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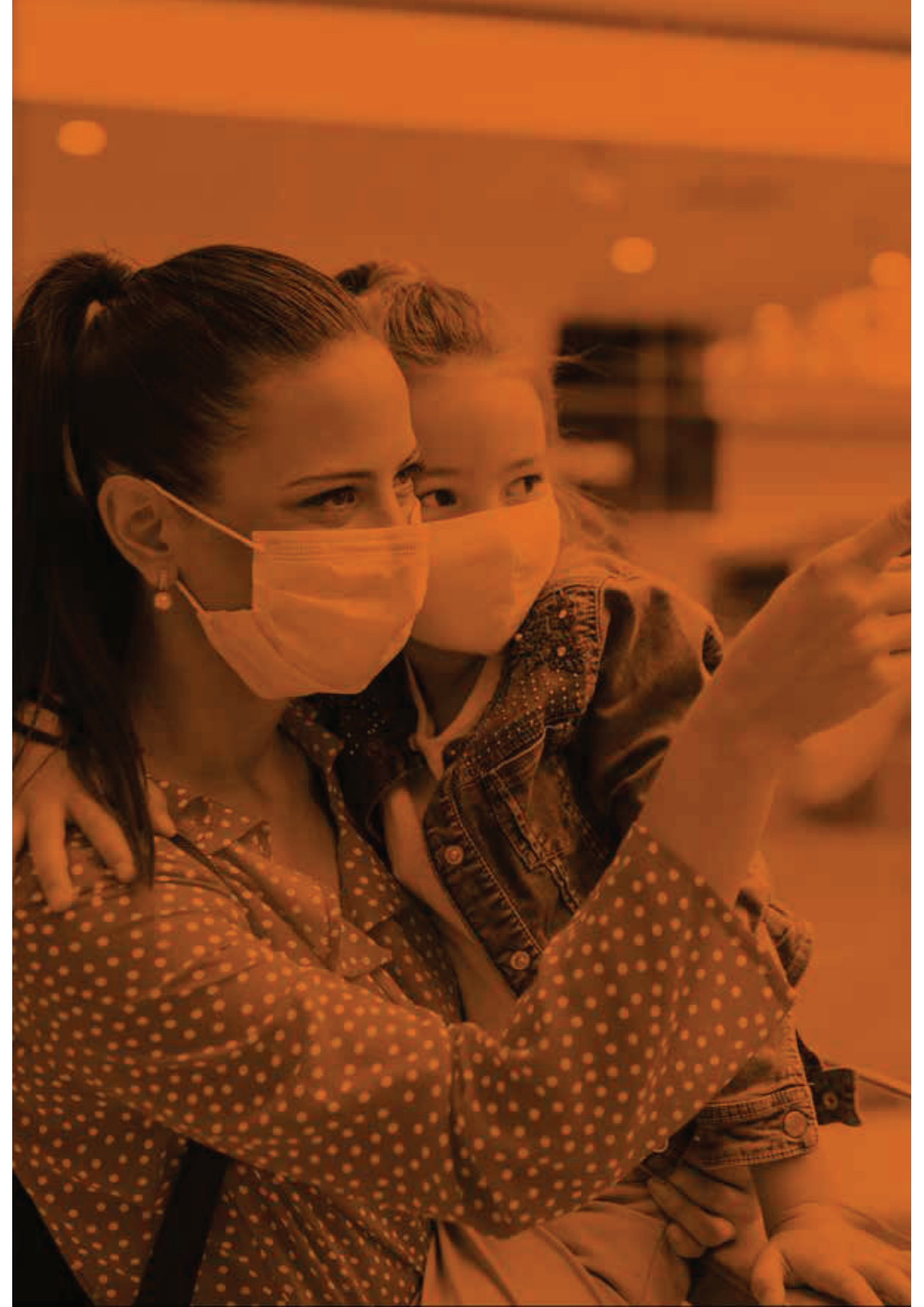
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In September 2021, for the seventh consecutive year, Lar España has been awarded the **EPRA Gold Award** for the quality of **financial information** made available to its main interest groups and for the fourth consecutive year for the quality of the **ESG information**.



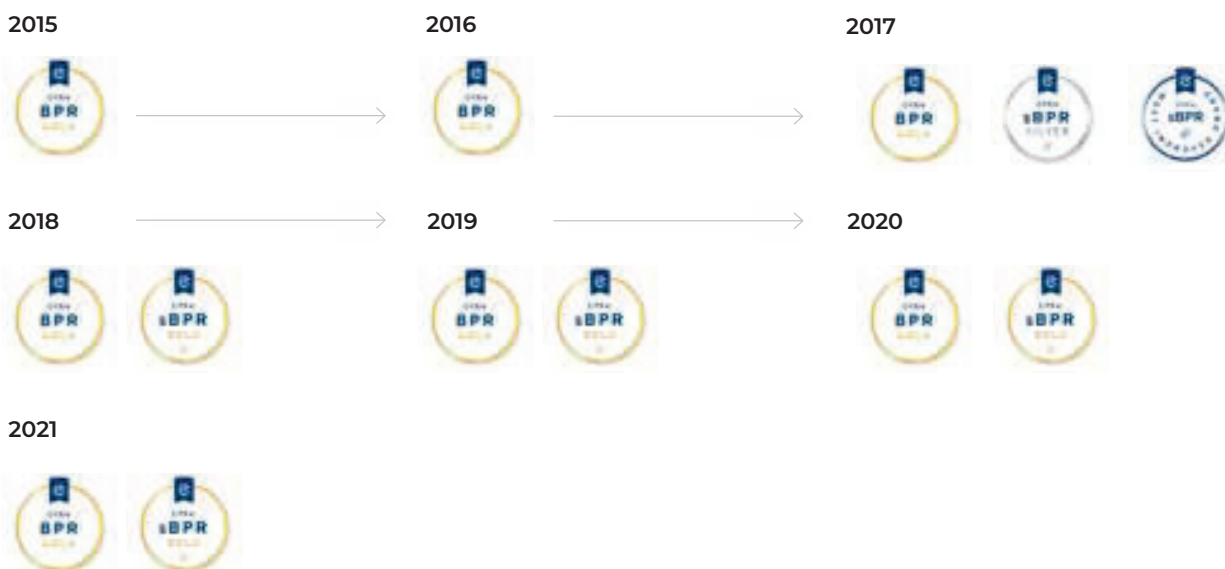
EPRA recognition

In **October** 2019, the Reporting & Accounting Committee of EPRA (European Public Real Estate Association⁽¹⁾) updated its Best Practices Recommendations⁽²⁾ guidelines in order to improve the presentation, transparency, comparability and relevance of the published results of listed real estate companies in Europe.

Lar España fully supports and endorses the principle of standardizing the reporting of performance indicators from the perspective of comparability and improving the quality of information provided to investors and other users of the financial information.

For this purpose, we have included an specific chapter with our main economic indicators following EPRA guidances.

In **September 2021**, for the **seventh consecutive year**, Lar España has been awarded the **EPRA Gold Award** for the quality of financial information made available to its main interest groups. Regarding the information published about **ESG**, Lar España has also obtained the highest distinction by EPRA, achieving for the **fourth consecutive year** the **Gold Award**. This highlights the **international recognition for the information reported by Lar España** and made available to its shareholders.



(1) Not-for-profit association founded in 1999 registered in Belgium which aims to make the financial statements of public real estate companies clearer, more transparent and comparable across Europe./ (2) "Best Practices Recommendations - BPR" available at www.epra.com



Key performance indicators described in the Best Practices Recommendations developed by EPRA are shown as follows:

	31/12/2021 (Thousands of Euros)/ (%)	31/12/2021 (Euros per share)
EPRA Earnings	23,936	0.28
EPRA NTA (*)	869,501	10.41
EPRA NRV (*)	895,774	10.72
EPRA NDV (*)	855,387	10.24
EPRA Net Initial Yield (NIY)	5.7%	
EPRA "Topped-up" NIY	5.9%	
EPRA Vacancy Rate	4.8%	
EPRA Cost Ratio	24.3% (**)	
EPRA Cost Ratio (excluding costs of direct vacancy)	21.4% (**)	

(*) New EPRA ratios calculated according to the latest modifications included in the EPRA "Best Practices and Recommendations" document. For more details see EPRA Net Asset Value Ratios. (**) Ratio calculated considering recurring expenses. See terms definitions in Glossary, section 8.

5.1 EPRA Earnings

(Thousands of Euros)	2021	2020
EARNINGS PER IFRS INCOME STATEMENT	25,782	(53,668)
Change in value of investment properties	1,305	100,656
Profits or losses on disposal of investment properties, development properties held for investment and other interests	(64)	-
Tax on profits or losses on disposals	(1,622)	-
Negative goodwill	-	-
Changes in fair value of financial instruments and associated close-out costs	(1,465)	2,914
Acquisition costs on share deals and non-controlling joint venture interests	-	-
Deferred tax in respect of EPRA adjustments	-	-
Adjustments to above in respect of joint ventures	-	-
Non-controlling interests in respect of the above	-	-
EPRA EARNINGS	23,936	49,902
<i>Weighted average number of shares (excluding treasury shares)</i>	<i>84,189,058</i>	<i>85,605,283</i>
EPRA EARNINGS PER SHARE (EUROS)	0.28	0.58

5.2

EPRA Net Asset Value Ratios

In October 2019, EPRA published an update of its “Best Practices and Recommendations” document in which, at 31 December 2020, the calculation of the EPRA NAV and EPRA NNAV ratios is replaced by three new indicators: **EPRA NRV, EPRA NTA and EPRA NDV⁽¹⁾**.

The EPRA Net Asset Value indicator set makes adjustments to the company’s own funds in accordance with the IFRS⁽²⁾ financial statements to provide investors with the most relevant information on the fair value of the assets and liabilities of a property investment firm, in different scenarios.

EPRA Net Asset Value new methodology

According to the new recommendations contained in the EPRA “Best Practices and Recommendations”, **the new ratios that replace the previous EPRA NAV and EPRA NNAV indicators calculated with the old methodology** are as follows:

EPRA Net Reinstatement Value (NRV):

The objective of the EPRA Net Reinstatement Value measure is to highlight the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value movements

on financial derivatives and deferred taxes on property valuation surpluses are therefore excluded. Since the aim of the metric is to also reflect what would be needed to recreate the company through the investment markets based on its current capital and financing structure, related costs such as real estate transfer taxes should be included.

EPRA Net Tangible Assets (NTA):

The underlying assumption behind the EPRA Net Tangible Assets calculation assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability.

EPRA Net Disposal Value (NDV):

Shareholders are interested in understanding the full extent of liabilities and resulting shareholder value if company assets are sold and/or if liabilities are not held until maturity. For this purpose, the EPRA Net Disposal Value provides the reader with a scenario where deferred tax, financial instruments, and certain other adjustments are calculated as to the full extent of their liability, including tax exposure not reflected in the Balance Sheet, net of any resulting tax. This measure should not be viewed as a “liquidation NAV” because, in many cases, fair values do not represent liquidation values.

(1) For more information see: https://www.epra.com/application/files/2315/7321/0568/EPRA_FAQ_-_FINAL_version.pdf.

(2) IFRS (International Financial Reporting Standards).

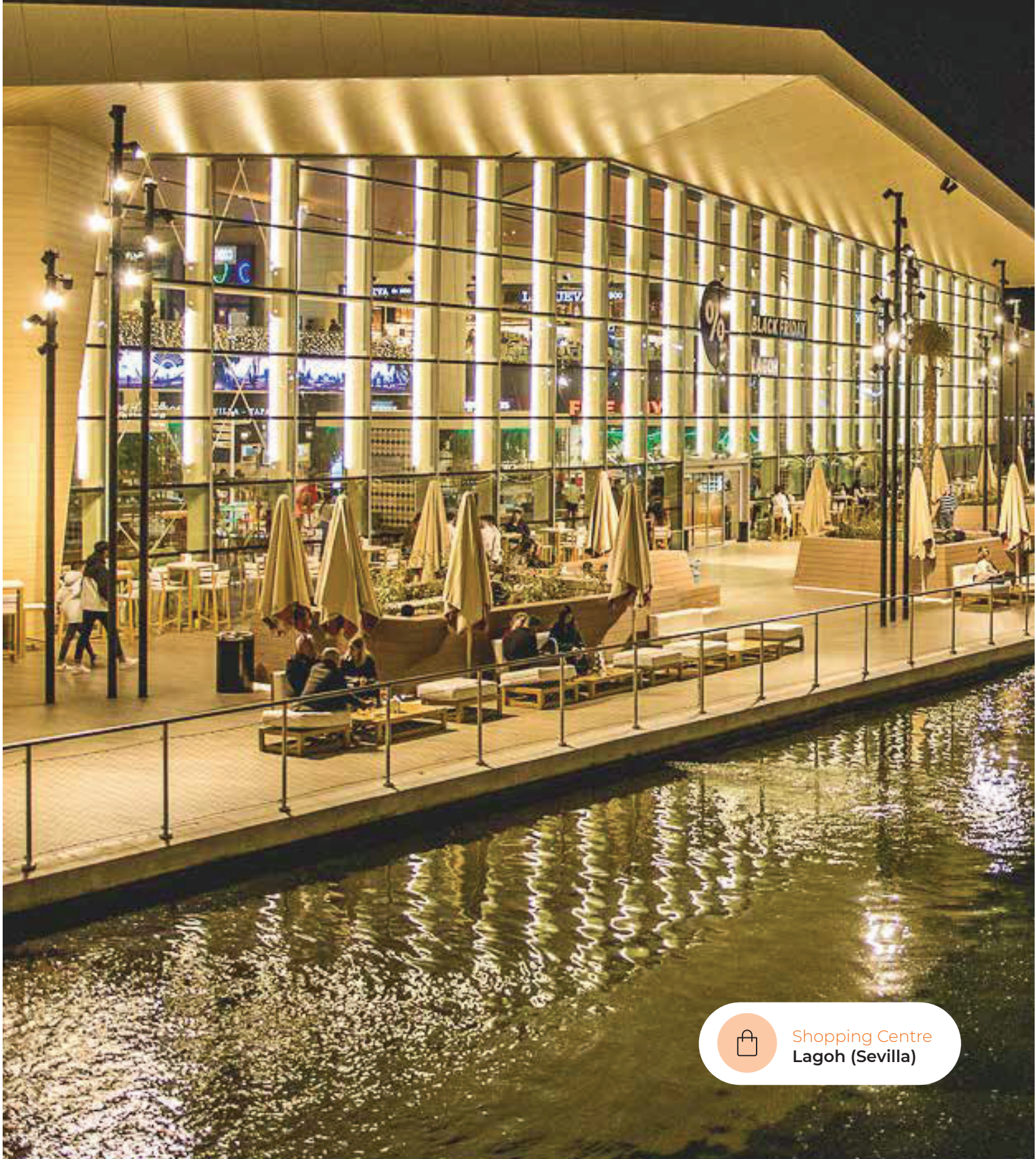
EPRA Net Asset Value Ratios

	31/12/2021			31/12/2020		
(Thousands of Euros)	NTA Net Tangible Assets	NRV Net Reinstatement Value	NDV Net Disposal Value	NTA Net Tangible Assets	NRV Net Reinstatement Value	NDV Net Disposal Value
Equity attributable to shareholders	855,387	855,387	855,387	859,650	859,650	859,650
(i) Hybrid Instruments	-	-	-	-	-	-
Diluted NAV	855,387	855,387	855,387	859,650	859,650	859,650
Include						
(ii.a) Revaluation of investment properties	-	-	-	-	-	-
(ii.b) Revaluation of investment properties under construction	-	-	-	-	-	-
(ii.c) Revaluation of other non-current investments	-	-	-	-	-	-
(iii) Revaluation of tenant leases held as finance leases	-	-	-	-	-	-
(iv) Revaluation of trading properties	-	-	-	-	-	-
Diluted NAV at Fair Value	855,387	855,387	855,387	859,650	859,650	859,650
Exclude						
v) Deferred Tax in relation to fair value gains of IP	15,578	15,578	n,a	17,201	17,201	n,a
(vi) Fair value of financial instruments	(1,465)	(1,465)	n,a	4,525	4,525	n,a
(vii) Goodwill as a result of deferred tax	-	-	-	-	-	-
(viii.a) Goodwill as per the IFRS balance Sheet	-	n,a	-	-	n,a	-
(viii.b) Intangibles as per the IFRS balance sheet	-	n,a	n,a	-	n,a	n,a
Include						
(ix) Fair value of fixed interest rate debt	n,a	n,a	-	n,a	n,a	-
(x) Revaluation of intangibles to fair value	n,a	-	n,a	n,a	-	n,a
(xi) Real estate transfer tax	-	26,273	n,a	-	-	n,a
NAV	869,501	895,774	855,387	881,376	881,376	859,650
Number of shares (excluding treasury shares)	83,561,999	83,561,999	83,561,999	84,559,058	84,559,058	84,559,058
NAV per share	10.41 ^(*)	10.72 ^(*)	10.24 ^(*)	10.42	10.42	10.17

(*) When analyzing the evolution of this measure it is important to take into account the dividend paid in Q2 2021 (0.31€/share).

Notes: May not foot due to rounding.

Translation of information originally prepared in Spanish. In the event of a discrepancy, the Spanish-language version shall prevail.

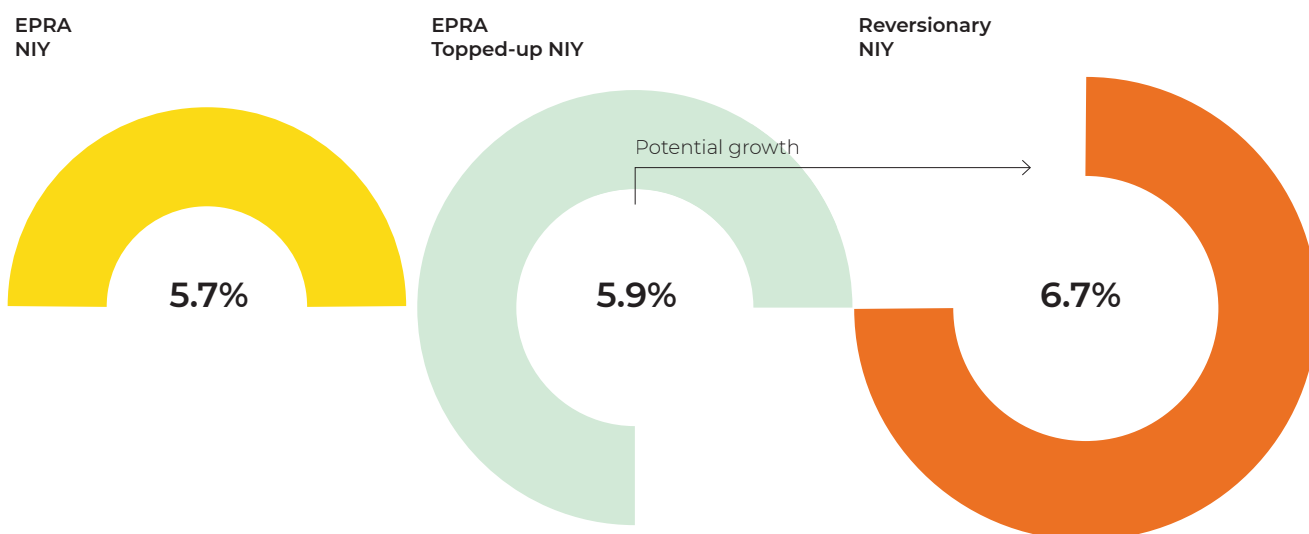


 Shopping Centre
Lagoh (Sevilla)

5.3 EPRA NIY and EPRA “topped-up” NIY

(Thousands of Euros)	Total Shopping Centres	Total Retail Parks	Total Lar España
Completed Property Portfolio	951,187	472,111	1,423,298
Allowance for estimated purchasers costs	20,460	8,240	28,700
Gross up completed property portfolio valuation (A)	971,647	480,351	1,451,998
Annualised cash passing rental income	60,232	30,447	90,679
Property outgoings	(5,545)	(3,089)	(8,633)
Annualised net rents (B)	54,687	27,359	82,046
Notional rent expiration of rent free periods or other lease incentives	2,120	1,483	3,602
Topped-up net annualised rents (C)	56,807	28,841	85,648
EPRA NET INITIAL YIELD (B/A)	5.6%	5.7%	5.7%
EPRA TOPPED-UP NET INITIAL YIELD (C/A)	5.8%	6.0%	5.9%

Yields (*)



(*) At 31 December 2020, EPRA NIY, EPRA Topped-up NIY and Reversionary Yield amounted to 5.7%, 5.9% and 6.6% respectively.

Notes: May not foot due to rounding.

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5.4

EPRA Vacancy Rate

EPRA
Vacancy
Rate

4.8% (*)

	ERV (Thousands of Euros)	ERV Vacancy (Thousands of Euros)	EPRA Vacancy Rate (%)
Shopping Centres	63,575	3,509	5.5%
Retail Parks	32,947	1,095	3.3%
TOTAL LAR ESPAÑA	96,522	4,604	4.8%

(*) EPRA Vacancy at 31/12/2020 was 4.5%.



5.5 EPRA Cost Ratios

(Thousands of Euros)	Recurring		TOTAL	
	2021	2020	2021	2020
Administrative expenses	(592)	(474)	(592)	(474)
Operating costs net of recoverable income ^{(1) (4)}	(16,893) ⁽²⁾	(13,551)	(21,167) ⁽³⁾	(20,520)
Administrative/operating expenses in associates	-	-	-	-
EPRA Cost (including vacancy cost) (A)	(17,485)	(14,025)	(21,579)	(20,994)
Direct vacancy costs	(2,071)	(1,941)	(2,071)	(1,941)
EPRA Cost (excluding vacancy cost) (B)	(15,414)	(12,084)	(19,688)	(19,053)
Gross Rental Income less ground rent costs-per IFRS ⁽⁵⁾	78,739	95,476	78,739	95,476
Net associated costs (net service charge) ⁽⁴⁾	(6,721)	(6,195)	(6,721)	(6,195)
Gross Rental Income (C)	72,018	89,281	72,018	89,281
EPRA COST RATIO (including direct vacancy costs) A/C	24.3%	15.7%	30.2%	23.5%
EPRA COST RATIO (excluding direct vacancy costs) B/C	21.4%	13.5%	27.3%	21.3%

(1) Maintenance costs are included.

(2) Fixed management fee included.

(3) Fixed and variable management fees included.

(4) The sum of these two headings corresponds to the item "Other expenses" in point 4.2 Consolidated Statement of Comprehensive Income (page 80).

(5) It includes the item "Revenue" in point 4.2 Consolidated Statement of Comprehensive Income (page 80) and the small income which is included in the item "Other income" in point 4.2 Consolidated Statement of Comprehensive Income (page 80).

