



FY24

Pre-close presentation  
26 March 2024

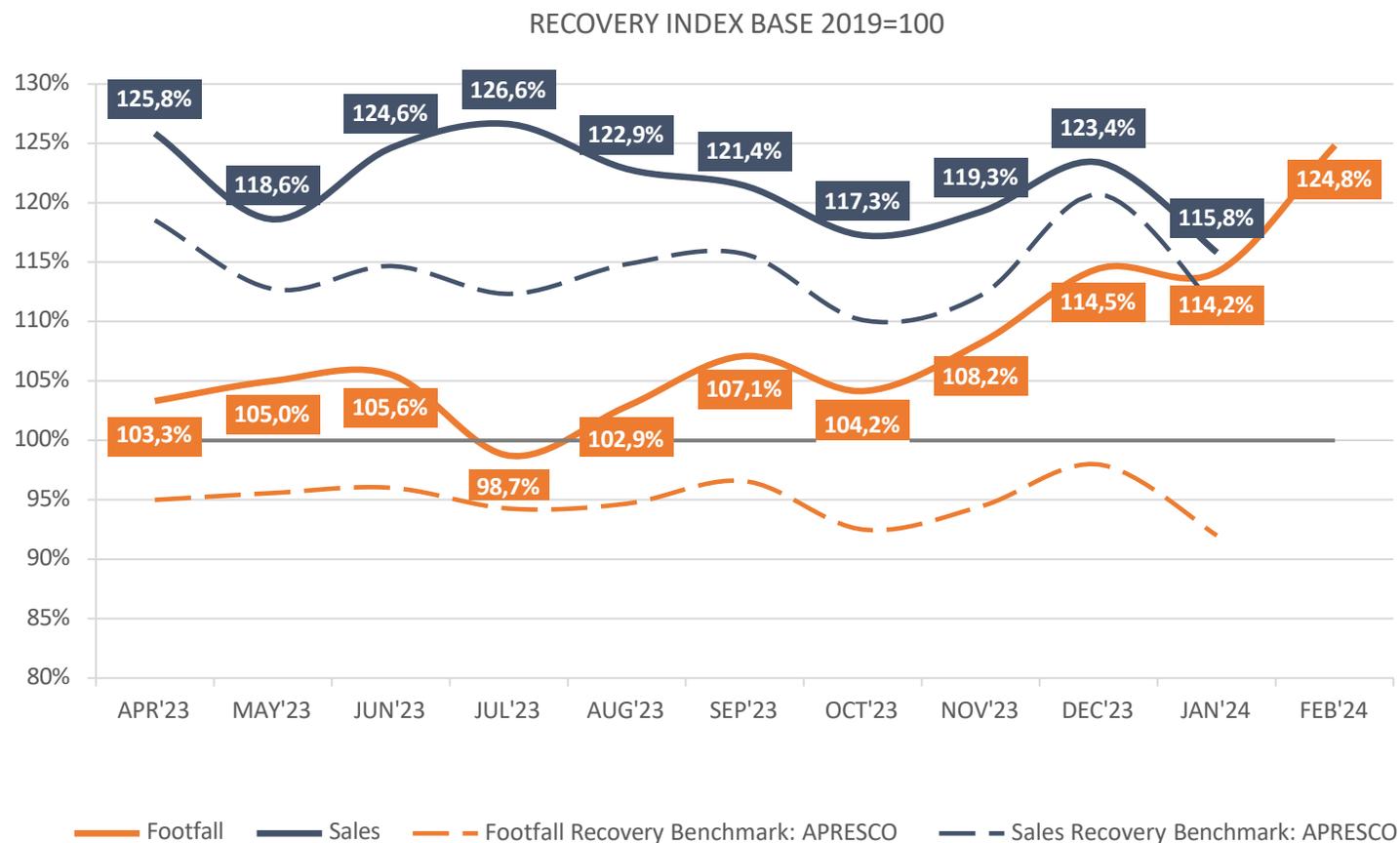
## TRADING ENVIRONMENT

### SPAIN'S ECONOMY HAS SHOWN RESILIENCE IN THE FACE OF SIGNIFICANT CHALLENGES, WITH GRADUAL IMPROVEMENTS ACROSS KEY ECONOMIC INDICATORS

- After a solid year, with a growth rate of 2.5% in 2023, **GDP is expected to keep growing at a more moderate pace** (at 1.9%) in 2024 and remaining relatively stable in subsequent years (ranging from 1.7% to 1.9%) – delivering some of the best growth compared to other economies in the EU.
- **Inflation is expected to decelerate gradually over the next three years**, from an average of 3.4% in 2023 to 2.2% in 2024, 1.9% in 2025 and 1.8% in 2026, which should trigger cuts in interest rates and subsequently improve yields in the sector in time.
- **As of 2023, Spain's unemployment rate was reported at 12.1%**. The Bank of Spain expects the same trend in the coming years, estimated to be at 11% by 2026.
- **Household consumption is projected to continue growing**, albeit at a moderate pace (CaixaBank Research: 1.9% / BBVA Research: 1.7% in 2024), reflecting continued consumer confidence and spending.
- The number of **international tourists visiting Spain in 2023 exceeded 85 million** which is 18.7% more than in 2022 and 1.9% above 2019 (the pre-pandemic reference year). In addition, **Spain has broken tourism spending records, with €108.7million**, 24.7% more than in 2022 and 18.2% higher than in 2019. Each tourist spent an average of €1,278 (spent per day: €175), 5.1% more than last year and 16.1% more than in 2019. **The average stay also increased to 7.3 days** which is a very important parameter in measuring tourism satisfaction.

# FOOTFALL AND SALES

## SALES AND FOOTFALL ACHIEVE RECORD LEVELS



Remarkable footfall and sales growth surpassing metrics achieved last year, which was already beyond the portfolio record set in 2019.

### FOOTFALL:

- Castellana’s total portfolio reached a record of **44.8 million visits in 2023**, representing an increase of **6.4% compared to 2022**.
- For the current financial year, we have increased the number of visits **by 5.1%**, from April 2023 to February 2024, compared to the same period last year.

### SALES:

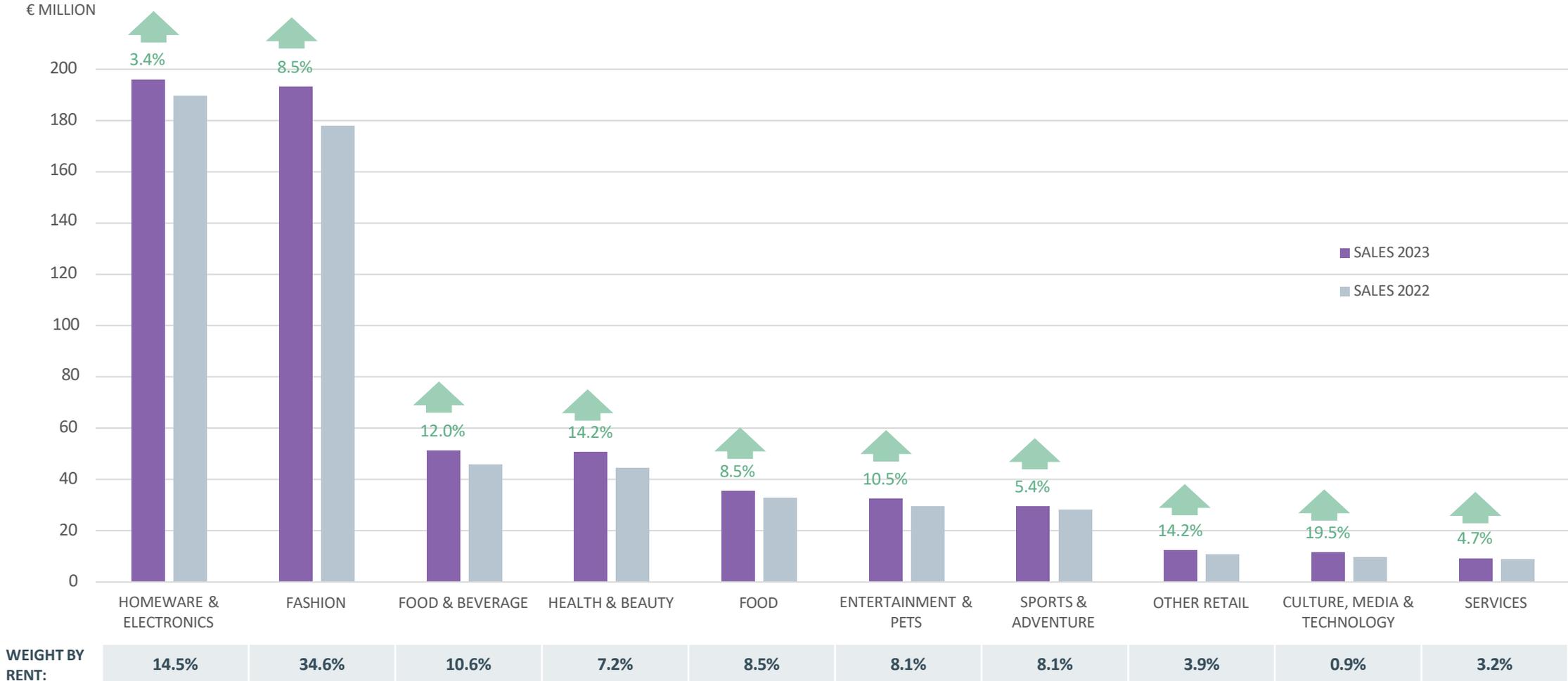
- Tenant sales have grown **by 6.3%** from April 2023 to January 2024, in comparison with the same period last year.
- In 2023 tenant sales growth totalled **7.7%** compared to 2022. By asset type, 2023 sales in our Shopping Centres surpassed 2022 sales by 9.5% and 3.6% in Retail Parks.

(1) Footfall data includes the following shopping centres: El Faro, Bahía Sur, Los Arcos, Vallsur, Habaneras, Puerta Europa, Granaita. There are no counters in the rest of the retail park assets. Granaita counts only cars, so we have estimated 2 people on average per car. Sales data includes all retail assets.

(2) Benchmark: APRESCO (Retail spaces owners association)

# SALES PERFORMANCE PER TENANT CATEGORY

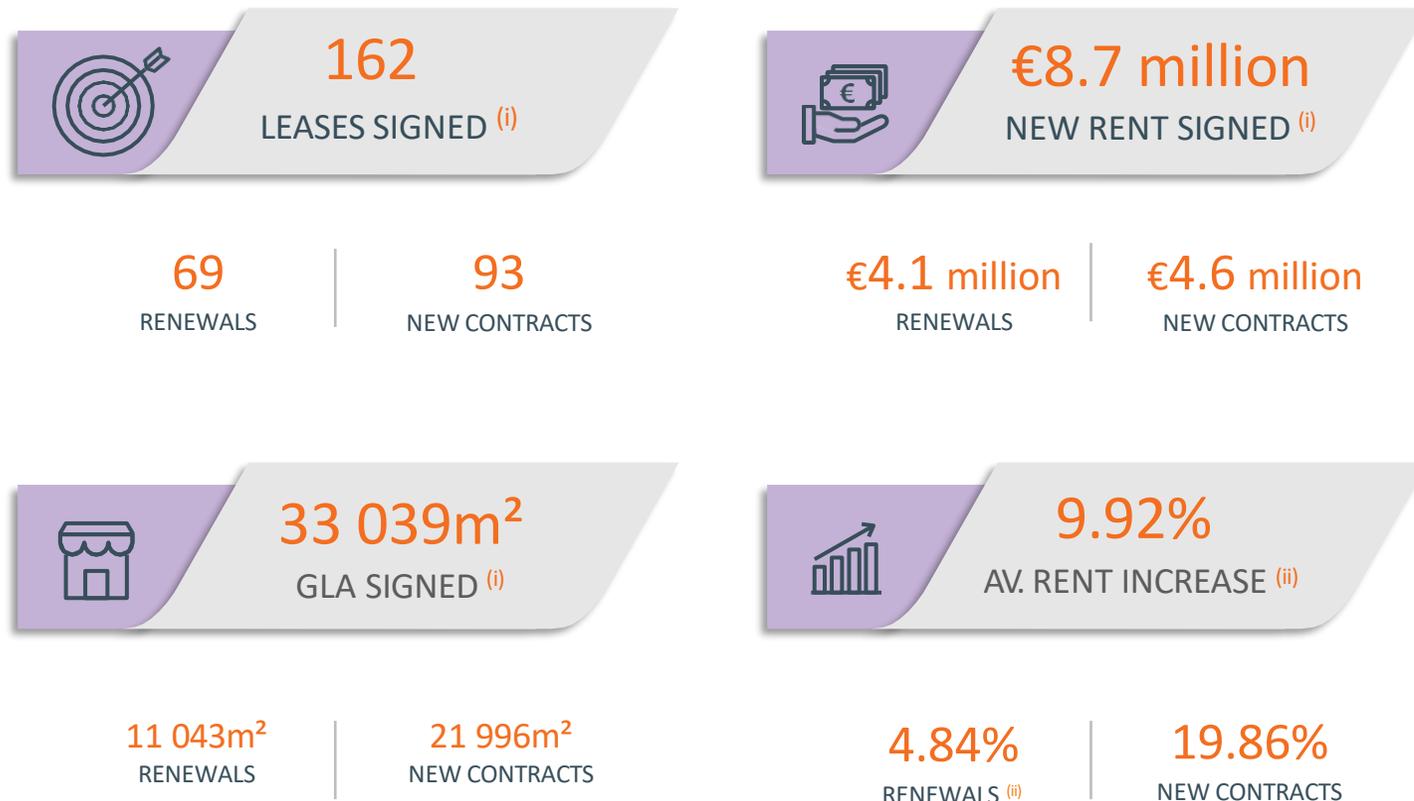
EXCEPTIONAL GROWTH IN ALL CATEGORIES, OUTPACING THE RECORD FIGURES ACHIEVED IN FY23



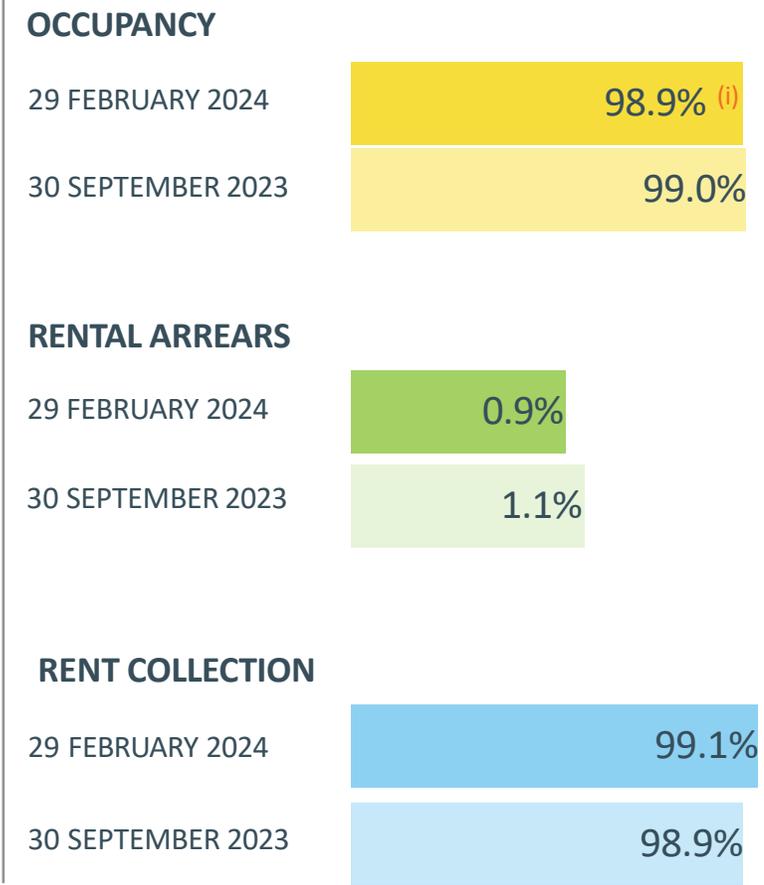
(1) Adjustments done in some categories to follow the benchmark criteria

# OPERATING METRICS

HIGHEST OCCUPANCY AND COLLECTION RATES IN THE MARKET



## KEY KPI'S YTD AT 29 FEBRUARY 2024



<sup>(i)</sup> Period reported from 1<sup>st</sup> April 2023 to 29<sup>th</sup> February 2024  
<sup>(ii)</sup> Considering operations with existing passing rent as renewals, relocations and replacements  
<sup>(iii)</sup> Excludes CPI increases which are applied on indexation date mainly in the month of January. On average we will apply an indexation rate of 2.9% during 2024

# VALUE-ADDED PROJECT – VALLSUR REPOSITIONING

## TRANSFORMATIVE PROJECT EXCEEDING INITIAL EXPECTATIONS, POSITIONING VALLSUR AS AN F&B AND LEISURE REFERENCE IN TOWN



- Impressive performance of La Chismería after three months of its opening last December. The new food court is fully let and trading very well, achieving 2019 footfall figures and increasing the average dwell time of Vallsur by 7%.
- All restaurants in La Chismería are selling above their projections. Restaurants located on the second floor have also increased their sales, extending the positive impact of the project to the rest of the shopping centre.
- Progressing well on Phase II with negotiations at an advanced stage with Alvaro Moreno (1,012 m<sup>2</sup>) and Fifty Factory (684 m<sup>2</sup>) as main anchors.



# VALUE-ADDED PROJECT – EL FARO HIPERCOR

## HIGHLY ACCRETIVE PROJECT REINFORCING ITS REGIONAL DOMINANCE



**€2.5m**  
ADDITIONAL NOI GENERATED

**€22.4m**  
CAPEX

**11.1%**  
YIELD

**17 800m<sup>2</sup>**  
GLA AFFECTED



# LAR ESPAÑA



## IN FY23 INVESTMENT DELIVERED C. 15% DIVIDEND YIELD ON OUR AVERAGE IN-PRICE

- Lar España has published a good set of results for FY 2023, delivering a **total dividend of €66.2million or €0.79 p.s.** Castellana is expected to receive a dividend of **c. €19million** as a c. 29% shareholder, resulting in a running **dividend yield of c. 15%**.
- Out of the €66.2m dividend, **c. €58.7million was ordinary** and **c. €7.5m came from extraordinary results** from the sale of Vistahermosa and Rivas Futura retail parks for €129.1million at a net yield of c. 6.3%.
- In line with our consistently guided and applied methodology the **impact of the dividend** will be evident in the **FY25 numbers**.
- Operationally, Lar España portfolio performed well in FY 2023 with **sales and footfall increasing by 8% and +3.7% respectively** compared to FY 2022. Generally, all operational metrics were good, and above benchmarks.
- The strong performance of the share has cemented the acquisition of the shares of Lar España as an **excellent and high performing investment** by Castellana. Current **share price reflects a c. 30% increase in excess of our in-price**, although still at a Large discount of c. 40% to EPRA NTA.
- **Strong balance sheet and cash proceeds from asset disposals position Lar España well to exploit growth opportunities.**





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