

LAR ESPAÑA sells 22 retail units to Blackbrook Capital for €59 million

- **The real estate firm has achieved a 24% revaluation over acquisition price.**
- **The premises, with a total area of 39,000 square metres (28,000 of GLA), are leased to Eroski for an average of 10 years and are located in areas where the operator has a high market share.**

Madrid, 23 February 2021. Real estate company Lar España has closed the sale to European real estate investment fund Blackbrook Capital (Blackbrook) of 22 commercial premises leased to Eroski, with an approximate area of 39,000 square meters (28,000 of GLA). The price is €59 million representing a revaluation of 24% against the €47.6 million acquisition price, and 2.2% above the last valuation of the assets in June 2020.

The sale of the premises will allow Lar España to increase liquidity and cash strength, a strategic priority for the company. In its latest earnings report for the first nine months of 2020, the company reported leverage of 41% of asset value, with an average cost of 2.2%, of which 100% was fixed rate and with no significant maturities in the coming months. The cash position was around €140 million, a figure that would allow the company to meet all its expenses, including financial ones, over the next four years. After the disposal, Lar España liquidity set now c.€200 Mn.

For José Luis del Valle, Chairman of the Board of Directors of Lar España, this transaction "enhances the excellent track-record of our company, which has always acquired and rotated assets in a very selective, efficient and profitable manner. It strengthens our cash flow and our financial capacity in the medium and long term. The financial outcome of the transaction also corroborates both the rigour of our valuations and the differential nature of the portfolio of parks and shopping centres that we have been acquiring throughout our history".

Arvi Luoma, Co-Founder and CEO of Blackbrook said: "We were delighted to work with Lar España on this transaction. This portfolio fits perfectly within our strategy of investing in long-term net leases on high-quality mission-critical assets with quality, market-leading leading tenants. This is an exciting investment for Blackbrook, marking our first in Spain and in a sector, which has shown great growth potential and has demonstrated resilience throughout the recent pandemic."

To date in the retail sector, Lar España in 2018 sold a medium-sized commercial property in the Nuevo Alisal park in Santander and a commercial building in the Madrid town of Villaverde to SPCI Pierre Plus fund for €33.2 million. That same year it sold two retail units in Parque Galaria, in Pamplona to the AEW fund for €11.5 million.

Lar España was advised by Ramón y Cajal, KPMG, Óptima Project and Cushman & Wakefield. Blackbrook was advised by Latham & Watkins, Ernst & Young and RPE.



About LAR ESPAÑA Real Estate SOCIMI S.A.

LAR ESPAÑA REAL ESTATE SOCIMI, S.A. is a listed company traded on the Spanish Stock Exchanges, constituted as SOCIMI "Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliario" in March 2014. The company has the objective of investing in the Spanish real estate sector, especially in the retail segment. Today, it is the leader in the Spanish retail market, with nearly 600,000 square meters of leased space and 1,509 million euros in asset value.

In September 2020, for the sixth consecutive year, Lar España was awarded the EPRA Gold Award for the quality of the financial information made available to its main stakeholders. With regard to the information published on Corporate Social Responsibility and Sustainability, Lar España has obtained the highest distinction from EPRA, winning the Gold Award for the third consecutive year.

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About Blackbrook Capital

Blackbrook Capital (Blackbrook) is an independent real estate investment firm focusing on mission-critical commercial real estate across Europe. It specialises in the acquisition of Net Lease real estate assets, and the provision of structured corporate Sale-Leaseback and Build to Suit development financing.

Its primary sector focus and specialism includes industrial & logistics as well as defensive retail, healthcare, strategic office and other critical operating assets.

Blackbrook was established on the principle that commercial real estate occupiers are better served investing their capital in their core business activities and growth initiatives, rather than tying up valuable capital in real estate assets. Blackbrook looks for opportunities where it can add significant value for tenants who are looking to grow and adapt their businesses, including through a transition to a greener and more environmentally sustainable future. www.Blackbrook.com

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