

PRESS RELEASE

LAR ESPAÑA secures EUR8.2 million in additional financing for Megapark

- This loan will allow it to finance the recent acquisition of the leisure area of the shopping complex, as well as invest in improvements
- Following this agreement, the total financing linked to Megapark now stands at EUR105 million, the SOCIMI's highest, only exceeded by the bond issued in 2015

Madrid, 27 December 2017. LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE), the listed real estate investment company, has signed an EUR8.2 million financing agreement. This credit will be used for the leisure area of the Megapark shopping complex in Barakaldo, acquired by the SOCIMI two months ago.

One part of the credit will be used to finance the acquisition of the asset, which was purchased with equity, and the remainder will be invested in various different initiatives, which will improve the asset and increase its value. The loan has been secured with Natixis, Crédit Agricole and Banco Santander.

With these EUR8.2 million, total investment in Megapark now stands at EUR105 million, which is the SOCIMI's largest amount of financing, only behind the EUR140 million bond issued in 2015.

Megapark's leisure area occupies a gross lettable area of close to 20,000 sqm and features a total of 33 retail units, among which we would highlight Yelmo Cines, Burger King, Juguetto and La Tagliatella.

With the purchase of this leisure area, which will be added to the retail park and factory outlet acquired by the SOCIMI two years ago, LAR ESPAÑA is now the owner of 84,000 sqm of the 128,000 sqm at Megapark, the largest shopping complex in the Basque Country. Since its acquisition in 2015 and thanks to the improved management of the properties, the retail park and the factory outlet have increased in value by 13%.



Sergio Criado, CFO of LAR ESPAÑA, pointed out that *"the fact that Megapark has become the SOCIMI's main source of financing, demonstrates the quality of the asset and the confidence the lending institutions have in the company's management"*.

Following the signing of this financing agreement, LAR ESPAÑA has debt of EUR582 million, of which EUR442 million are bank loans and the remaining EUR140 million relate to a bond issue. The net LTV currently stands at 37% of the gross value of the assets, therefore the company still has room to increase its financing.

LAR ESPAÑA REAL ESTATE currently owns 31 real estate assets valued at EUR1,429 million, of which EUR1,043 million relate to shopping centres located in Madrid, Toledo, the Balearic Islands, La Rioja, Vigo, Valencia, Seville, Alicante, Cantabria, Lugo, León, Vizcaya, Navarra, Guipúzcoa, Palencia, Albacete and Barcelona; EUR157 million to three office buildings, EUR86 million to four logistics properties and EUR143 million to four developments under construction.

About Lar España Real Estate SOCIMI S.A.

LAR ESPAÑA REAL ESTATE SOCIMI S.A. is a Spanish company that trades on the Spanish Stock Market, incorporated as a SOCIMI "*Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliaria*" (Listed Corporation for Investment in the Real Estate Market).

The company, whose objective is to invest in the Spanish real estate sector, particularly in the retail sector, raised EUR 400million in initial capital from its IPO and in January 2015 completed the first bond issue carried out by a SOCIMI in Spain for EUR140 million. In August 2015 it successfully completed a EUR135 million share capital increase, and another EUR147 million one in August 2016.

In 2015, LAR ESPAÑA was included on the FTSA EPRA/NAREIT Global index, a select global index designed to showcase the general trends of listed real estate companies around the world. In 2017, it achieved the EPRA Gold Award for the third consecutive year in recognition of the quality of information provided by LAR ESPAÑA. In 2017, it also received the Silver Award and the Most Improved Award for Sustainability in recognition of the improvements made in terms of the information published concerning Corporate Social Responsibility.

The company is managed by a highly-experienced independent Board of Directors, which combines renowned Spanish and international professionals from the real estate and finance sectors. The management of LAR ESPAÑA has been solely mandated to GRUPO LAR based on a 5-year management contract.

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