is considered advisable for the Company, since this will result in the cancellation of most of the liability that arose from the financing provided by the majority shareholder Vukile Property Fund Limited (hereinafter, “**Vukile**”) to allow acquisition of the “Puerta Europa Shopping Center”, “Bahía Sur” and “Los Arcos” Shopping Centres, which reduced the Company’s need for bank financing and led to an immediate improvement in its cash and liquidity position while at the same time increasing shareholder equity and the Company’s solvency.

The credits that would be used to offset the proposed share capital increase are as follows:

- a) A loan agreement signed by Vukile as lender and the Company as borrower on 20 May 2019, in the amount of €11,000,000, by virtue of which it was agreed that Vukile would finance the Company for the purchase of the buildings located at the Bahía Sur and Los Arcos shopping centres belonging to El Corte Inglés, S.A., and certain projects involving capex and development costs. This agreement was amended on 22 July 2019 in order to change the loan’s maturity date to 29 July 2019. On 29 July 2019, the outstanding balance of the loan, i.e. €11,000,000, was declared by mutual agreement to be due and payable in its entirety.
- b) A short-term loan agreement signed by Vukile as lender and the Company as borrower on 22 July 2019, in the amount of €39,000,000, to cover an emergency requirement for funds for the partial financing of the Company’s acquisition of the “Puerta Europe Shopping Center”, maturing on 29 July 2019. On 29 July 2019, the outstanding balance of the loan, i.e. €39,000,000, was declared by mutual agreement to be due and payable in its entirety.

These two loans were reflected in the report made by the Castellana Board of Directors, published 1st August 2019 as an annex to the Extraordinary General Shareholders' Meeting call announcement to the 17th September 2019, and attached as Annex I to this DAR.

It is herein recorded that the interest accrued on both loans has been paid to Vukile by the Company.

As a consequence of the share capital increase, the majority shareholder Vukile will receive shares in Castellana in the proportion established, as explained in the following section of this Abbreviated Capital Increase Document.

Also, attached as Annex II of this DAR the independent expert report to the capital increase by credits compensations, which are referred previously.

Valuation of the contribution and Castellana share capital increase

The proposed share capital increase to be carried out by Castellana's Board of Directors through the offsetting of credits amounts to a total value of €50,000,000, of which €7,485,029 corresponds to share capital and €42,514,971 corresponds to an issue premium.

This increase will be effected through the issue of 7,485,029 new accumulable and indivisible shares, each with a par value of one euro, with the same rights and obligations as the shares currently in circulation, and with an issue premium per share of €42,514,971/7,485,029, which amounts to a premium of €6.68 per share.

Notwithstanding the fact that the Company's share price was quoted at €6.51 on 25 July 2019, (the quota at 5th November is €6.80 per share), with an average weighted value during the six months prior to 25 July 2019 of €6.51 per share, the weighted value described in the previous paragraph is justified by the fact that the Board of Directors believes that, given the limited day-to-day change in its price and the number of shares that can be traded, the share price does not reflect the true value of the shares.

Thus, it should be borne in mind that, after shares were priced at the time of their listing on the Mercado Alternativo Bursátil (a Secondary Spanish Stock Market, the "MAB") at a price of €6 per share, their value has risen to the current price of €6.51 per share as the result of the trading, on various dates and at different prices, of just 10,444 shares. This represents 0.00014% of the total share capital that is in the hands of shareholders (i.e. excluding the shares held as treasury stock). As a consequence, the Board of Directors believes that it would not be advisable solely to consider the current list price of the shares as an indicator of their value, especially given the importance of the increase being undertaken, which amounts to 717 times the volume traded up to the present time.

The Board of Directors believes that a much truer valuation of the shares that the Company is

proposing to issue would be based on the Company's net asset value or NAV (taking unrealised capital gains into account). In this regard, from the information received by the Board of Directors, it can be concluded that the NAV per share as of 31 March 2019 (the last value notified in the form of a SENS Announcement on 16 May 2019) was €6.68 per share.

The Board of Directors therefore believes that the value that should be taken into account for the purposes of this share capital increase is €6.68, which implies an issue premium of €42,514,971/7,485,029 per share.

Following this share capital increase by credits compensation referred in this DAR, and after the monetary capital increase agreed the 11th July 2019 by the Company Board of Directors, Castellana will have several direct shareholders, two of them with a direct shareholding of more than 5% of the share capital. The details are as follows:

Direct shareholders	Prior to S.C. increase	New shares	Following S.C. increase	% stake
Vukile Property Fund Limited	63,719,687	7,485,029	71,204,716	82.54%
Morze European Real Estate Ventures	13,333,333	-	13,333,333	15.46%
Non-controlling interests	1,690,673	-	1,690,173	1.95%
Treasury shares	42,825	-	42,825	0.05%
Total	78,786,018	7,485,029	86,271,047	100%

In addition, one organisation has an indirect stake in the Company's share capital of more than 5% through Morze European Real Estate Ventures, as broken down below:

Shareholders	% stake in MEREV	% stake in Castellana
Lava Capital Partners Limited	63%	9.80%

Finally, we should point out that one of the directors, Adam Lee Morze, has a direct or indirect holding that is equal to or greater than 1% of the Company (Adam Lee Morze holds a 25% share in the company Lava Capital Partners Limited and a 51% share in the company Diversified Real Estate Asset Management, S.L.):

Board Member	%
Direct stake	0.37%
Indirect stake	2.47%
% stake Total	2.85%

2.2 Public information available

In accordance with AEM Circular 6/2018 on information to be provided by companies performing capital increases and REITs admitted to trading on the Alternative Exchange Market, it is being declared here that all relevant interim financial information for the Company as existing since its entry into the AEM is available at the Company's website (<https://www.castellanasocimi.es>), as well as at the AEM website (https://www.bolsasymercados.es/mab/documentos/Otros/2018/07/05360_Folleto_20180720.pdf), where information related to the Company and its business activities can also be found.

In compliance with the AEM Circular 6/2018 cited, all public documents that have been provided to the Market for entry of the shares of Castellana Properties SOCIMI, S.A. are found at both those websites.

2.3 Financial reporting

In accordance with AEM Circular 6/2018, on 16 May 2019 publication, consolidated and individual annual financial statements for the Company for the period from 1 April 2018 through 31 March 2019, and the Management Report for financial year 2019, along with the corresponding report from the independent auditor. The audit report was issued without exceptions. The financial statements for the financial year that closed on 31 March 2019 were audited by Price Waterhouse Coopers Auditores, S.L. ("PwC").

On 14th November, interim consolidated financial statements for the six-months period ended the 30th September 2019, joint to the auditor's limited revision report. This report was issued clean, and the auditor was PwC.

That financial reporting was produced in a manner consistent with International Financial Reporting Standards (IFRS), as they have been adopted by the European Union in accordance with Regulation (EC) 1606/2002 of the European Parliament and of the Council and its subsequent amendments. The totality of the accounting principles, rules and valuation criteria that are of compulsory application, and that have a material effect, were taking into consideration.

Attached as Annex III, Consolidated Annual Accounts and the audit report for the period ended 31st March 2019 of the Company.

Attached as Annex IV, Interim Consolidated Financial Statements for the six-months period ended the 30th September 2019 joint to the limited revision report.

2.4 Information on significant trends related to the issuer’s production, sales and costs from the time of the most recent interim reporting, made available to the Market since the date of the Capital Increase Document

The last financial information published by the Company belongs to the interim consolidated financial statements for the six-months period ended the 30th September 2019 joint to the auditors’ limited revision report, including the mentioned financial information in the significant information announcement the 14th November 2019. From this publication, Company has followed the same trend and there are no significant variations.

2.5 Quantitative forecasts or estimates of future income and costs. Information with respect to level of fulfilment.

The information about figures projections or estimations and future costs have not differences of the published one through the Significant Information Announcement last 14 November 2019. It is expressed significance of that to the preparation of the historical financial information, were elaborated following comparable and coherent measure criteria.

2.6 Declaration on working capital

The Board of Directors declares that, after doing the appropriate analysis, did it with the due diligence, the Company has enough working capital to achieve the activity during the following 12 months from the date of admission of this Abbreviated Capital Increase Document.

2.7 Risk factors

The existing risk factors are not substantially different from those included in the DIIM of July 2018. These risks are not the only ones the Company faces.

In addition to all of the information set forth in this Capital Increase Document and prior to making the decision to invest in the Company’s shares, the risks listed in the DIIM, in the DAR of January 2019 and the DAR of July 2019, should also be taken into account, which if they materialise, may adversely affect the Issuer’s business, results, outlook, or its financial, economic or equity position.

In addition, future risks that are currently unknown or not considered relevant could have an effect on the business, trading figures, prospects or the financial, economic or equity situation of the Issuer.

The most relevant risks factors are as follows:

The current influence of the Vukile Property Fund (onwards “Vukile”)

Following the capital increase, the Company is 82.54% controlled by a Vukile -- a South African REIT listed on the Johannesburg Stock Exchange (JSE) and the Namibia Stock Exchange (adding to it the 7.79% from the usufruct of the economic rights given by Westbrooke Yield Plus, S.à.r.l. “**Westbrooke**”)-- , whose interests may differ from those of potential new shareholders that have a non-controlling interest, as they would not be able to significantly influence the resolutions passed by shareholders at the general meeting or the appointment of board members.

Debt level and risk of interest rate increases

On 30 September 2019, the Company and its subsidiaries (the “**Group**”) owed financial institutions 479,637 thousand euros, including accrued variable and fixed interest. This debt has been taken out to partially finance acquisitions of new real estate assets, by granting mortgage guarantees over properties that had been acquired previously. There are interest rate hedge contracts that fully eliminate the related risk over at least the next five years. There is also an obligation to comply with a series of covenants every year. On 30 September 2019, the Loan-to-Value ratio for the net nominal debt of the Group was 42,88%.

In the event that the cash flows generated by the income received from the real estate portfolio are insufficient to meet the payment of the existing financial debt, this shortfall would negatively affect Castellana’s financial situation, trading figures or valuation.

Risk of mortgage foreclosure over art of the real estate assets over by the Company

As of the date of this capital increase document, all the real estate assets owned by the Group are mortgaged in favour of the financial institutions that have granted loans. If the Group were to default on its contractual obligations for those loans, the financial institutions could enforce the guarantees, which means that they could take over ownership of the mortgaged real estate assets.

3 INFORMATION REGARDING THE CAPITAL INCREASE

3.1 Number of shares requested for listing and their par value. Reference to the corporate resolutions passed to formalise the capital increase. Information on the share capital level after the capital increase

Castellana’s share capital prior to the share capital increase amounted to €78,789,018, represented by 78,789,018 shares, each with a par value of €1, all of a single category and series, with equal voting rights and recorded as registered shares.

The Ordinary and Extraordinary General Meeting of Castellana Shareholders held on 17 September 2019 agreed to increase the Company’s share capital in accordance with the terms and conditions detailed below (the “**Share Capital Increase**”).

Value of the issue and shares to be issued:

The General Meeting of Castellana Shareholders agreed to increase the Company's share capital by €7,485,029, with the issue and placement in circulation of 7,485,029 ordinary shares (the "**New Shares**"), each with a par value of one euro, in the same category and series as the shares currently in circulation, issued in the form of registered shares.

This share capital increase will be paid up through the use of non-monetary contributions, specifically, the shares to be issued to implement the share capital increase will be paid up by means of the offsetting of credits, a circumstance provided for in Article 301 of the consolidated text of the Spanish Capital Companies Act.

The value of the new shares has been calculated in accordance with the Company's net asset value or NAV (taking account of unrealised capital gains on assets) per share as of 31 March 2019 (the last value notified in the form of a SENS Announcement on 16 May 2019), which amounted to €6.68 per share.

To this end, it has been agreed to issue the shares at an issue price of SIX EUROS AND SIXTY-EIGHT CENTS (€6.68) per share (the "**Subscription Price**"), of which one euro (€) represents the par value of the share and five euros and sixty-eight cents (€5.68) represents the issue premium.

Share capital resulting from the operation

The Resulting value of Castellana's share capital will be EIGHTY-SIX MILLION TWO HUNDRED AND SEVENTY-ONE THOUSAND AND FORTY-SEVEN EUROS (€86,271,047), represented by EIGHTY-SIX MILLION TWO HUNDRED AND SEVENTY-ONE THOUSAND AND FORTY-SEVEN (86,271,047) shares, each with a par value of ONE EURO (€1).

Admission for trading:

The Company will request the admission of the new shares for trading on the understanding that, in the absence of any unforeseen circumstances, the new shares will be listed on the MAB once they have been recorded as registered shares with Iberclear, within the shortest possible time following publication of this Limited Share Capital Increase Document.

3.2 Description of the start date and the period for subscribing the newly issued shares with details, where applicable, of any preferential, additional and discretionary subscription periods, along with an indication of the provisions in place for an incomplete subscription of the share capital increase.

Not applicable.

3.3 Intention of the principal shareholders or members of the Board of Directors to subscribe to the share capital increase.

All the newly issued shares have been fully subscribed by Castellana's main shareholder. Vukile has subscribed a total of 7,485,029 shares in the share capital increase described in this document.

No one manager nor director has subscribed any shares in the current capital increase of the Company.

3.4 Main characteristics of the newly issued shares and their included rights, describing their types and the dates they will take effect

The legal rules for the Company's new shares are those envisaged under Spanish law, specifically Spanish Royal Legislative Decree 1/2010, of 2 July, which approved the consolidated text of the Spanish Corporate Enterprises Act [*RDL 1/2010, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*], Spanish Royal Legislative Decree 4/2015, of 23 October, approving the revised text of the Spanish Securities Market Act [*Ley del Mercado de Valores*], and Spanish Royal Legislative Decree 21/2017, of 29 December, on urgent measures to adapt European Union securities market rules to Spanish law [*Real Decreto Ley 21/2017, de medidas urgentes para la adaptación del derecho español a la normativa de la Unión Europea en materia del Mercado de Valores*].

The shares are nominative, and they are record as book entries and registered in the corresponding books of Iberclear (with registered address in Madrid, at Plaza de la Lealtad nº 1), and those of its authorised participants. The shares are denominated in euros.

All of the shares, including those issued for the capital increase, will be ordinary and they must grant their holders the same voting and dividend rights as the shares currently in circulation as of the date that the capital increase is declared subscribed and paid out.

3.5 If any, a description of any restrictions or conditions on the free transfer of shares compatible with trading on the AEM-REITs

Shares issued according to the capital increase can be free traded, without any kind of restrictions or conditions.

4 OTHER INFORMATION OF INTEREST

Not applicable

5 REGISTERED ADVISER AND OTHER EXPERTS OR ADVISERS

5.1 Information regarding the Registered Advisor, including possible relationships and connections with the Issuer

In accordance with the requirements in AEM Circular 2/2018, establishing the need for a Registered Advisor in the AEM listing process for the REIT segment, and its continuation while the Company is listed on the market, on 2 November 2017 the Company contracted Renta 4 Corporate, S.A. as the Registered Advisor for the admission process.

As a result of this appointment, from that date onwards Renta 4 Corporate, S.A. has been helping the Company to fulfil its obligations under Circular 16/2016.

Renta 4 Corporate, S.A. was authorised by the board of directors of the AEM as a Registered Advisor on 2 June 2008, as set out in AEM Circular 16/2016; it is included among the first 13 registered advisers approved by the market.

Renta 4 Corporate, S.A. belongs to Renta 4 Banco, S.A., which was incorporated indefinitely as Renta 4 Terrasa, S.A. by way of public deed executed on 16 May 2001, and it is currently registered at the Madrid Mercantile Registry in volume 21,918, page 11, section B, sheet M-390614, with tax identification number A62585849, and with registered address at Paseo de la Habana 74, Madrid. On 21 June 2005, it changed its company name to Renta 4 Planificación Empresarial, S.A., and once again changed its name on 1 June 2007 to its current name.

Renta 4 Corporate, S.A. will always act in carrying out its duties as Registered Advisor in accordance with the guidelines established in its Internal Code of Conduct.

In addition, Renta 4 Banco, S.A., which belongs to the same Group as Renta 4 Corporate, S.A., acts as an Agent and Liquidity Provider.

The Company and Renta 4 Banco, S.A. declare that, to date, there are no relationships or links between them beyond the one constituted by the appointment of the Registered Advisor and Liquidity Provider described above.

5.2 Statements or third-party expert opinions including any qualifications and, where appropriate, any relevant interests held by the third party in the Issuer

PricewaterhouseCoopers Auditores, S.L. with Identity Card B-79031290 and addressed in Paseo de la Castellana 259 B, 28046 Madrid, produced a special report about the non-monetary share capital increase, as an auditor, which was issued the 30th July 2019 (see Annex II).

5.3 Information regarding other advisers that have collaborated in the process of listing the newly issued shares on the AEM

Apart from the advisers mentioned in the other sections of this Abbreviated Capital Increase Document, the following entities have provided advisory services to Castellana in relation to the listing of its shares from the capital increase on the AEM.

- Ashurst L.L.P., with tax identification number N0066146B and registered address at Alcalá, 44, Madrid, provided legal advisory services.

**APPENDIX I Report issued by Board Directors of Castellana Properties SOCIMI,
S.A.**

APPENDIX II Report of Independent Expert related to the capital increase of Castellana Properties SOCIMI, S.A.

APPENDIX III Consolidated Financial Statements and Auditor's Report of Castellana Properties SOCIMI, S.A. for the period ended 31 March 2019.

APPENDIX IV Consolidated Interim six-months period Financial Statements joint to Auditor's Report of Castellana Properties SOCIMI, S.A. for the period ended 30 September 2019