

Las Hu

Shopping Centre
Las Huertas (Palencia)



Uerttas

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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 an specific chapter with our main economic indicators following EPRA guidances.
- In **September 2018**, Lar España was awarded for the fourth 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 first 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





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

Indicator	31/03/2019 (Thousands of euros)/%	31/03/2019 (Euros per share)
EPRA Earnings	7,722	0.08
EPRA NAV	1,040,749	11.38
EPRA NNNAV	1,017,537	11.13
EPRA Net Initial Yield (NIY)	5.5%	-
EPRA “topped-up” NIY	5.7%	-
EPRA Vacancy Rate	4.6%	-
EPRA Cost Ratio	28.3% (*)	-
EPRA Cost Ratio (excluding costs of direct vacancy)	25.1% (*)	-

(*) Ratio calculated considering recurring expenses
See terms definitions in Glossary, section 6.

3.1 EPRA Earnings

(Thousands of euros)	Q1 2019	Q1 2018
EARNINGS PER IFRS INCOME STATEMENT	17,550	15,296
Change in value of investment properties	(10,390)	(21,382)
Change in fair value of financial instruments	562	(89)
Companies divestments effect	-	(3,315)
Amortisation of intangible assets	-	42
EPRA EARNINGS	7,722	(9,448)
Weighted average number of shares (excluding treasury shares)	92,043,162	93,576,708
EPRA EARNINGS PER SHARE (EUROS)	0.08	(0.10)
Company specific adjustment ^(*)	-	13,424
ADJUSTED EPRA EARNINGS	7,722	3,976
ADJUSTED EPRA EARNINGS PER SHARE (EUROS)	0.08	0.04

^(*) 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.

3.2

EPRA NAV and EPRA NNNAV

EPRA NAV

(Thousands of euros)	31/03/2019	31/12/2018
NET ASSET VALUE PER THE FINANCIAL STATEMENTS	1,017,537	1,008,498
Change in fair value of non current assets	-	5,146
Fair value of financial instruments	3,807	3,634
Deferred tax liabilities	19,405	19,405
EPRA NAV	1,040,749	1,036,683
Number of shares (excluding treasury shares)	91,428,758	93,081,129
EPRA NAV PER SHARE (EUROS)	11.38	11.14
EPRA NAV PER SHARE ADJUSTED BY DIVIDEND (EUROS)	10.58 (*)	10.34 (*)

(*) Adjusted by the effect of the 2018 dividend (€0.80/share) approved by the General Shareholders' Meeting on April 25, 2019.

EPRA NNNAV

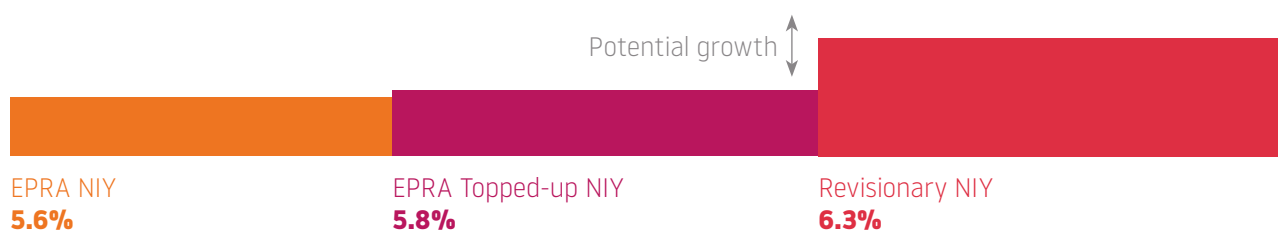
(Thousands of euros)	31/03/2019	31/12/2018
EPRA NAV	1,040,749	1,036,683
Fair value of financial instruments	(3,807)	(3,634)
Deferred tax liabilities	(19,405)	(19,405)
EPRA NNNAV	1,017,537	1,013,644
Number of shares (excluding treasury shares)	91,428,758	93,081,129
EPRA NNNAV PER SHARE (EUROS)	11.13	10.89

3.3

EPRA NIY and EPRA “topped-up” NIY (31/03/2019)^(*)

Asset (Thousands of euros)	Completed Property Portfolio	Allowance for estimated purchasers costs	Gross up completed property portfolio valuation (A)
Megapark + leisure area	222,199	4,222	226,421
Gran Vía Vigo	173,000	4,758	177,758
Portal de la Marina + hypermarket	130,053	3,100	133,153
El Rosal	110,515	2,752	113,267
Anec Blau	97,115	2,916	100,031
As Termas + petrol station	87,943	2,408	90,350
Parque Abadía + commercial gallery	83,410	2,085	85,495
Rivas Futura	67,500	1,519	69,019
Albacenter + hypermarket	60,367	1,509	61,876
VidaNova Parc	59,910	1,500	61,410
Supermarkets portfolio	53,024	1,060	54,084
Vistahermosa	50,540	1,260	51,800
Txingudi	37,500	713	38,213
Las Huertas	12,612	284	12,896
TOTAL RETAIL	1,245,688	30,085	1,275,773
Eloy Gonzalo	39,944	1,143	41,087
TOTAL OFFICES	39,944	1,143	41,087
TOTAL LAR ESPAÑA	1,285,632	31,227	1,316,859

Yields Retail



^(*) 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 (C)	EPRA NET INITIAL YIELD (B/A)	EPRA TOPPED-UP NET INITIAL YIELD (C/A)
12,619	(1,702)	10,916	265	11,181	4.8%	4.9%
10,307	(607)	9,700	75	9,775	5.5%	5.5%
7,918	(570)	7,349	114	7,463	5.5%	5.6%
7,421	(847)	6,574	293	6,867	5.8%	6.1%
(*)	(*)	(*)	(*)	(*)	(*)	(*)
5,671	(354)	5,317	306	5,624	5.9%	6.2%
5,245	(335)	4,910	89	4,999	5.7%	5.8%
4,107	(223)	3,884	202	4,087	5.6%	5.9%
3,883	(657)	3,226	217	3,443	5.2%	5.6%
3,954	(458)	3,497	196	3,693	5.7%	6.0%
3,839	(13)	3,825	0	3,825	7.1%	7.1%
3,666	(662)	3,005	63	3,068	5.8%	5.9%
2,770	(160)	2,609	16	2,626	6.8%	6.9%
1,048	(120)	927	32	959	7.2%	7.4%
72,448	(6,708)	65,739	1,868	67,608	5.6%	5.8%
1,634	(79)	1,555	55	1,610	3.8%	3.9%
1,634	(79)	1,555	55	1,610	3.8%	3.9%
74,082	(6,788)	67,294	1,923	69,218	5.5%	5.7%



5.6%
EPRA NIY
Retail



5.8%
EPRA
Topped-up
NIY Retail




6.3%
Reversionary
Yield Retail

^(*) 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^(*)

Asset	ERV (Thousands of euros)	ERV Vacancy (Thousands of euros)	EPRA VACANCY RATE %
Megapark + leisure area	14,497	1,614	11.1% ^(**)
Gran Vía Vigo	9,981	44	0.4%
Portal de la Marina + hypermarket	7,687	387	5.0%
El Rosal	7,451	335	4.5%
Anec Blau	(*)	(*)	(*)
As Termas + petrol station	5,573	212	3.8%
Parque Abadía + commercial gallery	5,444	317	5.8% ^(***)
Rivas Futura	4,427	185	4.2%
Albacenter + hypermarket	3,996	102	2.6%
VidaNova Parc	4,318	0	0.0%
Supermarkets portfolio	3,276	0	0.0%
Vistahermosa	3,614	183	5.1%
Txingudi	2,865	69	2.4%
Las Huertas	1,048	59	5.6%
TOTAL RETAIL	74,177	3,507	4.7%
Eloy Gonzalo	1,522	0	0.0%
TOTAL OFFICES	1,522	0	0.0%
TOTAL	75,699	3,507	4.6%



4.6% EPRA Vacancy Rate

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

^(**) The property is undergoing significant refurbishments meaning that some units are being vacated temporarily.

^(***) Large unit temporarily unoccupied. Negotiations with a replacement tenant are at an advanced stage.

3.5 EPRA Cost Ratios

(Thousands of euros)	Recurring		TOTAL	
	Q1 2019	Q1 2018	Q1 2019	Q1 2018
Administrative expenses	(106)	(135)	(106)	(135)
Operating costs net of recoverable income ^(*)	(4,746) ^(**)	(4,597) ^(**)	(5,185)	(22,938)
Administrative/operating expenses in associates	-	(96)	-	(96)
EPRA Cost (including vacancy cost) (A)	(4,851)	(4,828)	(5,290)	(23,169)
Direct vacancy costs	(545)	(540)	(545)	(540)
EPRA Cost (excluding vacancy cost) (B)	(4,306)	(4,288)	(4,745)	(22,629)
Gross Rental Income less ground rent costs-per IFRS	19,795	20,052	19,795	20,052
Net associated costs (net service charge)	(2,627)	(2,739)	(2,627)	(2,739)
Gross Rental Income (C)	17,168	17,313	17,168	17,313
EPRA COST RATIO (including direct vacancy costs) A/C ^(***)	28.3%	27.9%	30.8%	133.8%
EPRA COST RATIO (excluding direct vacancy costs) B/C ^(***)	25.1%	24.8%	27.6%	130.7%

^(*) Maintenance costs totalling 230 thousand Euros are included.

^(**) Fixed management fee included.

^(***) Excluding costs directly related to development projects, as of 31 March 2019, the ratios would be 26.4% and 23.2% respectively