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EPRA INFORMATION

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EPRA Awards

- In November 2016, 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 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 a specific chapter with our main economic indicators following EPRA guidelines.

(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

- In September 2020, for the sixth 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 has again obtained the highest distinction by EPRA, achieving for the third consecutive year the **Gold Award**.

This highlights **the international recognition for the information reported by Lar España** and made available to its shareholders

2015



2016



2017



2018



2019



2020



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

Indicator	30/09/2020 (Thousands of euros)/%	30/09/2020 (Euros per share)
EPRA Earnings	38,314	0.45
EPRA NAV	915,666	10.79
EPRA NNAV	893,509	10.53
EPRA Net Initial Yield (NIY)	5.7%	-
EPRA “topped-up” NIY	5.9%	-
EPRA Vacancy Rate	4.5%	-
EPRA Cost Ratio	18.3% (*)	-
EPRA Cost Ratio (excluding costs of direct vacancy)	16.2% (*)	-

(*) Ratio calculated considering recurring expenses. See terms definitions in Glossary, section 7.

4.1 EPRA Earnings

<i>(Thousands of Euros)</i>	9M 2020	9M 2019
EARNINGS PER IFRS INCOME STATEMENT	(17,382)	79,076
Change in value of investment properties	55,877	(55,053)
Profits or losses on disposal of investment properties, development properties held for investment and other interests	-	(31)
Tax on profits or losses on disposals	-	-
Negative goodwill	-	-
Changes in fair value of financial instruments and associated close-out costs	(181)	1,540
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	38,314	25,532
Weighted average number of shares (excluding treasury shares)	85,881,825	90,570,904
EPRA EARNINGS PER SHARE (EUROS)	0.45	0.28



**Adjusted EPRA Earnings
per share +61%**
vs 9M 2019

4.2 EPRA NAV and EPRA NNAV

EPRA NAV

<i>(Thousands of Euros)</i>	30/09/2020	31/12/2019
NET ASSET VALUE PER THE FINANCIAL STATEMENTS	893,509	982,780
Fair value of financial instruments	4,956	3,779
Debt fair value	-	-
Deferred tax liabilities	17,201	17,201
EPRA NAV	915,666	1,003,760
Number of shares (excluding treasury shares)	84,837,090	87,529,910
EPRA NAV PER SHARE (EUROS)	10.79 (*)	11.47

(*) When analyzing this measure it is important to take into account the dividend paid in Q2 2020 (0.63€/share).



EPRA NNAV

<i>(Thousands of Euros)</i>	30/09/2020	31/12/2019
EPRA NAV	915,666	1,003,760
Fair value of financial instruments	(4,956)	(3,779)
Debt fair value	-	-
Deferred tax liabilities	(17,201)	(17,201)
EPRA NNAV	893,509	982,780
Number of shares (excluding treasury shares)	84,837,090	87,529,910
EPRA NNAV PER SHARE (EUROS)	10.53 (*)	11.23

(*) When analyzing this measure it is important to take into account the dividend paid in Q2 2020 (0.63€/share).





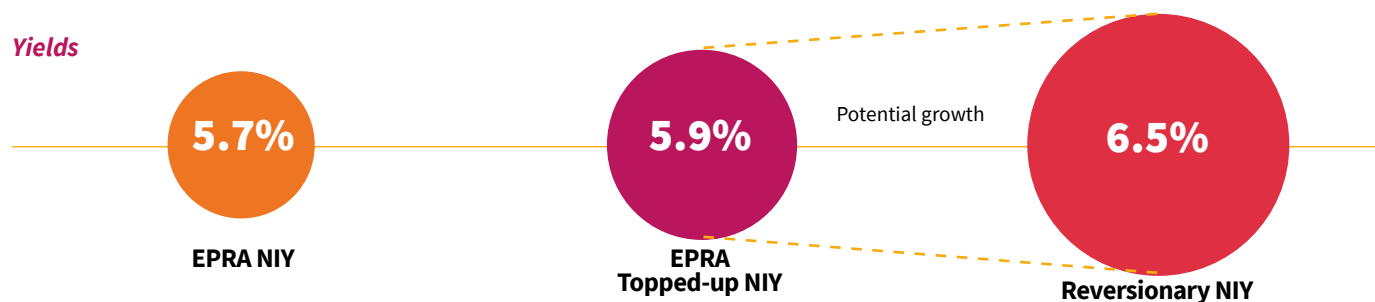
Retail Park | VidaNova Parc (Valencia)

4.3

EPRA NIY and EPRA “topped-up” NIY (30/09/2020)

(Thousands of Euros)	TOTAL SHOPPING CENTRES	TOTAL RETAIL PARKS	TOTAL OTHER RETAIL	TOTAL LAR ESPAÑA
Completed Property Portfolio	988,257	461,838	57,720	1,507,815
Allowance for estimated purchasers costs	20,028	8,058	875	28,961
Gross up completed property portfolio valuation (A)	1,008,285	469,896	58,595	1,536,776
Annualised cash passing rental income	60,898	30,419	3,966	95,283
Property outgoings	(5,215)	(3,061)	(14)	(8,290)
Annualised net rents (B)	55,683	27,358	3,952	86,993
Notional rent expiration of rent free periods or other lease incentives	2,858	1,286	0	4,144
Topped-up net annualised rents (C)	58,541	28,644	3,952	91,137
EPRA NET INITIAL YIELD (B/A)	5.5%	5.8%	6.7%	5.7%
EPRA TOPPED-UP NET INITIAL YIELD (C/A)	5.8%	6.1%	6.7%	5.9%

Yields





4.4

EPRA Vacancy Rate

	ERV <i>(Thousands of Euros)</i>	ERV Vacancy <i>(Thousands of Euros)</i>	EPRA VACANCY RATE %
SHOPPING CENTRES	63,820	2,836	4.4%
RETAIL PARKS	33,083	1,704	5.1%
OTHER RETAIL	3,391	0	0.0%
TOTAL LAR ESPAÑA	100,294	4,540	4.5%



4.5%

EPRA Vacancy Rate



4.5 EPRA Cost Ratios

<i>(Thousands of Euros)</i>	Recurring		TOTAL	
	9M 2020	9M 2019	9M 2020	9M 2019
Administrative expenses	(364)	(311)	(364)	(311)
Operating costs net of recoverable income ^{(1) (2)}	(12,108)	(11,707)	(14,308)	(16,579)
Administrative/operating expenses in associates	-	-	-	-
EPRA Cost (including vacancy Cost) (A)	(12,472)	(12,018)	(14,672)	(16,890)
Direct vacancy costs	(1,465)	(1,607)	(1,465)	(1,607)
EPRA Cost (excluding vacancy Cost) (B)	(11,007)	(10,411)	(13,207)	(15,283)
Gross Rental Income less ground rent costs-per IFRS	72,928	59,219	72,928	59,219
Net associated costs <i>(net service charge)</i>	(4,881)	(4,883)	(4,881)	(4,883)
Gross Rental Income (C)	68,047	54,336	68,047	54,336
EPRA COST RATIO (including direct vacancy costs) A/C	18.3%	22.1%	21.6%	31.1%
EPRA COST RATIO (excluding direct vacancy costs) B/C	16.2%	19.2%	19.4%	28.1%

(1) Maintenance costs totalling 43 thousands of euros are included

(2) Fixed management fee included. No variable fees have been accrued in either period.