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Centre of Growth

BUILDING COMMUNITIES, GROWING VALUE.

FY24

Pre-Close Presentation 26 March 2024

AGENDA

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01 INTRODUCTION

Laurence Rapp

ANOTHER CONSISTENTLY STRONG SET OF RESULTS AHEAD OF GUIDANCE

- The combination of the defensive nature of the South African portfolio and tenant mix, dominance of our assets and active asset management activities continues to deliver excellent results notwithstanding the sluggish local economy.
- The Castellana portfolio continues to lead in the Spanish market in operating performance metrics with the impact of our asset management interventions delivering great returns together with our investment in Lar España.
- An active pipeline of deal opportunities but remaining very disciplined in capital allocation to ensure we only do deals that are strategically aligned and financially accretive.
- Strong support in the local debt capital market and the equity market as evidenced by our recent R1bn equity capital raise. Money earmarked for accretive acquisitions and hope to have it deployed by end September 2024 at the latest.

02 SOUTH AFRICAN RETAIL PORTFOLIO

Itumeleng Mothibeli

RETAIL PORTFOLIO OVERVIEW

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CONTINUED STRONG OPERATING RESULTS

- The portfolio continues to exhibit steady growth in **NOI** at **5.4%**
- Continued traction on strategic leasing initiatives resulting in a decline in retail vacancies to **1.9%** from 2.0%
  - **Retail vacancy** (excluding retail offices) down to **1.2%** from 1.4%
    - Continue to experience **strong demand** for space **across all segments**
    - **Rural** and **value centres** effectively fully let at **0.3%** and **0.8%** from 0.8% and 1.1% in FY23
    - **Urban** vacancies improved to **1.2%** from 1.8% in FY23
    - **Commuter** and **township** retail vacancy marginally increased to **2.6%** and **1.5%** from 2.5% and 1.2%
- **Rental reversionary cycle** continues to improve, now at **+2.6%** from +2.4%, with **86%** flat or positive
    - 370 leases **(77% of GLA renewed)** increased by **+5.1%**
- **Footfall** trending at **101%** higher than FY23 levels
- Strong **collection** rate of **99%**
- **WALE** of **3.5 years**, recent transactions **4.4 years**
- Trading densities increased by 2.6%, slowing from 6.2%, albeit all segments continue to grow
    - Geographical divergence in performance, Western Cape up 17.4%, Gauteng 3.7% and KwaZulu-Natal -3.8%

	FEB 2024	SEP 2023	MAR 2023
Vacancies GLA	1.9%	2.0%	2.0%
Tenant retention	94%	95%	93%
Reversions	2.6%	2.4%	2.3%
Base Rentals R/m² Stable portfolio	170.24	166.62	162.99
Contractual escalations	6.3%	6.3%	6.3%
WALE GLA	3.5 years	3.2 years	3.2 years

	FEB 2024	SEP 2023	MAR 2023
Like-for-like NOI growth	5.4%	5.1%	5.4%
Rent collection rate	99%	100%	100%
Rent-to-sales ratio	6.0%	6.1%	6.1%
Annualised growth in trading densities	2.6%	3.5%	6.2%
Average annual trading density R/m²	34 595	33 472	32 579
Footfall	101%	106%	106%

RETAIL CATEGORY PERFORMANCE

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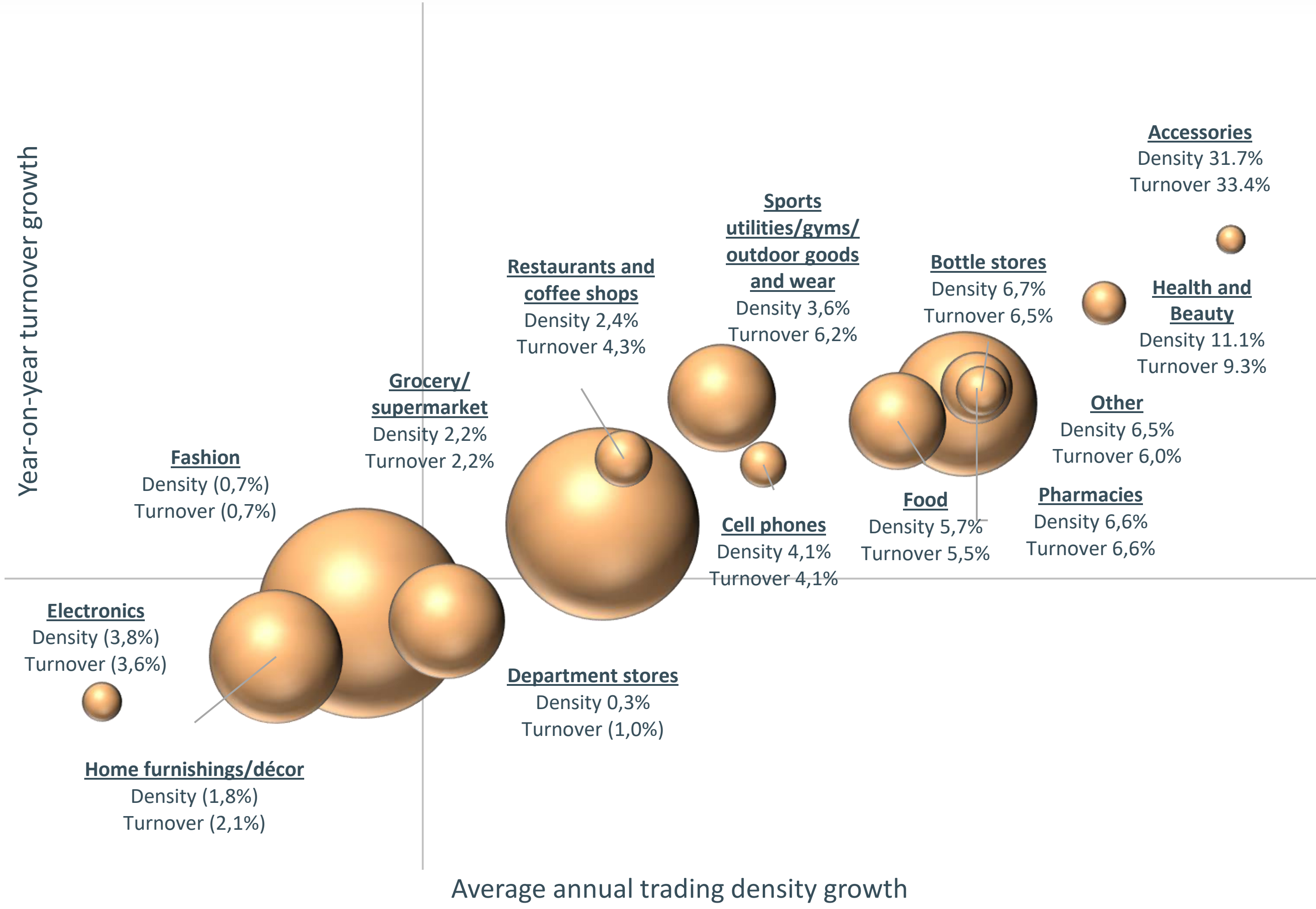
TRADING DENSITIES GREW BY 2.6%* WITH ANNUAL TURNOVER GROWTH OF 2.5%

- The portfolio delivered **trading density growth** of **2.6%**
  - **KwaZulu-Natal** trade (17% GLA / 23% of rental) significantly impacting performance
  - Strong **prior trade** in KwaZulu-Natal **(+14.7%),** down this year **(-3.8%)**
  - Strong **upswing in FY23** was mainly due to **competitor malls not trading** post July 2021
  - Excluding KwaZulu-Natal portfolio, growth is **4.2%**, with asset management interventions **7.0%**
- All main segments showed trading density growth, with township ahead on **5.7%**
- **10 out of 14 categories showing growth** on both turnover and trading densities
- **Accessories**(+31.7%), **health and beauty** (+11.1%), **bottle stores** (+6.7%) and **pharmacies** (+6.6%) delivered **strong** and **sustained growth**
- The **fashion** category (23% of GLA), showed trading density decline of **0.7%** (FY23 4.6%), a sign of a consumer under pressure, particularly in KwaZulu-Natal



* Trading densities measured on a 24-month like-for-like basis

RETAIL PORTFOLIO PERFORMANCE AND TRADING ENVIRONMENT

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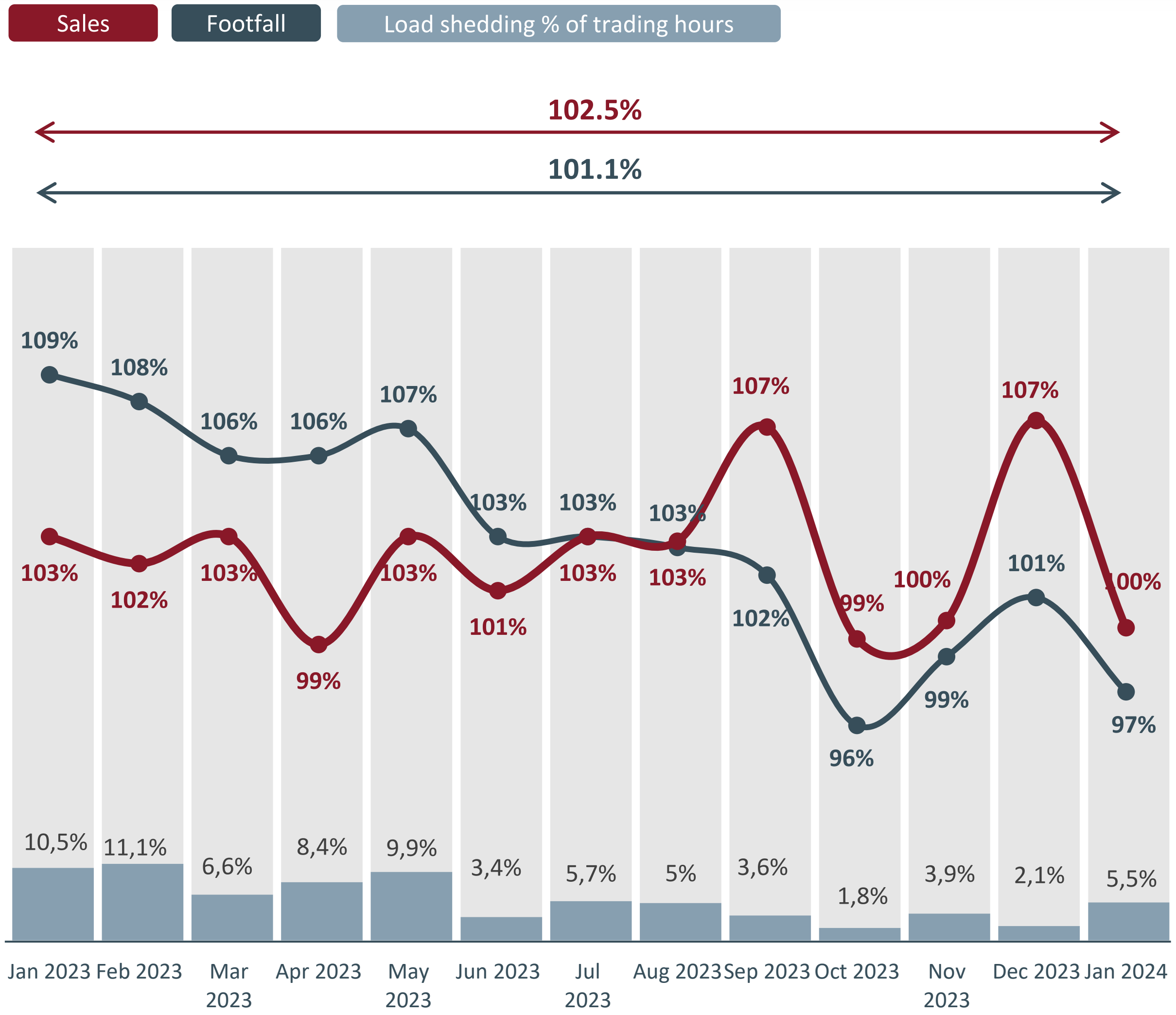
CONTINUED STRONG SPEND PER HEAD ACROSS THE PORTFOLIO

- Portfolio **trading density growth** of **2.6%**, with growth in four of the five segments (township +5.7%, urban +2.0%, value centres +2.0%, rural +1.5% and commuter -2.1%)
- **Township** and **urban centres** show year-on-year growth in both sales **(+6.1%** and **+1.3%)** and footfall **(+1.8%** and **+4.9%)**
- **Footfall** has increased by **1.1%** compared to January 2023
  - Urban 4.9%, commuter 2.0%, township 1.8% and rural -3.7%
- Assets in **Gauteng, Western Cape, Eastern Cape** and **North West** performed exceptionally well at an aggregated trading **density** growth of **5.5%**, **sales** growth of **5.3%** and **footfall** growth of **5.6%**
- Year-on-year portfolio **sales increased by 2.5%** and continue to grow across all major categories



KEY TENANT REVIEW

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PICK N PAY EXPOSURE

- Overall Pick n Pay exposure limited to **6.2% of total rent**, with **4.4%** (71%) exposed to the **lower LSM, budget brands**, Pick n Pay **QualiSave** and **Boxer.**
- Pick n Pay **grocer** exposure, **1.3% of total rent**, limited to **three** stores at Kolonnade Retail Park, Springs Mall and Pietermaritzburg Victoria Centre.

Recent engagements

- In recent discussions, Pick n Pay is exploring **driving efficiencies** with regards to underperforming, oversized stores as well as ensuring **optimum brand choice** is selected for respective markets, **as is standard practise with all retailers.**
- They have indicated a desire to convert Pine Crest (**19 years WALE**) and Nonesi (**8.5 years WALE**) from the QualiSave brand to Boxer and a potential downsizing of the Kollonade Pick n Pay Hyper (**8 years WALE**)
- We are fully supportive of the **strategy**, as the proposal will result in **stronger mall trade.**
- All deals will be done at Vukile's election, subject to **acceptable commercial terms** as they're currently in contract, but in line with our values of driving strong partnerships will look to promote a strong and sustainable value chain.

	Number of stores	% of portfolio rent		
Total	39	6.2%		
Pick n Pay QualiSave	13	3.6%	25	4.4%
Pick n Pay QualiSave Liquor	9	0.3%		
Boxer	2	0.5%		
Boxer Liquors	1	0.04%		
Pick n Pay	3	1.3%		
Pick n Pay Liquor	3	0.1%		
Pick n Pay Clothing	8	0.4%		

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03 CASTELLANA PROPERTIES PORTFOLIO

Alfonso Brunet

TRADING ENVIRONMENT

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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.

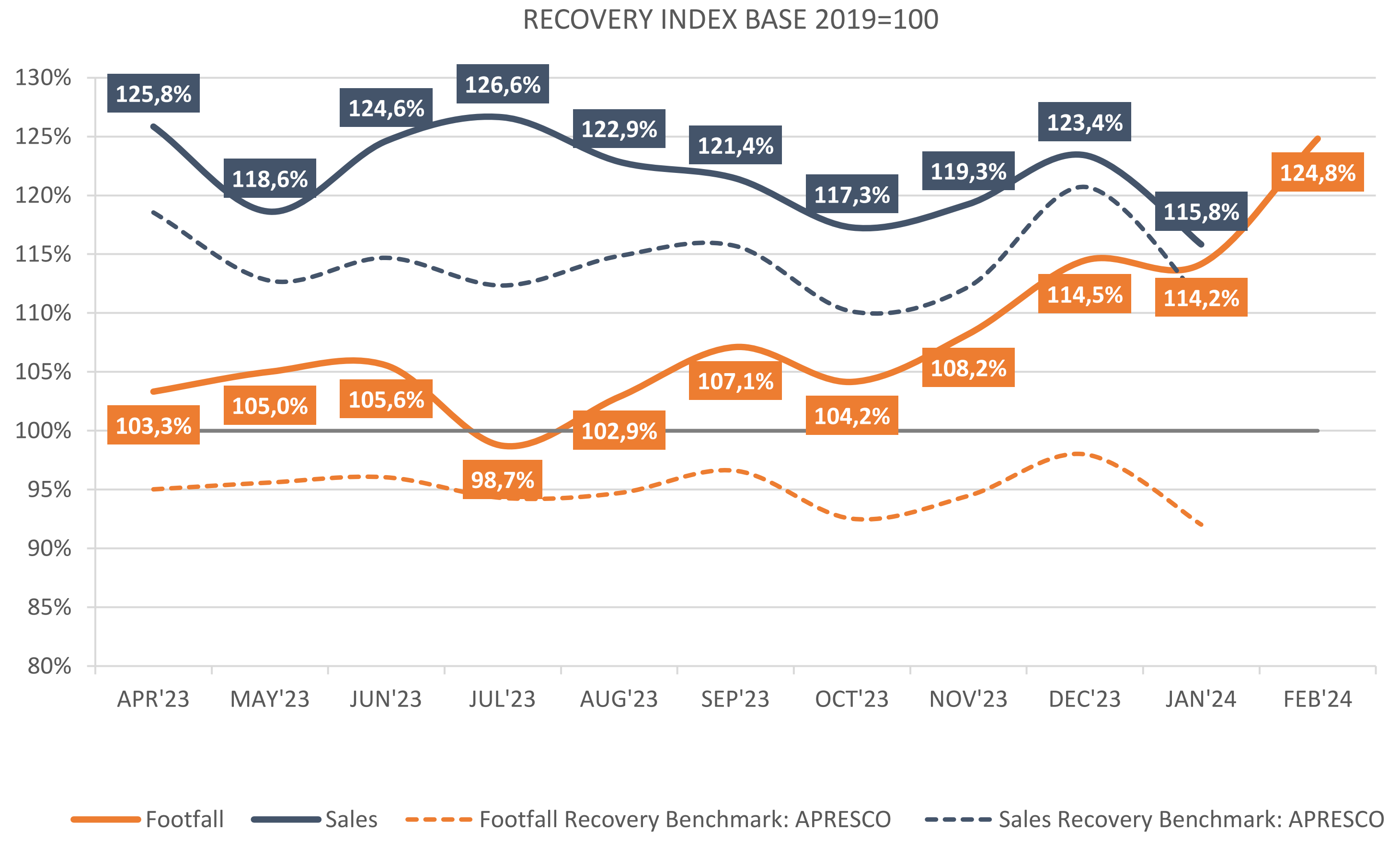
- **Household consumption is projected to continue growing**, albeit at a moderate pace (CaixaBank Research: 1.9% / BBVA Research: 1.7% in 2024), reflecting continued consumer confidence and spending.

- 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.

Source: Funcas, Bank of Spain, CaixaBank Research, BBVA Research, ECB, INE

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

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

WEIGHT BY RENT:	**14.5%**	**34.6%**	**10.6%**	**7.2%**	**8.5%**	**8.1%**	**8.1%**	**3.9%**	**0.9%**	**3.2%**

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

OPERATING METRICS

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HIGHEST OCCUPANCY AND COLLECTION RATES IN THE MARKET

162
LEASES SIGNED (i)

69	93
RENEWALS	NEW CONTRACTS

€8.7 million
NEW RENT SIGNED (i)

€4.1 million	€4.6 million
RENEWALS	NEW CONTRACTS

33 039m²
GLA SIGNED (i)

11 043m²	21 996m²
RENEWALS	NEW CONTRACTS

9.92%
AV. RENT INCREASE (ii)

4.84%	19.86%
RENEWALS (ii)	NEW CONTRACTS

KEY KPI'S YTD AT 29 FEBRUARY 2024

OCCUPANCY

29 FEBRUARY 2024	98.9% (i)
30 SEPTEMBER 2023	99.0%

RENTAL ARREARS

29 FEBRUARY 2024	0.9%
30 SEPTEMBER 2023	1.1%

RENT COLLECTION

29 FEBRUARY 2024	99.1%
30 SEPTEMBER 2023	98.9%

(i) Period reported from 1st April 2023 to 29th February 2024
(ii) Considering operations with existing passing rent as renewals, relocations and replacements
(iii) 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

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

POMODORO PIZZA PASTA BURRITOS

REYNA ISTANBUL The best kebap in town

SANTAGLORIA Coffee & Bakery

ozone Bowling

Popeyes

VIPS

SUSHI SOM

padthaiwok

pause&play

PEPE TACO TACOS & BIRRAS

URBAN POKE

- 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 m²) and Fifty Factory (684 m²) as main anchors.

la CHISMERÍA vallsur

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 800m²
GLA AFFECTED

CURRENT	APR 2024	MAY/JUNE 2024	Q4 2024
WORKS LICENCE REQUESTED AND SOME MINOR WORK ONGOING	WORKS LICENCE GRANTED	HANDOVER OF UNITS TO TENANTS	OPENING OF THE NEW UNITS

LAR ESPAÑA

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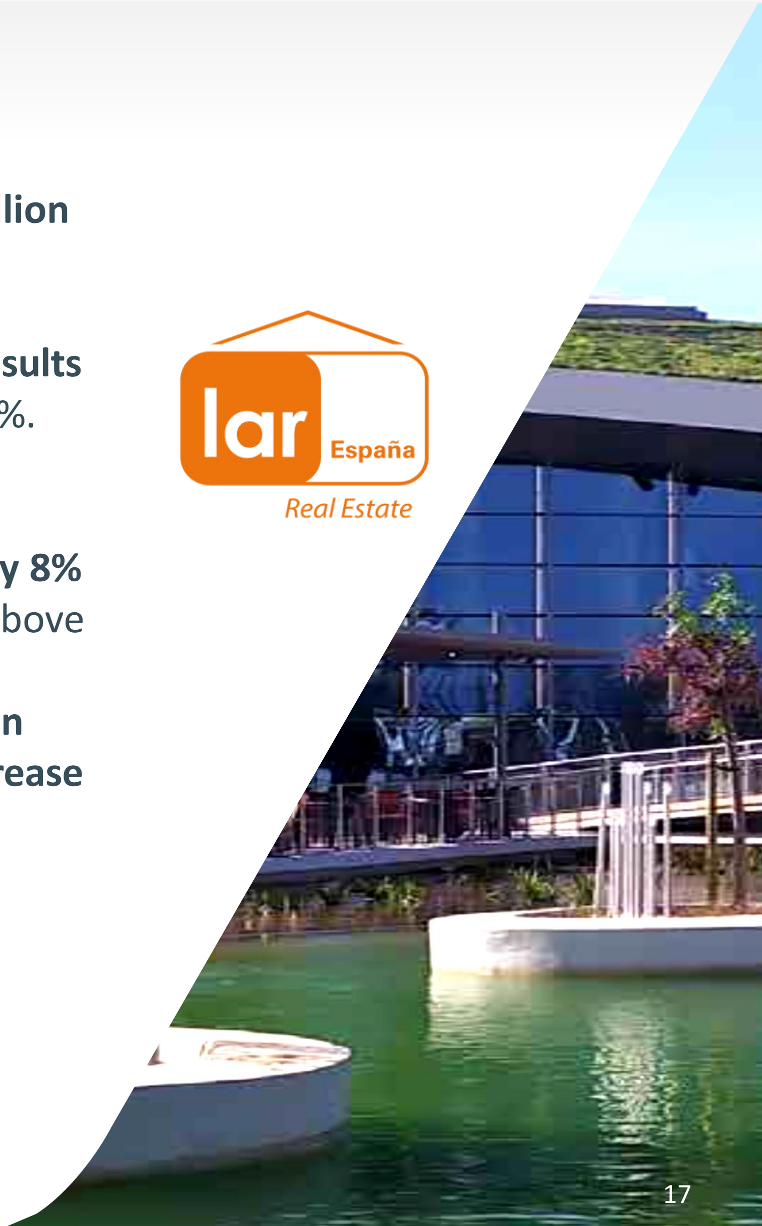
IN FY23 INVESTMENT DELIVERED C. 15% DIVIDEND YIELD ON OUR AVERAGE IN-PRICE

- 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. €58.7millio 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.**

lar España *Real Estate*



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04 CAPITAL ALLOCATION AND GUIDANCE

Laurence Rapp

PORTFOLIO ACQUISITIONS AND DISPOSALS

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PROPOSED ACQUISITION OF BT NGEBS CITY LOCATED IN MTHATHA, EASTERN CAPE

- The transaction is **unconditional** and **the notarial lease is in the process of being registered.**
- Registration of the notarial lease is expected in **April 2024**, which makes the transaction effective.
- Together with our partners, we have already been **actively involved** in the **leasing** of the mall for the last **6 months.**
- Receiving very **strong interest** from retailers, expecting to conclude current renewals and new lets **above expectations.**
- The **repositioning project** is expected to commence in **May 2024.**
- **Funding** for the acquisition and the repositioning project **in place** through **prior asset sales.**

DISPOSALS OF R172.8 MILLION

	Sales price (R million)	Transfer date
Piet Retief Shopping Centre	110.8	27 Oct 23
Rustenburg Edgars	62.0	18 Aug 23

PORTFOLIO ACQUISITIONS AND DISPOSALS

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CONSISTENLY EXPLORING ACQUISIONS IN LINE WITH OUR GROWTH STRATEGY

- Various transactions have been explored **locally and in Spain** with a number currently in the pipeline and being evaluated although none in full due diligence process yet. Others declined in line with our prudent investment management processes.
- We have been outbid on an asset in Spain and happy to walk away from the process.
- Further international expansion remain a key focus area.
- We continue to increase our shareholding in Lar España, with our objective of reaching a total 29% exposure. Our current shareholding is at 28.7%.

DISPOSAL OF FAIRVEST

- We continue to dispose of Fairvest shares with our current exposure sitting at c.3.8%. Proceeds have been rotated in to both further acquisition of the Lar España shares and into our solar roll out and will continue in this manner as we gradually divest of this stake.

ALLOCATION OF CAPITAL

- The proceeds of the R1bn capital raised have been temporally invested into Money Market funds earning a c. 9.25% interest rate, in order to optimise returns as we evaluate deploying the capital into yield enhancing investment opportunities.
- Plan to have the money invested by end September 2024.
- Evaluating opportunities against a WACC taking into account 35% gearing on a new asset level.

GUIDANCE

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- Balancing a very sluggish local economy with a better than expected environment in Spain but overall both portfolios are performing exceptionally well and delivering great results. We anticipate strong operational performance to continue in the year ahead.
- Positive benefits of the rand hedge nature of our business will continue as we provide shareholders with significant diversification across geographies, assets and tenants.
- Waiting in anticipation of the start of the rate cutting cycle which we expect will be positive for the sector but as yet most players remain tentative.
- Significant opportunity offshore to buy really good assets at very attractive prices but access to capital remains a major challenge and when rates do start decreasing the window may close.
- Off the back of very good trading and results for the year, and in the context of our upgraded guidance of growth in FFO per share of 4-6% and growth in dividend per share to 8-10% we are very pleased to guide;
- **Growth in FFO per share will be above 6% and growth in dividend per share will exceed 10%.**

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05 QUESTIONS AND ANSWERS