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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.



In September 2021, for the **seventh consecutive year, Lar España** was 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 **February 2022**, 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 was 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 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 state companies clearer, more transparent and comparable across Europe.

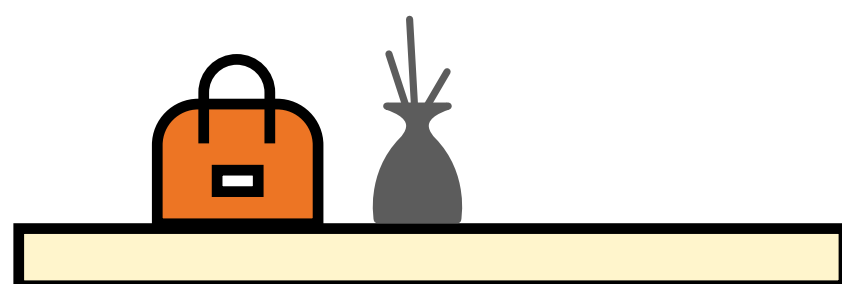
(2) "Best Practices Recommendations - BPR" available at www.epra.com

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

Indicator	30/06/2022	30/06/2022
	(Thousands of euros) (%)	(Euros per share)
EPRA Earnings	13,810	0.17
EPRA NTA	896,030	10.72
EPRA NRV	930,999	11.14
EPRA NDV	880,452	10.53
EPRA Net Initial Yield (NIY)	5.6%	
EPRA "Topped-up" NIY	5.8%	
EPRA Vacancy Rate	5.5%	
EPRA Cost Ratio	17.9% (*)	
EPRA Cost Ratio (excluding costs of direct vacancy)	15.5% (*)	

5.1 EPRA Earnings

(Thousands of euros)	H1 2022	H1 2021
EARNINGS PER IFRS INCOME STATEMENT	54,865	7,724
Change in value of investment properties	(41,055)	7,564
Profits or losses on disposal of investment properties, development properties held for investment and other interests	-	(9)
Tax on profits or losses on disposals	-	(1,623)
Negative goodwill	-	-
Changes in fair value of financial instruments and associated close-out costs	-	(1,397)
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	13,810	12,259
<i>Weighted average number of shares (excluding treasury shares)</i>	83,578,821	84,290,285
EPRA EARNINGS PER SHARE (EUROS)	0.17	0.15



EPRA Earnings
per share

+14%
vs H1 2021

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 NNNAV 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.



(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

	30/06/2022			31/12/2021		
	NTA Net Tangible Assets	NRV Net Reinstatement Value	NDV Net Disposal Value	NTA Net Tangible Assets	NRV Net Reinstatement Value	NDV Net Disposal Value
(Thousands of euros)						
Equity attributable to shareholders	880,452	880,452	880,452	855,387	855,387	855,387
(i) Hybrid Instruments	-	-	-	-	-	-
Diluted NAV	880,452	880,452	880,452	855,387	855,387	855,387
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	880,452	880,452	880,452	855,387	855,387	855,387
Exclude						
(v) Deferred Tax in relation to fair value gains of IP	15,578	15,578	n.a	15,578	15,578	n.a
(vi) Fair value of financial instruments	-	-	n.a	(1,465)	(1,465)	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	-	34,969	n.a	-	26,273	n.a
NAV	896,030	930,999	880,452	869,501	895,774	855,387
Number of shares (excluding treasury shares)	83,580,405	83,580,405	83,580,405	83,561,999	83,561,999	83,561,999
NAV per share	10.72 (*)	11.14 (*)	10.53 (*)	10.41	10.72	10.24

Figures may not foot due to rounding.

(*) When analyzing the evolution of this measure it is important to take into account the dividend paid in Q2 2022 (0.36€/share).

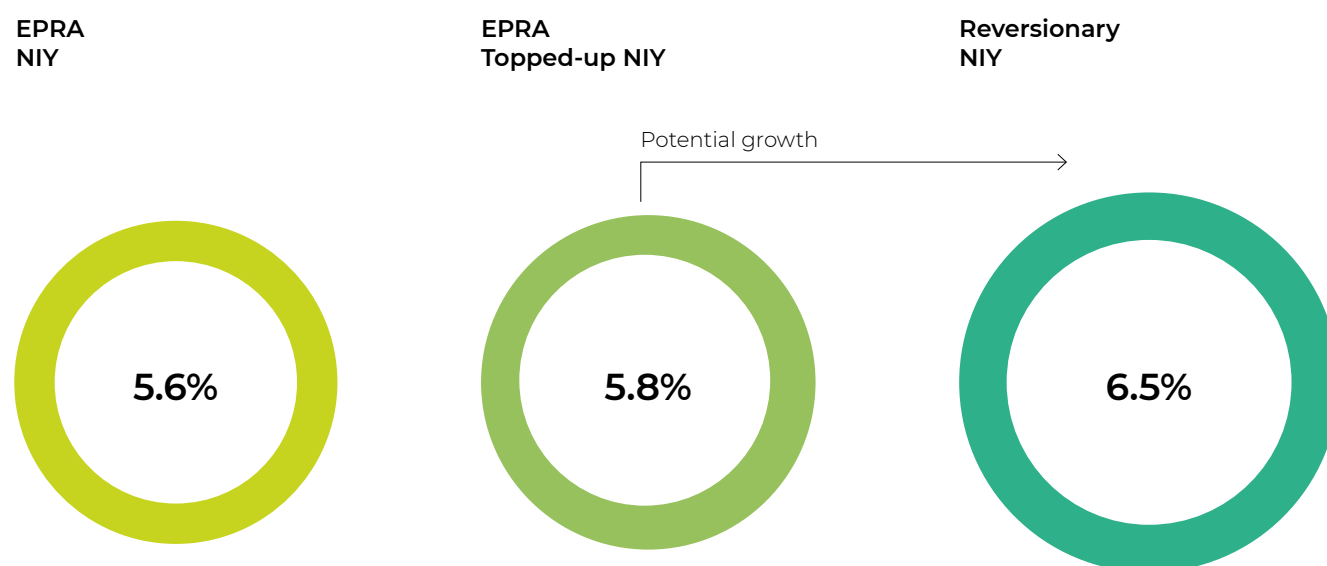
5.3

EPRA NIY and EPRA “topped-up” NIY

(Thousands of euros)	Total Shopping Centres	Total Retail Parks	Total Lar España
Completed Property Portfolio	975,060	493,650	1,468,710
Allowance for estimated purchasers' costs	25,460	9,509	34,969
Gross up completed property portfolio valuation (A)	1,000,520	503,159	1,503,679
Annualised cash passing rental income	61,206	31,464	92,670
Property outgoings	(5,635)	(3,175)	(8,810)
Annualised net rents (B)	55,572	28,288	83,860
Notional rent expiration of rent free periods or other lease incentives	2,234	1,668	3,901
Topped-up net annualised rents (C)	57,805	29,956	87,761
EPRA NET INITIAL YIELD (B/A)	5.6%	5.6%	5.6%
EPRA TOPPED-UP NET INITIAL YIELD (C/A)	5.8%	6.0%	5.8%

Figures may not foot due to rounding.

Yields (*)



(*) At 31 December 2021, EPRA NIY, EPRA Topped-up NIY and Reversionary Yield amounted to 5.7%, 5.9% and 6.7% respectively.

5.4 EPRA Vacancy Rate

EPRA Vacancy
Rate

5.5% (*)

	ERV (Thousands of euros)	ERV Vacancy (Thousands of euros)	EPRA Vacancy Rate (%)
Shopping Centres	64,440	3,379	5.2%
Retail Parks	33,390	1,995	6.0%
TOTAL LAR ESPAÑA	97,830	5,374	5.5%

(*) EPRA Vacancy at 31/12/2021 was 4.8%.

5.5 EPRA Cost Ratios

(Thousands of euros)	Recurring		TOTAL	
	H1 2022	H1 2021	H1 2022	H1 2021
Administrative expenses	(355)	(276)	(519)	(276)
Operating costs net of recoverable income ^{(1) (4)}	(7,681) ⁽²⁾	(7,686)	(10,915) ⁽³⁾	(12,868)
Administrative/operating expenses in associates	-	-	-	-
EPRA Cost (including vacancy cost) (A)	(8,036)	(7,962)	(11,434)	(13,144)
Direct vacancy costs	(1,098)	(1,018)	(1,098)	(1,018)
EPRA Cost (excluding vacancy cost) (B)	(6,938)	(6,944)	(10,336)	(12,126)
Gross Rental Income less ground rent costs-per IFRS ⁽⁵⁾	48,830	47,566	41,774	39,922
Net associated costs (net service charge) ⁽⁴⁾	(3,976)	(4,317)	(3,976)	(4,317)
Gross Rental Income (C)	44,854	43,249	37,798	35,605
EPRA COST RATIO (including direct vacancy costs) A/C	17.9%	18.4%	30.2%	36.9%
EPRA COST RATIO (excluding direct vacancy costs) B/C	15.5%	16.1%	27.3%	34.1%

(1) Maintenance costs are included.

(2) Fixed management fees 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 74).

(5) It includes the item "Revenue" and the mall income, which is included in the item "Other income" in point 4.2 Consolidated Statement of Comprehensive Income (page 74).