

Castellana Properties SOCIMI, S.A.

Special Report on capital increase by offsetting credits, a case provided for in article 301 of the consolidated text of the Capital Companies Act



This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation or information, views or opinions, the original version of our report takes precedence over this translation.

Special Report on capital increase by offsetting credits, a case provided for in article 301 of the consolidated text of the Capital Companies Act

To the shareholders of Castellana Properties SOCIMI, S.A.:

For the purposes set forth in article 301 of the consolidated text of the Capital Companies Act, we issue this Special Report on the proposal to increase the share capital by 18,848,167 euros together with an issue premium of 125,151,833 euros by offsetting credits, made by the directors on June 4, 2026, which is presented in the attached accounting document. We have verified, in accordance with generally accepted auditing standards, the information prepared under the responsibility of the directors in the aforementioned document, regarding the credits intended for the capital increase and that at least 25% of them are liquid, due and payable, and that the maturity of the remaining ones is no greater than five years.

In our opinion, the attached document prepared by the directors provides adequate information regarding the credits to be offset to increase the share capital of Castellana Properties SOCIMI, S.A., which, at least 25%, are liquid, due and payable, and that the maturity of the remaining ones is not greater than five years.

This Special Report has been prepared solely for the purposes set forth in article 301 of the consolidated text of the Capital Companies Act and should not be used for any other purpose.

PricewaterhouseCoopers Auditores, S.L.

Original signed by

Rafael Pérez Guerra

15 de junio de 2026

www.pwc.es

PricewaterhouseCoopers Auditores, S.L.
Torre PwC, P.º de la Castellana 259 B, 28046
Madrid, España
Tel.: +34 915 684 400 / +34 902 021 111

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**INFORME DEL CONSEJO DE ADMINISTRACIÓN DE CASTELLANA PROPERTIES SOCIMI, S.A.
SOBRE EL AUMENTO DE CAPITAL POR COMPENSACIÓN DE CRÉDITOS**

**REPORT OF THE BOARD OF DIRECTORS OF "CASTELLANA PROPERTIES
SOCIMI, S.A." ON THE SHARE CAPITAL INCREASE BY MEANS OF A CREDITS OFF-
SET**

1. PURPOSE OF THIS REPORT

This report is drafted by the Board of Directors of CASTELLANA PROPERTIES SOCIMI, S.A. (the "**Company**") composed of Mr Laurence Gary Rapp, Mr Nigel George Payne, Mr Laurence Richard Cohen, Mr Michael John Potts, Ms Lucy Charlotte Lilley, Mr Jorge Morán Sánchez, Mr Guillermo Massó López, Mr Alfonso Brunet Morales-Arce, and Mrs Debora Santamaría Serrano, to explain the proposal regarding the share capital increase by means of a credits off-set, and the amendment to the article 6 of the Company's bylaws, which shall be subject to approval by the General Shareholders' Meeting in compliance with the provisions of article 301 et seq. of the revised text of the Spanish Companies' Act, approved by Royal Decree 1/2010, of 2 July (*Ley de Sociedades de Capital*) ("**Spanish Companies' Act**").

By virtue of the foregoing, the Board of Directors drafts and approves this report for the purpose of explaining and justifying the proposed share capital increase by means of a credits off-set and the corresponding amendment to the bylaws, including the resolutions' proposals and the complete text of the amendment to the bylaws.

2. DESCRIPTION AND EXPLANATION OF THE SHARE CAPITAL INCREASE PROPOSAL

2.1 Description of the share capital increase

It is proposed to the General Shareholders' Meeting to increase the Company's share capital by EIGHTEEN MILLION EIGHT HUNDRED FORTY-EIGHT THOUSAND ONE HUNDRED SIXTY-SEVEN EUROS (€18,848,167), the effective amount being ONE HUNDRED FORTY-FOUR EUROS (€144,000,000), which means an overall share premium of ONE HUNDRED TWENTY-FIVE MILLION ONE HUNDRED FIFTY-ONE THOUSAND EIGHT HUNDRED THIRTY-THREE EUROS (€125,151,833). This increase would be effected through the issuance of 18,848,167 new shares, cumulative and indivisible, of ONE EURO (€1) of nominal value each, with the same rights and obligations as the existing ones and with a share premium of 125,151,833/18,848,167 euros, that is, approximately 6.64 euros per share.

Notwithstanding the fact that the shares of the Company have a market price as of 28 May 2026 of €9.7 per share, the highest share price to date, the valuation described in the preceding paragraph is justified by the fact that the Board of Directors considers that the market value does not reflect the real value of the shares due to the limited daily fluctuation and volume of negotiated shares. Therefore, it should be noted that, the market price at the time of going public on the BME Growth was €6 per share, which has risen to its current value of €9.7 per share as a result of the purchase, on different dates and at different prices, of a very small percentage of the Company's total share capital. These purchases, due to the functioning of BME Growth and given the low liquidity of the shares, have an impact on the market price that does not correspond to the evolution of the current market value of the shares, which is much closer to the value taken as relevant for the purposes of this share capital increase, as explained below. Therefore, for consistency with the capital increases previously approved by the Company, and also with the valuation given by the parties to both the OTC and block trades in previous transactions, it is considered that the value of the Company's shares should be linked to the Company's EPRA NTA.

Consequently, the Board of Directors considers that it is not advisable to look only at the current listing price as an indicator of the share price. The Board considers that it is much more accurate with the actual valuation of the shares proposed to issue to take the net asset value (considering any latent capital gains on the assets) or EPRA NTA of the Company.

**INFORME DEL CONSEJO DE ADMINISTRACIÓN DE CASTELLANA PROPERTIES SOCIMI, S.A.
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In this regard, from the information provided to the Board of Directors, it is stated that the EPRA NTA per share at 31 March 2026 was €7.64 per share.

By virtue of the above, the Board of Directors considers that the value to be taken into account for the purposes of this share capital increase is the EPRA NTA per share, that is, €7.64 per share, which implies a share premium of 6.64 euros per share. For legal purposes, it is hereby recorded that the shares representing the share capital existing to date have been fully paid up.

Thus, by means of the proposed share capital increase, the Company's share capital will amount to ONE HUNDRED SIXTY-FIVE MILLION EIGHT HUNDRED SEVENTY-FIVE THOUSAND FOUR HUNDRED SEVENTEEN EUROS (€165,875,417), divided into 165,875,417 shares, of ONE EURO (€1) of nominal value each.

2.2 Subscription of the new shares

The shares to be issued would be fully subscribed by the shareholder Vukile Property Fund Limited, a public company duly incorporated and registered in accordance with the laws of South Africa, with registered office at 104 Oxford Rd, Houghton Estate, Johannesburg 2198, and registered with the Commercial Registry under number 2002/027194/06 and with Spanish tax identification number N-3.881.057-H ("**Vukile**").

2.3 Report of the credits to off-set

The credits whose capitalisation would constitute the exchange value of the proposed share capital increase, result from:

- (a) The loan entered into on 21 January 2026 between Vukile, as lender, and the Company, as borrower, for an amount of €44,000,000 and maturing on 26 April 2026, in order to enable the Company to meet various cash requirements, including the financing of certain acquisitions and activities of the Company.
- (b) The loan entered into on 16 February 2026 (as amended on 29 May 2026) between Vukile, as lender, and the Company, as borrower, for an amount of €80,000,000 and maturing on 29 May 2026, in order to enable the Company to meet various cash requirements, including the financing of certain acquisitions and activities of the Company. The Company has repaid €10,000,000 of this loan, meaning that the amount being capitalised is €70,000,000.
- (c) The loan entered into on 16 February 2026 (as amended on 29 May 2026) between Vukile, as lender, and the Company, as borrower, for an amount of €30,000,000 and maturing on 29 May 2026, in order to enable the Company to meet various cash requirements, including the financing of certain acquisitions and activities of the Company.

The total balance of the loans, i.e. €144,000,000, has been declared by mutual agreement to be due and payable. It is noted that the accrued interests on the loans have been paid by the Company to Vukile.

Additionally, there would be no pre-emptive subscription right since this is a share capital increase that would be executed by means of a credits off-set.

The new shares which would be issued in consideration of the compensation of the credits would be represented by book-entries whose accounting records would correspond to Sociedad de Gestión de Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear).

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2.4 Correspondence with accounting

Pursuant to the provisions of article 301.2 of the Spanish Companies' Act, it is expressly stated that the data relating to the credits described above is consistent with the Company's accounts.

3. JUSTIFICATION OF THE PROPOSAL

The proposed share capital increase by means of a credits off-set is considered convenient for the Company since it entails settling, for the most part, the liability resulting from the financing provided by the shareholder Vukile for the investment in the abovementioned company, therefore reducing the Company's bank financing needs, with the immediate improvement of cash flow situation by eliminating the obligation to repay such loans, and by increasing, simultaneously, the solvency of the Company. Additionally, this way the Company would reduce its liabilities and strengthen its equity to improve its debt to equity ratio, so that its equity structure would be more solid.

4. PROPOSAL OF AMENDMENT TO THE BYLAWS

As a result of the aforementioned share capital increase, and once it has been formalised, as the case may be, it is proposed the following wording of article 6 of the bylaws:

"Article 6. Share Capital.

The share capital of the Company is €165,875,417, fully subscribed and paid up, represented by 165,875,417 ordinary shares with voting rights, of a single class and series, of EUR 1 of nominal value each."

In Madrid, on 4 June 2026.

[Signatures on record]