

PRESS RELEASE

LAR ESPAÑA sells Eloy Gonzalo office building for EUR40 million

- The SOCIMI achieves 214.2% value uplift on its December 2014 acquisition price of EUR12.7 million
- This property has been fully refurbished to create spacious, light-filled office spaces that offer a flexible open-plan layout
- LAR ESPAÑA further consolidates its divestment strategy to sell non-strategic assets and specialise in shopping centres

Madrid, 24 April 2019. LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE), the listed real estate investment company, has announced today the sale of its office building located on Madrid's Calle Eloy Gonzalo to Swiss Life for EUR40 million.

Lar España acquired the property in December 2014 for EUR12.7 million, meaning that the company has achieved 214.2% value uplift on the purchase price. This uplift is thanks to both the management improvements implemented during the last year and a half, and the favourable performance of the city's office market.

The property, built in 1965, comprises a GLA of 6,295 sqm arranged over a ground floor and seven upper floors. Of this total, 4,975 sqm can be let as office space and the remaining 1,320 sqm is occupied by retail units.

Following a full-scale refurbishment, Eloy Gonzalo has obtained the Breeam certification which accredits its economic, social and environmental sustainability. Designed to reclaim light and comfort that was lost via previous works on the building, the renovation created flexible, spacious and light-filled offices that cater for modern-day workspace requirements. Highly-modulated floors divided into individual offices have been turned into open-plan spaces offering multiple layout options.

This divestment is in line with the Socimi's strategy to focus on retail properties – the segment that forms the core of its business plan. Ramón y Cajal advised Lar España on the legal side.

José Manuel Llovet, Lar España's Managing Director for Retail, Logistics and Offices highlighted: *"We are extremely proud of the outcome of this sale, achieved thanks to almost a year and a half of hard work and very active management that saw the full-scale refurbishment of the building and the*

improvement of its environmental and social footprint – as accredited by the Breeam certification”.

About LAR ESPAÑA Real Estate SOCIMI S.A.

LAR ESPAÑA REAL ESTATE SOCIMI S.A. is a 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) in March 2014.

The SOCIMI is currently actively implementing its 2018-2021 strategic plan. LAR ESPAÑA aims to generate value uplift via developing new projects, investing in its existing portfolio and new retail acquisitions. It will also rotate and dispose of non-strategic assets. The SOCIMI currently plans to divest properties worth EUR522 million, EUR350 million of which have already been disposed of, and has also committed to investing EUR250 million in to its existing properties, which are currently 30% complete.

The company's objective is to invest in the Spanish real estate sector, particularly in the retail sector. It raised EUR400 million 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 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 September 2018, for the fourth year running, Lar España received the EPRA Gold Award in recognition of the quality of the financial information it provided to its main stakeholders. In recognition of its information published on Corporate Social Responsibility and Sustainability, Lar España was awarded the highest distinction by EPRA, winning the Gold Award for the first time.

The company is managed by a highly-experienced and 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 management contract.

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