

Shopping Centre
Gran Vía de Vigo (Vigo)



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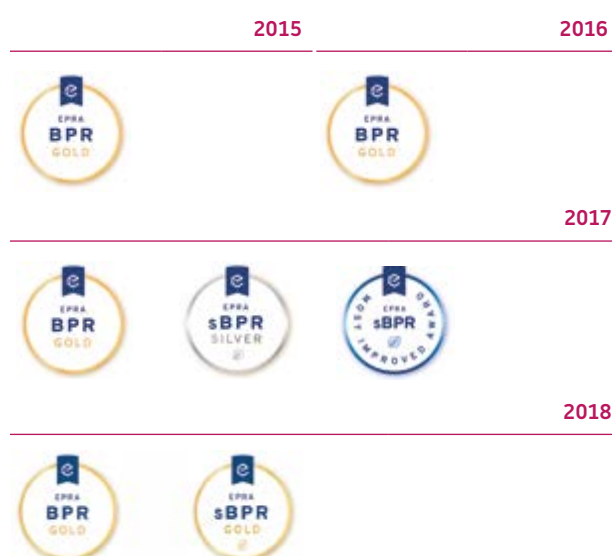
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EPRA Awards

- 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 Recomendations developed by EPRA are shown as follows:

Indicator	30/06/2019 (Thousands of euros)/%	30/06/2019 (Euros per share)
EPRA Earnings	15,659	0.17
EPRA NAV	968,547	10.78
EPRA NNNAV	946,601	10.53
EPRA Net Initial Yield (NIY)	5.8%	-
EPRA “topped-up” NIY	6.0%	-
EPRA Vacancy Rate	5.0%	-
EPRA Cost Ratio	25.9% ^(*)	-
EPRA Cost Ratio (excluding costs of direct vacancy)	22.8% ^(*)	-

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

3.1

EPRA Earnings

(Thousands of euros)	H1 2019	H1 2018
EARNINGS PER IFRS INCOME STATEMENT	28,620	43,855
Change in value of investment properties	(14,038)	(42,697)
Change in fair value of financial instruments	1,108	(24)
Companies divestments effect	(31)	(3,301)
Amortisation of intangible assets	-	76
EPRA EARNINGS	15,659	(2,091)
Weighted average number of shares (excluding treasury shares)	91,248,755	92,625,732
EPRA EARNINGS PER SHARE (EUROS)	0.17	(0.02)
Company specific adjustment ^(*)	-	17,385
ADJUSTED EPRA EARNINGS	15,659	15,294
ADJUSTED EPRA EARNINGS PER SHARE (EUROS)	0.17	0.17

^(*) 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)	30/06/2019	31/12/2018
NET ASSET VALUE PER THE FINANCIAL STATEMENTS	946,601	1,008,498
Change in fair value of non current assets	-	5,146
Fair value of financial instruments	4,745	3,634
Deferred tax liabilities	17,201	19,405
EPRA NAV	968,547	1,036,683
Number of shares (excluding treasury shares)	89,885,707	93,081,129
EPRA NAV PER SHARE (EUROS)	10.78 ^(*)	11.14

^(*) 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)	30/06/2019	31/12/2018
EPRA NAV	968,547	1,036,683
Fair value of financial instruments	(4,745)	(3,634)
Deferred tax liabilities	(17,201)	(19,405)
EPRA NNNAV	946,601	1,013,644
Number of shares (excluding treasury shares)	89,885,707	93,081,129
EPRA NNNAV PER SHARE (EUROS)	10.53 ^(*)	10.89

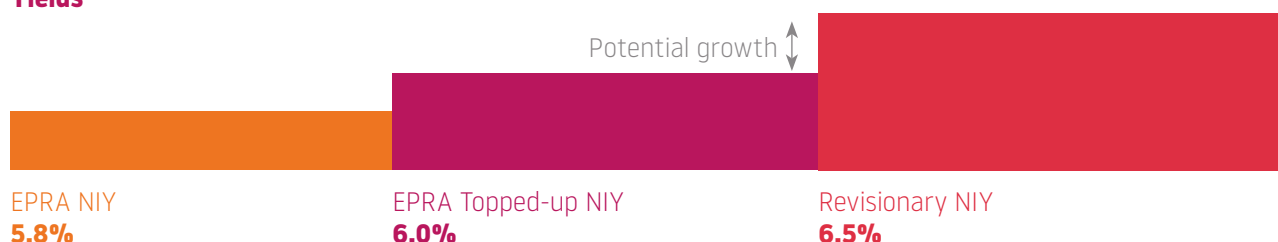
^(*) When analyzing this measure it is important to take into account the dividend paid in Q2 2019 (0.80€/share).

3.3

EPRA NIY and EPRA “topped-up” NIY (30/06/2019)^(*)

Assets (Thousands of euros)	"Completed Property Portfolio"	"Allowance for estimated purchasers costs"	"Gross up completed property portfolio valuation (A)"
Megapark + leisure area	222,540	2,223	224,763
Gran Vía Vigo	172,830	4,326	177,156
Portal de la Marina + hypermarket	128,060	3,205	131,265
El Rosal	110,500	2,928	113,428
Anec Blau	96,800	3,049	99,849
As Termas + petrol station	87,620	2,190	89,810
Albacenter + hypermarket	60,000	1,890	61,890
Txingudi	37,330	447	37,777
Las Huertas	11,910	293	12,203
TOTAL SHOPPING CENTRES	927,590	20,551	948,141
Parque Abadía + commercial gallery	84,200	2,652	86,852
Rivas Futura	67,500	1,451	68,951
VidaNova Parc	58,670	1,320	59,990
Vistahermosa	50,000	1,325	51,325
TOTAL RETAIL PARKS	260,370	6,748	267,118
Supermarkets portfolio	53,130	859	53,989
TOTAL OTHERS	53,130	859	53,989
TOTAL LAR ESPAÑA	1,241,090	28,158	1,269,248

Yields



^(*) 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)
13,349	(1,322)	12,027	350	12,377	5.4%	5.5%
10,387	(589)	9,798	54	9,852	5.5%	5.6%
8,011	(561)	7,450	90	7,540	5.7%	5.7%
7,311	(952)	6,359	223	6,582	5.6%	5.8%
(*)	(*)	(*)	(*)	(*)	(*)	(*)
5,825	(352)	5,473	193	5,666	6.1%	6.3%
3,992	(674)	3,318	320	3,638	5.4%	5.9%
2,760	(163)	2,597	26	2,623	6.9%	6.9%
983	(111)	872	48	920	7.1%	7.5%
52,618	(4,724)	47,894	1,304	49,198	5.6%	5.8%
5,401	(278)	5,122	266	5,389	5.9%	6.2%
4,491	(217)	4,273	130	4,403	6.2%	6.4%
3,893	(457)	3,436	204	3,641	5.7%	6.1%
3,601	(668)	2,933	196	3,129	5.7%	6.1%
17,386	(1,620)	15,764	796	16,562	5.9%	6.2%
3,888	(14)	3,875	0	3,875	7.2%	7.2%
3,888	(14)	3,875	0	3,875	7.2%	7.2%
73,892	(6,358)	67,533	2,100	69,635	5.8%	6.0%



5.8%
EPRA NIY



6.0%
EPRA
Topped-up
NIY



6.5%
Reversionary
Yield

3.4

EPRA Vacancy Rate (*)

Asset	ERV (Thousands of euros)	ERV Vacancy (Thousands of euros)	EPRA VACANCY RATE %
Megapark + leisure area	14,591	1,617	11.1% (**)
Gran Vía Vigo	9,969	72	0.7%
Portal de la Marina + hypermarket	7,770	364	4.7%
El Rosal	7,986	310	3.9%
Anec Blau	(*)	(*)	(*)
As Termas + petrol station	5,786	273	4.7%
Albacenter + hypermarket	4,496	213	4.7%
Txingudi	2,773	37	1.3%
Las Huertas	1,102	98	8.9%
TOTAL SHOPPING CENTRES	54,473	2,984	5.5%
Parque Abadía + commercial gallery	5,616	378	6.7% (***)
Rivas Futura	4,322	40	0.9%
VidaNova Parc	4,415	156	3.5%
Vistahermosa	3,754	207	5.5%
TOTAL RETAIL PARKS	18,107	781	4.3%
Supermarkets portfolio	3,391	0	0.0%
TOTAL OTHERS	3,391	0	0.0%
TOTAL LAR ESPAÑA	75,971	3,765	5.0%



5.0%

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

	Recurring		TOTAL	
	H1 2019	H1 2018	H1 2019	H1 2018
(Thousands of euros)				
Administrative expenses	(194)	(270)	(194)	(270)
Operating costs net of recoverable income ^(*) (^(**))	(9,065)	(8,498)	(12,679)	(32,727)
Administrative/operating expenses in associates	-	(230)	-	(230)
EPRA Cost (including vacancy cost) (A)	(9,259)	(8,998)	(12,873)	(33,227)
Direct vacancy costs	(1,086)	(1,090)	(1,086)	(1,090)
EPRA Cost (excluding vacancy cost) (B)	(8,173)	(7,908)	(11,787)	(32,137)
Gross Rental Income less ground rent costs-per IFRS	39,491	40,629	39,491	40,629
Net associated costs (net service charge)	(3,696)	(3,916)	(3,696)	(3,916)
Gross Rental Income (C)	35,795	36,713	35,795	36,713
EPRA COST RATIO (including direct vacancy costs) A/C (^(***))	25.9%	24.5%	36.0%	90.5%
EPRA COST RATIO (excluding direct vacancy costs) B/C (^(***))	22.8%	21.5%	32.9%	87.5%

^(*) Maintenance costs totalling 279 thousand Euros are included.

^(**) Fixed management fee included.

^(***) Excluding costs directly related to development projects, as of 30 June 2019, the ratios would be 23.9% and 20.9% respectively