

**Shopping Centre**  
Lagoh (Sevilla)





# 3

## EPRA Information

**3.1**  
EPRA Earnings  
p.94

**3.2**  
EPRA NAV and  
EPRA NNNAV  
p.95

**3.3**  
EPRA NIY and  
EPRA “topped-up” NIY  
p.96

**3.4**  
EPRA Vacancy Rate  
p.98

**3.5**  
EPRA Cost Ratios  
p.99

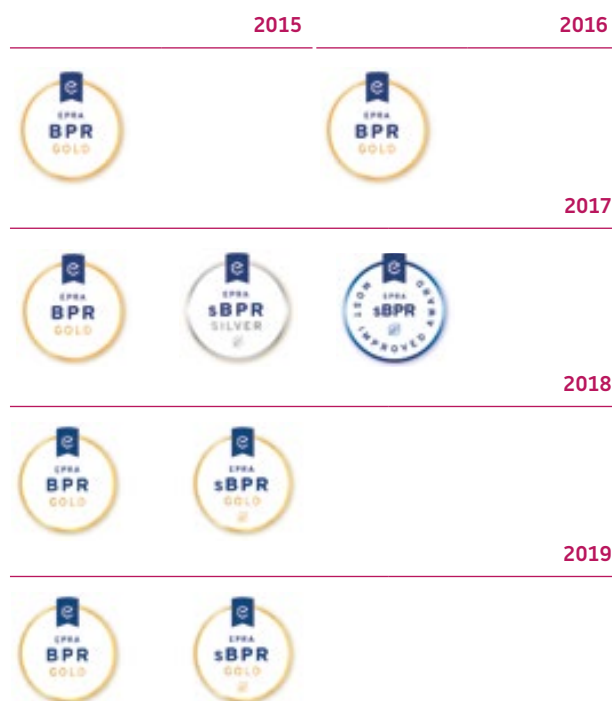


## EPRA Awards

- In November 2016, the Reporting & Accounting Committee of EPRA (European Public Real Estate Association<sup>(1)</sup>) updated its Best Practices Recommendations<sup>(2)</sup> 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 standardising 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 2019**, Lar España was awarded for the fifth year running the **Gold Award** from the European Public Real Estate Association (EPRA) in recognition of the quality of the **financial information** provided by the company. Lar España was also awarded for the second time with the most prestigious recognition from EPRA, the **Gold Award**, related to the information about **Corporate Social Responsibility**.
- 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](http://www.epra.com)





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

Indicator	30/09/2019 (Thousands of euros)/%	30/09/2019 (Euros per share)
EPRA Earnings	25,532	0.28
EPRA NAV	1,010,570	11.40
EPRA NNNAV	987,333	11.14
EPRA Net Initial Yield (NIY)	5.6%	-
EPRA “topped-up” NIY	5.9%	-
EPRA Vacancy Rate	4.0%	-
EPRA Cost Ratio	22.4% (*)	-
EPRA Cost Ratio (excluding costs of direct vacancy)	19.5% (*)	-

(\*) Ratio calculated considering recurring expenses  
See terms definitions in Glossary, section 5.

## 3.1

# EPRA Earnings

(Thousands of euros)	9M 2019	9M 2018
<b>EARNINGS PER IFRS INCOME STATEMENT</b>	<b>79,076</b>	<b>80,661</b>
Change in value of investment properties	(55,053)	(59,620)
Change in fair value of financial instruments	1,540	59
Companies divestments effect	(31)	(20,616)
Amortisation of intangible assets	-	249
Tax on profit on disposals	-	2,026
<b>EPRA EARNINGS</b>	<b>25,532</b>	<b>2,759</b>
Weighted average number of shares (excluding treasury shares)	90,570,904	93,318,955
<b>EPRA EARNINGS PER SHARE (EUROS)</b>	<b>0.28</b>	<b>0.03</b>
Company specific adjustment <sup>(*)</sup>	-	19,366
<b>ADJUSTED EPRA EARNINGS</b>	<b>25,532</b>	<b>22,125</b>
<b>ADJUSTED EPRA EARNINGS PER SHARE (EUROS)</b>	<b>0.28</b>	<b>0.24</b>

<sup>(\*)</sup> Corresponds to the part of the performance/divestment fee that the Manager would be obliged to reinvest in Lar España, thus avoiding any real cash outflow from the company.



**Adjusted EPRA  
Earnings  
per share  
+19%  
vs. 9M 2018**

## 3.2

### EPRA NAV and EPRA NNNAV



**EPRA NAV  
per share (\*)  
+10%  
vs. 31/12/2018**

#### EPRA NAV

(Thousands of euros)	30/09/2019	31/12/2018
<b>NET ASSET VALUE PER THE FINANCIAL STATEMENTS</b>	<b>987,333</b>	<b>1,008,498</b>
Change in fair value of non current assets	-	5,146
Fair value of financial instruments	5,792	3,634
Deferred tax liabilities	17,445	19,405
<b>EPRA NAV</b>	<b>1,010,570</b>	<b>1,036,683</b>
Number of shares (excluding treasury shares)	88,614,717	93,081,129
<b>EPRA NAV PER SHARE (EUROS)</b>	<b>11.40 (**)</b>	<b>11.14</b>

(\*\*) When analyzing this measure it is important to take into account the dividend paid in Q2 2019 (0.80€/share).

#### EPRA NNNAV

(Thousands of euros)	30/09/2019	31/12/2018
<b>EPRA NAV</b>	<b>1,010,570</b>	<b>1,036,683</b>
Fair value of financial instruments	(5,792)	(3,634)
Deferred tax liabilities	(17,445)	(19,405)
<b>EPRA NNNAV</b>	<b>987,333</b>	<b>1,013,644</b>
Number of shares (excluding treasury shares)	88,614,717	93,081,129
<b>EPRA NNNAV PER SHARE (EUROS)</b>	<b>11.14 (**)</b>	<b>10.89</b>

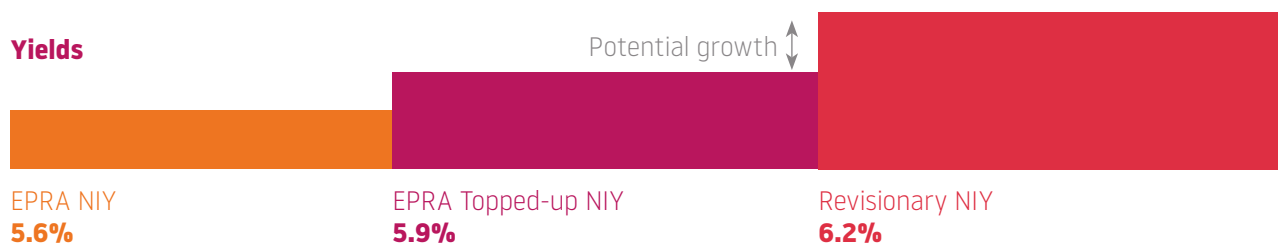
(\*\*) When analyzing this measure it is important to take into account the dividend paid in Q2 2019 (0.80€/share).

## 3.3

EPRA NIY and EPRA “topped-up” NIY (30/09/2019)<sup>(\*)</sup>

Assets (Thousands of euros)	Completed Property Portfolio	Allowance for estimated purchasers costs	Gross up completed property portfolio valuation (A)
Lagoh	306,000	3,290	309,290
Megapark + leisure area	222,999	2,223	225,222
Gran Vía Vigo	173,059	4,326	177,384
Portal de la Marina + hypermarket	128,141	3,205	131,346
El Rosal	111,304	2,928	114,233
Anec Blau	97,995	3,049	(*)
As Termas + petrol station	88,060	2,190	90,249
Albacenter + hypermarket	60,934	1,890	62,824
Txingudi	37,330	378	37,708
Las Huertas	12,033	293	12,325
<b>TOTAL SHOPPING CENTRES</b>	<b>1,237,853</b>	<b>23,772</b>	<b>1,160,581</b>
Parque Abadía + commercial gallery	84,357	2,652	87,009
Rivas Futura	67,573	1,451	69,024
VidaNova Parc	58,674	1,320	59,994
Vistahermosa	50,017	1,325	51,342
<b>TOTAL RETAIL PARKS</b>	<b>260,621</b>	<b>6,749</b>	<b>267,369</b>
Supermarkets portfolio	53,130	859	53,989
<b>TOTAL OTHER RETAIL</b>	<b>53,130</b>	<b>859</b>	<b>53,989</b>
<b>TOTAL LAR ESPAÑA</b>	<b>1,551,604</b>	<b>31,380</b>	<b>1,481,940</b>

## Yields



<sup>(\*)</sup> Anec Blau's data has not been taken into account because the asset is going through a comprehensive refurbishment project.



Annualised cash passing rental income	Property outgoings	Annualised net rents (B)	Notional rent expiration of rent free periods or other lease incentives	Topped-up net annualised rents (C)	EPRA NET INITIAL YIELD (B/A)	EPRA TOPPED-UP NET INITIAL YIELD (C/A)
16,953	(871)	16,082	1,106	17,189	5.2%	5.6%
12,898	(1,331)	11,567	789	12,356	5.1%	5.5%
10,214	(658)	9,556	84	9,640	5.4%	5.4%
7,968	(579)	7,388	100	7,488	5.6%	5.7%
7,587	(842)	6,746	246	6,992	5.9%	6.1%
(*)	(*)	(*)	(*)	(*)	(*)	(*)
5,803	(338)	5,465	230	5,695	6.1%	6.3%
4,072	(585)	3,487	340	3,827	5.5%	6.1%
2,801	(154)	2,647	15	2,662	7.0%	7.1%
926	(119)	807	35	842	6.5%	6.8%
69,223	(5,477)	63,745	2,946	66,691	5.5%	5.7%
5,527	(289)	5,238	154	5,392	6.0%	6.2%
4,163	(200)	3,963	252	4,215	5.7%	6.1%
3,830	(457)	3,373	267	3,640	5.6%	6.1%
3,549	(656)	2,893	264	3,157	5.6%	6.1%
17,069	(1,602)	15,467	937	16,405	5.8%	6.1%
3,888	(14)	3,875	0	3,875	7.2%	7.2%
3,888	(14)	3,875	0	3,875	7.2%	7.2%
90,180	(7,092)	83,087	3,883	86,971	5.6%	5.9%



**5.6%**  
EPRA NIY



**5.9%**  
EPRA  
Topped-up  
NIY



**6.2%**  
Reversionary  
Yield

(\*) Anec Blau's data has not been taken into account because the asset is going through a comprehensive refurbishment project.



## 3.4

EPRA Vacancy Rate <sup>(1)</sup>

Asset	ERV (Thousands of euros)	ERV Vacancy (Thousands of euros)	EPRA VACANCY RATE %
Lagoh	16,073	192	1.2%
Megapark + leisure area	14,591	1,193	8.2% <sup>(2)</sup>
Gran Vía Vigo	9,969	174	1.7%
Portal de la Marina + hypermarket	7,770	356	4.6%
El Rosal	7,986	310	3.9%
Anec Blau	(1)	(1)	(1)
As Termas + petrol station	5,786	185	3.2%
Albacenter + hypermarket	4,496	232	5.2%
Txingudi	2,773	37	1.3%
Las Huertas	1,102	103	9.3%
<b>TOTAL SHOPPING CENTRES</b>	<b>70,546</b>	<b>2,782</b>	<b>3.9%</b>
Parque Abadía + commercial gallery	5,616	384	6.8% <sup>(3)</sup>
Rivas Futura	4,322	197	4.6% <sup>(4)</sup>
VidaNova Parc	4,415	156	3.5%
Vistahermosa	3,754	207	5.5%
<b>TOTAL RETAIL PARKS</b>	<b>18,107</b>	<b>944</b>	<b>5.2%</b>
Supermarkets portfolio	3,391	0	0.0%
<b>TOTAL OTHER RETAIL</b>	<b>3,391</b>	<b>0</b>	<b>0.0%</b>
<b>TOTAL LAR ESPAÑA</b>	<b>92,044</b>	<b>3,726</b>	<b>4.0%</b>



4.0%

EPRA Vacancy Rate

(1) Anec Blau's data has not been taken into account because the asset is going through a comprehensive refurbishment project. | (2) The property is undergoing significant refurbishments meaning that some units are being vacated temporarily. | (3) As of the date of this report, the figure stands at 2.4%. | (4) As of the date of this report, the figure stands at 0.9%.

## 3.5

### EPRA Cost Ratios

	Recurring		TOTAL	
	9M 2019	9M 2018	9M 2019	9M 2018
(Thousands of euros)				
Administrative expenses	(311)	(405)	(311)	(405)
Operating costs net of recoverable income (*)	(11,873)	(13,952)	(16,579)	(42,151)
Administrative/operating expenses in associates	-	(612)	-	(612)
<b>EPRA Cost (including vacancy cost) (A)</b>	<b>(12,184)</b>	<b>(14,969)</b>	<b>(16,890)</b>	<b>(43,168)</b>
Direct vacancy costs	(1,607)	(1,768)	(1,607)	(1,768)
<b>EPRA Cost (excluding vacancy cost) (B)</b>	<b>(10,577)</b>	<b>(13,201)</b>	<b>(15,283)</b>	<b>(41,400)</b>
Gross Rental Income less ground rent costs-per IFRS	59,219	59,901	59,219	59,901
Net associated costs (net service charge)	(4,883)	(4,992)	(4,883)	(4,992)
<b>Gross Rental Income (C)</b>	<b>54,336</b>	<b>54,909</b>	<b>54,336</b>	<b>54,909</b>
<b>EPRA COST RATIO (including direct vacancy costs) A/C (**)</b>	<b>22.4%</b>	<b>27.3%</b>	<b>31.1%</b>	<b>78.6%</b>
<b>EPRA COST RATIO (excluding direct vacancy costs) B/C (**)</b>	<b>19.5%</b>	<b>24.0%</b>	<b>28.1%</b>	<b>75.4%</b>

(\*) Fixed management fee included.

(\*\*) Excluding costs directly related to development projects, as of 30 September 2019, the ratios would be 20.5% and 17.6% respectively