CASTELLANA PROPERTIES

FY2022

APRIL 2021 - MARCH 2022

PRE-CLOSE PRESENTATION

ECONOMIC UPDATE: SPAIN

CASTELLANA PROPERTIES

GDP & INFLATION

- Latest forecast from Bank of Spain estimates 2021 to close at +4.5%, after a -10.8% GDP decline registered in 2020. **Growth is expected to accelerate by +5.4% in 2022 and by +3.9% in 2023.** However, tensions coming from Ukraine are making it very challenging for analysts to predict economic outlook
- **Electricity and gasoline prices,** amongst other commodities such as corn, barley or wheat, reached maximum historical levels, raising **concerns around inflation** and a slower economic recovery than expected from the pandemic
- **Significantly higher energy prices** could restrict consumers discretionary income available for non-primary purchases such as leisure and travelling. Thus, EU and national governments are trying to interfere in energy prices to cut back **inflation, which stood at +6.5% in 2021 and reached +7.6% in February 2022**

LABOR MARKET

- The labor market recovered in 2021 to pre-pandemic levels and with **record employment figures, not seen since the beginning of the GFC**
- Last year, 840,600 jobs were created, the highest figure since 2005. Unemployment fell by 616,000 people to c. 3 million, leaving the **unemployment rate at c. 13%.** Total number of workers reached c. 20 million.

TOURISM

- In 2021, Spain received **c.31 million tourists,** representing a +65% increase compared to c. 19 million in 2020, but still far away from record visits of c. 83 million registered in 2019.
- **Successful vaccination campaign together with the Covid-19 passport have improved tourism visits significantly.** Thus, figures continue to improve in Q1 2022 as Spain received c. 2.5 million international tourists in January 2022, compared to 437,973 in the same month of 2021.

Source: BBVA, EL PAIS, European Commission, Funcas

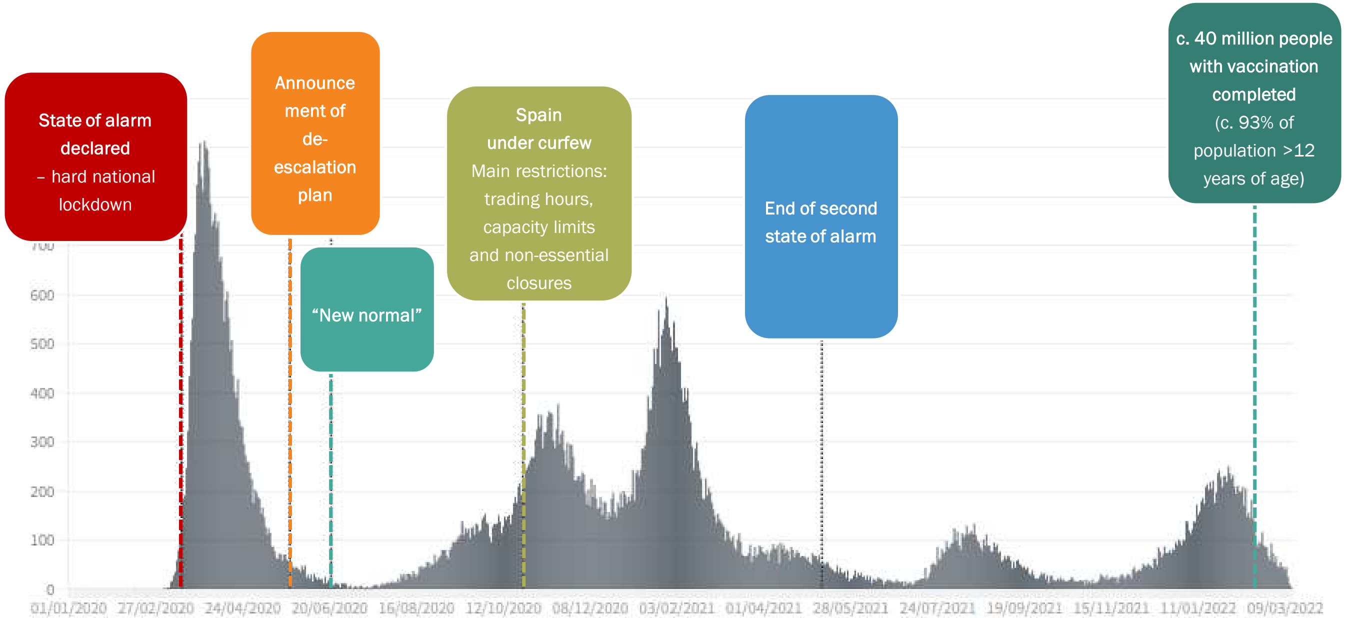
C. 93% OF POPULATION > 12 YEARS OF AGE COMPLETELY VACCINATED

KPIs

Complete Vaccination
c. 40 million
people

% completely vaccinated > 12 years of age
c. 93%

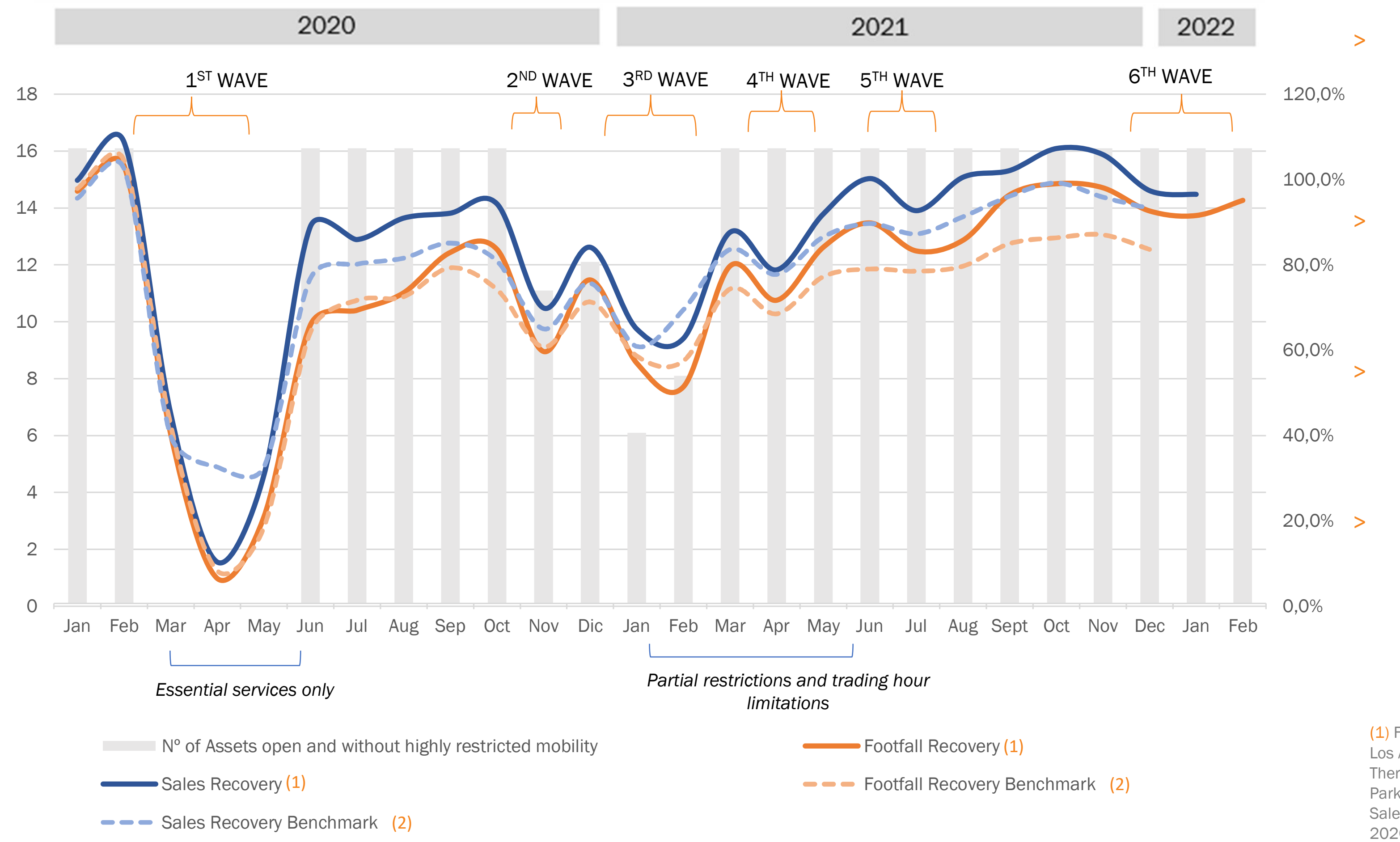
Evolution of deaths



With c. 40 million people fully vaccinated, vaccination campaign in Spain has successfully beaten all expectations, which has turned into less pressure in hospitals and less number of deaths. After the sixth wave that ended beginning of March 2022, most people have taken the third doses of the vaccine and are in a "back to normal" mood, with all activities open to general public.

Source: Ministry of Health, Government of Spain. https://www.rtve.es/noticias/coronavirus-graficos-mapas-datos-covid-19-espana-mundo/

FOOTFALL & SALES



> **Footfall** has started the year 2022 following the positive trend started a year ago. Although we are still bellow 2019 numbers, we have recovered the 95% level in January and February.

> El Faro (+10.9%), Bahia Sur (+3.4%), Puerta Europa (+2.7%) and Habaneras (+1.8%) have started the year 2022 overcoming 2019 numbers.

> **Sales** continue performing better than footfall and have recovered to 96.5% during the first month of 2022. We will close the FY22 reaching 96% of FY20 numbers.

> The message in both Sales and Footfall is clear, COVID19 impact is lower and lower with every new covid wave arising. The portfolio has shown robust and well balanced thanks to the dominant and relevant character of the assets.

(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 .

OPERATING ACTIVITY

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OCCUPANCY RATE 98.4%(2) HUGE EFFORT OF THE TEAM ON CLOSING NEW AGREEMENTS WHILE KEEPING KEY TENATS.

145 LEASES SIGNED

43 RENEWALS	102 NEW CONTRACTS

€8.3m NEW RENT SIGNED

€2.5m RENEWALS	€5.8m NEW CONTRACTS

32,717 sqm GLA SIGNED

3,688 sqm RENEWALS	29,029 sqm NEW CONTRACTS

3.18% AV. RENT INCREASE(1)

1.55% RENEWALS	4.56% NEW CONTRACTS

KEY KPI´S YTD 28th February 2022

OCCUPANCY: PORTFOLIO FULLY LET

28 FEBRUARY 2022	98.4%
31 AUGUST 2021	97.1%

RENT ARREARS: REDUCED SIGNIFICANTLY IN 6 MONTHS

28 FEBRUARY 2022	1.6%
31 AUGUST 2021	4.9%

RENT COLLECTION: CLOSE TO 100%

28 FEBRUARY 2022	98.9%
31 AUGUST 2021	95.1%

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

(2) Period reported from 1st April 2021 to 28th February 2022

TRADING ENVIROMENT

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- Although sales and footfall have improved a lot over the last few months, 2019 is still the year to surpass. Most of our centres have made a good start in the year, special mention goes to Habaneras, which closed 2021 at 74.6% of 2019 level, and is overcoming the first months of 2019 in 2022 with +1.8%.

- Leisure (-18.6%), F&B (-17.6%) and Fashion and Accessories (-15.3%) continue as the most affected activities.

- Outstanding work done by the team reducing the arrears to 1.6% (4.9% in SEPT'21) and increasing occupation to 98.4% (97.1% in SEPT'21).

- Retailers are back to expansion mode, confirming the relevance of the physical space to increase sales. New brands such as PEPCO, KIK, SUSHI SOM and ACTION are entering the Spanish retail market and mots of them are choosing our centres as a place to do it.

- PRIMARK finally opened in Bahia Sur making it the reference, even more, in the Cadiz province.





ACHIEVEMENTS OVER PAST 12 MONTHS

CASTELLANA PROPERTIES SIGNS €185 MILLION 7-YEAR FINANCING AGREEMENT

- Castellana Properties has signed a €185 million financing agreement with Aareal Bank A.G. and including Banco Santander in the financing
- Refinancing of the retail park portfolio and Habaneras Shopping Centre, as well as the financing of phase two of the Pinatar Park retail park
- This agreement is a clear sign of the confidence credit institutions have in Castellana Properties and places the company’s average debt maturity at 5 years

CASTELLANA PROPERTIES ACQUIRES 21.7% OF LAR ESPAÑA REAL ESTATE

- Following an impressive performance in 2021 and having recovered operationally to pre-pandemic levels, Castellana Properties resumed its investment programme with the acquisition of a 21.7% stake in Lar España Real Estate
- Castellana Properties becomes the largest shareholder in Lar España Real Estate, a leading Spanish REIT owning high quality retail assets with a GAV in excess of €1.4bn
- Closed at a c. 48% discount to Lar España’s EPRA NTA, the transaction represents an attractive financial investment, combining a high dividend yield with long-term capital appreciation potential
- The acquisition is consistent with Castellana Properties´ aspiration to become the leading permanent capital platform in the Spanish retail real estate industry. Both companies are strategically aligned, with a common focus on retail real estate excellence and with highly complementary portfolios

FITCH ASSIGNS CASTELLANA FIRST-TIME IDR 'BBB-'; OUTLOOK STABLE

- Castellana Properties has obtained a BBB- Investment Grade long-term rating with a stable outlook! Fitch, a renowned international rating agency, has positively assessed not only our stability, active management and the quality of our portfolio, but also the increase in rents and the improvement in cash flow, among others
- From our listing on the BME Growth in July 2018 until the present, including an outstanding recovery after the pandemic, this rating ratifies our excellent management and our position as one of the best performing companies in the Real Estate sector

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